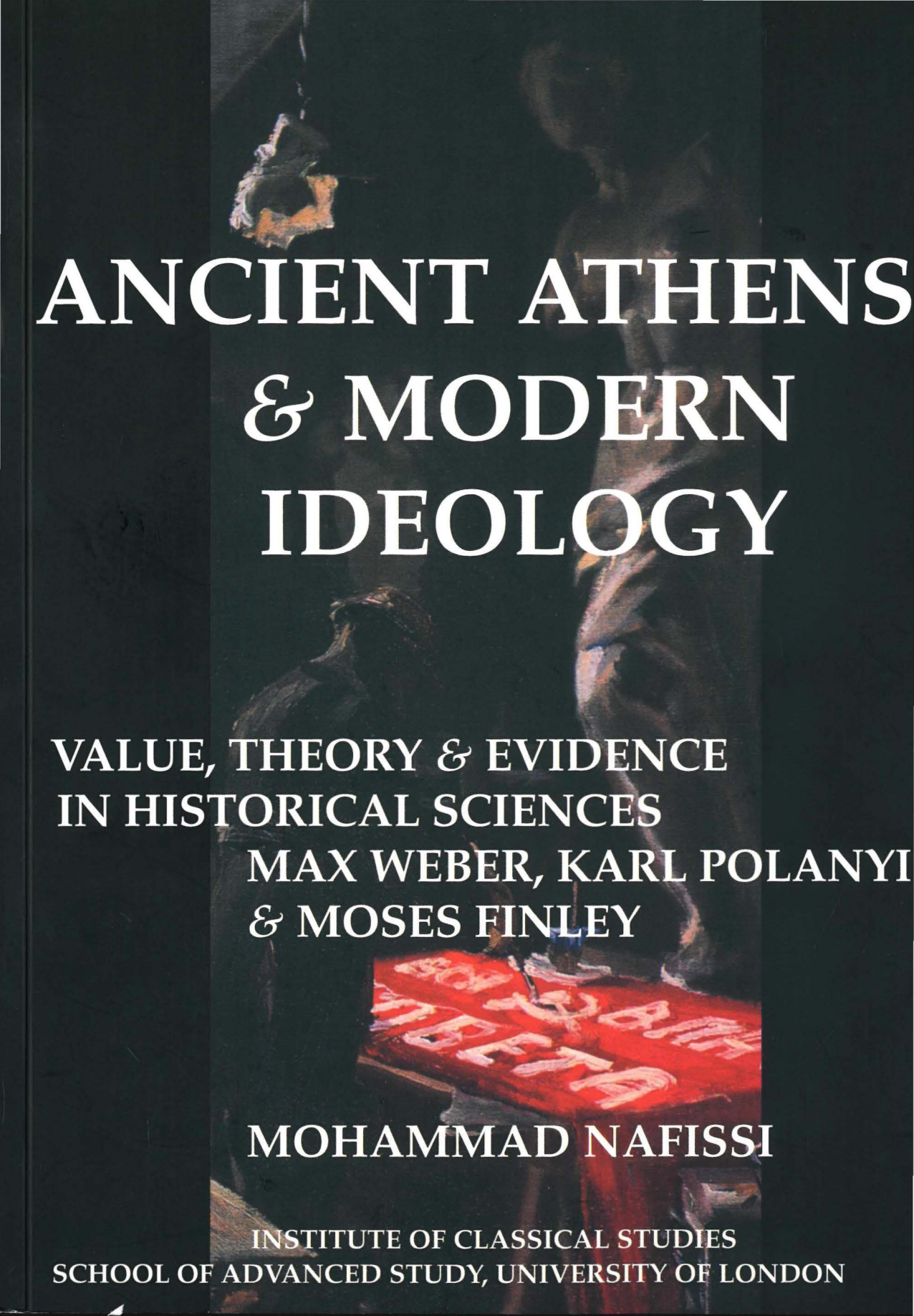


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ANCIENT ATHENS & MODERN IDEOLOGY

VALUE, THEORY & EVIDENCE
IN HISTORICAL SCIENCES

MAX WEBER, KARL POLANYI
& MOSES FINLEY

MOHAMMAD NAFISSI

INSTITUTE OF CLASSICAL STUDIES
SCHOOL OF ADVANCED STUDY, UNIVERSITY OF LONDON

**ANCIENT ATHENS &
MODERN IDEOLOGY**

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2005

The cover shows part of 'The first slogan', by Nikolai B. Terpsikhov, 1924.
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**To Ahmad Nafissi and Hossein Moghaddam,
good men, and heroes when we needed them.**

اهل نظر دو عالم در يك نظر ببازند عشقست وداو اول بر نقد جان توان زد

Hāfez

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ABBREVIATIONS USED IN THE TEXT

- AE* Moses Finley, *The ancient economy* (1973, 1985)
- AG* Max Weber, *Agrarverhältnisse im Altertum* (1909) (*The agrarian sociology of ancient civilizations* (1976)).
- AS* Moses Finley, *Ancient slavery and modern ideology* (1980).
- EF* Karl Polanyi, 'The essence of fascism' (1935).
- FP* Finley Papers, Darwin College, Cambridge.
- GT* Karl Polanyi, *The great transformation* (1945).
- IE* Karl Bücher, *Die Entstehung der Volkswirtschaft* (1893) (*The rise of national economy*; but in the English translation, 1901, given the title *Industrial evolution*).
- PA* Polanyi Archive.
- SC* Max Weber, 'The social causes of the decline of ancient civilization' (1909, 1976).
- TM* *Trade and market in the early empires: economies in history and theory*, ed. Karl Polanyi, Conrad M. Arensberg, and Harry W. Pearson (1957).

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This book began life as a doctoral thesis at the University of London supervised jointly by Paul Hirst (Birkbeck) and John North (UCL) and defended in 1994. Paul and John, in turn, inherited me from Sami Zubaida and Amélie Kuhrt as I rather rapidly moved from contemporary to ancient Iran and thence to classical Athens. I am grateful to them all for their willingness to allow me to proceed in accordance with an esoteric logic that, from just about every other angle, seemed highly illogical. The Introduction offers a brief retrospective and perhaps over-polished account of what brought me to undertake this study. This would have been wholly self-indulgent had it not been for the systematic use this study makes of intellectual history to contribute to substantive history (and *vice versa*). ‘Value, theory, and evidence in historical sciences’ is meant to indicate the key elements of this approach, and it seemed right that the reader is offered some idea of my own initial normative starting points and questions, if only to be better equipped to spot the many ways that they may have constrained my argument and conclusions.

Paul Hirst died in July 2003. Paul was a profound and fertile thinker. He was capacious intellectually, physically, and emotionally, as large as life. He agreed that my thesis was altogether defensible, above all because it went against received wisdom, including, in part, his own. Challenging authority was intrinsic to his lasting legacy, as was his commitment to critical pluralism and radical social democracy, about which I learnt much from him. I hope these lessons are appropriately incorporated into this book.

It was thanks to John North – ‘As long as Paul is happy, we can always do with enthusiastic, even if ultimately misguided, outsiders’ – that I found the confidence to enter the field of ancient history (from a background in social sciences) and to rectify at least some of my wrong turns and avoid many others. It was also thanks to his advice that the Institute of Classical Studies began the process of considering my thesis and the proposal for turning it into a book. Thanks again, John.

Weber, Polanyi, and Finley represent three consecutive generations that span the twentieth century. In researching their intellectual development, the advice and support I received can be, accordingly, divided into three groups. Mehdi Naficy, Ralph Schroeder, Keith Tribe, and Sam Whimster commented on the first four chapters on Weber and his precursors, and variously helped with the translation and interpretation of the German texts and authors. Without their support, I probably would not have pursued or pursued publicly the argument to many of its remoter corners.

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My Introduction and Chapter 10 draw on articles published respectively in the *Journal of Max Weber Studies* and *Comparative Studies in Society and History*.¹ I thank the editors and anonymous readers of both journals for variously helpful comments.

Farhad Nourbakhsh read more than one draft of the book and made me rethink my assumptions and conclusions on numerous occasions. Robin Osborne commented meticulously on chapters 4 and 10, which offer accounts of Athenian developments on the basis of a critical examination of the works of Weber and Finley in particular. He was exceptionally helpful in addressing my follow-up questions time and again. Had I followed all their suggestions, there would have been a reasonable case for blaming them for any remaining flaws.

Without Richard Simpson, my editor, I would still be writing and rewriting this book. He was uncompromising over agreed – and sometimes unilateral – deadlines, and ensuring that the reference apparatus was as informative and convenient for the reader as could be. Otherwise, he was radically liberal in respecting my argument and the way I happened to express it.

What I hope will be recognized as the inclusive spirit of this book owes much to real and imagined conversations with Tolis Malakos about our historical, original, adopted and ideal countries. I am also grateful to Houshang Farzaneh and Jennifer Somerville, who read earlier drafts of this book and made suggestions that have made it more readable and persuasive than it otherwise would have been. Shahran Tabari generously supported my decision to return to

¹ 'Marx's paradox and Weber's solution: the foundations of Athenian democracy', *Journal of Max Weber Studies* 1 (2000); 'Class, embeddedness and the modernity of ancient Athens', *CSSH* 46.2 (2004).

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student life under comprehensively difficult circumstances, and our daughter, Sanam, bore it all with a wonderful wisdom rare even among those several times her age. My wife, Georgie, is such a rare person – may her light continue to shine upon us all.

London, August 2003

INTRODUCTION

Human anatomy contains a key to the anatomy of the ape. The intimations of higher development among the subordinate animal species ... can be understood only after the higher development is already known. The bourgeois economy thus supplies the key to the ancient.

Does not the true character of each epoch come alive in the nature of its children? Why should not the historic childhood of humanity, its most beautiful unfolding, as a stage never to return, exercise an eternal charm?
Karl Marx¹

Like most cosmopolitan democrats formed by neo-Marxism and romanticism – or the romantic Marxism of the 1960s and 70s – I have long been fascinated by the legacy of the ancient Greeks, and in particular Athens's direct democracy, as a historical and normative starting point for radical reform in contemporary circumstances. In my case, however, the fascination with Greece is traceable further back to my formation as an Iranian nationalist some years earlier. The nature of the society that resisted and defeated the massive armies of Darius and Xerxes was and has remained intriguing, ever since I first crossed the Aegean with those armies through the images conjured up in a somewhat fanciful school history textbook. My curiosity deepened disturbingly when, not long after reading about the backward but lucky Greeks forever seeking the protection and assistance of our great kings, Plato's dialogues became available in an accessible and elegant Persian translation.

It was much later, and as an undergraduate student in the UK in the 1970s, that I first learnt about the supreme significance of the victories of the Greeks over the Persians for the future of what – apparently owing to those victories – is called Western Civilization. Especially bemusing in this regard was J. S. Mill's observation that:

The battle of Marathon, even as an event of English history, is more important than the battle of Hastings. If the issue of that day had been different, the Britons and Saxons might still have been wandering in the woods.²

So much for wanting, given the chance, to study ancient Greece. The opportunity came when registering as a full-time research student appeared to be the only legal avenue, short of political asylum, for living outside Iran. I belonged to the secularist tendency in the broad coalition that ended the 2,500 year rule of monarchs in Iran in 1979. By the mid-1980s, this tendency had been crushed in no small part thanks to our own internal divisions, though these were as much due to conflicting ideas about democracy, socialism, liberalism, imperialism, development, and religion acquired in western universities, as to the debilitating consequences of Iran's own centuries-old autocracy. That is when I left Iran and, like so many of my fellow

¹ *Grundrisse* (London 1973) 105, 111.

² Cited in V. Ehrenberg, *From Solon to Socrates* (London 1973) xvi.

democrats and socialists, turned to history in search of the long-term causes of our recurring defeats. Unwisely, or in order to retreat and escape altogether, I allowed my search to take me all the way back to the Achaemenid foundations of Iran, where I had to face the fact that all the major historical sources for the period were the work of Greeks. I was thus once again lured across the Aegean. Understanding Greece, Iran's ancient rival, now displaced the project of searching for the causes of Iran's current predicament. The displacement was, however, not complete. The direct democracy of the Athenians stood as the threatening other to both the patrimonial monarchy of the Persians and, notwithstanding Mill, the modern democracy of the Anglo Saxons. Greece had to be studied as a matter of priority, or so I convinced myself.

These origins also suggest why this study of the foundations of Athenian democracy through a critical examination of the works of Max Weber, Karl Polanyi and Moses Finley began in reverse order. The choice of Finley's work as the starting point of my exploration should require little explanation, especially for students of the social sciences in the second half of the twentieth century. In the 1950s, with the publication of *Land and Credit in Ancient Athens*,³ and *The World of Odysseus*,⁴ he was recognized as the 'best living social historian' of ancient Greece.⁵ For most of the latter half of the twentieth century, Finley was the only ancient historian whose writings regularly appeared on universities' social science reading lists and one of the handful of ancient historians who actually wrote in social science journals.⁶ Deploying the concepts and conclusions of historical sociology and social anthropology with evident ease, Finley revised and updated the accounts of Marx, Weber, Polanyi and other notable social scientists, and pursued the questions they might have followed, had they had the chance, or more precisely had they been professional ancient historians. His polemical interventions in modern debates and his reputation as a committed socialist forced into exile following his refusal to co-operate with Congressional witch-hunts in the US enhanced his already unique professional and intellectual appeal. By the time of his death in 1986, Finley's account or, as he preferred to call it, 'model' of the ancient economy was seen as 'the new orthodoxy'⁷ and has remained the 'point of departure' for scholarly contributions ever since.⁸ To begin with Finley was thus inevitable.

3 M. I. Finley, *Land and credit in ancient Athens* (New York 1952/1973).

4 M. I. Finley, *The world of Odysseus* (London 1954/1978).

5 A. Momigliano, 'The use of the Greeks', in *Sesto contributo* (Rome 1975/1980), 313.

6 K. Hopkins, 'Classicists and sociologists', *Times Literary Supplement* 31 (1972) 355. See also P. Hirst, 'Review of Max Weber, *Roscher and Knies: the logical problems of historical economics* (London 1976), and *The agrarian sociology of ancient civilizations* (London 1976)', *British Journal of Sociology* 2 (1976) 407-09, who questions Weber's use of concepts such as capitalism and feudalism, and concludes by suggesting that 'the social scientific non-specialist ... would be better served by reading a modern work like Moses Finley's *The ancient economy*', 409.

7 K. Hopkins, 'Introduction' in *Trade in the ancient economy*, ed. P. Garnsey, K. Hopkins, and C. R. Whittaker (London 1983) x. See also E. M. Burke, 'The economy of Athens in the classical era: some adjustments to the Primitivist model', *Transactions of the American Philological Association* 122 (1992) 200.

8 D. J. Mattingly and J. Salmon, 'The productive past: economies beyond agriculture', in *Economies beyond agriculture in the Classical World*, ed. D. J. Mattingly and J. Salmon (London 2001) 3. See also, I. Morris, 'The Athenian economy twenty years after *The ancient economy*', *Classical Philology* 89

However, studying *The Ancient Economy* and Finley's subsequent writings, I was struck by the systematicity of his attempt to identify with Weber on ancient history as well as over more general methodological issues. Such was Finley's assessment of Weber that he pointedly concurred with Alfred Heuss that 'Weber's *Agrarverhältnisse des Altertums*, in its 1909 version, was the most original, boldest and most vivid portrayal ever produced of the economic and social development of Antiquity'.⁹ I turned to Weber in view of this verdict as well as his more obvious attractions as one of the most enduring among the founding fathers of social sciences.

Once I explored Weber's work and extended my study of Finley to his earlier writings, reviews, reviews of his work and to interviewing his associates at the University of Cambridge and elsewhere, it became evident that the context within which Finley located himself, his precursors, and his opponents was the century-old '*oikos* controversy' in which many of the key preoccupations of the social sciences in the twentieth century were anticipated and/or addressed. Various described as a dispute between political economists/theorists and historians, primitivists and modernizers or simply Bücher and Meyer, the *oikos* controversy first broke out in the last decade of the nineteenth century over Karl Bücher's three-stage evolutionary theory of world history. In particular, professional ancient historians led by Eduard Meyer vehemently objected to Bücher's unitary household-based account of the ancient 'stage', on both empirical and conceptual grounds. For Bücher and other evolutionary political economists such as Rodbertus and Marx, the classical world with all its apparent glories rested on 'primitive' economic foundations, the lowest in terms of the evolution of civilizational forms. The historians countered by presenting classical Athens as a developed market economy whose emergence could be compared to the process from which modern Europe had emerged. The latter charged the Historical School of political economy, to which Weber as well as Bücher belonged, with cutting history to the size entailed by their theories rather than the available evidence. In turn, they were accused by Bücher and his associates of the failure to understand the role of theory or to distinguish between the essential and inessential in their indiscriminate collection and classification of facts. Ideological macro-politics as well as the micro-politics of academic territorial expansion and protection, were played out here between the representatives of the long institutionalized and hegemonic discipline of history and the still emerging but equally imperialistic political economy.

The Finley-led revival of the *oikos* debate from the 1960s until his death in 1986 remained faithful to its first round a century before, both in terms of the wide range of questions raised and the polemical passion with which the answers were given. This never ending 'battle of the ancient economy'¹⁰ thus presented itself as an anchor for a study that otherwise could have collapsed under the weight of its own expanding ambitions. In line with my own original interest, Athens was retained as the substantive controlling focus, as I roamed wide, examining various theoretical and political strategies pursued by the authors through whose

(1994); R. Saller, 'Framing the debate over growth in the ancient economy', in *The ancient economy*, ed. W. Scheidel and S. von Reden (Edinburgh 2002) 257; P. Cartledge, 'The economy (economies) of ancient Greece', in *ibid.*, 158.

⁹ 'Max Weber and the Greek city-state', in *Ancient History: Evidence and models* (London 1980) 88.

¹⁰ K. Hopkins, 'Introduction' in *Trade in the ancient economy*, ed. P. Garnsey *et al.* (London 1983) xi.

conflicting accounts my search for the general foundations of its direct democracy was taking shape. In this search, it became apparent that Finley's widely accepted reading of Weber, although recognisable, presents only a partial, 'primitivist' view of the Weber that I was discovering through my own reading of the latter's pertinent writings. I noticed a similar one-sidedness in Finley's deployment of Weber's methodological views. Whereas Weber's methodology aimed at reconciling history and theory or political economy (*cum* sociology), Finley appeared to emphasize only his critique of the historians. In pursuing these questions, Weber gradually occupied a much larger space than initially envisaged. He could no longer be treated merely as an influential precursor of Finley. Rather, I became convinced that he represented a distinct position within the long-running debate over the constitution of the ancient world and its implications for contemporary thought and politics. His views therefore had to be presented in their own right as well as for setting the context for understanding Finley's.

In so doing, it became clear also that Weber's response to the questions raised by the earliest round of the debate had changed over time. At least in part, this explained both the apparent confusion over both the periodization of Weber's intellectual development and his position in the *oikos* debate. As will be seen in the section devoted to Weber, his views evolved from a rather critical defence of his fellow political economists to one openly critical of their position, leading to the comprehensive synthetic settlement proposed in his final contribution in 1909. This change was mediated by a major break encapsulated in the methodological essays of 1903-06 whose first and perhaps fullest substantive illustration was *The Agrarian Sociology of the Ancient Civilisations* (1909/1976). Having reached what seemed a defensible account of Weber's development from the standpoint of a rather neglected area of his work, I returned to Finley. Where was Finley hailing from, if not from Weber? In time, this would raise a further question: which, if any, of their approaches to historical sociology in general and ancient developments in particular was adequate to the task?

In subjecting Finley to historical treatment and tracing and periodizing his intellectual development from his youthful articles and reviews to the famous writings of his middle and late periods, it transpired that there was more than one Finley to contend with. This did not, however, just indicate the evolving nature of his views. More interesting was the contradictory pull and presence of rival political and theoretical strategies for treating ancient evidence in his work, at times within a single text or period. The seminal *The Ancient Economy*, for instance, now seemed to collapse as a coherent account under the weight of such tensions, despite (or because of) its clear aim of elaborating an updated and convincing variant of primitivism. Another subsequent key text, *Ancient Slavery and Modern Ideology*, displayed, on further scrutiny, the incongruence of its two delineated discourses. Its intellectual history of the modern treatments of the subject dismisses the influential work of the arch-modernizer, Eduard Meyer, as 'nonsense', whilst displaying a close affinity with the latter's account and other modernizing views on ancient slavery. On the other hand, the writings of Finley's earlier, arguably most productive, period show the great historian extending the frontiers of the rival primitivist, modernizing and Marxist accounts of ancient developments in parallel works. In short, it now seemed to me that the battle of the ancient economy was being fought within Finley's writings as much as between him and his polemical targets.

This strategy, however, does not rest on the assumption that the several strands found in Finley's writings should be considered on an equal footing. All the evidence, including

interviews with other commentators on Finley's work as well as his close associates, C. R. Whittaker, Sally Humphreys, Keith Hopkins, and Michael Crawford, in particular, suggested the predominance of one perspective, deriving from the historical sociology of Karl Polanyi. To be sure, Weber was seen as an important precursor by Polanyi and their contributions to ancient history in particular and historical sociology in general overlap in many respects. This justified Finley's designation of his own final contributions to the *oikos* debate as Weberian. But the point is that where the two differed, and they differed over many important questions, Finley or the 'official Finley' often sided with Polanyi, without however recognizing or acknowledging the fact that such a choice had been made. Finley's widely accepted portrayal of Weber thus stands in notable contrast to that which is drawn in this study.

The turn to Polanyi was driven by the urge to settle these claims conclusively. As with Weber, Polanyi's inclusion was in response to more than one question. Polanyi not only had personally introduced Finley to the crucial contemporary theoretical and ideological implications of the seemingly arcane *oikos* debate, he had provided him with a lasting research programme from within which to approach them. What is more, Polanyi's project was developed in direct opposition to both Marxism and liberalism. In rejecting the former, his views largely coincide with Weber's critique of Marxism. However, the radical collectivism that underpins Polanyi's critique of liberalism and permeates his own alternative is as much opposed to Mises's and Hayek's individualism as to Weber's. This is illustrated sharply in the context of this study. As the final pages of Weber's culminating contribution to the *oikos* debate show, what he considered the bureaucratic degeneration of the ancient world, reinforced as well as inspired his radical individualism. Polanyi rejoined the *oikos* debate in mid-twentieth century precisely at the point Weber had left it, but in order to use it to opposite effect in the by then ubiquitous confrontation between collectivism and individualism. For Polanyi the ancient evidence confirmed his theory of history according to which market capitalism and individualism were unique in history and therefore 'unnatural' and responsible for the 'natural', if calamitous, rise of Fascism, on the one hand, and the equally natural but welcome triumph of planning in Russia, on the other.¹¹ To claim, as modernizers had, that the democracies of the classical world, too, had rested on developed market foundations had to be resisted by all means.

Polanyi, then, also had to be treated in his own right, and not just as an important bridge connecting Weber to Finley. His inclusion produced a narrative and chronological continuity linking the early phases of the *oikos* debate to its latest Finleyan phase. It also highlighted the way that the initial debate evolved and was transformed or received new layers in the light of new ideological preoccupations and theoretical constructions. The linear movement of this study, however, remains, but only from one of the vantage points taken up here. From another it turns on itself to create a contemporary circle within which precursors and followers, enemies and allies debate and often find themselves in unexpected and compromising positions.

Now at the point of completion, a tripartite methodological strategy suggests itself as the regulating orientation of the study as a whole. It centres on the variable process whereby three related sets of factors, namely values or ideologies, concepts or theories and facts or evidence

¹¹ K. Polanyi, *Origins of our time: the great transformation* (London 1945) 243. References throughout are to this edition, rather than the US edition published in 1944.

are combined in social sciences and history (or historical sciences in the broad Weberian sense) to account for particular historical phenomena, be it the rise of democratic Athens, or the historians and theorists through whose accounts Athenian democracy is reconstructed. Finley's multiple use of *ideology* – to which the title of the book alludes – refers to each of these factors, but, as will be seen in chapter 3, it is in Weber's methodology that their association is systematically elaborated. The present study has thus been allowed to elaborate at length its own methodological premises as part of its account of one of its 'objects', namely Weber's contribution to the *oikos* dispute. My interpretation of Weber's methodology may be rejected; yet, it may be found useful in its own right, or for the purposes of this study. One may of course reject it on all counts. Even so, it is important to note the distinction.

All significant social phenomena are contestable and contested along normative, theoretical or factual dimensions. Contestation is a manifestation of the pluralism which permeates modernity in general, and the historical sciences in particular. The condition is famously summarized in Croce's famous dictum that 'all history is contemporary history'. For some, this intrusive historical subjectivity precludes objectively true or truer accounts of all social phenomena even of the chronological present. For others, a social science true to its name depends precisely on the viability of such an enterprise. Their battle cry still remains a variant of Ranke's call on historians to 'present the past as it really was'. In our case, ancient Athens has been re-viewed since the rebirth of historical thought in the early modern period, in the search for evidence in support of this or that political, theoretical or aesthetic agenda. Rival accounts of Athens emerge from and are marked by contemporary disputes in these and other fields. The point is that although Athens therefore has taken more than one shape, it will not and should not take any shape in accordance with modern perspectives and demands. To respect the irreducible otherness of the past, too, is a modern value and moral imperative. It helps identify the distinct unity of the present as well as explain its fragmentation. In its modern institutionalized form this diversity, from political parties to academic associations, sustains the plurality of perspectives that permeate the recurrent examinations and evaluations of the past. This intrinsically divided context, on the one hand, blocks 'objective', inter-subjective, or consensual accounts of significant historical questions. On the other hand, however, it demands such accounts and relies on critical practices for developing, classifying and validating evidence to produce them. At any given point, therefore, the possibility of reaching general agreement about the contours of Athenian developments or, indeed, the thought of Weber, Polanyi and Finley 'as they really were' cannot be precluded, much less the striving for such agreements.

This study thus illustrates the uses of intellectual history in two distinct dimensions: first, as a field distinguished from other types of history by virtue of taking on individual writers and perspectives as its defining focus; second, as an intrinsic aspect of the historical enterprise as such. All historical accounts could, at the same time, function as evidence in the intellectual histories of their authors and vice versa. Remote, completed, dead, historical and therefore at last singular as the past may appear, it still can be re-deployed in contemporary confrontations and thus achieve what Weber called 'cultural significance'. Here is a further reason for resorting to intellectual history to produce other sorts of history. Not just to rescue the past from the present, and let it rest in peace, but to simultaneously resurrect it as a comparative and critical vantage point for illuminating the present and paths to the future.

In emphasizing all this, I am pursuing something akin to what Quentin Skinner describes as the ‘complex intention’ or the ‘point of the utterances uttered’ by my authors.¹² Not at the largely inaccessible or speculative psychological level, but in and through the demonstrable strategic choices each made in attempting to reconcile their politics, theories and what is taken at any point as pertinent historical evidence. Inconsistencies and unresolved questions have been especially welcome here. They indicate the resistance of ‘facts’ to ‘theories’, or the dissonance of both with the strategic intentions of authors. Hence, they offer the possibility of locating the intentions or even resolving the discursive tensions arising from pursuing them.

As is well known, inspired by the universal reach and cumulative achievements of the natural sciences and convinced of the distinctiveness of the historical disciplines, Weber’s methodological position is above all distinguished by the attempt to synthesize the two traditions, opposed both at the time and still today. Weber’s synthetic approach characterizes his substantive work whether on antiquity, comparative religion or modern capitalism, albeit with varying degrees of success. Thus the wisdom of Talcott Parsons’ counsel that ‘the most fruitful way to get at Weber’s approach is to do so in terms of the polemical situation in which he was placed’.¹³ The advice appears to apply equally to Polanyi and perhaps even more to Finley in whose work a ‘central role’ is given to ‘confrontation or polemic’.¹⁴ The immediate polemical situation they each successively found themselves in when turning to antiquity was the *oikos* debate, the stable yet expanding pivot around which this study develops.

What, however, makes this lineage particularly interesting is the distinct way each attempted to resolve the dispute and how each re-read the evidence, including the accumulating readings of the earlier protagonists. The chapters that follow will show that whereas Weber eventually found his truth in the reconciliation of the, at the time, highly polarized modernist and primitivist positions, Polanyi’s intervention re-polarized as well as extended the debate in line with his new anti-liberal/market research programme. Most dramatically of all, Finley both polarized and reconciled. More vehemently and, as a professional historian, authoritatively, than Polanyi, the widely known Finley rejected modernism as nonsense and antiquarian, while all along he coexisted with an eventually marginalized double who explicitly broke with Polanyi and laid firmer ground than Weber for a consensual settlement of the dispute that, above all, he had himself reignited.

Structure of the argument

Each chapter (and each of the four parts), whilst self-standing, contextualizes the questions that are addressed in the next. Chapter 1 briefly examines the three overlapping debates that signified the crisis of the historical sciences and engendered the methodological questions that preoccupied Weber: the celebrated *Methodenstreit* initiated by Carl Menger and Gustav Schmoller over the constitution and functions of economic theory, and its relationship to history; the historians’ dispute pitting the mainstream against Karl Lamprecht and

12 Q. Skinner, ‘Meaning and understanding in the history of ideas’, and ‘Reply to my critics’ in *Meaning and context: Quentin Skinner and his critics*, ed. J. Tully (Cambridge 1988) 63ff, 231ff.

13 *The structure of social action*, volume 2, *Weber* (New York 1968) 602.

14 B. Shaw and R. Saller, ‘Editor’s Introduction’, in M. I. Finley, *Economy and society in ancient Greece* (London 1981) xxv.

evolutionary historiography; and the *oikos* controversy itself. Each section and the chapter conclude by showing the success of the opposing sides in undermining each other's positive claims, whilst failing to offer a consistent defence of their own.

I have claimed above that each chapter sets the context for the one that follows it. The first chapter is, however, context setting in another sense also. Protagonists in these sections are generally treated as ideal typically, by which I mean as rather static and one-sided personifications of counterposed arguments in the discourses of historians and theorists. In contrast, the treatment of Weber, Polanyi and Finley aims to comprehend the evolving nature of their ideas. Put simply, it considers them historically in the precise sense of the term. This approach accords with the interpretation of Weber's methodology advanced here, and also follows closely Polanyi's favoured method for examining his intellectual development.¹⁵

The section on Weber thus begins not with his final and most developed contribution to the debate, but with an examination in Chapter 2 of his earlier guarded defence of primitivism in 'The Social Causes'. In Chapter 3, Weber's resolution of the Schmoller-Menger dispute and other related methodological debates in the essays of 1903-06 are discussed. Chapter 4 examines what it presents as his resolution of the *oikos* controversy in the 1909 edition of *The Agrarian Sociology* and suggests certain amendments in the light of contemporary scholarship. The 'Weberian settlement' is thereby shown as a critical synthesis of the primitivist and modernist views which follow the programme developed in the earlier methodological essays.

Weber's contributions to the *oikos* debate and the importance of this debate in his intellectual development remain largely neglected and/or misunderstood. This is addressed here by refusing to treat his ancient writings in isolation from his evolving methodological and theoretical views or the wider intellectual context. Even the generally perceptive commentaries on Weber's ancient work by scholars such as Arnaldo Momigliano will be shown to be at times wanting in these regards.¹⁶ In this section, some, incidental, light will also be thrown on certain contentious matters concerning Weber's development. For example, Gunther Roth's argument is reinforced, *contra* the tradition which insists on a Marxian period in Weber's development.¹⁷ The primary sources of Weber's so-called Marxian approach and concepts are shown to be more plausibly found in the writings of Rodbertus, Bücher, and other historical political economists. At the same time, this account of Weber's development will underline, *pace*, among others, Friedrich Tenbruck and Arnaldo Momigliano, the

15 K. Polanyi-Levitt and M. Mendell, 'Karl Polanyi: his life and times', *Studies in political economy* 22 (1987) 9.

16 A. Momigliano, 'Max Weber and Eduard Meyer' in *Sesto Contributo* (Rome 1977/1980); 'From Mommsen to Weber', *Theory and History* 4 (1982); see also J. Love, *Antiquity and capitalism* (London 1991).

17 G. Roth, 'The historical relationship to Marxism' in R. Benedix and G. Roth, *Scholarship and partisanship* (Berkeley 1971); cf. W. G. Runciman, *A critique of Max Weber's philosophy of social science* (Cambridge 1972) 4ff; W. Mommsen, *The political and social theory of Max Weber* (Cambridge 1989) 55ff; G. Schroeter, 'Dialogue, debate, or dissent? The difficulties of assessing Max Weber's relation to Marx', in *A Weber-Marx dialogue*, ed. R. J. Antonio and R. M. Glassman (Lawrence KS 1985).

considerable importance of history and historians in the formation and orientation of Weber's research programme.¹⁸

The discussion of Weber ends with an issue that points beyond the Weberian settlement to a revival of the *oikos* debate in the writings of Polanyi and Finley, namely the lessons of the experience of market and bureaucracy in Antiquity for the contemporary preoccupation with the socialism-capitalism divide. This was uppermost in Polanyi's mind when he developed his own theory of history in *The Great Transformation* and went on to re-open the old controversy and examine the nature of economic life and thought in ancient Athens.

The discussion of Polanyi begins in Chapter 5 with a review of his earlier intellectual development, including the Marxism and Christianity of his Hungarian period and the guild socialism of his Austrian exile. Polanyi's new 'paradigm', articulated as an alternative to orthodox Marxism and in part based on the writings of Weber and other mainstream social scientists, is examined in Chapter 6. Chapter 7 treats Polanyi's turn to ancient economic developments as an extension as well as a verification of his new theory. Together these two chapters show and explain why, in turning to ancient economic developments, Polanyi remained within the primitivist camp, even though he was repelled by both evolutionism and economism.

My interpretation of Polanyi's thought stands, in some significant respects, at odds with many recent accounts of his development.¹⁹ After the exhaustion of the formalist-substantivist debate in economic anthropology in the 1960s and 70s, Polanyi is now back in vogue in historical sociology and critical political economy. His double critique of Marxism and liberalism appears vindicated by the collapse of communism in the East and the flaws of marketism in the West. Neo- and post-Marxists and other 'critical' radicals in search of both a precursor and a suitably progressive agenda thus increasingly rely on the decontextualized use of concepts such as embeddedness made famous by Polanyi. By pointing to the breaks in Polanyi's intellectual development, and their Christian and Soviet roots, as well as the limitations of his later thought, this study may disappoint his growing number of followers.²⁰ However, I hope it will at least encourage some to reconsider his key concepts and their multiple uses and follow Ivan Szelenyi's call to abandon the 'hard interpretation' of Polanyi's thought in favour of a more pluralistic approach with greater explanatory power and normative consistency.²¹

Of the three writers, Finley is the only professional ancient historian from the start to finish. But even his youthful articles evince a rare acquaintance with the writings of Weber as well as other participants in the *oikos* debate, such as Meyer and Julius Beloch. Yet as Chapter 8 which deals with his formative years, and Chapter 9 which examines the pertinent writings

18 See Momigliano, 'Max Weber'; and F. H. Tenbruck, 'Max Weber and Eduard Meyer' in *Max Weber and his contemporaries*, ed. W. Mommsen and J. Osterhammel (London 1987); cf. S. Whimster, 'Karl Lamprecht and Max Weber: historical sociology within the confines of a historians' controversy', in *ibid.*

19 See, for example, R. Stanfield, *The economic thought of Karl Polanyi* (London 1986); T. Schroyer, 'Karl Polanyi's post-Marxist Critical Theory' in *The legacy of Karl Polanyi* (London 1991); Fred Block, 'Introduction' in K. Polanyi, *The great transformation* (Boston 2001).

20 See, however, Lee Congdon's recent study for a historically informed contextualisation of Polanyi's intellectual development in the crucial inter-war years: *Seeing red: Hungarian intellectuals in exile and the challenge of Communism* (DeKalb IL 2001).

21 I. Szelenyi, 'Karl Polanyi and the theory of a socialist mixed economy' in *The Legacy*, 236.

that follow his encounter with Polanyi, show, it is only in the latter period that Finley fully recognizes the theoretical and political import of that evolving controversy. Chapter 9 also shows how, in perhaps his most productive period in the 1950s and 60s, Finley advances the debate along both modernist as well as primitivist lines and reaches the point of calling for a new research programme that may have in fact reconciled the two. Chapter 10 shows the retreat from this and the start of the battle of the ancient economy proper fought against modernist and Marxist tendencies both in his own thought and in the writings of others. This chapter also summarizes the conclusions of the book as a whole and, following the recent contributions of, among others, Ellen Meiksins Wood, Robin Osborne, M. H. Hansen, Edward Cohen, Lyn Foxhall, and Paul Cartledge, as well as, of course, the Finleys and their contemporary associates and critics such as G. E. M. de Ste Croix, Arnaldo Momigliano, M. M. Austin, Pierre Vidal-Naquet, and Michael Mann, outlines a primitivist-Marxist-modernist account of the rise of democratic Athens.

Marx's Paradox

Considering what has been said so far about the focuses of this study and the development of its argument, it remains to explain opening it with passages from Marx's *Grundrisse*. Marx had been dead for more than a decade before the publication of Bücher's book triggered the *oikos* debate. It is also well known that following the completion of his doctoral thesis on Democritus and Epicurus, Marx never examined systematically any aspect of Graeco-Roman antiquity. Weber and Polanyi were not even aware of the existence of *Grundrisse*, and Finley only came to it long after he had begun grappling with the issues it raised. Even then, he never made any direct reference to the passages that are of interest here. Yet, Marx remains central to all that follows. Weber, Polanyi, Finley and almost all the twentieth-century writers encountered here have been preoccupied with Marx and Marxism. More specifically, in *Grundrisse*'s unpolished and unpublished remarks, Marx shows more sharply than the direct participants in various rounds of the debate the paradoxical consequences of attempting to account for the 'glory that was ancient Greece' from an evolutionary materialist stance. This was the position he shared with the primitivists. And in the twentieth century, it was Marx's followers who almost completely took over the legacy of the latter and extended their arguments. But what is especially notable is that the paradox of ancient Greece comes to light here in and through an inner dialogue which displays the romantic and historicist as well as evolutionary influences that shaped Marx's thought. It thus serves to introduce the underlying vantage points and fundamental questions raised by all the participants in the subsequent debate. Marx's unguarded observations, in one form or another, concerned Weber, Polanyi, and Finley, as did other theoretically informed contributions to the history and sociology of Antiquity. The resolution of what we may call Marx's paradox thus presents in a condensed form the underlying orientation of the present study.

The first clue to the significance of the two opening quotations from *Grundrisse* lies in the question – why did Marx replace the ape of the first passage with the beautiful forever-receding child of the second? Having first viewed the ancient-modern journey from the familiar nineteenth-century evolutionary vantage point, Marx was directly faced with the evidence that:

in the case of the arts, it is well known that certain periods of their flowering are out of all proportion to the general development of society, hence also the material foundation, the skeletal structure as it were, of its organization.²²

Shakespeare is mentioned in this regard, but it is the cultural achievements of ancient Greece that concentrate Marx's attention. Considering the presumed lowly, primitive, position of Greece on the evolutionary ladder, such achievements appeared to repudiate Marx's evolutionary holism. His response to the question is contradictory. First, Greek art and the primitive nature of material life in ancient Greece were said to be indeed consonant. Not just the Greek economy, but Greek art is said to be the ape to the man of modern capitalism:

Is the view of nature and of social relations on which the Greek imagination and hence Greek [mythology] is based possible with self-acting mule spindles and railways and locomotives and electric telegraph? What chances has Vulcan against Roberts & Co., ... Hermes against the Credit Mobilier?²³

Although comforted by this observation, Marx recognized its limits. Or, rather, he was too much under the sway of the nineteenth-century view of Greek art and culture to remain satisfied with it:

But the difficulty lies not in understanding that the Greek arts and epic are bound up with certain forms of social development. The difficulty is that they still afford us artistic pleasure and that in a certain respect they count as a norm and as an unattainable model.²⁴

It is thus the normative, or what may be called the utopian, appeal of Greek art, that continued to perplex Marx. It is in order to explain this quality that Marx is forced to discard the ape of the first passage, and replace it with the child as viewed by a nostalgic aging adult of the second. Thus the rhetorical question and the answer with which the reflections of the 1857 *Introduction* are brought to an end:

Why should not the historic childhood of humanity, its most beautiful unfolding, as a stage never to return, exercise an eternal charm? There are unruly children and precocious children. Many of the old peoples belong in this category. The Greeks were normal children. The charm of their art for us is not in contradiction to the undeveloped stage of society on which it grew. [It] is its result, rather, and is inextricably bound up, rather, with the fact that the unripe social conditions under which it arose, and could alone arise, can never return.²⁵

This solution evidently poses more questions than it solves. But, first, it is notable that, as with Marx's uncritical view of Greek art itself, it is directly rooted in the romantic tradition which since the 'discoveries' of Winckelmann had been in thrall to the glory that it took Greece to

²² *Grundrisse*, 110.

²³ *Ibid.*

²⁴ *Grundrisse*, 111.

²⁵ *Ibid.*

have been. According to Marx's own teacher, August Schlegel, 'the art and poetry of the Greeks was the expression of the perfect health of their existence'.²⁶ And long before Marx, Schiller had raised and answered a similar question in broader terms: 'Why was it that the individual Greek was able to be a representative of his age and why can no single modern man make a claim to be such? ... [Because] the Greeks combined the first youth of the imagination with the maturity of reason in a glorious manifestation'.²⁷ In contrast to the fragmentary existence of modern Europeans, the ensuing harmony ensured the full cultural and personal integration of the ancient Greeks.

Marx's problem was how to reconcile this incontrovertible view of his time with other major strands of his thought, namely evolutionism and 'holistic', or, more precisely, reductionist materialism.²⁸ The romantic celebration of Greek art as analogous to the youthful perfection of children presents itself as just the solution that Marx was looking for. In Marx there is no sign of Schiller's reference to the 'maturity' of reason in Greece with its problematic implications for evolutionism which for the former was as indisputable as the perfection of Greek art.

But whatever one may think of childhood and children and their metaphoric associations with art and history, the normative appeal of the Greeks' achievements cannot be, or, at any rate, has not been, confined to art. Greek philosophy, education, language, democracy, have been equally celebrated. Indeed, Marx himself in his articles on press censorship had consistently counterposed the values and institutions of contemporary Prussia, censorship, monarchy, and Christianity, as well as aesthetic hypertrophy, to freedom, democracy, paganism, and the perfectly proportioned art of ancient Athens.²⁹ What is more, Marx's vision of the disalienated man of the future arguably owes far more than an accidental resemblance to the reintegrated creature of the romantic longing. 'Communist man', as Staden suggests, may be seen 'in his full efflorescence as neo-Greek man'.³⁰

Before pursuing this line any further, there remain the questions that arise from Marx's metaphoric shift from ape-man to child-adult. Is this shift robust enough to hold together the centrifugal tendencies of Marx's own thought as well as illuminate the multifaceted utopian appeal of ancient Athens? The answer must be no. Otherwise, this study would have had to end before it began, or Marx's position would have served among its conclusions, rather than as its point of departure. Marx's resolution is unsustainable.

Notwithstanding anthropology's celebration of the noble savage, it may, for example, be asked why such normative qualities were not found in other 'primitive' societies. Surely not because, as Marx claims, the Greeks were 'normal' – indeed the only normal offspring of the

26 H. von Staden, 'Nietzsche and Marx on Greek art and literature: a case study in reception', *Daedalus* (1976) 83.

27 Cited in R. Plant, *Hegel* (Oxford 1983) 17-18.

28 For nineteenth century views of ancient Greece, see E. M. Butler, *The tyranny of Greece over Germany* (Boston 1958); R. Jenkyns, *Victorians and ancient Greece* (Cambridge 1980); and I. Gildenhard and M. Ruehl, *Out of Arcadia: Classics and politics in Germany in the age of Burckhardt, Nietzsche, and Wilamowitz* (London 2003).

29 H. von Staden, 'Greek art and literature in Marx's aesthetics', *Arethusa* 1 (1975) 134.

30 Staden, 'Nietzsche and Marx', 85.

earliest communal formations? This inversion of the notion of normality is entailed by the attempt to explain the exceptional appeal of Greek art. It points also to a more general problem that preoccupied Marx in *Grundrisse*, namely his growing doubts about the universality of his theory of history arising from the recognition of the non-evolutionary character of 'Asiatic' societies. The concept of 'normal' thence had the general function of salvaging the universality of Marx's evolutionism by excluding the formations (whether artistic or economic) that undermined it as in some way stunted or abnormal. As in biology, in political economy too, evolutionary laws would have to apply only to the normal members of the species.

The child-adult metaphor, in any event, does not salvage evolutionism. In contrast to the ape-man trajectory, the stages of individual human growth do not merely point to a more evolved and presumably more desirable stage of adult maturity. Aging and death follow such a stage with a universal certainty that cannot be matched by any other human phenomenon including adulthood and maturity. Herein lay the nostalgic appeal of youth with all its multiple connotations for the romantics in the first place. Marx's solution therefore fails, especially as it appears to sanction equally the rival cyclical view of historical change. Birth and growth are followed by decay and death. There may be a 'rebirth' of sorts, but no necessary progress, unending or toward some normative state.

There is an option left: to discard the child-adult metaphor and with it the reductionist holism that insisted on an intrinsic consonance between the artistic or cultural superstructures and the level of economic development. Who says, Marx could have asked, that there is paradox here? Greek art is supreme, whereas the Greek economy is rather primitive; why should this require a theoretical explanation and why should such an explanation, if it were forthcoming, demonstrate their fundamental consonance or identity? Evidently this approach, too, raises problems of its own: above all it bypasses, rather than solves, Marx's problem, and, more generally, the whole range of questions in response to which holism was developed. But, in any case, this option was not available to Marx. The grip of economic holism on Marx's thought was even stronger than that of romanticism. Had he accepted that the artistic superstructure is an autonomous sphere with peculiarities of its own, it would have become exceedingly difficult to maintain the holism that underpinned all universal stage theories and which allowed in the first place the view of the ancient-modern distance as progressive. The implications of this problem cannot be confined to the arts as a transcendental sphere. Elsewhere, as already mentioned, Marx referred to ancient politics in a normative context. And here in *Grundrisse* among 'the points not to be forgotten' for further discussion is the apparent lack of synchronicity between legal and material developments, most notably in 'the relation of Roman private law ... to modern production'.³¹

The question of the unit and perspective of analysis, too, remains. Did Greek antiquity constitute, as Marx and his fellow romantics and evolutionists generally assumed, a unitary stage, whatever the adequacy of the particular metaphor employed? Or, as classical Athenians themselves saw the matter, did their state stand at the apex of a long, if barely traced, process of development? Here the problem does not so much lie in evolutionary accounts, as in the unacknowledged tension between the theoretical articulation of the variety of paths taken by

³¹ *Grundrisse*, 109.

the ancient Greek formations and the endorsement of a unitary stage encompassing 'Antiquity' as a whole.

Once the irreducible plurality of both the developmental trajectories of ancient societies and the cultural, political and economic processes within and between those societies is acknowledged, then the general theories of history and historical change appear as highly suspect. As nomological concepts, ancient civilization or even the ancient economy would have to be derived from the common features of variously differentiated, evolving and interacting societies of 'Antiquity'. But this in turn begs the question of whether even a widely read political economist such as Marx could claim sufficient mastery of the historical evidence concerning ancient arts, religions, or even economies, to provide an acceptable account of Antiquity in these particular spheres, let alone as 'a whole'. This is another way of asking whether theorists should not give up the right to pronounce on the overall character of historical periods and also leave accounts of particular spheres to specialist historians? But if so what would be left to theoretical political economy and its laws in explaining and predicting historical phenomena? We are thus back to face the key question that had troubled Marx in the first place: the apparent failure of economic institutions or laws to determine the character of cultural superstructures.

These questions are not seriously pursued in Marx's subsequent writings. In fact, the famous introduction to *A Contribution to the Critique of Political Economy*, for which the unpublished introduction to *Grundrisse* may have served as a draft, evinces no trace of the doubts expressed here. On the contrary, notwithstanding certain ambiguous formulations, Marx simply re-asserted in the published introduction the base-superstructure model which he had intended to further explore. The other threatened, naturalistic-evolutionary plank of Marx's views, too, is eventually re-asserted. As he emphasizes in the preface to *Capital*:

My standpoint, from which the evolution of the economic formation of society is viewed as a process of natural history, can less than any other make the individual responsible for relations whose creature he socially remains, however much he may subjectively raise himself above them.³²

It is all as if Marx had found his earlier doubts too inconvenient to contemplate farther than the furtive confines of *Grundrisse*. There is, however, a less conjectural explanation that also points to the standpoint of the political economists in the *oikos* controversy. It is well known that two major, possibly conflicting, theories of history can be found in Marx's writings, before and after as well as in the unpublished *Grundrisse*: one stressing the forces of production and the other stressing class struggle. Without entering into the debate about their respective flaws or whether they in fact present different facades of a more comprehensive theory, two points may be noted here. First, both approaches appear to express certain salient features of the spread of industrial capitalism as Marx witnessed or read about it. The new system was technologically the most evolved and its accelerating expansion both presupposed and intensified the formation of a class of doubly free wage labourers increasingly organized and engaged in struggle over its condition and share of output with a class of profit-seeking

32 K. Marx, *Capital*, vol. 1 (London 1974) 21; cf. *Grundrisse*, 105ff.

employers. Second, the Graeco-Roman world, or more precisely its classical 'golden age', represented from either of these theoretical standpoints the least developed stage of *social* evolution to arise from the earliest putative kinship-communal types of organization. It was this double confirmation of evolutionist or 'historical' materialism that perhaps above all kept such disturbing questions as those raised in the *Grundrisse* at the unpublished and subsequently discarded margins of Marx's thought.

In respect of the development of productive forces or methods of production and technology in use, subsequent scholarship has confirmed that at least in terms of the conventional epochs of Western history, the ancient world was the most 'primitive', with many of its inventions remaining unused or under-utilized until the medieval period.³³ And in the case of the status of labour, the primitivism of the Graeco-Roman formations is obtained in the very formulation of the question. Conceptually as well as from the historico-ethical vantage point of the 'formally' free wage-labour under capitalism or 'substantially' free labour of socialism and communism, it is inconceivable to find a less 'evolved' form of social labour than slavery. Again in this respect too, the dependent labour statuses of the medieval age appear as more advanced than their presumed ancient counterpart.

There was, in other words, no basis in the socio-economic 'reality' to move Marx to revise his preferred view of economic development. Greek art, thought and politics, or Roman law, to be sure, remained problematic, but only for the 'holistic' claims of Marx's theory concerning the overall determination of economic, cultural, and political processes. But even here, Marx was probably reassured by the way capitalism appeared to remould all political and cultural values and institutions in its own image and in accordance with its requirements for commercial expansion. Thus, the aborted outcome of Marx's reflections in *Grundrisse*.

By the time of Marx's death all the questions set aside in *A Contribution to the Critique of Political Economy* and *Capital* were becoming subjects of debate in philosophy and history as well as political economy itself, and eventually triggered the *oikos* debate. For Marx's unorthodox disciples in the twentieth century, as for the British liberals of the nineteenth century, it was in the democratic advances of Athens that lay its strong appeal. Athens presented a rare illustration of 'direct democracy' and a historically sustained case in reference to which the limitations of liberal democracy could be highlighted, as in Finley's *Democracy, Ancient and Modern*. The political implications of whether or not Athenian democracy rested on evolved quasi-modern, capitalist, foundations thus went beyond the confines of what Finley himself often polemically dismissed as 'antiquarian'. A 'yes' answer, following Meyer and his fellow historians, would confirm the claims of the anti-socialist thinkers throughout the twentieth century that democracy could only arise on market foundations. On the other hand, the dissociation between the two implied by the political economists' negative answer was consonant with the socialists' case that capitalism is at most positively correlated with the limited, 'formal', representative variant of democracy.

33 See, M. I. Finley, 'Technical innovation and economic progress in the ancient world', *Economic History Review* 18 (1965) 29-45; H. W. Pleket, 'Technology and society in the Graeco-Roman world', *Acta Historiae Neerlandica* 2 (1967) 1-25.

This question turns full circle back to my initial interest in Finley's work as it took shape in the polarized conditions of the Cold War. The epilogue returns to Marx's paradox to reconsider it in view of the resolution outlined in the preceding chapters.

CHAPTER 1

POLITICAL ECONOMY & HISTORY AT A CROSSROADS

Ancient Athens, Max Weber, Karl Polanyi, and Moses Finley were – and continue to be – re-shaped by ‘the battle of the ancient economy’, and in turn have transformed and extended it for over a century. It began as the ‘*oikos* controversy’, the rather acrimonious debate in the closing decade of the nineteenth century over the objections of historians to the attempt by historical political economists to do what their name suggested: reconcile the variant of historicism dominant in German universities with the abstract nomological precepts of the ‘cosmopolitan’ political economy imported from Britain. The matter was complicated by the fact that evolutionism, which underpinned the historical political economists’ attempted synthesis, had spread in response to new questions and demands in mainstream history itself. The situation is well described in Friedrich Tenbruck’s account of Weber’s early intellectual formation:

Descriptive history-writing was faced with the problem of absorbing increasing amounts of historical data in a way that history would be broken up into fragmented images. This problem became plain with the entrance of the ‘modern’ disciplines alongside the traditional history, the latter being oriented mostly towards political events and figures. The modern disciplines of economic, legal, constitutional, administrative, social, cultural and religious history began to establish themselves in a way that, even without intending to, undermined in practice the claims of the older history-writing to be the valid description of history (‘as it really was’). Indeed, in the end they fed the doubt as to whether it was at all possible to understand historical reality in its fullness in a scientific way. Weber grew up in these new neighbouring disciplines and hence could not avoid the problematization of historical knowledge and the specialization of research that had become clearly evident. This was the case, above all, in social and economic history, i.e. in Weber’s own disciplines. Here the formless mass of data did not permit an ordering by the traditional methods because what was at issue was a concern with overall conditions (*Zustände*) as opposed to actions. Procedures were therefore developed that worked with ‘evolutionary stages’ or even ‘evolutionary laws’, to bring order to the disparate plurality of individual facts. It is sufficient to recall Friedrich List, Karl Rodbertus, Wilhelm Roscher or Karl Bücher, not to mention Karl Marx, who thought they could construct very different sequences from the same facts; this finally led to the controversy about what justification, if any, there was for constructing such ideas as ‘evolutionary stages’ or ‘evolutionary laws’.¹

¹ F. Tenbruck, ‘Max Weber and Eduard Meyer’, in *Max Weber and his contemporaries*, ed. W. J. Mommsen and J. Osterhammel (London 1987) 236-37. We note here that critical references to ‘evolutionism’ or unilinear stage theories are not directed at all variants of evolutionary theory. See W. G. Runciman, who argues forcefully that there is a significant sense in which ‘any substantive social theory is and cannot but be evolutionary’, *A treatise on social theory*, vol. I: *The methodology of social theory* (Cambridge 1983) 217-22, and vol. II: *Substantive social theory* (Cambridge 1989) 37ff.

To this picture, which is drawn from a vantage point situated within the discipline of history, at least two interrelated 'external' developments must be added to explain more fully the branching of historical political economy into a distinct discipline and school. The turn to evolutionary laws and theory was also a response to the problem of addressing the glaring achievements of natural sciences and classical political economy in a setting dominated by historicism. All those mentioned by Tenbruck, whether starting in history, like Roscher, or in philosophy, like Marx, gained recognition above all as political economists decisively influenced by the British classical school and its quasi-natural scientific laws. The crisis of history writing, or more generally of historicism was, in other words, largely due to the growing influence of 'abstract' political economy.

Whatever its ultimate failings, the evolutionary perspective proved inspiring for a time. At once natural scientific, historical and organic, it provided Rodbertus, Marx, Roscher, and Bücher, among many others, with an organizing concept with which to appropriate as well as criticize classical political economy and advance holistic historical theories. Indeed, such theories may have overcome the problem of fragmentation of history so well as to have undermined long established specialist disciplines – most notably political history. This is of course meant to be an ironic comment. But it says something about the important shift in the methodological position of prominent professional historians such as Eduard Meyer, who started out with a rather favourable view of nomological evolutionism and ended with the total rejection of 'all conceptions of historical stages defined by economic structures'.²

However, before Meyer and other historians joined the fray in the name of historical accuracy and in defence of political history, historical political economy was already under attack from the Austrian neo-classical theorists for failing to distinguish rigorously between history and theory and for reducing the latter to the former. This twofold challenge was in turn reflected in the emphasis different historical political economists themselves placed on either theory or history and, therefore, did not come as a total surprise.

Historical political economy's distinct claim to fame lay in its ability to reconcile the seemingly opposite poles of history and theory, and the whole series of antinomies – freedom and determinism, individual and collective, general and particular, and so on – associated with them. It was in considering this task that many German political economists came to question the classical heritage as too abstract and one-sided. Instead, the writers that were subsequently christened as the 'founding fathers' of historical political economy defined their 'concrete' task more inclusively. Weber, one of the youngest members of the school, summarized the position of Karl Knies, the most rigorous of the founders, thus:

The subject matter of economics is human action. Human action is a product of both natural and historical conditions ... the 'free' and therefore irrational-concrete action of persons, on the one hand, nomological determination of the naturally given conditions on the other.³

² M. I. Finley, *Ancient slavery and modern ideology* (London 1980) 45; cf. Tenbruck, 'Weber and Meyer', 245.

³ M. Weber, *Roscher and Knies: The logical problems of historical economics* (New York and London 1903/1975) 96; cf. W. Hennis, *Max Weber. Essays in reconstruction* (London 1988) 107ff.

This synthetic view of economics first came under systematic methodological scrutiny in the so-called *Methodenstreit*, the dispute between the Austrian economists led by Carl Menger and Gustav Schmoller and his associates in the historical school. It was triggered by the publication in 1883 of Menger's *Investigations into the method of social sciences with special reference to economics*, in which the research programme of the historical school was critically scrutinized.⁴ The following decade saw the eruption of professional historians' own internal dispute over Karl Lamprecht's multi-volume *German History* as well as the *oikos* debate in response to Karl Bücher's stages theory of history. These debates overlapped in many respects, from the first names of their original protagonists to the viability of historical theory and theoretical history. Each, however, presented Max Weber with a set of unresolved questions and distinct perspectives, the resolution and reconciliation of which became his lasting preoccupations. In the following, certain aspects of each of these seminal debates are briefly explored and reconstructed as the setting for Weber's reception.

Political economy: exact or historical?

Historical political economy may be used in the broad generic sense of the term to include an otherwise disparate group of writers that in some, usually evolutionary, sense aimed to historicize classical political economy. The historical school which was the direct object of Karl Menger's powerful criticism, however, referred to a narrower, though still rather loose sub-set of the above, which in the last three decades of the nineteenth century dominated the teaching of economics in German universities. This historical school spanned three generations: the 'older' or the 'founders', Wilhelm Roscher, Bruno Hildebrand, and Karl Knies; the 'younger' whose leading lights included Karl Bücher, Lujo Brentano and, above all, Gustav von Schmoller; and what Schumpeter called the 'youngest', most notably, Weber, Werner Sombart, and Arthur Spiethoff.⁵ In Schumpeter's view, strictly speaking, the historical school did not include all three. Only in the middle period, under Schmoller's combative leadership, did the group associated with him attain a recognizable intellectual, institutional

4 This is the widely noted or 'official' opening of the dispute. However, as Eric Grimmer-Solem shows, the disputed issues were first raised a decade earlier in Schmoller's review of Menger's *Principles*; see 'The science of progress: the rise of the historical economics and social reform in Germany, 1864-94' (PhD Thesis, University of Oxford, 1998) 319-21.

5 Schumpeter, *History*, 815ff.; see also 507ff. and 808ff. Most commentators only consider the older and younger generations in discussing the school either because the works of Weber and Sombart in particular are considered too distinct to be included or because they are included alongside Schmoller and others. Indeed, as Keith Tribe noted, early in his career Weber 'described himself as an economist of 'the younger historical school', 'Introduction' in *Reading Weber*, ed. K. Tribe (Routledge 1988) 4; see also Tribe, 'Historical schools of economics: German and English', in *The Blackwell companion to the history of economic thought*, ed. W. J. Samuels, J. E. Biddle and J. B. Davis (Oxford 2002); cf. R. Swedberg, *Max Weber and the idea of economic sociology* (Princeton 1998), 173ff.; A. Oakley, *The foundations of Austrian economics from Menger to Mises* (Cheltenham 1997) 19-24. Here, and from the perspective of contextualizing Weber's overall development, Schumpeter's classification has been retained because, as W. Hennis emphasizes, 'an entire generation separated Schmoller, born in 1838, and Weber twenty six years younger. As far as Weber was concerned, they were worlds apart.' 'The pitiless "sobriety of judgement", Max Weber between Carl Menger and Gustav von Schmoller – the academic politics of value freedom', *History of Human Sciences* 4 (1991) 27-59 (32).

and political profile deserving the name of a 'school'.⁶ After Schmoller, the historical school rapidly faded. The centrifugal tendencies towards history, economics (including 'institutional' economics), Marxism, sociology and social anthropology, driven by the distinct agendas of outsiders such as Marx and Menger or unruly insiders such as Weber, overwhelmed Schmoller's (relatively) pure 'historicism'. And before his ascendancy, the works of the so-called older school of Wilhelm Roscher, Bruno Hildebrand and Karl Knies were too amorphous to constitute a school as 'a definite sociological phenomenon'.⁷ But the fact is that even during Schmoller's reign from the early 1870s, too, the historical school did not present a unified stance. It simply could not be insulated from the antinomic promise of its agenda and tended to reproduce the history-theory divide in its own ranks. Thus, even during the methodological dispute with the Austrians, a major tendency within the school led by Bücher upheld the theoretical legacy of classical political economy and distanced itself from Schmoller's empiricist variant of historicism.⁸

These and other internal divisions as well as overlaps with other non-German or non-historical traditions have led Eric Grimmer-Solem to suggest that the notion of a 'cohesive dominant school has to be abandoned', and Heath Pearson to question the very attribution of historical, German, and school even to the Schmollerian phase of the German historical school.⁹ Perhaps in retrospect and in view of the current developments, Grimmer-Solem's 'historical-statistical economics' or Pearson's preferred term 'cultural economics' may be more apt indicators of the character and the actual output of the associates of the 'school', although this is still disputed.¹⁰ In any case, it remains that all the economists in question 'explicitly identified themselves as members of a "historical school"', which, as Tribe suggests, is 'a minimum historical criterion for grouping writers' as a 'school'.¹¹ Moreover, other members of the broader community of economists in Germany, Austria and elsewhere, recognized the existence of the school, even those who considered Schmoller an 'extremist' or 'revolutionary', and favoured 'moderates' and 'reformers' like Roscher and Wagner and were cognizant of the kinds of doubts highlighted by Pearson.¹²

6 Schumpeter, *History*, 809.

7 *Ibid.*

8 K. Bücher, *Industrial Evolution* (New York 1901) 85; M. Weber, "'Objectivity" in social science and social policy' in Weber, *The methodology of social sciences* (New York 1949) 106ff.; cf. M. Schon, 'Gustav Schmoller and Max Weber' in Weber, ed. Mommsen and Osterhammel (1987) 60ff. and D. Kruger, 'Max Weber and the younger generation in the *Verein für Sozialpolitik*' in Weber, ed. Mommsen and Osterhammel (1987) 73. Also see 36ff and Chapter 3, below.

9 E. Grimmer-Solem, 'Science of progress' 361; H. Pearson 'Was there really a German historical school of economics?', *History of Political Economy* 31.3 (1999).

10 See Bruce Caldwell, 'There really was a German historical school of economics: a comment on Heath Pearson', *History of Political Economy* 33.3 (2001) 649-54; H. Pearson, 'Response to Bruce Caldwell', *HPE* 33.3 (2001) 655-61.

11 This point is made in the unabridged (and unpublished) version of Tribe's 'Historical schools of economics' (2003) 2 n. 3, which he kindly made available to me.

12 See, for example, J. N. Keynes, *The scope and method of political economy* (London 1891) 26-27. Like Pearson, Keynes emphasizes that 'the so-called German doctrines, whatever may have been their origin, are no longer the peculiar possession of any one country', 21, and 'within the new school itself very important differences of tone and attitude are to be observed', 24. It is also notable that although

The Austrian critique and the ideal typical reconstruction of the historical school were perhaps the most instrumental in both consolidating and undermining its identity. Carl Menger's critique brought into sharp focus the antinomies indicated by the full title of the school: the historical school of German political economy. The first, *historical*, segment signifies its roots in the many-sided deeply entrenched German historicism that had established its claims in opposition to philosophic speculation and abstraction, from which it had declared its hostile independence at the turn of the nineteenth century. Even the *German* of the title thus implies something more than the birth place of the political economists of this school as distinguished from, say, the Austrian marginalists or the British classicals, whose works did not recognize national boundaries. In this case it denoted an intrinsic characteristic of German historicism traceable to Savigny's historical school of law and its insistence that law is neither based on the abstract dictates of universal reason nor legislation, but issues from the organic evolution of the national spirit.¹³ The third part of the title, *political economy*, clearly referred to the cosmopolitan abstract tradition of British classical political economy, which was also variously represented by Ricardians of different sorts, followers of the Manchester School, the socialists, and others. Historical political economists distinguished themselves by attempting to overcome the 'one-sidedness' arising from what was perceived as the false transhistorical universality of the classical tradition.

In the words of Roscher, the venerated co-founder of the school, 'the starting point, as well as the object of our science, is Man'.¹⁴ This was meant in contrast with classical political economy's preoccupation with the economic, self-interested side of Man. From this premise issued a vast unsystematic treatise, drawing mainly on the various strands of British political economy (but also continental thinkers such as Saint Simon), interspersed with equally unsystematic insertions of historical commentary. Roscher's eclecticism and lack of conceptual rigour are most interestingly exemplified in his reflections on the method(s) of political economy variously identified as: the philosophical-historical method, the historical or physiological method, 'a firm island of scientific truth as universally recognized as truth as are the principles of mathematical physics', a comparative study of 'as many nations as

Keynes's observations about the extremism of Schmoller are perfectly understandable from his perspective and level of analysis, Schmoller in turn emphasized the difference between Adam Smith and his 'immediate successors, from Ricardo and Say on, [who] have thrown overboard the actual scientific spirit of the great teacher'. G. Schmoller, 'Adam Smith', *Review of Social Economy* 49 (1991) 130-40 (140). As will be seen below, commentaries in criticism or defence of Schmoller (and Menger) tend to rest on selections from his writings that variously portray him as an extremist or a reformer drawing pragmatically on both the classical and historical traditions.

¹³ See C. Menger, *Problems of economics and sociology* (Urbana IL 1963) 178ff.; Weber 'Marginal' (1975) 60ff., 89ff. For a critical assessment of Menger's view of the origins of the historical school see M. Alter, 'What do we know about Menger?' in *Carl Menger and his legacy in economics*, ed. B. Caldwell (Durham 1990) 42ff.; cf. T. W. Hutchinson, 'Some themes from investigation into method' in *Carl Menger and the Austrian school of economics*, ed. J. Hicks and W. Weber (Oxford 1973) 26-27; *The politics and philosophy of economics* (Oxford 1981) 186ff.

¹⁴ W. Roscher, *Principles of political economy*, 2 volumes (Chicago 1882) 51.

possible and the whole of history' in order to discover the evolutionary steps leading to the modern 'national economy', and much more besides.¹⁵

Roscher's career and writings are in many ways representative of the character and ambitions of the historical school as a whole. He began as a historian and philologist and only later found his calling in 'transplanting abstract political economy to historical ground'. In summing up a warm appreciation of Roscher's contributions on the fiftieth anniversary of the latter's *Habilitation*, Schmoller displays his awareness of the old master's ambivalent legacy and points to his own chosen path:

Roscher shares the universal-historical view with the older school of cultural historians. He has taken over from the older generation of economists the great respect for Adam Smith, Ricardo, and Malthus. He is a fine, detached scholar who does not want to destroy but to rebuild slowly. It was as much his aim to remain a theoretical economist as to make the statements of the old school historically more profound. He holds the middle ground between the two scientific epochs, winding up the older period and ushering in the new one.¹⁶

The last passage is especially significant. By the old, Schmoller means the classical or 'dogmatic' political economy, whilst the new refers to his own attempt to historicize further the German political economy, and thus free it from the one-sided abstractions of the old school. What has to be especially avoided in order to achieve this aim is further underlined when Schmoller turns to Karl Knies:

... in one of his youthful works, he had, indeed, demanded the historical method, but that in his riper works on *Money and Credit* which will always belong to the best the German theoretical political economy has produced, he has, in all essentials, abandoned this method for the more or less abstract method by which Menger himself works.¹⁷

Schmoller's distinctive solution to the impending or indeed chronic crisis of the older school appeared 'revolutionary'. He proposed to abandon altogether the 'old dogmas' of classical political economy, at once abstract, one-sided and politically suspect (for their promotion of free trade and cosmopolitanism). Instead, he proposed an eventually unified social science, which through detailed cumulative historical investigations would place economic factors in their 'total context'.¹⁸ General concepts and 'laws' were, to be sure, important, but only as distilled results of these historical studies, reflecting the full complexity of empirical reality. Schmoller thus confidently prophesied 'that before long we should have quite outlived the old

15 Roscher, *Principles*, 120ff. cf. M. Weber, *Roscher and Knies: the logical problems of historical sciences* (New York 1975) 55ff.

16 'Schmoller on Roscher' in *The development of economic thought: great economists in perspective*, ed. H. W. Spiegel (New York 1952), 377. This assessment of Roscher coincides with that of Keynes, who viewed the historical school from the opposite side; cf. Schumpeter, *History*, 809ff.

17 Cited in Böhm-Bawerk, 'Method' (1890) 259 n.1.

18 M. Schon, 'Gustav Schmoller and Max Weber', in *Weber*, ed. Mommsen and Osterhammel (London 1987) 62.

system of dogmas'.¹⁹ No half-way houses for Schmoller: Roscher and Knies's historical critique of the British school was to be carried to its extreme conclusion.²⁰

Schmoller's theoretical and methodological objections to classical political economy were underpinned and reinforced by normative and political objections. As the leading member of the influential *Verein für Sozialpolitik* (Social Policy Association) and a persistent advocate of public intervention in the economy to improve the conditions of the poor and advance the national interest, Schmoller found the *laissez-faire* implications of classical and Austrian economics abhorrent – and consequently the theory that justified them ultimately false.²¹ Thus he genuinely sought to establish how it was possible for Menger to develop a 'general theory of the economy' without dealing with the relationship between the state, the households, and the economy or various distinct sectors and agencies therein.²² This question, and other key points in Schmoller's dispute with Menger, were already anticipated in his review of Menger's *Principles* in the supposedly more congenial 1870s.²³ And they persist in his later substantive work when he tellingly charges the exponents of classical and neo-classical theory with the naïve belief in 'the identity of the social and individual interests' and the unhistorical view that finds 'the causes of English wealth' in 'the drive for profit instead of English institutions'.²⁴

The last two decades of the nineteenth century, the intense period of the methodological dispute amongst the economists, coincided with the height of Schmoller's influence. The *Verein* was recognized as the leading association for social reform in Germany, and Schmoller's new periodical (*Jahrbuch*) had become the main economic journal. He edited a series of influential monographs and was able to place his disciples in strategic positions in Prussian universities, an academic hegemon or 'professor maker'.²⁵ The promised 'new epoch' had arrived, and indeed it seemed to be his.²⁶

19 Cited in 'Wagner on the present state of political economy', *Quarterly Journal of Economics* 1 (1886) 129.

20 This is the 'official' Schmoller as generally recognized not only by his Austrian and other critics such as Keynes, but also by close associates like Wagner and Weber. However, as will be seen below, this characterization does not do his position full justice.

21 It is notable that, if seen as a revolutionary in his opposition to classical economics, Schmoller was certainly known as a reformer opposed equally to revolutionary socialists and liberal advocates of free trade and the market economy. See Grimmer-Solem, 'Science of progress', 367ff; Tribe, 'Historical schools', 222ff.

22 G. Schmoller, 'Zur Methodologie der Staats- und Sozialwissenschaften', *Jahrbuch für Gesetzgebung, Verwaltung und Volkswirtschaft*, 7 (1883) 975-94 (980).

23 For example, Schmoller criticizes Menger for the Ricardian sin of using his sharp mind to reformulate scholastic questions rather than finding solutions for real problems or for reducing all economic problems to purely private economic questions. See Grimmer-Solem, 'Science of progress', 320-21.

24 Cited in J. C. O'Brien, 'Gustav von Schmoller: social economist', *International Journal of Social Economics* 16. 9/10/11 (1989) 17-46 (25); see also G. Schmoller, 'Adam Smith', *Review of Social Economy* (1991) 30-40 (39-40).

25 B. Caldwell, 'Historical School', 651; Swedberg, *Max Weber* 175; see, however, H. Pearson, 'Response', 656ff., and Grimmer-Solem, *Science of progress*, 361ff., who forcefully question this popular view of Schmoller.

26 In the words of Schumpeter, 'the new departure, the distinctive research program, the emergence of a genuine school must in fairness be associated with the name of Gustav Schmoller.' *History*, 809.

Nevertheless, his research programme soon proved vulnerable to an inbuilt expansiveness that exacerbated rather than overcame the centrifugal tendencies of the historical school. His attempt to embed economic relations in their wider and distinct historical and social contexts before producing general concepts or lawlike generalizations resulted in a ‘Schmollerian economics’ which, in Schumpeter’s admittedly partisan verdict, included everything in ‘the social cosmos or chaos’.²⁷ Here, Schumpeter echoes the central charge raised in Menger’s original critique of the historical school. According to Menger, the failure to recognize the distinction between economic theory and economic history had led the historical economists to make demands on theory that could be expected only of economic history or history as a totalistic science. The outcome of the ‘slight’ methodological understanding of historical economists was especially noticeable in the works of ‘a few extreme representatives of the historical school of German economics [i.e. Schmoller and his disciples who] always pretend to bring into consideration the entire life of the nation (why only this, and not the whole universe, since an abstraction is present in this, too?). With this, however, they arrived ultimately and logically at a complete aberration from theoretical research and entered into the field of writing history.’²⁸

This under-theorization is certainly part of any explanation of the decline of Schmoller’s research programme. Marxism explained everything in the social universe (past and present and often without detailed historical support), but continued to thrive long after the collapse of Schmoller’s programme. Whatever the empirical achievements of Schmoller and his associates, his project evidently suffered from the absence of a theoretical core with the aid of which the ‘whole’ could be ordered, reduced, and explained. Ironically, Schmoller did not, as did many professional historians, dismiss, neglect, or downplay the importance of general, ‘scientific’ laws and concepts. On the contrary the discovery of such laws was still considered the ultimate goal of historical political economy. But, first, through inductive-historical research which placed and explained economic processes in their totality, the ground for a truly universal, deductive social science had to be prepared. To Schmoller, as Bruun notes, ‘clearly defined concepts stood at the end, not the beginning of the scientific process.’²⁹ This is why his most vehement objections were directed at the ‘naïve isolated bookworm’ (*i.e.* Menger), who dared claim to have already discovered, *contra* the findings of ‘scientific psychology’, in self-interest and the profit motive the ‘ultimate elements’ of economics.³⁰

27 Schumpeter, *History*, 812.

28 C. Menger, *Investigations* (1985) 71ff. In the relatively recent revival of Austrian economics as an alternative to the neo-classical orthodoxy, Menger’s work has been distinguished not only from the Walrasian and Jevonsian traditions, but also from his own closest followers, namely Weiser and Böhm-Bawerk. This, however, does not have any significant bearing on our discussion. See, for example, M. Alter, *Carl Menger and the origins of Austrian economics* (Boulder 1990a) 313ff., and K. Vaughn, ‘The Mengerian roots of the Austrian revival’ in *Carl Menger and his legacy in economics* (Durham 1990) 387ff.

29 H. Bruun, *Science, values and politics in Max Weber’s methodology* (Copenhagen 1972) 82; cf. Schon, ‘Schmoller’ (1987) 62; Alter ‘Menger’ (1990) 64-65.

30 See Schmoller, ‘Zur Methodologie der Staats- und Sozialwissenschaften’, *Jahrbuch für Gesetzgebung, Verwaltung und Volkswirtschaft*, N.f. Jg. 7 (1883) 975-94 (979); Grimmer-Solem, ‘Science of progress’, 332.

The most telling, if also the simplest, indication of the failure of Schmoller's project was underlined by Eugen Böhm-Bawerk, Menger's chief lieutenant. Writing more than a decade after the start of the dispute, he recalled the older historical economists' reliance on 'abstract deductive reasoning' and then pointed to the fact that the 'old dogmas' had refused to disappear even from the *bona fide* works of Schmoller's own expanding circle of disciples. Put differently, he showed that even historical accounts could not avoid theoretical concepts:

Theoretical problems of a general nature are today almost entirely avoided, and – I say with no deprecatory double meaning – if the history of the development of this or that municipal guild or the price of grain in a certain place, or ... any similar subject, is to be investigated, little occasion is offered for delving into theoretical problems. But yet ... it is absolutely impossible to make a report upon a question of economics, much less to discuss it, without touching upon general theoretical conceptions and propositions. For example, whoever has occasion to explain a rise in the price of meat by a rise in the cost of raising cattle indirectly recognizes the law.³¹

Here, it will not do to suggest that Schmoller was never against theory as such, or that, even in his polemical response to Menger's polemical critique of the historical school, he recognized the usefulness of the 'isolating method' and theoretical economics; that he was essentially a pragmatic, even liberal, thinker mainly interested in policy, who objected not so much to Menger's occupancy of a corner of the 'house of our science', but to his claim on the 'whole building', or indeed that Menger was equally, if not more, abusive, in his treatment of Schmoller.³² These and other elements of the case for Schmoller's defence (and rehabilitation) put forward recently by Grimmer-Solem, Hagemann, Peukert and others may redress the rather harsh treatment of Schmoller in most scholarly treatments of the dispute, from Keynes senior to Tribe.³³ The absence of a theoretical frame, system and compass, even if explained by anti-reductionist and other noble intentions, precluded the consolidation of the massive institutional and scholarly apparatus at Schmoller's disposal into a functioning paradigm. Concepts were borrowed, but not owned and developed. Historical findings were at best put to critical use or appropriated by the theoretically grounded traditions criticized by the Schmollerians, but were otherwise lost in the hole that, when and if filled, would have been historical political economy's theoretical heart.

Schmoller intended to pursue historical political economy's synthetic intentions, while overcoming the compromised eclecticism that had made it into economic theory plus historical commentary. The project proved unsustainable. The refusal to synthesize history and theory here and now in a context which allowed both to thrive separately and reap the

31 Böhm-Bawerk, 'Method' (1890) 259-60; Although closer to Schmoller, Wagner almost fully anticipates Böhm-Bawerk's criticism when he notices that 'the historical economists themselves, time and again, make use of the old principles, as the theories of value and of cost of production, which are nothing more than parts of what is called the "old dogmatism"', 'Political economy' (1886) 129.

32 Grimmer-Solem, 'Science of progress' 331-37; H. Hagemann, 'The *Verein für Sozialpolitik*, from its foundation (1872) until WW1', in *The spread of political economy and professionalisation of economists*, ed. M. Augello and M. Guidi (London 2001) 152-78 (157-58); and H. Peukert, 'The Schmoller Renaissance', *HPE* 33.1 (2001) 71-116.

33 Keynes, *Scope*; Tribe, *Strategies*, chapters 2-4; 'Historical school'.

benefits of specialization, left historical political economy in the market for second-rate products. Or so both Bücher and Weber assumed in advancing their different agendas for the salvation of the historical school.

Nevertheless, the Schmollerian project had not been completely in vain. Schmoller's insistence on total context and his genuinely non-reductionist approach, in which the search for laws was replaced by examinations of prevailing economic and social structures, pointed the way to historical sociology associated, above all, with Weber. The construction and central location of the concept of 'embeddedness' in Polanyi's theory of history and the critique of classical, neo-classical and Marxian economics, too, can be traced directly to Schmoller's research programme agenda.³⁴

Schmoller's chaotic appropriation of the 'social cosmos' thus may be seen in a different light. Not only because this has become an automatic refrain of neo-classical economists about sociology (and political economy) since it replaced history as economics' territorial rival, but also because it evinces the extent to which Schmoller's failure was overdetermined by the old problematic of historical political economy. He had recognized acutely that the juxtaposition of nomological political economy and historical commentary could no longer be sustained – the autonomous dynamics of political economy and history threatened historical political economy with a state of permanent retardation and eventual disintegration. Yet, as the leader of the Historical School of Political Economy, Schmoller could not pursue the analysis of socio-economic structures to the conclusion of creating a new sociological field. Nor did his exclusionist/expansionist methodological orientation incline him towards the investigation of the possibility of reconciling history and political economy on some non-belligerent basis, such as division of labour and mutually beneficial co-operation. Thus, the almost suicidal call for an empiricist reduction of theory to history now, and the reduction of history to scientific theory in the future, when sufficient data are available for nomological generalization.

Notwithstanding his subsequent fame as a key protagonist in a methodological dispute, Schmoller's interest in the subject was limited, and did not go beyond rather brief programmatic statements or general critical reflections. In contrast, Menger was something of a born-again methodologist. But even though 'today' his methodological reflections may be considered 'quite uncontroversial', for our purposes they remain far from convincing.³⁵ Indeed, a parallel can be drawn readily between Menger's transformation of classical political economy and Schmoller's reform of the historical school. If for the latter his inheritance was too abstract, for the former the British political economists were not abstract enough. For the Austrians, British political economy had 'prematurely' received the accolade of 'classical', because it was 'only an incipient, embryonic science [which] with its well meaning but primitive and untaught art extracted much gold, but that which required a finer process it could not reach'.³⁶ Inspired by physics rather than history, at least in respect of the specific

34 The most compact source for the whole range of Polanyi's development of the Schmollerian critique of orthodox economics is *Primitive, archaic, and modern economies*, ed. G. Dalton (Boston 1968). The reference to Schmoller's school here (124), is further elaborated in Polanyi's unpublished Columbia lecture notes (PA 1950) where Schmoller is singled out as one of his precursors.

35 K. Tribe, 'Historical schools', 224.

36 Böhm-Bawerk, 'Method' (1890) 253-54; see also E. Böhm-Bawerk, 'The Austrian economists', *Annals of the American Academy of Political and Social Science* 3 (1991).

matter which is of interest here, Menger's distilled or 'exact' economics aimed at the discovery of general laws that hold absolutely true 'for an analytically or abstractly conceived economic world' and are not falsifiable by recourse to actual concrete circumstances.³⁷ These laws are 'no different from ... laws of all other exact sciences and of the exact natural sciences particularly'. Any distinction between the natural and the social sciences in respect of their methods is, therefore, rejected. Abstract universal laws should be called, Menger suggests, *exact*, rather than 'natural' laws so that their applicability to the social as well as the natural world is left in no doubt.³⁸

In this rather early formulation of positivism, Menger redraws the neo-Kantian distinction between natural and cultural sciences by distinguishing instead not only between economic theory and economic history (and economic policy) but also between exact and historical or 'realistic' orientations in economic theory. Exact economics is thus placed next to sciences such as physics and chemistry, whereas empirically derived economic theory is viewed as a realistic science akin to physiology and meteorology.³⁹ This twofold distinction between economic theory and history and exact and realistic orientations in economic theory underpins Menger's lengthy argument and allows him simultaneously to fend off the counter attacks of the historical school, and in effect hold an olive branch to the receptive and theoretically inclined historical economists such as Bücher.

Thus, in response to the all important charge of one-sidedness, Menger accused his critics of overlooking the fact that although history 'has the task of making us understand *all sides* of certain phenomena', 'the exact theories have the task of making us understand only *certain sides* of all phenomena in their way. A science can never be called one-sided if it fulfils its task'⁴⁰ (emphases added). Even if effective as a response to many of the criticisms raised against marginal economics, this sharp contrast between history and theory could not sustain

³⁷ Menger, *Investigations* (1985) 72-73.

³⁸ Menger, *Investigations* (1985) 54ff. Lawrence White has questioned Max Alter's emphasis on the historicist roots of Menger's thought 'because to associate Menger's work with historicism and institutionalism in the usual senses (as represented by Schmoller and Veblen) is quite wrong-headed, because it is a far cry from the methods of those schools to provide theoretical accounts of economic institutions in a deductive compositive way'. L. White, 'Restoring an "Altered" Menger' in *Carl Menger*, ed. B. Caldwell (1990) 357; cf. M. Alter, 'What do we know about Carl Menger?' in *Carl Menger*, ed. B. Caldwell. Both, however, may be right in view of the complex legacy of German historicism and the close association Schmoller himself found between Menger's 'lively sympathy for the mysticism of the Savignian *Volksgeist* and the Manchesterite aversion against every conscious activity of the collective organs of society. As law emerges on its own, so the economy should be left to itself and understood merely as the play of the egoistic at and the same time harmonious interests ... It was progress over Savigny that Roscher did not make these mystical conceptions his point of departure'. Schmoller, 'Zur Methodologie', 986, cited in Grimmer-Solem, 'Science of progress', 334. Menger's denial of his Manchesterite orientation has been further undermined by Erich Streissler's examination of his lecture notes, see E. Streissler, 'Carl Menger on economic policy: the lectures to crown prince Rudolph' in *Carl Menger*, ed. B. Caldwell (1990). It should go without saying that Hayek's preoccupation with and approval of 'spontaneous orders' chimes with the mysticism shared by the Savignian historicist nationalists as well as the cosmopolitan champions of the invisible hand of the market.

³⁹ Menger, *Investigations* (1985) 79.

⁴⁰ *Ibid.*

the full load of Menger's claims. Above all, the 'dogma of self interest' which Menger conceded to be the 'ultimate atom' of his theory, involved the problematic incorporation of the results of another science, namely psychology. But apart from threatening the independent scientific status of economics, psychology did not seem to provide any decisive ground for considering economic self interest or 'egoism' as the sole or only significant psychological motive of human behaviour. This was an important issue, especially as Schmoller too viewed psychology as 'the key to all the cultural sciences and therefore to political economy as well'.⁴¹ Menger's recourse to analogies from other exact sciences or the inevitable need to make 'unrealistic' assumptions (including the 'dogma of infallibility') was and 'remains as a vast simplification and limitation'.⁴² Menger's own methodology and exact economics, therefore, remained open not only to the charge of neglecting the political and cultural determinations of economic phenomena but, perhaps more damagingly, to that of misrepresentation of underlying psychological factors. On this fundamental ground Menger's position was weak, with commentators often trying to find a middle ground, a way of combining 'egoism' with 'altruism'.⁴³

Although Menger's main concern was to establish the scientific claims of his own exact economics, this is not where he left the matter. Rather, he went on to suggest that in all theoretical sciences, whether natural or social, there is a second equally legitimate orientation, the 'realistic-empirical method' which also aims at the general nature and the general connection of real phenomena. Except that, in contrast to the exact method, it operates through the direct observation and examination of empirical reality. The exponents of this method could arrange 'the totality of the real phenomena in definite empirical forms and in an empirical way to determine the regularities in their coexistence and succession'.⁴⁴ This approach, however, could only lead to the discovery of 'empirical laws'; the exact or absolute laws remained the exclusive preserve of Menger's own favoured method. Evidently, the 'realistic' method was tailor-made for historical economists. Suffering generally from methodological ignorance and confusing history and theory, they failed even to follow this approach rigorously, or so Menger implied.

Be that as it may, Menger's distinction raised as many problems as it actually solved. The first thing to notice here is Menger's insistence that neither approach is superior to the other; they are, he says, only different. A welcome nod to pluralism perhaps, but then one that replaces the 'objective' grounds for choosing between them with 'subjective' factors such as the theorist's predilection or talent, personal background and academic ties, and therefore not something that sits comfortably with Menger's positivism. Secondly, it carries with it the implication that the equally legitimate co-existence of both orientations is a peculiarity of political economy or, at any rate, the social sciences, a judgement which, if true, resurrects the distinction between social and natural sciences which Menger wished to deny. The first point is ignored and the second is denied:

41 Schon, 'Schmoller' (1987) 62; cf. Menger, *Investigations* (1985) 84ff.

42 T. W. Hutchinson, *Politics and philosophy of economics* (Oxford 1981) 183.

43 See, for example, Wagner, 'Political economy' (1886) 123ff.

44 Menger, *Investigations* (1985) 73.

Physics and chemistry, for example, exact sciences according to their bases, by no means exclude individual items of knowledge obtained only empirically. On the other hand, physiology, according to its basis a result of realistic research, does not take only realistic knowledge into its sphere of presentation, but also numerous items of exact knowledge. The situation is similar in theoretical economics.⁴⁵

However, it is not, at least in terms of Menger's own line of argument. In the case of physics and physiology it is, according to Menger, their base or object that determines the primacy of one as opposed to another theoretical orientation. In other words, there are, in this regard at least, no rival orientations in physics or physiology. In political economy the situation is apparently different. The exact and the realistic orientations in political economy are seen as rivals with the common aim of providing a full account of, ultimately, the selfsame economic phenomena. Thus, contrary to

a few widespread errors ... these two orientations of research ... do not at all complement each other, for instance, by revealing to us the understanding of different fields of economy. Rather, the function of each of them consists in making us understand the total realm of economic phenomena in its characteristic way.⁴⁶

To be sure, as a result of practical but transient difficulties, the two rival orientations may be constrained or privileged in various ways. For instance, the realistic approach may 'currently' enjoy an advantage in treating the 'more complicated phenomena', but 'in principle both orientations of research are *adequate* not only for *all realms* of the world of phenomena, but also for *all stages* of the complexity of phenomena'⁴⁷ (emphases added).

Menger further rejects the claim made by German historical economists that the realistic orientation (let alone their understanding of it) is superior because based on experience, and that, therefore, should its conclusions come into conflict with the results of the exact orientation, the latter must be rejected in favour of the former:

Testing the exact theory of economy by the full empirical method is simply a methodological absurdity, a failure to recognize the bases and presuppositions of exact research ... To want to test the pure theory of economy by experience in its full reality is a process analogous to that of a mathematician who wants to correct the principles of geometry by measuring real objects ... Realism in theoretical research is not something higher than exact orientation, but something different.⁴⁸

45 Menger, *Investigations* (1985) 67.

46 Menger, *Investigations* (1985) 68.

47 Menger, *Investigations* (1985) 69.

48 Menger, *Investigations* (1985) 69-70. Menger's reference to mathematics, whilst clearly unconvincing, given the purely logical foundations of maths, is, no doubt unintentionally, prophetic. For it is only as a sub-branch of mathematics that economic theory has managed to remain self-enclosed and self-sufficient. Even so, this kind of economics is not completely useless, if it were used as a special tool, among others, for understanding modern political economies. Cf. White (1985) xiii.

Menger fails, as T. W. Hutchinson noted, to mention how the rival claims of these evidently rival orientations should be tested.⁴⁹ At this stage he is perhaps content with establishing the scientific credentials of his own exact theory and methodology. Either way, the call for an equal but strictly segregated co-existence of exact and realistic orientations clearly derives from Menger's insistence on expelling history from the theoretical realm altogether, or as much as possible. Yet by allowing, indeed theorizing the validity of the realistic position, he is eventually forced to redefine the boundaries between theoretical economics and economic history. He is thereby also forced to accept history as an inseparable dimension of at least one branch of theoretical economics, not just in the sense that by definition the realistic school derives its inexact laws from observable regularities of empirical reality (which presumably it shares with physiology) but in the more significant sense that the empirical forms whose interconnections are to supply the empirical laws of realistic orientation themselves change in time. Here the comparison with physiology, current at the time and employed, among others, also by Marx, fails to account for the specificity of political economy. As Menger himself observed:

Those changes in the empirical forms of the organic world which as a result of well-established hypotheses are said to have been completed in the course of thousands of years, usually in prehistoric times, actually are completed in the realm of social phenomena in general and in particular in that of economy in a most intense manner, and, indeed, in historical times, right before our eyes, as it were.⁵⁰

Exponents of the exact orientation need not have worried about all this, since its most important historical presupposition was the existence in humans of certain innate psychological properties, which, if granted, were not only natural, but also for all practical purposes, eternal. The realistic orientation, however, faced a very different set of problems, the admission of which undermines Menger's claim, considered above, that the objects of these otherwise radically distinct orientations were exactly the same. Menger in effect concedes this when he acknowledges that:

the empirical laws of the phenomena discussed here, insofar as they only correspond to a definite stage of development, *do not necessarily retain their validity for other stages of the development* of the above phenomena.⁵¹ (emphasis added)

With this, Menger almost comes full circle. Not only must the realistic branch discover its laws in examining the empirical facts, but it must also return to history in order to ensure the applicability of its laws to an empirical reality, which is now admitted to be historical in a way that the empirical facts of physiology, let alone physics, are not.

Incidentally, Menger acknowledges that the development of economic forms also affects the exact orientation, but only by extending the sphere of objects it has to consider, and to this extent its research aims may be amended. This (passing) line of argument, too, cannot sustain Menger's basic position as, on the one hand, it fails to rescue the exact theory from aprioristic

⁴⁹ Hutchinson, *Politics* (1981) 181.

⁵⁰ Menger, *Investigations* (1985) 103.

⁵¹ Menger, *Investigations* (1985) 107.

self-enclosure, and, on the other hand, it fails to demonstrate the identity of its object with that of the realistic research programme. Thus, the admission of even Menger's own modern followers that his 'solution of finding [*sic*] a sound epistemological justification for economics of course cannot be regarded as satisfactory'.⁵²

As will be seen, Weber did find a solution of sorts to this set of problems. But he did so by historicizing Menger's theory and claiming its laws only operated under certain definite historical conditions;⁵³ an argument that Menger wished to avoid at all costs. With his famous distinction between substantive and formal economics, Polanyi follows in Weber's footsteps by essentially suggesting that both Menger and Schmoller were right (and hence wrong). Schmoller was right in asserting the universal embeddedness of economic relationships and institutions, hence the need for what Polanyi called substantive economics. But Menger's formal economics was valid for the 'liberal civilization' of the nineteenth century, because during this period the economy became disembedded from society.⁵⁴

These matters arise and are treated in the following chapters. The point to make here is that, whatever the consequences of Menger's problematic discussion of the exact and empirical methods for the former, the importance of its implications for historical economists such as Bücher and Weber, cannot be in dispute. In order to periodize, to define the boundaries of possible economic stages, and thereby to discover their empirical laws, regularities, or recurrent institutional patterns, they evidently had to turn to economic history and beyond. It follows that the realistic economic theorist must employ the services of history (hence the internal connection otherwise lacking in Menger's tripartite division of political economy into theory, economic history and economic policy) in its manifold dimensions to discover the empirical regularities which are assumed to be his ultimate aim. This, as will shortly be seen,

52 K. Milford, 'Menger's methodology' in *Menger*, ed. B. Caldwell (1990) 235. As was – and remains – customary in academic writing, passages can be found even in the polemical contributions of both Menger and Schmoller that, by appearing to recognize some merit in the opposition's argument, function primarily as insurance against the charge of one-sidedness. Later, these became more pronounced, and perhaps positively meant, when the heat generated by the *Methodenstreit* cooled. See, H. Pearson, 'Historical school', 551; T. W. Hutchinson, *A review of economic doctrines 1870 – 1929* (London 1953) 149; cf. E. Grimmer-Solem, 'Science of progress', 340-41; 355ff. Such convergences tend to reinforce the position of the commentators who view the whole dispute as 'a storm in a tea cup' fueled by sociological and psychological factors as well as conceptual misunderstandings. See S. Bostaph, 'The methodological debate between Carl Menger and the German historicists', *Atlantic Economic Journal* 3 (1978) 7ff; Schumpeter, *History* (1954) 815ff; K. Tribe, *Strategies of economic order* (Cambridge 1995) 76-79; and his 'Historical schools' (unpublished version), 13. Be that as it may, the *Methodenstreit* clearly played an important role in the intellectual formation and concerns of contemporary writers and served to consolidate the distinct identities and trajectories of the two 'schools'.

53 M. Weber, 'Marginal utility theory and the so-called fundamental law of psychophysics', *Social Science Quarterly*, 56:1 (1908/1975).

54 Like Weber, Polanyi considered Menger's economic theory a brilliant achievement. Indeed in his article 'Carl Menger's two meanings of "economic"', *Studies in Economic Anthropology* (1971), he goes as far as suggesting that Menger had a twofold conception of economics and that it was more or less identical with Polanyi's own. In spite of his own ultimate allegiance to historical and institutional economics, Polanyi had no qualms in concluding that 'Menger was essentially right against the historical school, but he overstated his case'. *Primitive, archaic and modern economies, essays of Karl Polanyi*, ed. G. Dalton (Boston 1968) 135.

is what Karl Bücher thought he had done when he presented the theory of history that triggered off the *oikos* controversy. First, however, we should turn to 'intuitionism', which was the common core of the methodological position that was threatening historical political economy from the opposite 'historical' or professional historians' end of the spectrum.

The intuitionist alternative and the historians' dispute

Professional historians had their own reasons for rejecting the evolutionary synthesis of theory and history. The first roots of their opposition may be traced back to the circumstances attending the initial rise of history as a distinct 'scientific' discipline at the turn of the nineteenth century. What was then 'modern' history established its credentials as against, on the one hand, the factually unscrupulous narratives of great personalities and events and, on the other hand, the sweeping generalizations of the 'philosophic' histories of the likes of Vico and Voltaire. Thus the emphasis on primary evidence and the collection, classification and critical examination of historical documents and artifacts through methods traditionally associated with 'archaeologists', 'grammarians', and 'philologists', that is, antiquarians in the broad sense of the term.⁵⁵

Now less than a century later, and under the more effective guise of 'science', apparently a new variant of philosophic history was seen to be making a comeback in the writings not only of political economists, but also professional historians. The historians' own dispute and the *oikos* debate between the historical political economists and historians overlapped chronologically as well as logically. The former entered its 'intense' phase when Karl Lamprecht began to answer the critics of the first five volumes of his popular *German history* in 1894; the latter was inaugurated with Eduard Meyer's critique of Bücher in 1895.⁵⁶ Lamprecht was a close associate of the political economists. He had been trained by Roscher, and in turn, recruited Bücher to his university post and considered himself to be 'engaged ultimately in a common project'.⁵⁷ Even more than Bücher's *Industrial evolution* (see p. 38 below) or Sombart's *Modern capitalism*, Karl Lamprecht's 19 volume work united the leading German historians, including Eduard Meyer, Georg von Below, and Friedrich Meinecke, against itself and the nomological evolutionary view of historical change.⁵⁸ He was a professional historian, an insider, and therefore his frontal challenge to the orthodoxy (and beyond) was all the more threatening. Whatever the explanatory limitations of Rankean political history, its emphasis on factual accuracy, 'singularity, diversity, rejection of all abstract system of laws, or other concepts that implied the limitation of the freedom of historical actors to make moral choices' underpinned the profession's liberation from theology, philosophy, and law. Most historians, therefore, variously rushed or retreated to its defence, when faced by what was seen as Lamprecht's Trojan horse of 'new bondage to social

55 See A. Momigliano, 'Historiography on written tradition and historiography on oral tradition', and 'Ancient history and the antiquarian', in *Studies in historiography* (London 1966) 213.

56 K. Weintraub, *Visions of culture* (Chicago 1966) 175.

57 R. Chickering, *Karl Lamprecht, a German academic life, 1856-1915* (New Jersey 1993) 294.

58 S. Whimster, 'Karl Lamprecht and Max Weber: historical sociology within the confines of a historians' controversy' in *Weber*, ed. Mommsen and Osterhammel (1987) 273ff.

and natural sciences'.⁵⁹ With its deployment of abstract concepts, developmental sequences, collective actors, general structures, and deterministic perspective, evolutionary accounts such as those of Lamprecht (and Bücher) appeared to downgrade or indeed do away with the central categories of political history, free will, chance, and courage, and thus negate the very essence of historicism and the cultural values on which it was based. Subsumption of 'the actions of individuals within the orbit of laws' was, in other words, not only problematic in methodological and epistemological terms, but also threatened the moral and ontological assumptions of German historians.⁶⁰

Sympathetic commentators may be right that factual errors, unsubstantiated and inconsistent assertions, and fanciful arguments must be seen as the inevitable price of opening 'views on history closed to the less daring' or that the German historical establishment's reaction to the likes of Bücher and Lamprecht went beyond questions of fact and evidence.⁶¹ Yet, it remains that, without such features, it is unlikely that the cause of theory (and not just evolutionary theory) in history would have suffered as much as it in fact did. This explains the hostile response of not just the empiricists and antiquarians, who in any case, in Finley's typically vivid description, 'both fled from philosophy of history or theory and clung to their dogged positivism, their scholarship for its own sake, and also largely isolated themselves from their colleagues in economics, social science, economic history'.⁶² It also accounts for the few who, like Eduard Meyer, were familiar enough with developments in philosophy and other 'modern' disciplines to take a stand on methodological questions. Meyer's case is especially interesting because, contrary to the impression given by Finley, he was, at first, favourably inclined towards theory. He even contributed to the 'science of the evolution of man' and 'stood accused of inadmissible generalizations' in the eyes of political historians.⁶³ By the turn of the century, however, in a rare (for professional historians) book-length methodological contribution, Meyer took up the cause of the accidental, the freely willed decision of concrete individuals and the influence of ideas on the actions of human beings against the perspectives that stressed typical or collective phenomena, especially social classes or nations, and the necessary, nomological nature of historical change.⁶⁴

Was there an alternative through which historians' aversion to theoretical evolutionism and scientism could find methodological expression? From our broad, context-setting perspective,

⁵⁹ R. Chickering, *Lamprecht*, 213, 215.

⁶⁰ Whimster, 'Lamprecht', 278.

⁶¹ Weintraub, *Visions*, 176; Whimster, 'Lamprecht', 277-78; Finley, *Ancient slavery and modern ideology* (London 1980) 49. The extent of Lamprecht's transgressions is nicely indicated by his outright plagiarism of large chunks of Schmoller's work. Schmoller, 'closer than perhaps any other economist to the historical profession ... found the dispute painful', but his 'basic sympathies' remained with Lamprecht despite his own direct experience of the latter's methods, R. Chickering, *Lamprecht*, 227-28. This, as well as Schmoller's later work, shows the extent to which positions taken by participants in these disputes varied partly in line with changing polemical and professional contexts, see also, H. Pearson, 'Historical school', 551ff.

⁶² Finley, *ibid.*

⁶³ Tenbruck, 'Max Weber and Eduard Meyer' in *Weber*, ed. Mommsen and Osterhammel (1987) 245.

⁶⁴ E. Meyer, *Zur Theorie und Methodik der Geschichte* (Halle 1902); cf. M. Weber, 'Critical studies in the logic of the cultural sciences, a critique of Eduard Meyer's methodological views', in *The methodology of social sciences*, ed. E. Shils and H. Finch (New York 1949).

the answer is ‘intuitionism’, or, more specifically, the view of history as a factually informed art. The main outline of this view, as Finley noted, may be traced to Wilhelm von Humboldt’s seminal ‘On the historian’s task’ of 1821.⁶⁵ Recognizing clearly that something more than factual accuracy and comprehensiveness was at stake in ‘genuine’ historical accounts, Humboldt provided history with a self-definition that served historicism well throughout its triumphant spread, and remained a strategic asset when besieged by rival paradigms towards the end of the nineteenth century:

An event ... is only partially visible in the world of senses; the rest has to be added by intuition, inference, and guesswork. The manifestations of an event are scattered, disjointed, isolated ... The truth of any event is predicated on the addition ... of the invisible part of every fact, and it is this part, therefore, which the historian has to add. Regarded in this way, he does become active, even creative – not by bringing forth what does not have existence, but in giving shape by his own powers to that which by mere intuition he could not have perceived as it really was. Differently from the poet, but in a way similar to him, he must work the collected fragments into a whole ... Thus the two methods have to be followed simultaneously in the approach to historical truth; the first is an exact, impartial, critical investigation of events; the second is the connecting of events explored and the intuitive understanding of them which could not be reached by the first means. To follow only the first path is to miss the essence of truth itself; to neglect this path, however, by overemphasising the second one is to risk falsification of truth in its details.⁶⁶

The reference to poetry settles account with Aristotle’s enduring definition of history as the mere description of ‘singulars’, of what ‘Alcibiades did or had done to him’, and thus of less ‘philosophic and weighty’ significance than poetry, whose ‘statements are of nature rather than of universals ...’.⁶⁷ Aristotle’s notion of history corresponds to the results of the first of the two methods proposed here, whereas the second upgrades history to the level he had reserved for poetry. Together they distinguished history from both chronicle and fiction.

Dilthey’s influential attempt to give ‘the historical method a firm methodological basis’ essentially elaborates and extends Humboldt’s insight in philosophical language: ‘In Dilthey’s view, the method of natural sciences only applied to objects of a physical nature, but not to “*Geist*”, *spiritual* phenomena; the latter instead required a particular kind of intuition and empathy, “*Verstehen*”.’⁶⁸ Similarly, Windelband’s subsequent distinction between ‘nomological’ (‘general law-seeking’) and ‘ideographic’ (‘intuitional’), too, entailed the aestheticization of history.⁶⁹ Dilthey’s crucial intervention came in 1883, the same year that saw the irruption of the Schmoller-Menger dispute, and more than sixty years after Humboldt’s address. In between it was the historical political economists that heroically grappled with similar questions in attempting to synthesize the nomological and the ideographic methods

65 M. I. Finley, ‘How it really was’, in *Ancient history, evidence and models* (London 1985) 60.

66 W. von Humboldt, ‘On the historian’s task’, *History and Theory* 6 (1967) 56-57, 58.

67 Aristotle, *Poetics* (London 1987) chapter 9, 1451b ff.

68 H. Bruun, *Science* (Copenhagen 1972) 83.

69 Bruun, *Science*, 84, 87ff.; cf. G. Iggers, *The German conception of history* (Wesleyan 1983); G. Oakes, ‘Weber and the south-west German School’, in *Weber*, ed. Mommsen and Osterhammel (London 1987).

and aims. Notwithstanding their putative expertise, it appears that the philosophers' belated contributions did not provide much help for the political economists, perhaps because, in Schumpeter's words,

when they proceeded, with enviable confidence, to lay down the law for us, they drew an entirely unrealistic dividing line between the 'laws of nature' and 'the laws of cultural development' or the 'formulation of laws' and 'historical description'.⁷⁰

Not surprisingly, however, many prominent German historians – and others such as Croce – resorted to one or another variant of intuitionism in their battles against evolutionism and scientific determinism. 'Informed art', while it might be considered science in the broad German sense of the term, could not be included under narrower, nomological English or natural scientific usage. But then an important appeal of the model of historian as artist was its consonance with unique (heroic and non-rational) individual action as the ultimate subject of history. Together, the historian and the history-maker drew and redrew the boundaries of history against the transgressions of the mechanical or biological models which assigned to one the role of the onlooker, the mere discoverer of external laws, and condemned the other to being the object, rather than the subject, of history. The position was put succinctly in Meyer's claim that, subject to factual accuracy, 'the historian's subjective judgement, only the conception he himself has of his art can be decisive. The historian has the right to demand that in this respect he is not judged differently from the artist.'⁷¹

This may have been music to Menger's ears, but for the same reason it threatened the complete disintegration of historical political economy into its components. Intuitionism immunized history against the positivist virus, but at the cost of giving up its scientific status.⁷² Equally significantly, intuitionism failed to address the needs or even describe the 'logic-in-use' of the 'modern' disciplines of economic, social and cultural history.

Historical political economy vs. history: the oikos controversy

The *oikos* debate began on 20 April 1895 when Eduard Meyer rose to address the Third Congress of German historians.⁷³ His subject was the first, *oikos*, stage in the historical political economist Karl Bücher's new theory of history, which he aimed to demolish as the external counterpart to Lamprecht's internal assault on the integrity of history as a professionally organized field of knowledge and source of value. Although equally concerned with medieval and modern periods, it was Bücher's discussion of the ancient, or 'household' stage of world history that became the main focus of the dispute. The '*oikos theory*', the source of its enduring designation and the chief inspiration behind Bücher's seminal account of the Graeco-Roman

⁷⁰ Schumpeter, *History* (1954) 777 n. 14. Whether or not Schumpeter is right to suggest that Weber was among the economists who were 'misled' by these philosophers is a different matter that cannot be discussed here. It suffices to note that the Schumpeter's disparaging remark is as much an indication of his own predilection for 'pure' Walrasian economics as the summit of economic thought as a valid assessment of the flaws in Weber's understanding of economics.

⁷¹ Cited in Finley, 'How it really was', in *Ancient History* (1984/1985) 53.

⁷² Bruun, *Science* (1972) 87.

⁷³ The main contributions to the original debate are collected in *The Bücher-Meyer controversy*, ed. M. I. Finley (New York 1979).

states was first presented in Karl Rodbertus's studies on ancient economic developments published in Bruno Hildebrand's *Yearbook of political economy and statistics* in the 1860s.⁷⁴

An early example of comparative historical political economy in the genuine sense of the term, Rodbertus's account of the 'ancient economy' employs his theory of rent and income to contrast the internally differentiated complex tax structure of modern capitalism with the simple tax/tribute system of the Roman empire. Rodbertus's theory of rent was in turn based on the pure labour theory of value, which he had developed in detail in theoretical works such as *Overproduction and crisis*. This latter is credited as a direct precursor of Marx's theory 'and the earliest well-known attempt to connect crises with overproduction'.⁷⁵

In the modern economy, according to Rodbertus, the social revenue, the source of which is the labour time expended on the social product, is divided into two major categories of rent and wages. The former, a growing portion, is co-terminous with Marx's surplus value and includes rent, interest, and profit, with the latter further subdivided into industrial, commercial, and other specific types of profit. The share of wages, on the other hand, is assumed to be declining as a result of the increasing productivity of labour, while long-term wages remain – along the lines of Ricardian iron law – at a minimum subsistence level.⁷⁶ Rodbertus was thus able to conclude that '... capital accumulates and production increases without there being a sufficient number of purchases for the products, for the capitalists do not wish to consume more and workmen are not able to do so'.⁷⁷ Only a public authority, the state, could avert the otherwise inevitable crisis by ensuring that the workers receive an adequate and eventually full return for their labour.⁷⁸ On this basis, Rodbertus envisioned a form of state socialism which could be squared with his support for the Prussian monarchy.⁷⁹

In his work on antiquity, Rodbertus assumed this model of modern capitalism and pointed to its complex tax structure, including taxation of personal income (wages and salaries) and of property, corresponding to various divisions of 'rent' and indeed various social classes. This tax structure was an expression of the 'modern expanding economy', in which 'the various stages of production are ... linked with one another through the process of buying and selling. In this fashion varying claims to a share in the national dividend are created which take the form of money incomes.'⁸⁰ In contrast, the '*oikos* economy', considered widespread

74 Marxism's overwhelming spread in the twentieth century buried the writings of Marx's lesser and older rival, Karl Rodbertus. But at the time of the former's death, their respective priority in formulating various theories became the subject of heated controversy. Rodbertus claimed that Marx's theory of surplus value was taken from his writings. Engels rejected the charge, and others joined in. Marx himself, however, appears to have been somewhat more generous in acknowledging Rodbertus's contributions. See Marx, *Capital*, vol. I (London 1974) 498 n. 1; cf. E. Gonner, *The social philosophy of Rodbertus* (London 1899) 5ff.; Schumpeter, *History*, 506. Chapter 2 returns to this question regarding the respective impacts of Rodbertus and Marx on Weber's intellectual development.

75 J. Clark, 'Introduction' in K. Rodbertus, *Overproduction and crisis* (London 1908) 9.

76 Rodbertus, *Overproduction*, 68.

77 Rodbertus, *Overproduction*, 71.

78 Rodbertus, *Overproduction*, 80.

79 Thus his warm embrace by Adolph Wagner and other 'socialists of the chair', and the scorn he received from Marx and Engels for promoting reformist illusions.

80 Rodbertus, *Overproduction*, 78.

in ancient societies, required only a simple single form of tribute reflecting the undifferentiated command of the 'lord of the *oikos*' over the social product. In the *oikos* economy, according to Rodbertus's condensed and posthumously controversial conception, 'nowhere does buying and selling intervene, nowhere do goods change hands. Since the national dividend never changes hands, it nowhere splits up into various income categories as in modern times... All this necessitated economy-in-kind. No money was needed to make the national dividend pass from one phase of production to the other, since no change of ownership was involved.'⁸¹

Harry Pearson has noted that, in Rodbertus's studies on ancient history, 'historical confusion is apparent in a tendency to speak of the *oikos* without reference to any definite period.'⁸² This criticism, however, arose only in light of Eduard Meyer's critical examination of Bücher's variant of the *oikos* theory some three decades later. For Rodbertus the problem did not arise because his theory, although inspired by the putative experience of Imperial Rome, referred to what he took to be the representative institution of antiquity as a whole. In other words, *oikos*, for Rodbertus, as later for Bücher, defined antiquity as a distinct economic stage. As such, from Rodbertus's socialist perspective, it shared with the subsequent stages of world history the common feature of coercive appropriation of the products of labour:

originally it was *slavery*, whose beginning is coincident with that of agriculture and the ownership of land, which exercised this coercion ... the compact between the labourer and the master of wages has indeed taken the place of slave owners' orders, but this compact is free only in form not in reality, and hunger is an almost exact substitute for the lash.⁸³
(emphases added)

From this proto-Marxian vantage point, 'autarkic' households of Rome were simply the most developed embodiments of the first genuine social (extra-kin) division of labour based on the deployment of slave labour. From Rodbertus's evolutionary vantage point, the slave-owning household must have been chronologically the earliest form of social labour, because ethically it appeared as the most repulsive or 'primitive' form. And if this organization of labour was widespread in the Rome of the Christian era, then, *ipso facto*, it should have been dominant in earlier post-natural-kinship formations. It is this evolutionary underpinning of Rodbertus's general perspective that explains his 'tendency to speak of *oikos* without reference to any definite period', rather than Pearson's indeterminate references to the speculative or ideal typical nature of his theory.⁸⁴ For Rodbertus the movement from a simple, largely autarkic and relatively primitive economy (even in its more developed variants) to a complex, differentiated, and organically linked economy is what characterized the long haul between the ancient and modern stages of world history.

81 Rodbertus, 'History of Roman tributes from the time of Augustus' (1865) cited in H. Pearson, 'The secular debate on economic primitivism' in *Trade and market in early empires*, ed. K. Polanyi *et al.* (Glencoe 1957) 5.

82 Pearson, 'Debate', 6.

83 Rodbertus, *Overproduction*, 92.

84 Pearson, 'Debate', 5.

Karl Bücher's new synthesis

In contrast to his writings on economic theory, Rodbertus's ancient studies went unnoticed at the time of their publication in the mid-nineteenth century. They came to prominence only when Weber's senior associate, Karl Bücher, incorporated the 'oikos theory' into his own fully fledged general theory of economic development. Bücher's *Die Entstehung der Volkswirtschaft* (*The rise of national economy*; but in the English translation given the title *Industrial evolution*), first published in 1893, had the special merit of laying bare much that was tacit or taken for granted by Rodbertus. Bücher's controversial work appeared at a time when the methodological dispute between his fellow political economists was still intense and when the historians' own *Methodenstreit* was approaching its climax.

Industrial evolution (henceforth *IE*) provided the pretext for a debate that was waiting to burst into the open. The overlap between history and historical political economy, and the growing rift between the aims and methods of historians and political economists demanded the kind of public clarification that perhaps can be achieved only through polemical confrontation. Bücher's *IE* is an edited and expanded collection of lectures ranging from 'The economic life of primitive people' to 'The genesis of journalism'. However, 'the fundamental idea running through them all is expressed' in the third chapter which gives the book its title. The *oikos* controversy was triggered in direct response to this lengthy essay, and caused its author to revise it more than once so that his views 'cannot with good intentions be misunderstood'.⁸⁵ A product of critical reflection on the dispute with the Austrian economists as well as the existing stage theories of economic development within the historical school, *IE* is intended as a critical contribution fully cognizant of the implications of the former and free of the limitations of the latter.

IE may be divided into three, not wholly consistent, parts. The first, introductory section presents the methodological foundations of Bücher's three-stage theory of general economic development. It also provides a general outline of this theory, according to which the rise of national economy or modern capitalism is the result of a long evolutionary process comprising two major preceding stages of household or *oikos* economy and city (or town) economy. Through selective use of available evidence, the second part aims to demonstrate the historical foundation and validity of the above theory. The last part sums up the whole exercise by presenting the differential 'laws', empirical regularities, or more precisely the governing economic institutions of each stage along an evolutionary continuum.

On the face of it, Bücher's tripartite theory of household, city, and national economies appears to be just another variant of the stage theories current at the time. But it was intended to be otherwise, as its methodological introduction makes clear. Although Menger and Schmoller were not named by Bücher, the methodological foundations of his theory were developed in direct response to the issues raised in the debate which they had first initiated

⁸⁵ Bücher, *IE*, x. Finley has noted that 'Bücher had published an earlier version of his theory in an obscure journal as far back as 1876, but it received little attention' until the appearance of the first edition of *IE* in 1893. Finley, 'The ancient city' in *Economy and society in the ancient world*, ed. Shaw and Saller (London 1981) 252 n. 27. Rodbertus's account was published in Hildebrand's well-known journal, but it still received little attention. Evidently it is the timing that is crucial here. Bücher's 1893 work appeared at the time when the relationship between the professional historians and political economists had become hostile.

and defined.⁸⁶ Seen in this context, Bücher's opposition to Schmoller is unmistakable. Economic history had already generated sufficient material which, in pointed reference to the latter, 'remained an unprofitable treasure still awaiting scientific utilization'.⁸⁷ There was, in other words, no need to wait for Schmoller's unified social science. Indeed, considering the scope and the aims of Bücher's theory, it may be seen as an attempt to reappropriate the domain marked off by Schmoller. On the question of method too, Bücher confronts and dismisses the latter's objections to the one-sidedness of the abstract method of classical political economy. The question of the distinctness of the modern national economy from preceding stages can be answered 'only if we do not disdain investigating the economic phenomena of the past by the *same methods* of analysis and deduction from intellectually isolated cases which have given such splendid results to the masters of the *old 'abstract' political economy* when applied to the economic life of the present' (emphases added).⁸⁸ So much, then, for Bücher's view of Schmoller's efforts to isolate the 'isolating method' of classical political economy.

Nor was Menger spared. In fact, Bücher's emphasis on the splendid results of the 'old abstract' school underline his critical distance from Menger's more 'abstract' theory, which even more than the former asserted the universal reach of its results, and remained less amenable to the kind of historical economic theory that Bücher favoured. In any case, Bücher resolves the tension in Menger's elaboration of the (non-)relationship between the empirical and the exact orientations by strictly limiting the applicability of classical political economy which 'in its essence [is] a theory of [generalized] exchange' to the stage of 'national [modern capitalist] economy in the real sense of the term'. He criticizes it even within this more limited context, but his main problem is – *pace* other historical economists including Rodbertus and Marx – with Smith's naturalization of the tendency to truck, barter, and trade, or Ricardo's occasional treatment of the primitive hunter and fisher 'as if they were two capitalistic entrepreneurs'. What had to be done was to discover the specific (evolutionary) laws of such pre-modern formations, and thus do for them what Smith and Ricardo had done more or less adequately for the modern stage of 'national economy'.

Bücher, therefore, appeared to have struck a satisfactory compromise between the undeniable achievements of classical political economy and the claims of his own historical school to survive as an independent tradition. To underline the novelty of his approach, however, he extended the Austrians' critique of the historical school and dissociated his own theory from the apparently similar stage theories already advanced by the members and associates of the historical school. The attempts of his precursors are said to suffer from 'the defect of not reaching the essentials, and touching only the surface'. Specifically, List's original five-stage theory is mentioned, and Hildebrand's three stages of barter, money, and credit, which 'comes somewhat closer to the root of the matter'.

86 As mentioned above, Bücher was a leading member of the theoretical tendency within the historical school. See D. Kruger, 'Max Weber and the younger generation in the *Verein für Sozialpolitik*' in *Max Weber and his contemporaries*, ed. W Mommsen and J. Osterhammel (London 1987) 73.

87 Bücher, *IE*, 85.

88 Bücher, *IE*, 84; see also 148.

Both, however, are said to

take for granted that as far back as history reaches, with the sole exception of the 'primitive state', there has existed a national economy based upon exchange of goods, though at different periods the forms of production and exchange have varied. They have no doubt whatever that the fundamental features of economic life have always been essentially similar. Their sole aim is to show that the various public regulations of trade in former times found their justification in the changing character of production or exchange, and that likewise in the present different conditions demand different regulations.⁸⁹

While not denying the relevance of historical political economy, Bücher thus charges its founding fathers with a most debilitating inversion of classical political economy. By refusing rigorously to follow the method of analytic deduction from 'intellectually isolated cases' on the grounds of abstractness and lack of realism, they denied themselves the possibility of constructing a scientific theory of general economic development. Their own consequently superficial analysis, however, was premised on the application of classical political economy to periods for which it was not appropriate. Thus, ironically, the historical political economists could be accused of abstractness in the negative sense that classical political economists never were. So Bücher goes one step further than the Austrians in almost suggesting that historical political economy itself remains an abstract idea yet to be realized.

Finally, in evident reference to Schmoller's territorial series of village, town, region, state, and confederation, Bücher thoroughly clears the ground for his own theory by concluding that even 'the most recent coherent presentations of economic theory that have proceeded from the members of the historical school ... stand upon a scarcely higher plane than the favourite historical creations of abstract English economics'.⁹⁰

Against this background, Bücher elaborates his theory in a series of logical steps. The first is to suspend the assumption that the economic life of pre-modern societies was essentially the same as that of a contemporary national economy, which is conducted through generalized exchange. With reference to evidence from economic history, he views the latter as the evolutionary 'product of a development extending over thousands of years ... not older than the modern state; for long epochs before it emerged man lived and laboured without any system of trade or under forms of exchange of products and services that cannot be designated as national economy'.⁹¹

The second step consists of identifying the 'so-called stages of development, with generic designations made to embrace the whole course of economic evolution'. Such determination entails employing the method of abstraction and isolation through which the laws – or more to the point in Bücher's case – the typical, predominant, or 'normal' economic institutions of each stage, and thereby the stages themselves, are delimited. The result is set out in this neatly presented summary:

⁸⁹ Bücher, *IE*, 86.

⁹⁰ Cf. Schmoller, *The mercantile system and its significance* (New York 1896). This leaves Rodbertus as the only precursor to receive (specifically for his theory of *oikos*) explicitly favourable acknowledgment from Bücher; see *IE* 96ff.

⁹¹ Bücher, *IE*, 88.

1) The stage of independent domestic economy [*oikos*] (production solely for one's own needs, absence of exchange), at which the goods are consumed where they are produced.

2) The stage of town economy (custom production, the stage of direct exchange), at which the goods pass directly from the producer to the consumer.

3) The stage of national economy (wholesale production, the stage of circulation of goods), at which the goods must ordinarily pass through many hands before they reach the consumer.⁹²

Evidently, each stage corresponds to, and covers, one of the three great epochs of western (in the first edition, world) history as traditionally conceived; namely the ancient, medieval and modern periods. So, for example, in case of the first stage which interests us, Bücher traces its rise directly to the dissolution of the primitive tribal stage. In contrast to the Indian communal response,

the second method of avoiding the disadvantages arising from the dissolution of the tribal communities consisted in the artificial extension or numerical maintenance of the family circle. This was done by the adaptation and incorporation of foreign (non-consanguineous) elements. Thus arose slavery and serfdom. ... a means was thereby found of maintaining intact the independent household economy with its accustomed division of labour, and at the same time of making progress towards an increase in the number and variety of wants. For now the more numerous the slaves or villeins belonging to the household, the more completely could its labour be united or divided ... *The economic life of the Greeks, the Carthaginians, and the Romans was of this character*. Rodbertus, who noticed this a generation ago, designates it *oikos* husbandry, because the *oikos*, the house, represents the unit of the economic system. (emphases added)⁹³

This explains the designation of the participants in the ensuing controversy as 'primitivists' and 'modernists' or 'modernizers'. The classical world is seen as primitive not just because it represents the first, and hence the least developed stage in the rise of national economy, but also because it retains the essential institution of the universal tribal stage, albeit in an extended form. Greece, Carthage, and Rome require a different designation as a result of the introduction of 'foreign' servile labour, and in order to register the inauguration of the evolutionary process of economic development culminating in the modern 'national economy'.⁹⁴

It need not have taken a historian of the calibre of a Meyer or a Beloch to point out the radical incongruity of Bücher's account of classical antiquity with the accepted historical evidence. Indeed, Bücher himself, as he reminded the historians, had shown nearly two decades before the publication of *IE* that prior to the rise 'of slave-work on a large scale, the economic life of antiquity furnished considerable scope for free labour, the formation of separate trades, and the exchange of goods'.⁹⁵ To accuse Bücher of ignorance of pertinent historical details is, in other words, not an adequate explanation of his attempt to account for the whole of Graeco-Roman history in terms of *oikoi*. A more fruitful approach will have to

92 Bücher, *IE*, 89.

93 Bücher, *IE*, 95-97.

94 Bücher, *IE*, 97.

95 Bücher, *IE*, 96 n. 7.

take account of the evolutionary over-determination of his theory. This can be most clearly found in the comparative analysis of the three stages of western history with which *IE* is concluded.

In attempting to synthesize the theoretical and historical tenets of his methodology, Bücher first makes the usual reference to the division of labour. He immediately proceeds systematically to present the significant differences in the forms of appearance of otherwise universal economic factors in each of the three stages in terms of the self-same evolutionary development from the simple to complex that also underlies the overall process. The co-operation resulting from division of labour is thus said to be based 'in the case of household economy, upon blood-relationship, of city economy, upon contiguity and of national economy upon nationality ... On this road the means of satisfying wants of the individual continually grow in fullness and variety and at the same time in dependence and complexity.'⁹⁶

From this basis, then, the differentiating characteristics of universal economic factors are deduced for each of the three evolutionary stages. These may be called the laws or the observable empirical regularities governing each. In the household economy, 'commodities' are consumed at the place of production; in the city economy they pass immediately from the producer to consumer; in the national economy 'both in its production and thereafter, it passes through various hands – it circulates'; thus the ever growing distance between production and consumption, economically as well as geographically. Similarly, money is 'entirely absent' in the *oikos* stage, or is only a 'means of direct use and a means for storing up wealth.' It becomes, in addition, a medium of exchange in city economy, and finally 'a means of circulation and of profit-making as well in the stage of national economy'. Capital scarcely exists in the first stage. Almost all goods are for immediate consumption. In the second stage implements of labour, but generally not raw materials, may be classified as 'business capital', 'Acquisitive capital proper [however] exists only in the form of merchant capital'. In the third stage 'everything becomes capital. From this point of view we might describe the independent household economy as lacking capital, city economy as hostile to capital, and national economy as capitalistic'. In the case of external labour, the first stage is characterized by subjection of slaves, the second by 'service', and the third by 'contract'.⁹⁷

The three stages are similarly systematically differentiated in respect of income, industry, commercial services, and credit. Somewhat breathless, Bücher concludes this *tour de force* by declaring that such parallels can still be 'multiplied'. The prospect of such an automatic multiplication rather than making Bücher suspicious of the evolutionary-analogical (rather than historical) over-determination of the whole enterprise, removes whatever doubt he may have once entertained about the scientific status of his rigorous theory. Nor does he realize that instead of discovering the economic laws and empirical regularities of pre-modern epochs (and thereby confirming his insight into the historically limited character of classical political economy and marginal economics), he is in fact deducing the former as merely simpler forms of the latter.⁹⁸

⁹⁶ Bücher, *IE*, 141.

⁹⁷ Bücher, *IE*, 142ff.

⁹⁸ Cf. Pearson, 'Debate', 6.

This is, of course, not to deny that household economy and town economy refer to actual historical institutions. Rather, it points to the gap between their real but limited historical significance, and the function ascribed to them as the constitutive institutions of historical stages 'extending over thousands of years'. Bücher reconciles the two by viewing historical change from the twin perspectives of evolutionary theory (now further enhanced by the success of Darwinian biology) and classical economics. The former provided him with the vision, the latter with the concrete aim and method. Consequently, whilst the historical distinctiveness of the pre-capitalist periods are stressed, they are, at the same time, assumed to share with modern national economy a (systemic) quality which, once subjected to the scientific 'isolating-abstract' method, would yield the same 'splendid results' or 'let us say it boldly, the *laws of development*' as obtained by classical political economy for the contemporary era (emphases added).⁹⁹

Household economy and city economy fall nicely in line with national economy in the symmetrical dialectic of an overall evolutionary process. Discovering their laws, and thereby reconstituting the historical political economy on a sound scientific basis, no longer had to await the accumulation of more historical facts. Thinking in these terms, and addressing his work primarily to political economists, Bücher's bold disregard for historical 'detail' becomes, perhaps, somewhat more understandable. Was it not the case that Germany, England, France, and other contemporary formations could all be called national or capitalistic economies, without assuming that they were identical in every economic or other respect? The same logic must be applicable to city and household economies, or so I suggest Bücher must have assumed. This is, in part, why his work shocked historians who generally did not and indeed could not share his assumptions and aims, and who in turn baffled him by the 'misunderstandings' displayed in their critiques. In any case, the historians' reaction forced Bücher to disclose further the fundamental determinations of his perspective, and thence to reveal the terminal nature of the crisis engulfing the historical school of German political economy.

Bücher ultimately failed to save his school (and theory), but nor did its other leading members succeed. Indeed Bücher's work may be considered, as he himself maintained, among the most rigorous efforts of his time. This was underlined by Weber who, while claiming that 'Bücher's treatment of the "developmental" stages is totally inadequate' produced a methodological and substantive alternative which was clearly informed by certain strategies adopted by Bücher in defence of his own theory.¹⁰⁰ Before outlining that defence, however, we should briefly review the main points of the attack launched by Eduard Meyer soon after the publication of *IE*.

⁹⁹ Bücher, *IE*, 86.

¹⁰⁰ See Roth, 'Introduction', in W. Schluchter, *The rise of western rationalism: Max Weber's developmental history* (California 1981) xxv-xxvi.

The backlash

Historians' hostile reception of the *IE* first and foremost reflected Bücher's provocative disregard of what they considered incontrovertible historical facts. This understandable professional reaction must be set against the aforementioned background of growing turmoil within the discipline of history itself. The clarity of Bücher's evolutionary theory and the rigour with which it was expounded made it an important test-case for reasserting history's boundaries and underlining the significance of skills primarily associated with professional historians. That Bücher's attempt coincided with the bitter controversy over Lamprecht's evolutionary rendering of German history only added to the urgency of confronting all manifestations of such an evidently growing trend.

'Traditional' historians almost by definition were not generally well-equipped to deal with the methodological and substantive issues Bücher raised. It is, therefore, not surprising that Eduard Meyer led the attack against Bücher's account of ancient history. He was 'then one of the few German historians who was independent of Mommsen. An orientalist in his own right and an historian of Greece who had surprised everyone in 1883 by the originality of his interpretation of early Greek culture, he was also an economic and social historian to be reckoned with'.¹⁰¹ Meyer's universal history of the ancient world was more open to new theoretical developments than anything produced by his contemporaries, and more wide-ranging than anything produced since by any single historian of the ancient world. Meyer perhaps came closest, among ancient historians, to appreciating the research agenda of Bücher and his associates, and this may, at least in part, explain why he became one of its most forceful critics.

In the celebrated address to the Third Congress of German historians which marks the eruption of the *oikos* controversy proper, Meyer began by presenting a brief summary of Bücher's view of antiquity as representing the closed household stage of world history. He then proceeded to a systematic presentation of available evidence to the contrary. Drawing on his own comprehensive history of the ancient world, Meyer pointed to widespread commerce, developed accountancy systems, and transportation networks linking various centres of the pre-classical ancient Orient from the third millennium BC to the fall of the Persian Empire more than two thousand years later.¹⁰² Thus, claimed Meyer, long before the emergence of classical Greece and Rome, 'the ancient world possessed an articulated economic life with a highly developed system of transportation and an intensive exchange of commodities'.¹⁰³ By displaying the breadth and depth of commercial activity in the ancient Near East, Meyer at the same time painted Greece and Rome as inheritors of a process of commercial and cultural development spanning over two millennia rather than as recent offspring of fairly primitive kinship formations.

101 A. Momigliano, 'Max Weber and Eduard Meyer: apropos of city and country in antiquity' in *Sesto contributo* (Rome 1981) 435; see also V. Ehrenberg, *Aspects of the ancient world*, 221ff.; Tenbruck, 'Max Weber and Eduard Meyer', 234ff.; H. Lloyd Jones, *Classical survivals: the classics in the modern world* (London 1981) xvi.

102 E. Meyer, 'Die wirtschaftliche Entwicklung des Altertums' in *The Bücher-Meyer controversy*, ed. M. I. Finley (New York 1979).

103 Meyer, 'Entwicklung', 89; see also 117ff.

It is worth considering here Bücher's response in the second (and subsequent) editions of *IE*. He simply restricted the universal reach of the *oikos* theory and removed the ancient East from its purview: 'The material for this ... task can be drawn only from the economic history of the civilized peoples of Europe; for these alone present a line of development which historical investigation has adequately disclosed, and which has not been deflected in its course by violent disturbances from without.'¹⁰⁴ Thus the imperative to focus on the West. But this concession does not really resolve the problem. First, it raises the question of having to explain (away) the source, nature, and implications of 'external' (to what?) disturbances that have excluded the larger part of the world from the path of what Bücher in another related context calls 'normal' historical development. Secondly, the problem of both significant commercial – as well as cultural – development in the externally disturbed Near East and its transmission to Greece and Rome remains. Indeed, Meyer later noted with some relish the above passage and the withdrawal of Bücher's original universalistic claim that: 'The period of household economy begins with the rise of culture and continues until the beginnings of the second millennium AD [the rise of "city economy"]'.¹⁰⁵ From Meyer's viewpoint, this was an insufficient concession as Bücher still considered ancient Greece, Carthage, and Rome to be *oikos* economies.

In any case the problem resurfaced in the shape of the Mycenaean palace kingdoms, to which Meyer turned immediately following his account of Eastern economies.¹⁰⁶ Apart from some family resemblance with Near Eastern states indicating strong interaction across the Mediterranean, the discovery of such kingdoms undermined the conception of the Graeco-Roman world as a unitary, essentially static stage, born complete out of developments within a universal tribal stage. It goes without saying that even if the break between Mycenaean and Homeric Greece is assumed to have been complete, the socio-economic distance between the latter and classical Greece and Rome still points to the breakdown of Bücher's ancient stage into a series of stages. At any rate, Meyer countered Bücher's commerce-less *oikos* economy with the discovery of commercial undertakings and market exchange as early as at least the time and acts of Homeric heroes such as Odysseus and Menelaus.¹⁰⁷

Bücher's theory was turned upside down by the evidence of commerce in the first post-Mycenaean literary document: Greece was far from primitive not just in its classical period, but even at the inauguration of a distinct Graeco-Roman or Western history. Thence, Meyer described a process of increasing commercialization underlined by expanding urbanization, the colonization movement, and the growing demand for exports from mother city-states, which led him to his own equally controversial and much quoted conclusion:

One sees just how untenable is Bücher's account of the economic development of Antiquity. The seventh and sixth century of Greek history corresponds to the development

104 Bücher, *IE*, 84. The parallel with Marx's tortured encounters with 'Asiatic' societies is notable. See Marx, *Pre-capitalist economic formations* (London 1964).

105 Meyer, 'Entwicklung', 87 n. 4.

106 Meyer, 'Entwicklung', 99ff.

107 Meyer, 'Entwicklung', 104; the reference is apparently to *Odyssey* iv 77 and 90.

of modernity in the fourteenth and fifteenth century after Christ; the fifth to the sixteenth.¹⁰⁸

From this angle, Bücher's assertion of the absolute predominance of slave (at times mentioned together with and not distinguished from serf) labour was also questioned by emphasizing the importance of free labour, entrepreneurs, and self-employed craftsmen in Athens as well as the predominance of small peasant holdings in rural Attica.¹⁰⁹ Meyer provided an essentially similar account of Rome, even though here more emphasis was placed on the role of agriculture rather than commerce or international trade. Again this undermined Bücher's position since Meyer was able to point to the importance of small peasant holdings, in contrast to large 'autarkic' *oikoi*, and view the civil wars following the Third Punic War as the consequence of peasants attempting to reassert their old rights. According to Meyer (and his associate Julius Beloch), this paralleled the more successful attempts of Athenian 'craftsmen, sailors and traders', the 'middle class', to defend their rights and privileges. Whereas the Athenian 'middle class' managed to defend and indeed extend its democratic gains, in Rome as well as in many Greek city-states such as Corinth and Megara, it was the oligarchs that consolidated their rule.¹¹⁰

Such differences, however, raised further difficulties for Bücher's thesis as they indicated not only the existence of developed commerce in many periods and parts of the Graeco-Roman world, but also attested the heterogeneity of its development. Meyer, however, was willing to concede the later decline of commerce and industry and the increasing importance of socio-economic organizations closer to Bücher's large autarkic households. Nevertheless, rather than buttressing Bücher's position, these later developments, in the context suggested by Meyer and Beloch, undermined further the former's unilinear evolutionism. With the decline of the urban areas of the Roman Empire and the rise of serfdom, Antiquity came to a definite end, closing the cycle which began with a serfdom that archaic Greece and Rome had shared with other centres of ancient civilization. The rise of the modern 'national economy', therefore, could not be retrojected onto an evolutionary process beginning with the ancient 'closed household stage'. Rather, Meyer concluded, the Mediterranean people had experienced 'two parallel periods' of flourishing urban capitalism, both starting from an initial situation characterized by the predominance of serfdom and agriculture.¹¹¹

In a subsequent seminal essay on ancient slavery, Meyer elaborated his cyclical understanding of the ancient economy as a whole, beginning with serfdom in early Greece as well as in other centres of ancient civilization and ending with its revival under later Roman emperors. In the middle of this process, slavery spread in the classical heartlands, as a result

108 Meyer, 'Entwicklung', 118-19.

109 Meyer, 'Entwicklung', 127ff.

110 J. Beloch, 'Die Grossindustrie im Altertum', in *The Bücher-Meyer controversy*, ed. M. I. Finley (New York 1979) 22ff.; see also Meyer, 'Entwicklung', 91ff. Meyer was no keen supporter of democracy: on the contrary, as Finley noted, he was an arch-conservative. Karl Popper pointed to various instances where, despite his claims to 'impartiality', Meyer's anti-democratic sympathies came to the fore. Yet, Meyer's *Geschichte des Altertums* provided Popper with much of the historical evidence he needed to support his pro-democratic reading of Athenian developments. See Finley, 'How it really was', 52; K. Popper, *The open society and its enemies* (London 1966) 296 n. 15.

111 Meyer, 'Entwicklung', 89.

of (in its economic aspect) the growth of capitalist trade and industry and the consequent demand for labour, for which citizens' labour could not be found in sufficient, cheap, or willing numbers.¹¹² Meyer's emphasis on extensive commerce and industry in ancient Athens was reinforced by Beloch's provocatively titled first contribution to the controversy, 'Large-scale industry in antiquity'. Beloch traced the accelerating expansion of trade since Homeric times and adduced the relatively large size of a significant number of productive units from the fact that 'import of slaves was only feasible for larger enterprises', whereas 'craftsmen preferred to hire free labour'.¹¹³ The modernists thus sealed off the primitivists' slave-based *oikoi* as the fundamental institution in the earlier periods in Graeco-Roman economic development and claimed that the subsequent spread of slavery was closely associated with commodity production and market exchange.

In rejecting the historical claims of Bücher's stage theory, Meyer in effect had provided one of his own; albeit a cyclical one, and one which underlined his identification of modern and ancient developments. After discussing the crisis of the empire in the third century and the shrinkage of the commercial economy, he concluded:

With this, the cycle of development in Antiquity is completed. The *polis* and the self-rule have collapsed and their place is taken by the bureaucratic state of the Byzantine Empire. In this new form state and culture attain stability over the next millennium. The West is torn away from the Empire and for centuries is sunk in ever deeper barbarism until gradually a new phase of development sets in.¹¹⁴

To this extent Meyer was exposed to the counter-charge of having committed the same fundamental error as Bücher, namely the neglect of historical specificity, perhaps a graver error when committed by a historian rather than a theorist. To point to the prominence of commerce and commodity production was one thing, to claim that the mass movements of peasants into Athens were a result of the onset of slavery in the fifth century just as the movement into cities in England was a result of the onset of industrialization, is something altogether different.¹¹⁵ That Meyer was on shaky ground is clearly indicated by his own vacillations concerning the comparative modernity of Athenian economic developments. In his initial critique of Bücher, for example, Meyer compared fifth-century Athens with sixteenth-century modern Europe,¹¹⁶ but later suggested that in the fifth and fourth centuries Athens 'stands under the banner of capitalism just as much as England since the eighteenth century, Germany since the nineteenth'.¹¹⁷

112 Meyer, *Die Sklaverei in Altertum* (1898) in *Kleine Schriften*, 2nd edn, vol. I (Halle 1924) 169-212; cf. Finley, *Slavery*, 46ff.; Momigliano, 'A personal note' in *Classical slavery*, ed. M. I. Finley (London 1987).

113 Beloch, 'Grossindustrie' in *The Bücher-Meyer controversy*, 20. It will be shown in Chapter 10 below that even Finley advances a similar argument in his own anti-modernist account of ancient slavery; meanwhile see Finley, *Slavery*, 87ff.

114 Meyer, 'Entwicklung', 159-60.

115 Cited from *Kleine Schriften* (Halle 1910) in the editor's 'Introduction' in M. Weber, *Agrarian sociology of ancient civilizations*, ed. M. Frank (London 1976) 27.

116 Meyer, 'Entwicklung' 118-19.

117 Meyer, *Geschichte des Altertums*, vol. III, 550, cited in Finley, *Slavery*, 46.

Meyer's (and Beloch's) more 'exaggerated' claims and comparisons were soon, if variously, questioned not only by Bücher and Weber but also by fellow historians such as Friedrich Oertel.¹¹⁸ Such exaggerations were, however, indicative of other weaknesses in Meyer's approach to Antiquity. For Bücher and Weber, Meyer's account suffered particularly from a historian's lack of conceptual precision, resulting typically in the neglect of crucial differences between apparently similar economic institutions in ancient and modern epochs. More ironically, Weber pointed to the possible influence of Roscher's general theory according to which 'the development of every *Volk* can be conceived in the same way as the development of a single organism: as a typical closed cycle'.¹¹⁹ Re-opening the debate on behalf of Bücher and other putative primitivists such as Weber some years later, Hasebroek conceded that widespread trade and commercial manufacturing had been undertaken by freemen in ancient Athens, but faulted Meyer for 'supposing that these free men (apart from the peasants and small farmers) were in any considerable proportion citizens'. This in turn explained Meyer's failure to notice the crucial absence of a commercial culture in Greece, 'in the sense in which the cultures of Venice, or Holland or the Hansa towns were commercial cultures'.¹²⁰ More recently, Momigliano has pointed to Meyer's related general neglect of the conditions in the countryside, which further explains his underestimation of the traditional and legal obstacles to full marketization of agricultural land, the main source of livelihood throughout Antiquity.¹²¹ Even Rostovtzeff, often viewed as an arch-modernist, felt obliged explicitly to distance himself from the historians' more extreme modernizing assertions.¹²²

Notwithstanding these and other questions and doubts, at the time it seemed, as Finley recalled grudgingly more than half a century later, that the historians had won the debate 'at least to their own satisfaction'.¹²³ Austin and Vidal-Naquet make the same point more understandable by suggesting that 'as the facts clearly invalidated the theory of Bücher, the "modernists" were able to believe that the controversy was settled in their favour'.¹²⁴ Of course, as these remarks indicate the substantive debate, the question of the character of 'the ancient economy' (or evolving economies) and its implications for universal history, was far from settled. Bücher and Meyer and the theoretical, professional and political interests they

118 Bücher, *IE*; Weber, *Agrarian* (London 1976) 43ff.; F. Oertel, 'Appendix' in R. Pohlmann, *Geschichte der sozialen Frage und des Sozialismus in der antiken Welt* (Munich 1925) 551ff. For what has become the main source in English on the *oikos* debate, see M. M. Austin and P. Vidal-Naquet, *Economic and social history of ancient Greece* (Berkeley 1977) 5-11; For another valuable examination of the debate see E. Will, 'Trois quarts de siècle de recherches sur l'économie Grecque antique', *Annales* ix (1954) 7-22, which, however, neglects Weber altogether.

119 Weber, *Roscher and Knies: the logical problems of historical economics* (London and New York 1975) 73 and 222 n. 52.

120 J. Hasebroek, *Trade and politics in ancient Greece* (London 1933) 28, 21.

121 Momigliano, 'Max Weber and Eudard Meyer', in *Sesto contributo* (Rome 1980) 535.

122 M. Rostovtzeff, *The social and economic history of the Hellenistic world*, vol. 2 (Oxford 1941) 1327-28 n. 25.

123 M. I. Finley, ed. *Trade and politics in the ancient world*, vol. 1, Second International Conference on Economic History (Paris 1965) 11; cf. Rostovtzeff (1932) cited in Pearson, 'Debate' (1957) 8; Finley, *Slavery*, 53.

124 M. M. Austin & P. Vidal-Naquet, *Economic and social history of ancient Greece* (California 1977) 5.

represented were too far apart – or, rather, opposed – to set the context and terms for any possible settlement.¹²⁵ But before turning to Max Weber, who was in a position to think through the debate, it would be useful to examine certain aspects of Bücher's own (immediate) and largely methodological response. These extend the boundaries of the controversy, or rather reveal the methodological strategies that underpinned as well as linked it to the continuing debate among both the political economists and the historians.

Bücher's methodological response

In the revised second and third editions of *IE*, apart from certain unacknowledged concessions such as the aforementioned historical restriction of the scope of his account to the west, Bücher remained unyielding. His chief defence rested on the distinction between economic history and economic theory, already strongly emphasized by Menger. In the preface to the second edition of *IE* referring to Meyer and other historians, Bücher asserted that 'the blame surely does not rest with me if these gentlemen have failed to perceive that this work treats of economic theory, not economic history ... For the central idea of my theory of development it is altogether immaterial whether I have in every particular characterized the economy of the Greeks and Romans correctly or not'.¹²⁶ This crucial point is further elaborated in fully Mengerian terms in the expanded methodological section of the text:

The institution of such 'economic stages' is from the point of method indispensable. It is indeed only in this way that economic theory can turn to account the results of the investigations of economic history. But these stages of development are not to be confounded with the time-periods of the historian. The historian must not forget to relate in any period everything that occurred in it, while for his stages the theorist need notice only the normal, simply ignoring the accidental ... By this means alone is it possible to discover the fundamental features, or, let us say it boldly, the laws of development.¹²⁷

The question was not so much over the presence or absence of stages as over their substance and sequence. Nor does Bücher provide the grounds for distinguishing between the accidental and the normal or typical in history. Clearly the authority that provides for such a distinction cannot be derived, in Bücher's view, from history itself. Where else can it come from, if not either from a self-referential philosophy of history or from one of the alternative interpretations, which then somehow must be tested against some more or less commonly agreed historical evidence? And how is one to judge between alternative interpretations of what is normal and what is accidental? Bücher is silent on these questions, except to say that the verdict cannot be issued by historians, who are as such denied the conceptual apparatus necessary to distinguish between the typical and the accidental. In conceding to history, as had both Schmoller and Menger for opposite reasons, the monumental task of dealing, at least in principle, with 'everything', Bücher at the same time was underlining the historian's assumed inability to select the essential from the inessential. This all-important task was reserved for, indeed secured the identity of, the theorist.

¹²⁵ Kruger, 'Max Weber', 73; Finley, *Slavery*, 48ff.

¹²⁶ Bücher, *IE*, x.

¹²⁷ Bücher, *IE*, 85-86.

In choosing this path, Bücher ironically relegated history to the same secondary illustrative function that earlier had repelled him in the work of his predecessors. Moreover, he appeared to join Menger in the attempt to secure political economy's total independence from history. Menger conceded, however problematically, the legitimacy of 'the historical point of view' in the 'empirical-realistic' orientation of theoretical economics. Now Bücher, in an apparently rigorous application of the 'realistic' approach was calling, in effect, for the expulsion of history from this theoretical agenda as well. The matter can be put differently: Bücher, who had intended to historicize political economy and theoreticize history, was forced to retreat into the antinomic problematic of his predecessors and contemporaries inside and outside the historical school when faced with discrepant historical evidence.

In any case, Bücher was placed in a more vulnerable position in turning to Menger's radical distinction between economic theory and economic history. Menger's 'exact' conception of economic theory, whatever its ultimate shortcomings, made no immediate claim to account for different historical stages of economic evolution, let alone establish distinct laws for such stages. But this was the chief aim of Bücher's research programme; thus the ambiguous and ultimately ineffective recourse to evolutionary theory and the 'abstract-isolating method' as the solution to selection of the 'typical' (as opposed to the 'accidental') in history.

In a footnote to a subsequent edition of his critique, Eduard Meyer was quick to seize on the above passages in the revised editions of Bücher's work, and to assert that, if Bücher had been engaged 'only in constructing abstract schemes', he would have been left to his own devices. He insists that Bücher and his associates (of whom he cites Sombart's similar defence of his *Modern capitalism* against von Below's scathing critique in the Historians' Congress in 1903) in fact made the far larger claim of accounting for 'several thousand years of world history' including the ancient and medieval periods.¹²⁸ Meyer thus rejects Bücher's claim that by failing to distinguish between the time periods of the historian and the stages of the theorist, historians had misunderstood the nature of Bücher's work. Such a distinction does not come into play, according to Meyer, in the face of the former's insistence that closed households actually defined 'the economic life of the Greeks, the Carthaginians, and the Romans'.¹²⁹ Bücher, in other words, was being told that he could not have it both ways. Either he must engage in abstract theoretical constructions (presumably in the manner of Ricardo or Menger) or accept the authority of historical evidence with all that it implied.

In explaining the difference between the task of economic history and economic theory, Bücher introduces yet another distinction which points to a different approach to the problem. It does not solve it, but indeed clarifies it further by reformulating the synchronic typical-accidental pair along a diachronic dimension:

In treating the gradual transformation, frequently extending over centuries, which all phenomena and institutions undergo, [the economic theorist's] only object can be to

¹²⁸ Meyer, 'Entwicklung' 86.

¹²⁹ Meyer, 'Entwicklung' 87. As will be shown below in Chapter 10, there is an important sense in which the *oikos*, as the site both of 'primitive' and commercial economic activity, characterized the ancient period. This question, however, was not the focus of what was (and remains) a polarized debate.

comprehend the whole development in its chief phases, while the so-called transition-periods, in which all phenomena are in a state of flux, must, for the time, be disregarded.¹³⁰

Normal times are preceded by a transitional period whence, as a result of the changing mix of the old and new, the previous laws or empirical regularities no longer apply, implying that these are periods which historians may have had in mind when criticizing him. The further implication is that this is where the division of labour between the historian and the theorist could, or rather should, lie. This is also Bücher's embryonic conception of the problem of agency and structure, which once again can be traced to Rodbertus.¹³¹ The separation of the normal from transitional periods also begs the question of transition to transition, and the question of change in pre-transitional or 'normal' times.

In any event, Bücher does not pursue this line of enquiry. Had he done so, it in no way would have worked to his advantage in the dispute with the historians. On the contrary, this approach tends to undermine his position. First, the controversy was not over a particular period in the history of the ancient world. Bücher's notion of closed household economy was being challenged for most periods between Hammurabi's Babylon and the fall of the Roman Empire. Secondly, if driven to its logical conclusion, the distinction between transitional and normal periods cancels the prior distinction between economic theory and economic history. In 'normal periods' when the given structures, the empirical regularities, are reproduced intact, the task of the economic historian would have to be identical to that of the economic theorist, in addition to which, 'for the time being' at least, the former had to account for the transitional periods. Nonetheless, even if ultimately unsuccessful, by complementing the aforementioned parallel 'logical' distinction between the typical and the accidental, the chronological transitional-normal coupling presents a more complex strategy for overcoming the historians' simple, but apparently successful, challenge.

Finally, Bücher turns to another more promising but equally problematic defence which anticipates yet another recent debate: namely the articulation of modes of production. Almost as an afterthought to the conclusion of his study, he remarks:

Only one thing further would we particularly emphasise. Household economy, city economy, national economy – these phrases do not denote a series whose terms are mutually exclusive. One kind of economic life has always been the predominant, and in the eyes of contemporaries the normal, one. Many elements of city economy, and even of independent domestic economy, still project into the present.¹³²

Among much else relating to other periods, this opens the possibility of explaining, or explaining away, extensive ancient trade and commerce as well as widespread urbanization, whilst retaining the independent households as the normal dominant mode of organization of economic life in that epoch. Such a salvage operation, however, exerted a great price without any guarantee of eventual success. By acknowledging the rather obvious co-presence of different modes of economic life, Bücher was making a genuine theoretical as well as

¹³⁰ Bücher, *IE*, 85.

¹³¹ For Rodbertus the 'transitional epochs' were marked by 'individualism', whilst the 'normal' times were governed by structural factors. See Gonner, *Rodbertus*, 46ff.

¹³² Bücher, *IE*, 147.

historical retreat from mechanical evolutionism. The source, relative weight, and uneven articulation of such overlapping modes threatened the linearity of the putative evolutionary process and the search for universal laws that underpinned Bücher's project. Indeed, he appears to have recognized the damaging conclusions that may be drawn from this standpoint not just by Meyer and other historians, but by Schmoller and his followers as well. Thus the following attempt to downplay the co-existence of different modes of economic organization in a given formation or epoch:

it would almost appear as if those people were in error who regard the task of political economy to be the *explanation* of the nature and coherence of commercial phenomena, and those right who confine themselves to a *description* of economic forms and their historical transformation. Yet that would be a fatal error, involving the surrender of the scientific labour of over a century, as well as a complete misconception of our economic present. Today not a sack of wheat is produced even on the most remote farm, that is not directly linked to the industrial life of the nation as a whole. Even if it be consumed in the house of the producer, nevertheless a large portion of the means of its production ... is obtained through trade; and the consumption of one's own products takes place only when from market conditions it seems economically advisable. Thus the sack of wheat is linked by a strong cord to the great intricate web of national commerce. And so we are all in our every economic thought and deed.¹³³

What was given with one hand is taken back with another. What we may now call 'subordinate' economic modes are, in fact, deemed insignificant for all important theoretical and historical purposes. The laws of abstract political economy stand, and there is really no need to proceed with Schmoller's descriptive analysis and inductive method, which even in its most suitable, statistical form 'is not sufficiently exact and penetrating for most of the problems that have to be handled here'.¹³⁴

The above example is drawn from modern capitalism, whose peculiar 'systemic' nature may, in fact, disqualify it as evidence for the kind of universal generalization that Bücher had in mind. This question is, however, overlooked or overruled by the ambition to do for pre-capitalist societies what classical political economy had done for capitalist ones, namely to discover their 'laws'. Put differently, the same systemic quality that appears as the 'strong cord' that knits the apparently isolated sack of wheat to the 'great web of national commerce' is assumed to underlie the earlier forms of economic organization, so that 'for the economic periods of the past the task will not be different'.¹³⁵ The autarkic *oikoi*, and the city economy too, are thus imbued with the same functional significance for their respective 'epochs' as the 'self-expanding value' – to use Marx's telling phrase – has had in the modern period.

If the analogy held, Bücher's manifold objectives, from ensuring the overall evolutionary design of his theory and the universal applicability of the method of political economy, to fending off the likes of Meyer and Schmoller, would have been realized, at least to Bücher's own satisfaction. Hence, perhaps, the assertive confidence that permeates *IE*, even after the

133 Bücher, *IE*, 147-48.

134 Bücher, *IE*, 148.

135 Bücher, *IE*, 148.

blows received in the historians' assault. Yet, this is not the end of the story. In a note added to the discussion of the household stage of western history, Bücher alludes to perhaps the most promising (and self-destructive) interpretation of his own research programme:

For students of political economy it need scarcely be observed that in what follows the object is not to furnish a compendium of the economic history of the ancient times, but, as the context shows, merely an outline of the most highly developed domestic economy as it presents itself in the system of slave labour among the ancients. In my own work on the insurrections of the unfree labourers between 143 and 129 BC (1874), I have shown that before the rise of slave-work on a large-scale the economic life of antiquity furnished considerable scope for free labour, the formation of separate trades, and the exchange of goods. ... References may also be made, for an outline of the picture of the times, to the interesting address of M. Weber on *Die sozialen Gründe d. Untergangs d. antiken Cultur* (1895).¹³⁶

At the foot of the especially controversial (and unrevised) passage, where it is held that autarkic households determined the economic life of the Greeks and the Romans from the earliest historical period, and Rodbertus is mentioned as the first to notice this fact a 'generation ago', Bücher appears to renounce his position almost altogether. To view certain periods in Antiquity as instituting the most developed example of a particular type of economic organization may be disputed, but it is very different from the claim that the whole of the ancient world or its Graeco-Roman component represented a homogeneous household stage in world history. On the strength of the above quotation, an early version of the Weberian notion of ideal type may be attributed to Bücher. This should not be surprising, since many others, including Menger, are acknowledged to have anticipated Weber in this respect. On the other hand this may be going too far, even though Weber himself made it part of his defence of Bücher in his own major contribution to the controversy.¹³⁷

Be that as it may, the whole passage certainly offers an insight into how the debate was pushing Bücher's research programme towards a direction eventually fully developed by Weber. Indeed, the concepts of *oikos* and city economy were eventually appropriated by Weber as ideal types and were extensively used in his theoretical and comparative studies until the end.¹³⁸

Nevertheless, even or especially as an ideal type, the historical reference of the *oikos* theory would have to be severely restricted. Bücher's difficulty with historians was not, as he conveniently seemed to think at times, a matter of omitting this or that detail. Rather it was that of presenting, in Weberian terms, a single ideal type for a complex and dynamic set of phenomena that demanded the services of several ideal types. This is evident in the second part of the above quotation, where the widespread existence of commodity production and free labour prior to the rise of large-scale slavery is mentioned. However obvious it may seem now or it may have seemed then, this represents a major setback for Bücher's main thesis. Apart from undermining his unitary static concept of the ancient economy, it negates the claim

¹³⁶ Bücher, *IE*, 96 n. 7.

¹³⁷ Weber, *AG* (London 1976) 43.

¹³⁸ See, for instance, Weber, *Economy and society*, 381ff.; *General economic history* (New York 1961) 102ff.

that slavery and slave households arose immediately out of the dissolution of the primitive tribal units or that they characterized the whole of the Graeco-Roman economy. This formulation is indeed consonant with Meyer's view that slavery on a large scale arose out of the growth of commerce and shortage of cheap free labour. Secondly, the prior spread of free labour and commerce raises the questions that Bücher only discussed in reference to the survival of pre-capitalist economic relations under an expansive capitalism. In the case of Antiquity, however, the problem is more serious for Bücher's evolutionism. Whereas it may not be too difficult to account for the presence of dying or lower forms in a higher stage of evolutionary development, it is not easy to deal with the widespread existence of higher forms at lower stages. This is all the more so when the purported dominance of the lower form – slave households – if not a direct outcome of the spread of the higher form – commercial economy – appears to have followed and indeed expanded it.

Bücher did not pursue all the questions or inconsistencies involved in the various subsidiary strategies gleaned above. To have contemplated them fully would have entailed the radical reconstitution of the historical school, and neither he, nor any of his generation, were equipped for such a task. By attempting almost every available strategy to salvage his thesis, thereby exposing the inadequacy of such strategies and the thesis alike, the need for such an undertaking was strongly underlined. It may be more than a coincidence that Bücher's brief excursion ends with a favourable reference to Weber's 'The social causes of the decline of ancient civilization'. In that 'path-breaking' work, Weber carries on what we have found the most promising among the many paths Bücher took, but abandoned, in defence of his theory.

It should be noted that at the time the very mention of Weber side by side with Rodbertus was to ask for further trouble, for Weber – although inspired by Rodbertus's studies on Antiquity in both his *Habilitation* of 1891 and the celebrated address of 1895 (published 1896) – had a very different view of the historical birth of the *oikos* as a significant institution in Antiquity. According to Weber, the autarkic slave-owning households became a central institution in the rural areas only in the imperial period and not in the earlier phases, as Rodbertus had assumed. This contradiction in Bücher's sources was underlined by Meyer as further evidence of the former's inability to settle his problems with historical evidence.¹³⁹ Both Bücher and Meyer thus inclined towards Weber, but for opposite reasons. For Bücher, by inserting the slave-owning *oikos* as the central economic unit in the last phase of Antiquity, Weber's position could be interpreted as lending support to the thesis that such households had achieved prominence in the same way as, for example, commercial exchange had gradually dominated the modern economy. Meyer could understand Weber as pointing to the decline of the classical civilization into a stage of rural introversion similar to that of the 'ancient Middle Ages' from which it had initially developed. 'The social causes of the decline of ancient civilization' provides grounds for both these interpretations.

¹³⁹ Meyer, 'Entwicklung' 83 n. 1; cf. Weber, 'The social causes of decline of ancient civilization' in *AG* 402ff.

PART 2

MAX WEBER

CHAPTER 2

PRIMITIVISM DEFENDED

When, in 1895, Weber delivered his celebrated address, ‘The social causes of the decline of ancient civilization’ (published in 1896), he was already held in considerable esteem by both the foremost historians and political economists of his day. He had been favoured by Mommsen as his successor and occupied the chair of political economy at Heidelberg recently vacated by Karl Knies.¹ He was, therefore, in a privileged position to contribute to the *oikos* debate: ‘The social causes of the decline of ancient civilization’ (henceforth *SC*) marks his entry into that debate.

Weber’s interest in the question dated at least from his *Habilitation on Roman agrarian history* (1891) in which he made use of Rodbertus’s ancient studies. Two years later, he defended the latter in a letter to Lujo Brentano in the following terms:

I was somewhat surprised about the great harshness of your evaluation of Rodbertus – or perhaps you do not refer to his historical studies, especially on Rome. Although most of his reconstructions appear to me completely erroneous, I do believe he has mightily furthered the study of the subject matter ... Almost always he touches on a central point, and frequently even his most obviously one-sided statements and hypotheses have appeared to me extraordinarily fruitful and suggestive.²

Indeed, the contrast between various forms of *oikos* and the modern ‘rational’ capitalism, which remained among Weber’s preoccupations until the end, is directly traceable to Rodbertus.³ Weber was also an active member of the *Verein* and a close associate of Bücher, whom he acknowledged as the ‘head’ of the younger historical economists.⁴ Most importantly, however, Weber was drawn to political economy because of its nomological scientific claims and the usefulness of the political economists’ theoretical constructs in the kind of (socio-economic) historical research that interested him.

1 Marianne Weber, *Max Weber, a biography* (New Brunswick 1988) 114; D. Kasler, *Max Weber: an introduction to his life and work* (Cambridge 1988) 6ff.; Frank, ‘Introduction’ (1976) 8ff.

2 Cited in Roth, ‘The historical relationship’, 237.

3 In one of his very last writings, the 1920 ‘Introduction’ to the whole series on the *Sociology of religion*, Weber once again mentions Rodbertus in this regard. See Weber, *The Protestant ethic and the spirit of capitalism* (London 1930) 22. Weber first used Rodbertus’s *oikos* theory in his *Habilitation* of 1891. See Weber, *Die römische Agrargeschichte*, in *Gesamtausgabe*, ed. J. Deininger (1986), vol. II, and editor’s ‘Introduction’, 21ff.

4 Kruger, ‘Weber’, 73.

Yet, Weber was no mere follower of the older political economists. His deep-rooted commitment to the central, individualistic, values of German historicism and Romanticism precluded this option even at the early stages of his career. It is precisely Weber's critical distance from the theoreticist orientation of his fellow political economists that accounts for the partial success of *SC* in defending the spirit of 'primitivism', a feat that could only be reasonably achieved by incorporating the letter of Meyer's empirical criticism of Bücher. This was, as we saw, subsequently acknowledged by Bücher himself when he conceded the existence of widespread commerce and commodity production, without, however, integrating it in his conception of western Antiquity. The solution to this problem lies at the theoretical core of *SC* and provides an appropriate starting point for examining Weber's contributions to the ongoing debate.

SC is structured around what today may be called a dynamic three-sector model (or three articulating modes of production) of the ancient economy consisting of a rural 'natural economy', an urban 'exchange economy', and a (large-scale) slave mode combining some of the key characteristics of the first two modes. The apparently narrow historical focus of the essay on the declining phase of the Roman Empire should not conceal two further more general levels of analysis implied by the above model, namely the underlying conception of the ancient economy as a unitary economic stage and the related comparative juxtaposition of ancient and modern political economies. Indeed by rearranging a limited number of symmetrical antinomies, natural economy-commercial economy; town-country; free-unfree labour; slave *oikos*-modern capitalist enterprise, Weber constructs a model applicable at one and the same time to the three domains delineated above.

First, we should examine Weber's conception of the ancient economy. In contrast to Bücher, Weber has no difficulty in acknowledging from the outset that ancient civilization was

essentially urban in character. The city was the centre of political life, of art, and of literature. The economy too, at least in the early period of Antiquity, was shaped by what we usually now call 'urban economics'. In Hellenic times the city was not essentially different from the medieval city. Whatever differences existed were due to contrasts in climate and race between the Mediterranean region and central Europe.⁵

Here 'civilization' is meant in the narrow sense as synonymous with exclusive achievements of city life. This, however, constituted only the smaller half of ancient civilization, broadly conceived, for

alongside the highly commercial economy of these [coastal] towns there existed – exactly opposite in character – the natural economy of the primitive peasants of the interior, living in tribal communities or under the domination of feudal patriarchs ... There was no trade with the interior in Antiquity, not even such as could be compared with that in the Middle Ages ... The natural economy, therefore, remained largely unaffected. Such trade as

⁵ Weber, *SC*, 391.

existed was mainly in a smaller number of luxuries ... [and] cannot be compared in any way with modern commerce.⁶

The natural-commercial antithesis is an expression of a many-sided, neatly symmetrical opposition including town-country and free-unfree labour in early Antiquity which again Weber finds to parallel the situation in the Middle Ages. As with Meyer, the two periods are seen therefore as almost identical in their fundamental economic structures. This, however, is merely the prelude to Weber's account of the ancient economy as a distinct *economic stage*. The crucial point is that, for Weber, all periods prior to the ascendancy of large slave households, although chronologically and conventionally antique, are not to be seen as constituent components of the ancient stage in the strict or, more precisely, unique sense of the term. In Weber's account, the ancient stage arises from the failure of 'the townsmen of Antiquity to ... break up manors and incorporate their serfs into the free accumulation of workers'.⁷ This failure, which disrupted the natural evolutionary course of economic progress, was caused by the one exogenous, non-economic factor in Weber's model, namely war:

Whereas in the Middle Ages the victory was won by free labour and free exchange of goods, in Antiquity the outcome of the struggle was just the opposite. Why was this? For the same reason that technological development in Antiquity was limited: human beings could be bought cheaply, because of the character of the chronic warfare of ancient civilization. Ancient wars were also slave hunts; they constantly supplied the slave markets and so promoted to an extraordinary degree the unfree labour sector of the economy ... The result of this was that the free sector ceased to expand ... In Antiquity ... it was the economic importance of unfree labour in autarkic households which increased steadily. Only slave-owners could develop production based on a division of labour, and only they could improve their standard of living. More and more it was slave enterprises which could produce for the market after meeting their own needs.⁸

It is therefore with the predominance of large slave *oikoi* that the ancient economy attains the characteristic that distinguished it from the medieval and modern epochs. It is in this specific sense that Weber's much quoted claim that 'the civilization of Antiquity was based on slavery' should be understood.⁹ Slave labour as organized productively in barracks, according to Weber, was unique to Antiquity. Otherwise Antiquity was no different from the Middle Ages in many of its key institutions, most notably, free commodity production of the urban areas and servile small peasant production of the countryside. In this context and

⁶ *Ibid.*, 392. To be sure, Weber acknowledges that 'certain cities such as Athens and Rome' were exceptions for they were especially dependent on the import of grain. But in a way reminiscent of Bücher's distinction between normal and accidental, he skirts the problem by claiming that such instances 'were always historically abnormal' and that 'the collection of these supplies was entrusted to public authority'. It goes without saying that these abnormal cases are the chief attractions of ancient history in the first place.

⁷ *Ibid.*, 392-93.

⁸ *Ibid.*, 393.

⁹ *Ibid.*, 392. Statements such as this are often taken as evidence of Marxian influence or indeed a Marxian phase in Weber's development. See, for example, W. G. Runciman, *A critique of Max Weber's philosophy of social science* (Cambridge 1972) 4 ff. This question is addressed in more detail in the next chapter.

according to the method of difference, slavery could be regarded as the defining hallmark of the ancient stage, even if it could not be said to have dominated economic life in all periods usually associated with Antiquity.¹⁰ Thus a different, and historically more tenable, approach to the problem of normal and accidental than is found in Bücher.

In the case of Rome, Weber's main historical example and inspiration, the decisive ascendancy of 'slave labour' (and hence ancient civilization in the theoretical sense of the term), is dated precisely to the decimation 'of the Italian peasantry by the second Punic War', which reaches a point of no return in the failure of the Gracchan movement to restore small peasant agriculture:

Henceforth the slave-owners alone benefited from a rising standard of living, contributed to increased consumer demand and developed production for the market. This does not mean that free labour disappeared entirely, but rather that slave-labour enterprises were now the sole dynamic element in the economy.¹¹

This raises a second, more technical, reason for conceiving slavery as the basis of ancient civilization: large slave households were, in Weber's view, the only sector capable of generating the surplus necessary for maintenance of the civilized superstructure of the Graeco-Roman world. One aspect of these households, as exemplified by the Roman *latifundia*, 'is especially important for the present argument: the slave who lived in a barrack was not only without property, but he was also without a family.'¹²

Why is this fact so important? First because it underlines Weber's remaining link with Rodbertus's original conception of autarkic *oikos*.¹³ Second, because this apparently unique and for a time prevalent organization of slave labour allows Weber to distinguish 'ancient' slavery from other variants, whether appearing early in the history of Greece and Rome or towards the end of the empire or in the Middle Ages, and thereby lends further support to his idiosyncratic, though still recognizable, version of the *oikos* theory.

Thus in *SC*, the end of the ancient stage is marked not so much by the disappearance of slavery as such as by the breakdown of the extended unitary *oikoi* in which the 'speaking tools' were prevented from forming their own households. In comparing Carolingian times with the conditions on large Roman plantations, Weber notes their many similarities, but then points to what he takes to be their one 'radical' difference:

whereas Roman slaves lived in collectivist barracks, the slave of the Carolingian times had his own cottage (*mansus servilis*) on the land which he held from his lord in return for labour services. The Carolingian slave was really a 'small peasant'. In particular he had

10 This approach also recalls Bücher's distinction between the time (-space) periods of the historians and the theorists. It would, however, only make sense in the context established here. In *SC* Weber bypasses this and other methodological concerns.

11 *Ibid.*, 395.

12 *Ibid.*, 397.

13 It is notable that Meyer had objected to the appropriation of ancient writers in this manner by pointing out that for the latter self sufficiency was the characteristic of the ideal *polis* rather than the individual citizen's *oikos*. Meyer, 'Wirtschaftliche' in *The Bücher-Meyer Controversy*, ed. Finley (1895/1979) 83 n 1.

his own family and his own property. To sum up ... we can say that the *slave was not separated* from the *oikos*. (emphases added)¹⁴

Probably no further evidence is needed to attest Weber's systematic attempt to establish or re-establish the *oikos* as the defining centre of ancient civilization without committing the kind of errors that had invited the historians' harsh criticisms of Bücher's account. Based on this reconstructed notion of *oikos*, Weber at the same time counterattacked by underlining the fundamental distinction between the ancient and medieval as well as modern forms of economic life. Throughout the essay, Weber draws attention to various manifestations of this distinction, beginning with the most central:

There is little or nothing which ancient history can teach us about our own social problems. A proletarian of today and a slave of Antiquity would have as little in common as do a European and a Chinese. Our problems and those of Antiquity are entirely different.¹⁵

Weber thus sets the stage upon which Bücher himself, as well as later commentators down to Finley, have mounted their assault on the 'modernizers'. Moreover, his comparative conception of *oikos* raises the possibility of rehabilitating a key aspect of Bücher's positive thesis, namely its 'primitivist' overview of the ancient economy. Seen from the standpoint of the institutional differentiation, and starting from a hypostasized universal tribal stage based on 'natural' or 'household' labour, Weber's ancient economy is less developed than early feudalism, if only in respect of the family life of the exploited labour force. But this was precisely Bücher's point in maintaining that the ancient economy was only the first step in the rise of national economy. Arising from the dissolution of tribal communities, the ancient economy remained attached to its primitive past by the 'artificial extension or numerical maintenance of the family circle', so that 'in the *patria potestas* the two conceptions of the power of the lord as the husband and father and as slave-owner have been blended'.¹⁶

Weber joined Bücher (and Rodbertus) on this ground, but interestingly only after having travelled some considerable distance in the opposite direction towards Meyer. First, as Meyer noticed, Weber moved the phase in which the *oikoi* dominate the ancient economy to the period chronologically the furthest removed from the primordial tribal stage. Secondly, the Rodbertus/Bücher's 'autarkic households' were represented as hybrid institutions embodying many of those features that Meyer and Beloch had in mind when they pointed to capitalistic commerce and industry in Antiquity. In this and certain other related aspects, Weber thus indeed appears to contradict himself. For example, in contrast to the blocked development of the small craftsmen and the small peasant holdings, these *oikoi* are said to have 'alone contributed to increased consumer demand and developed production for the market'.¹⁷ Occupying the most fertile land and producing the most valuable cash crops, they are designated as the sole dynamic component of the ancient economy. Yet, on the other hand,

¹⁴ Weber, *SC*, 399-400.

¹⁵ *Ibid.*, 391.

¹⁶ Bücher, *IE*, 95, 97.

¹⁷ Weber, *SC*, 394.

the *oikos* is viewed as a crucial ('autarkic') obstacle to the development of commerce and ultimately a major factor in the decline of the Empire:

In Antiquity ... the development of international trade was connected with the consolidation of unfree labour in large slave households. Therefore, the exchange economy was a sort of superstructure; beneath it was a constantly expanding infrastructure in which needs were met without exchange, the economy of the slave establishments which perpetually absorbed human material and satisfied their consumption needs mainly out of their own production rather than from the market ... trade in Antiquity more and more became a thin net spread over a large natural economy, and as time passed the meshes of this net became finer and its threads became more tenuous.¹⁸

The antinomy, in other words, lay in reality itself. Or so Weber claimed. The *oikoi* were seen, from the latter's vantage point, as *Janus*-faced institutions embodying all the conflicting tendencies already mentioned as operating in the ancient period: town and country, exchange and autarky, and so on. More precisely, Weber sees them as the institutional superimposition of the natural and the commercial modes of economic life. In the same way that it was said that in the earlier periods the rural natural economy of the hinterlands inhibited the growth potential of urban market economy, now the natural autarkic basis of the large slave households is imagined to set limits to their commercial potential. Being the sole dynamic force of the ancient economy, the stunted growth of these households in turn arrested the growth of the ancient economy as a whole. In organizing slave labour on a massive scale, large slave households, however, introduced a new element which distinguishes the 'primitive' turn of the ancient economy from its medieval counterpart. Large slave households represented the most advanced sector of the economy as the only enterprises capable of increasing the existing division of labour and engaging in market transactions on a significant scale. But from the perspective of general economic evolution, the dominance of large slave plantations indicated a set-back, even in comparison with other forms of servile labour prevalent in earlier periods.

By now, at least, this should not come as a surprise. It has already been noticed that, in Weber's view, large-scale slavery resulted from an (unaccounted) exogenous factor, namely war. The 'ancient civilization' was produced, according to this scenario, through the suspension of the contradiction between town and country by a hybrid economic organization which largely relied on war for the supply of its most important input. The logic of economic progress was thereby ultimately thwarted as well as shaped by non-economic (non-rational or calculable in Weber's later parlance) forces, even though, meanwhile, there arose the glory that was the classical Graeco-Roman world. This enables Weber to view the gradual feudalization of the ancient economy (resulting from the abandonment of wars of conquest first by Tiberius and then Hadrian, and the consequent shortage of slave labour and the gradual disappearance of slave barracks) as both decline and a progressive step back on the evolutionary road reaching out to modern capitalism.¹⁹ Weber demonstrated more clearly than his mentors the convergent sociological as well as ethical grounds for designating classical Greece and Rome as 'primitive', perhaps a lasting insight of the anti-modernists.

¹⁸ *Ibid.*, 394.

¹⁹ *Ibid.*, 398ff.

Weber sets the stage for a re-assertion of the *oikos*-based evolutionary primitivism of the political economists. Granted, his nuanced account is not as clear in this regard as they may have wished. In any case his view of the rise and role of *oikos* was, as we saw, rather different from Bücher's, which explains Meyer's favourable (or rather, not unfavourable) reference to it *contra* the former. Indeed, considering its non-linear account of ancient developments, *SC* may appear as following a non-evolutionary, if not anti-evolutionary trajectory. Closer scrutiny of the overarching question of the nature of historical change shows that, rather than abandoning evolutionism, Weber has indeed found an ingenious way of confirming it. In *SC*, Graeco-Roman economic history is thus viewed as the exception that proves the 'normal' evolutionary process which links the medieval and modern periods. The ancient world deviated from the designated evolutionary path, the normal outcome of the town-country conflict and increasing division of labour, because the economic logic was for a time overruled by political force. As a result, instead of free competition, technical progress, and free labour transforming the natural economy of rural areas, and the commercial but limited economy of towns, there arises the regressive synthesis of the slave *oikoi*. It was regressive because it arose not from the spontaneous logic of a growing division of labour, but from the forced logic of war and cheap slave supplies. As all aberrations must, it eventually gave way to the normal course of evolutionary development. The ancient economic processes that Meyer had found almost identical with the rise of capitalism in early modern Europe stood, in *SC*'s reformulation of primitivism, opposed to each other as natural or normal to abnormal.

Furthermore, by viewing slavery and the slave households as the defining essence of ancient civilization, antiquity could still be conceived, *pace* Rodbertus and Bücher (and Marx), as a unitary stage in world history, albeit a stage whose defining essence did not encompass all times and places comprehended by the term. Recognition of this apparent contradiction is precluded by the evolutionary assumption that what holds for the later Roman political economy as the culmination of ancient economic developments somehow provides the secret of earlier periods and formations. The matter is not addressed in *SC*, except to suggest, in line with Bücher, that the 'growth of *oikoi*, autarkic establishments based on unfree labour ... occurred in its most pronounced form under Roman rule'.²⁰ Viewed both as the dominant economic sector under imperial Roman rule, and as the closest approximation to the theoretical conception of *oikos*, the Roman *latifundia* thus over-determine Weber's underlying unitary conception of the 'ancient economic stage' – given their simultaneous location as the most developed and also the uniquely ancient form of organization of labour and production.

Supporting this construction of the ancient stage and its double reduction of the varied history of the Greek city-states and the Hellenistic empires to that of Rome, and that of Rome to its imperial phase, is the generally privileged position accorded to the empire in the problematic that Weber shared with the political economists. For any evolutionary conception of world history and for any unitary conception of the ancient economy, the Roman ascendancy's chronological posteriority is obviously of utmost significance. Imperial Rome also encompassed the whole of the ancient Mediterranean world. It was, at least from a Eurocentric perspective and for a time, 'ancient civilization' and a unified geo-political entity. From this variously articulated vantage point, variations between the different centres or different

²⁰ *Ibid.*, 394.

periods in Antiquity could all be treated as less developed cases whose full development was to be found in Rome. In this light, the conception of the ancient economy as a unitary stage and object of analysis has been justified, not just in 1895, but even a century after the publication of *SC* and other early contributions to the *oikos* debate.²¹

Finally, we may ask about the defining character of Rome, whose decline and disintegration marked the close of Antiquity. Here, again *SC* displays the primacy of Weber's commitment to economism and the political economists' cause.²² We may recall Bücher's edict that 'in the economic autonomy of the slave-owning family lies the explanation of all the social and a great part of the political history of Rome'.²³ The remaining part, it can be adduced from his comments elsewhere in *IE*, belonged to the 'transitional' periods or represented 'accidental' phenomena which could not be scientifically explained, but only described by historians. In *SC*, Weber is even more explicit in his dismissal of alternative political, cultural and other accounts of the decline of Antiquity and defends an expressedly 'economic' account centred around the rise and fall of the slave households:

It is clear ... that the disintegration of the Roman Empire was the inevitable political consequence of a basic economic development: the gradual disappearance of commerce and the expansion of a barter economy.²⁴

Weber's rejection of political factors in the decline of Rome is especially notable in view of the emphasis placed on the autonomous importance of political and military developments in Antiquity in his later work.²⁵ More immediately, it undermines the importance attributed in *SC* itself to war in the rise and fall of slave *oikoi*, and thereby the rise and fall of 'ancient civilization'.

Notwithstanding the commitment found in *SC* to the basic tenets of the *oikos* theory, in raising and leaving such questions unresolved and in revising some of the important claims of Rodbertus and Bücher, *SC* displays at least some of the hallmarks of a 'transitional' work: one torn between the conflicting demands of nomological political economy and ideographic historiography. The resulting fissure is especially apparent over the main disputed question: the *oikoi* retain their important role, but only after defining them as great sites of commercial exchange. Slavery, as the dominant form of labour, is moved from the earliest periods of the Graeco-Roman world to its later phases, a move that points to an internally differentiated account of Western Antiquity. The linear progression of economic stages is similarly thrown in doubt by the historical contingency of factors such as wars of conquest, or indeed by the dual role of slavery itself. Put differently, in *SC* Weber appears both to look back to Rodbertus, Bücher and Marx's evolutionary economism and forward to the multi-causal,

21 The reference is to Finley's influential *The ancient economy* (London 1973, 1985), which will be discussed at length in Chapter 10 below.

22 The fact that Weber (or Marx and Bücher for that matter) followed this strategy is less unexpected than first appears. There are simply not many options to hand for conceiving the unruly variety of evolving and non-evolving formations that filled the ancient landscape.

23 Bücher, *IE*, 97.

24 Weber, *SC*, 408.

25 *Ibid.*, 399ff.; cf. Weber, *AG*, 60ff, and Chapter 7 below.

contingent, and multi-layered account of ancient societies that the 1909 edition of *The agrarian sociology of ancient civilizations* offers.

In the period between *SC* and *The agrarian sociology*, Weber suffered a rather severe nervous breakdown (1899), from which he emerged with the methodological essays of 1903-06. These essays in turn prepared the ground for Weber's final contribution to the battle of the ancient economy.

CHAPTER 3

THE METHODOLOGICAL TURN

Upon the publication of the English translation of *Agrarverhältnisse im Altertum* (henceforth: *AG*) in 1976,¹ Arnaldo Momigliano was quick to point to a serious omission in the translator's introduction:

The failure to see that Weber wrote not one but two very different essays on the agrarian conditions of Antiquity, dated respectively 1897 and 1909, has prevented the translator – and other interpreters of Weber before him – from constructing what is not an unimportant chapter in the history of Weber's development.²

In the interest of historical scholarship so successfully championed by Momigliano, it may be noted, as Finley did in another context, that there are in fact three editions of *AG*. The second was published a year after the first in 1898.³ This, however, does not alter Momigliano's main point; the second edition is not very different from the first in orientation, substance, or size. It is indeed the 1909 edition, grown almost fifteenfold and deploying a new perspective and set of categories and typologies, that displays the break that Momigliano rightly identified in Weber's development. The earlier versions are mainly notable for providing measures for the expansion of Weber's scholarly interests to include Greece and the Near East, that is territories especially attended to by Eduard Meyer and his associates. Otherwise, they show no concrete sign of theoretical or historiographical advance beyond *SC*.⁴ Unless otherwise specified, it is the third edition which will be referred to subsequently here.

Momigliano's emphasis on the fundamental break between the post-breakdown *AG* of 1909 and its namesake in 1897 is not in dispute here. The real question that his account of Weber's development raises is different and rather more serious. It is that his reading almost totally ignores (and by clear implication rejects) the significance attached in the preceding chapters

1 *The agrarian sociology of ancient civilizations*, trans. R. I. Frank (London 1976).

2 A. Momigliano, 'Max Weber', *Sesto contributo*, 286.

3 M. I. Finley, 'The ancient city' in *Economy and society in ancient Greece* (London 1981) 252 n. 34.

4 In the first 1897 edition Weber makes it clear that he stands by Rodbertus and Bücher in the dispute with the historians. In the very brief literature survey at the end of the article, he mentions the opposed views of Rodbertus and Bücher on the one hand, and Meyer and Beloch on the other. He suggests that especially in the case of Rome, Meyer needs to modify his views and notes that he still finds Rodbertus's view – which had once inspired him – 'on the whole valid now'. (1897) 18. Unsurprisingly, Weber retains the general orientation of *SC*, except that by extending the scope of his studies to include Greece and Near Eastern states, he enters fields which, as Momigliano, Ehrenberg and others have noted, were already shaped by Eduard Meyer. See, Momigliano, 'Max Weber'; V. Ehrenberg, *Aspects of the ancient world* (London 1946) chapter 4; G. P. Gooch, *History and historians in the nineteenth century* (London 1952) 446ff.

to political economists in general, and Rodbertus and Bücher in particular, in Weber's evolving view of antiquity. For Momigliano, the all important break in Weber's ancient studies is seen as essentially an internal affair of the historians: the outcome of Weber's 'progressive liberation' from the pervasive influence of Mommsen and his school through a 'new dialogue with Eduard Meyer'.⁵

In brief, Momigliano sees Weber's studies of antiquity as moving from an initial stage dominated by Mommsen's (and Meitzen's 'converging') agrarian, technical, and juridical interests (the 1891 *Agrarian history of Rome*) to the halfway station of the first edition of *AG*, which with its new attention to Greece, urban developments, and socio-economic concerns exhibits the distinguishing hallmarks of Meyer's historiography. Finally, all this culminates in the final edition of *AG* which, whilst retaining the lessons learnt in dialogue with Meyer, advances beyond the latter in developing what may be called a distinct 'Weberian' approach to history. It is a journey of liberation, made all the more interesting by Momigliano's discovery of certain dramatic oppositions in the background. Meyer was 'one of the few German historians who was then independent of Mommsen'. His friend, Julius Beloch, also approached ancient history 'from the point of view of social sciences in absolute opposition to the Mommsen school', taught in Rome, and 'had no chance of being asked back to a German university because he had offended Mommsen'. Last but not least at the start of his academic career, Weber had been seen by Mommsen as his true heir.⁶

Our main problem with Momigliano's account is not that it is wrong, but that it is one-sided.⁷ The recognition of the importance of Meyer (and other historians) in Weber's development is a welcome corrective to the way that the former is, if at all, usually mentioned only to be knocked down as the butt of Weber's critique of the limitations of 'traditional' political history. Nevertheless, the segregation of Weber the historian from Weber the political economist/sociologist disregards Weber's central preoccupation with reconciling history and political economy or more broadly theory. *AG*, as well as the more famous methodological essays that preceded it, is as much the outcome of Weber's continuing dialogue with political economists as the – admittedly important – dialogue with historians. First, however, further dramatic weight and contextual breadth can be provided by turning to W. G. Runciman, another leading authority on Weber, and one of the very few living scholars to come close to the latter in the range of his scholarly interests.

Like Momigliano, Runciman considers 1897 (the start of the depression that later led to Weber's breakdown) as the rough dividing point between the first and the second, mature period in the development of Weber's thought. But in sharp contrast to Momigliano, the first period, and in particular Weber's writings on antiquity, are seen as evidence of the predominance of Marx's influence. Thus, according to Runciman, *SC* is:

⁵ *Ibid.*, 286.

⁶ *Ibid.*

⁷ Momigliano, however, does seem wrong in attributing such a big influence to Mommsen in Weber's early development. Deininger's detailed examination of the question finds Weber a very critical student of ancient history. According to him, Mommsen was important to Weber mainly as an empirical source. See Jürgen Deininger, 'Introduction', *Gesamtausgabe*, vol. 2 (Tübingen 1986) 22ff.

Marxian not merely in substance but even in phrasing: the description of the 'signs of feudal society' as already apparent in the later empire, the reference to 'organic structural changes' occurring, and occurring of necessity, in the 'depth of society' and the interpretation of the Roman economy in terms of the contradiction engendered by a mode of production resting on slavery more or less parallel the account of Marx himself.⁸

Clearly there is a misunderstanding here. What Runciman, following a long and illustrious line beginning perhaps with Troeltsch, calls Marxist is only valid if Marxism is taken as the generic term to include all economic or economicist or even 'structural' approaches to antiquity which also stress the importance of slavery in ancient developments.⁹ In this case, historical political economy or some other neutral term would be more apposite. If, however, specific thinkers have to be named, then the case for giving priority to Rodbertus and Bücher over Marx, especially in respect of Weber's ancient studies, is overwhelming.¹⁰

Again, this really minor quail apart, the problem with Runciman is not that he is wholly mistaken, but that he neglects to take account of the crucial role of historiography and professional historians in the formation of the writings that are considered Marxist. Perhaps the point is ignored because it is so obvious. Be that as it may, what distinguished Weber's writings on antiquity from those of Rodbertus and Bücher, let alone Marx, was precisely their recognized specialist quality, which made professional historians from Mommsen to Meyer treat him as 'one of us', even when finding him on the opposite side. It is this that makes Momigliano's narrow focus on Weber as a historian understandable and suggestive. Nevertheless, Runciman's equally pertinent reading of Weber's early writings further

8 W. G. Runciman, *A critique of Weber's philosophy of social science* (Cambridge 1972) 4.

9 Parsons, too, emphasizes Marx (and Sombart) at the expense of other 'historical economists', but appears to confuse the various editions of *AG*. He suggests that *AG* represents 'perhaps the culmination' of the 'earlier phase' of Weber's work. Talcott Parsons, *The structure of social action* (New York 1968) 503, where Parsons refers to the 1909 edition, which is presented here as a most complete product of Weber's mature phase.

10 See G. Roth, 'Historical relationship'; M. I. Finley, 'Ancient City', 12ff. Detailed references to Rodbertus and Bücher in Weber's own work are numerous. Extensive references to Rodbertus begin with Weber's earliest works and continue till the very last, 'Introduction to the sociology of religion'. As far as Antiquity is concerned, there are in fact no references to Marx in Weber's ancient studies up to and including *AG* of 1909. According to Wolfgang Mommsen, 'up to 1906 he referred primarily to vulgar Marxist interpretations; direct references to Marx were almost totally absent'. See, *The political and social theory of Max Weber*, 55. In examining Weber's un-published pre-breakdown lecture notes, however, Keith Tribe has discovered a greater familiarity with the original writings of Marx and Engels than assumed by Mommsen. See 'Introduction' in *Reading Weber* (London 1989). In any case, Mommsen is certainly mistaken in claiming that in *AG* 'Weber came closest ever to using a Marxist model of explanation.' *ibid.*, 149. See also J. M. Weiner, 'Max Weber's Marxism', *Theory and society*, 11 (1982) 389-401; and cf. G. Schroeter, 'Dialogue, debate, or dissent? The difficulties of assessing Max Weber's relation to Marx', in *A Weber-Marx dialogue*, ed. R. J. Antonio and R. M. Glassman (Lawrence, Kansas 1985) 7-8. As we shall see below, *AG* has all the hallmarks of a distinct Weberian research programme. Marxist writers – as well as Runciman – are justified in considering *SC* the closest Weber came to producing a Marxist analysis. According to Ste Croix, *SC* 'seems to me Weber's best piece of historical writing'. *The class struggle in the ancient Greek world* (London 1981) 85. *SC* is a work that clearly betrays the influence of Rodbertus and Bücher. See also B. Turner, *For Weber* (London 1981) 9; L. A. Scaff, *Fleeing the iron cage: culture, politics and modernity in the thought of Max Weber* (Berkeley and London 1989) 34ff.

confirms that the latter was never so entirely integrated into Mommsen's school as to need liberation in the sense that Momigliano suggests – perhaps projecting from the course of his own intellectual development.¹¹ Political economy and history as well as the overlapping debates that were imploding both provided Weber with a dynamic and relatively open intellectual trajectory even before he had become fully engaged with Meyer.

This leads to M. I. Finley, whose account does not suffer from either of the above blind-spots. Indeed, Finley offers just the sort of double corrective to the conflicting views of his close associates that is needed to clear the stage for the return to Weber himself. *Contra* Momigliano, Finley emphasized the crucial place of political economists – and Bücher in particular – in Weber's development. *AG*, we are thus reminded, 'opens with a powerful defence, though not an unqualified acceptance of Bücher's *Entstehung der Volkswirtschaft*'.¹² With reference to ancient history, Finley confirms Weber's roots in the historical school of political economy, and draws attention to the dialogue that Weber never ceased to have with his fellow political economists. Runciman's judgement, too, is rectified in the process. Finley recognizes that Weber's writings on ancient history after his *Habilitation* are best understood in the context of the *oikos* controversy, and that Eduard Meyer was not 'particularly concerned with Marx's work', but

normally spoke contemptuously of '*die Nationalökonomien*' (the political economists) as a group, reserving his obsessive fury (that is the right phrase) for Karl Bücher, not Karl Marx.¹³

Finley, moreover, noticed that some of the arguments of *SC* 'had been developed five years earlier' in *The agrarian history of Rome* which abounds with explicit, if often critical, references to Rodbertus.¹⁴ This observation is confirmed in Jürgen Deininger's recent study which finds Rodbertus, next to Meitzen, the major theoretical source of Weber's early study of Rome.¹⁵ Yet, Finley's Weber is perhaps ultimately even less convincing (that is, further away from the Weber presented here) than that which emerges from the contributions of Runciman and Momigliano. The latter may be charged with a certain rather benign neglect of one or another side of the confrontation that shaped Weber's intellectual development and ancient writings. Finley appreciates the significance of the *oikos* debate for understanding Weber, but his Weber comes across as a militant (if somewhat critical) partisan of the primitivist cause, a precursor, or more precisely, a slightly paler imitation of Finley himself.¹⁶

11 John North suggests this as a possible explanation of Momigliano's account.

12 Finley, 'Ancient City', 13; see also 12ff., 252 n. 41; *AS*, 42ff.

13 Finley, *AS*, 45-46.

14 *Ibid.*, 158 n. 8.

15 Deininger, 'Introduction', 20ff.

16 See Finley, 'How it really was', 52ff.; *AS*, 48ff.; 'Classical Greece', 11. The breadth of Weber's writings and the influence of Finley have combined to lead even learned scholars such as Lawrence Scaff to conclude that 'M. I. Finley has sided with Weber against Meyer'! *Iron cage*, 38 n. 9. Other examples include Ian Morris, 'Foreword' in the 'updated' (1999) edition of Finley's *Ancient economy*. Even modernist critics of Finley, such as Edward Cohen, trace his 'deleterious' generalizations to Weber and 'Weberian grandiosity', *The Athenian nation* (Princeton 2000) 178 n. 116. The question of Meyer and his relationship with Weber is, as far as I have been able to discern, the only occasion when Finley and Momigliano disagreed publicly – and then without naming each other – until Finley's death.

If *SC* represented Weber's last word on Antiquity, Finley's account would not have been far off the mark. The problem lies in the fact that Finley's main reference is to *AG*, which he rightly considers Weber's most important work on Antiquity. *AG*, as will be seen in detail in the next chapter, is (and was seen at the time of its publication) as a work of conciliation, which retained significant elements from the opposed sides in the *oikos* debate.

Considering the reassembled nature of Finley's Weber, it should not come as a surprise that his Meyer, too, is barely recognizable as Weber's interlocutor. Rather than engaging Weber in a productive dialogue, Finley sees Meyer as a 'dogmatic' exponent of political history and an 'extreme conservative' turned 'fiercely chauvinistic', whose methodological reflections were 'demolished' by Weber. Even Meyer's undeniable, or at any rate undenied, 'immense erudition' is questioned. Meyer's influential lecture on slavery is thus found 'not only as close to nonsense as anything I can remember having been written by a historian of such eminence, but violates the basic canons of historical scholarship in general and of German historical scholarship in particular'.¹⁷

For Finley, Meyer is not the kind of historian that could be relied on even for sound antiquarian information, let alone one that could liberate Weber from Mommsen. For that, Finley turns to Weber's fellow political economists and above all Bücher whose dispute with Meyer assumes a universal significance beyond ancient history and ancient historians:

Weber ... protested that the historians had misunderstood Bücher's avowedly 'ideal type' approach, but historians, whether of antiquity or of any other era, are customarily either allergic or totally deaf to ideal types.¹⁸

Finley's assertions, taken in isolation, are not false; yet taken together they distort Weber's position by the systematic selection of facts that favour primitivism and political economy/theory and Weber as a primitivist theorist. Meyer, for example, did indeed defend the priority of political history, but this must be understood in the context of the threat posed by political economy and the kind of structural historiography that seemed wholly to ignore the role of individual action in historical change, or downplay politics as the subject of historical reflection in favour of evolutionary laws and stages. Although Friedrich Tenbruck's revision may perhaps be stated over-enthusiastically, it may indeed even be claimed that

... it was above all professional historians, namely Eduard Meyer and Georg von Below, who with their decisive critique of Karl Bücher's '*oikos* theory' of ancient economy reveal the questionability of all stage theories and thereby woke Weber (one might say) 'from his dogmatic slumber'. Weber, as an economist, was then confronted with the practical questions of concept construction, the relation of theory to history and the 'objectivity of social scientific knowledge'.¹⁹

In his tribute to Finley in *Classical slavery* (1987), Momigliano finally noted how close Finley's view on the question of slavery had been to what he had dismissed as Meyer's nonsensical account. Momigliano, 'A personal note', 4. See also chapters 9 and 10 below.

¹⁷ Finley, *AS*, 48; 'How it really was', 52.

¹⁸ Finley, 'Ancient city', 12-13.

¹⁹ Tenbruck, 'Weber', 237, cf. F. Ringer, *Max Weber's methodology: the unification of the cultural and social sciences* (Cambridge MA 1997).

Similarly, Meyer's defence of political history, did not, as Finley's account implies, mean that Meyer himself was a dogmatic political historian. His substantive writings apart, his deep preoccupation with socio-economic questions can in fact be attributed to his critical engagement with the work of political economists, in particular, according to Weber himself, Roscher and Knies.²⁰ The same applies to Bücher and his fellow political economists. It was precisely their deep interest in history that embroiled them in bitter dispute with professional historians. This is an important point to keep in mind about almost all the major protagonists in this study. Weber as well as Bücher and Meyer and Finley were all *Janus*-faced: intimately involved with both history and theory in the stricter senses of these terms. Weber's position is exceptional in this context only because he managed to contain this schizoid condition by, first, promoting it as perfectly healthy – at least before it reached the psychotic stages of confused self and/or other hatred – and secondly, and as a way to overcome or guard against such psychosis, he presented history and theory as necessary moments of a unified division of labour.

What this means will be seen in the next section, when we turn to Weber's methodological contributions. But how far he succeeded in convincing the protagonists in various rounds of the *oikos* debate is more difficult to determine. From Bücher and Meyer to Polanyi and Finley, all continued to savage each other, yet all found words of praise for Weber.

History and theory: separation and reconciliation

Weber emerged from his illness convinced of the redundancy of the evolutionary-stage theory in its existing variants, and therefore of the need to reconcile history and political economy, historicism and positivism on a new basis. It goes without saying that he equally recognized that this could not be done on the basis of intuitionism and hostility to theoretical generalizations and constructs, or evolution as such. Although not a methodologist by inclination or training, he could no longer avoid direct intervention in a period when 'something like a methodological pestilence prevails within our discipline'.²¹ Strongly repelled by the 'philosophically embellished dilettantism' of most of these methodological contributions, Weber stressed the primacy of substantive research:

just as the person who attempted to govern his mode of walking continuously by anatomical knowledge would be in danger of stumbling, so the professional scholar who attempted to determine the aims of his own research extrinsically on the basis of methodological reflections would be in danger of falling into the same difficulties ... Only by laying bare and solving substantive problems can sciences be established and their methods developed.²²

Nevertheless, this declaration of faith in substantive research was itself an intrinsic part of the methodological package which signalled his recovery and the onset of a new phase in his intellectual development. The methodological claims of eminent political economists and historians now had to be re-examined, even at the risk of adding to the growing pile of amateurish contributions, because

²⁰ Weber, *Roscher and Knies, the logical problems of historical sciences* (New York 1975) 222 n. 52.

²¹ Cited in G. Oakes, 'Introduction' in Weber's *Roscher and Knies*, 13; cf. Weber, *ibid.*, 275 n. 93.

²² Weber, 'Critical studies in the logic of cultural sciences' in *The methodology of social sciences* (New York 1949) 115-16.

as a result of considerable shifts of the 'viewpoint' from which a datum becomes the object of analysis, the idea emerges that the new 'viewpoint' also requires a revision of the logical forms in which the 'enterprise' has heretofore operated, and when, accordingly, uncertainty about the 'nature' of one's own work arises.²³

This statement has a personal as well as a general dimension. Especially since the outbreak of the *oikos* debate, Weber had been plagued by doubts concerning the 'nature' of his own work. This was exacerbated by the problems he had faced as a professor of political economy amidst the continuing dispute between the Austrians and Schmoller and his associates within the historical school.²⁴ The 'new viewpoint' to which Weber refers could be interpreted in different ways. He may have had in mind historical political economy and the conflicting strategies for reconciling theory and history of its major exponents, Roscher, Knies, Schmoller, Bücher, and many 'modern historians'. Or it may refer to the Austrian economists and mainstream historians who, from opposed perspectives, rejected such reconciliations and asserted the introverted autonomy of history and economics. Alternatively, Weber may have been thinking of the general aspects of the positivism-historicism confrontation as elaborated in the works of Dilthey, Rickert, and the many other philosophers whose contributions are noted in passing or treated at some length in the essay on Roscher and Knies and the subsequent methodological essays.

In any case, what is certain is that Weber's special disciplines, history and political economy, were in crisis, and that despite 'the insignificance in principle of methodology', he was 'rightly ... now busying himself with methodology'.²⁵ Methodology, in other words, no longer stood to history and political economy as anatomy to walking. It had become a 'substantive' problem because the path was no longer clear: in consequence, all who could and should have walked in the same general direction were in fact colliding with each other.

What about the problem of dilettantism, the avoidance of which remained a lasting preoccupation of Weber? If Weber was a specialist scientist with no intrinsic interest in methodology, what gave him the confidence to engage in such enterprise without falling into philosophically embellished dilettantism?²⁶ The answer to this question also helps solve the related problems of the systematicity of Weber's methodological reflections and the periodization of his intellectual formation. In her biography of Weber, Marianne Weber

23 *Ibid.*, 116.

24 Tenbruck, 'Max Weber', 237.

25 *Ibid.*

26 Weber's torn view of specialization (and hence dilettantism) which first burst open in the concluding passages of *The Protestant ethic*, run through the three methodological essays published in English as *The methodology of social sciences* as well as *Economy and society*, *Sociology of religion* and lectures such as 'Science as a vocation' and his private correspondence. The persistent importance of this preoccupation is nicely captured by the concluding remarks of *The Protestant ethic*, the first volume in what becomes the series on sociology of religion and those of the 'Introduction' to the whole series, one of Weber's last published works. In the former, he laments the 'Specialists without spirit, sensualists without heart; this nullity imagines that it has attained a level of civilization never before achieved' (1905/1930) 182; in the latter he is concerned that 'Fashion and the zeal of the literati would have us think that the specialist can to-day be spared, or degraded to a position subordinate to that of the seer. Almost all sciences owe something to dilettantes ... But dilettantism as the leading principle would be the end of science'. (1920/1930) 28.

describes the actual circumstances attending Weber's first methodological essay on Roscher and Knies:

The Heidelberg philosophy faculty planned to issue a jubilee volume on the occasion of an anniversary of the university, and Weber was urged to contribute to it. Otherwise he surely would not have tackled this difficult field first with his reawakening but very uneven working capacity. Of course, he had been thinking about these problems for some time. He may have received inspiration from Heinrich Rickert's work about the limit of concept formation in the natural sciences, the second volume of which had appeared at that time. When he read it in Florence half a year previously, he wrote about it to his wife: 'I have finished Rickert. He is very good; in large part I find in him the thoughts that I have had myself, though not in logically finished form. I have reservations about his terminology'.²⁷

Not much should be made of the accidental nature of the invitation itself. The important thing is that Weber chose to deal critically with what were the foundation texts of historical political economy, and which had first introduced him to the field. Perhaps the sharp thrust of his critique was in 'bad taste', even a case of 'patricide' as Hennis suggests, since he was expected to praise his old masters in a celebratory volume of this kind.²⁸ But if so, this was not so much an indication of Weber's 'belaboured originality' – in Hennis's words – as a case of genuine patricide, that is, an act intended to clear the ground for a reconstitution of historical political economy on a new and perhaps more solid basis.²⁹ The confidence Weber gained through Rickert's 'specialist' backing for his own 'unfinished thoughts' is especially notable. It resolved his qualms about pronouncing in areas in which he was not an expert or could not rely on the full backing of experts.

The point here is that in the methodological essays of 1903-06, Weber views 'reality' as a multi-level infinity, the only 'verifiable' channel to various segments of which is increasingly only through the community of specialists. This raised the question of the consequences of the absence of consensus among the specialists. Comparatively rare among natural scientists, and overwhelmingly common in social sciences, the threat of the breakdown of consensus evidently underlined the social scientists' imitation of the putative methods and aims of the natural sciences. Weber's strategy aimed at achieving consensus among specialist historians and political economists by attempting to demonstrate their reciprocal needs within a general division of labour, which at times he calls 'history in the broadest sense'. This sense refers to the space occupied by the disintegrating historical political economy.

First, however, the metaphysical distortions and philosophical misunderstandings that had turned cooperation between various historical scientists into antagonism and rivalry had to be dispelled. This could be done only with the backing of professional methodologists. With this aim Weber turned to neo-Kantians, the philosophical specialists; hence the note attached to his first methodological essay:

27 Marianne Weber, *Max Weber, a biography* (New Brunswick 1988) 259-60.

28 W. Hennis, *Max Weber, essays in reconstruction*, (London 1988) 140.

29 *Ibid.*, 108. Hennis's insistence on reducing Weber to a 'radicalized' location within the historical school (142) presents a rather static account of Weber's (non-)development which minimizes the importance of what he came to learn from the opposing traditions represented by Menger and Meyer.

In the foregoing, I believe I have conformed fairly closely to the main views of Rickert, at least in so far as they are germane to the present study ... One of the purposes of this study is to test the value of his ideas for the methodology of economics ...³⁰

Thomas Burger has strongly re-confirmed Weber's perhaps underestimated acknowledgement of his debt to Rickert, and thereby appears to have gone a long way toward resolving the continuing dispute over the general character of his methodology. On the one hand, Burger joins Tenbruck in seeing Weber not as 'the born methodologist' but rather as a specialist social scientist/historian whose mostly incomplete methodological interventions should be understood in the evolving context of particular historical disciplines. On the other hand, he goes on to affirm the older view represented by von Schelting and Heinrich, albeit with an important twist:

Tenbruck is wrong, however, in declaring that Weber, when he wrote his essays, was not in possession of a coherent and systematic methodological theory. He was, but his theory was not his own; it was taken over from Heinrich Rickert ... This ... appears perfectly understandable when the idea is accepted that Weber's main concern was not the formulation of a methodology of his own but refutation of certain methodological positions adopted by some historians and social scientists.³¹

Nevertheless, Burger admits that whenever the concrete problems of historical research demanded it, Weber enriched, elaborated, and indeed went beyond Rickert, most notably with his ideal types and in his arguments on 'The meaning of ethical neutrality'.³² To these, we must at least add Weber's extension of von Kries's theory of 'objective possibility', based on which Weber established the 'falsifiability' of causal (scientific) historical statements.³³ Together, the notions of ideal-types, the science-ideology distinction and objective possibility (all non-Rickertian notions) are crucial elements in Weber's treatment of the question that is central to our discussion, namely, the confrontation between history and political economy and its implications for Weber's account of ancient developments.

The reading of Weber's methodological writings suggested here is consonant with Burger's conclusion that they are informed by a coherent position that is retained essentially unchanged throughout the essays and thereafter. It means that these writings may be treated systematically or historically without altering the outcome or misrepresenting his views.

30 Weber, *Roscher and Knies*, 213, n. 9.

31 Burger, *Concept formation*, 7, 9; cf. F. Tenbruck, 'Die Genesis der Methodologie Max Webers' *Kölner Zeitschrift für Soziologie und Sozialpsychologie*, 11: 573-630. More recently, Tenbruck has reaffirmed his position in this regard whilst placing more emphasis on the importance of historians in Weber's methodological reflections. Tenbruck, 'Weber', 237ff.; cf. Hennis, *Essays*, 142ff., 233, n. 77; cf. Ringer, *Methodology*, 60-62.

32 Burger, *Concept formation*, 9; for a critical extension of Burger's argument and a detailed examination of the Richert-Weber relationship see G. Oakes, *Weber and Rickert, concept formation in the cultural sciences* (Cambridge MA 1988). For a critical discussion of the genealogy of ideal types, see F. Machlup, *Methodology of economics and other social sciences* (New York 1978) 223ff.; and for their conception and application in Weber's work, see S. Kalberg, *Max Weber's comparative historical sociology* (Cambridge 1994) part 2; cf. Ringer, *Methodology*, 110ff.

33 Weber, 'Critical studies', 166ff. For the lasting influence of legal thought on Weber, see Stephen P. Turner and Regis A. Factor, *Max Weber: the lawyer as social thinker* (London 1994).

Therefore, in the following brief discussion of Weber's methodology, his post-breakdown essays are referred to without undue concern for their chronological order of appearance or for all the particular issues and authors that may have been the immediate objects of his attention. The focus will be only on those aspects that allow Weber to go beyond the unstable primitivism of *SC* and establish a new conception of the relationship between history and political economy that in turn underpins *AG*.

The question that underlies all the methodological essays of 1903-06 and beyond is raised in the opening paragraph of the earliest essay dealing with the founding father of the *Historical School of German Political Economy*:

Roscher distinguishes two sorts of scientific investigation. One he calls 'philosophical': the analytical comprehension of reality. Its purpose is generalized abstraction and the elimination of 'purely contingent facts'. The other he calls 'historical': the descriptive reproduction of reality in its full actuality. One is immediately reminded of the contemporary contrast between nomological sciences and sciences of concrete reality, a distinction which appears most unambiguously in the methodological contrast between the exact natural sciences, on the one hand, and political history, on the other.³⁴

What does Weber have in mind, when he mentions the apparently polar opposites of the exact natural sciences and political history? The qualifying adjectives of 'exact' and 'political' are significant here. For they point to the developments in history and economics each taking one side of the historical school (and Roscher's dualistic methodology) to its logical irreconcilable conclusion and thus threatening it with complete collapse. The standard bearers of these opposing tendencies were, of course, Menger in economics and Meyer in history. The former specifically championed the cause of exact economics as against historical political economy. In the years following his initial critique of Bücher, Meyer, too, had engaged in methodological reflection which resulted in a polemical defence of the primacy of political history. It is, therefore, not surprising to find an important bibliographical note attached to the above passage begin and end with Menger and Meyer, the only non-professional methodologists so cited. What may seem paradoxical is that, coming as they did from the opposite end of the spectrum, they are both treated favourably by Weber.³⁵ The resolution of this apparent anomaly seems, in retrospect, to have formed the basic agenda of the methodological essays that were to follow.

Weber summarizes his critique of Roscher by noting that 'from a purely logical point of view, Roscher's "historical method" is self-contradictory. The attempt to grasp the total reality of all historically given phenomena is inconsistent with the attempt to reduce these same phenomena to "natural laws"'.³⁶ The question, however, remained that if Roscher's cyclical evolutionary reconciliation of the nomological and historical aspects of historical political economy proved inadequate, was there an alternative? Menger, Bücher and Meyer, among others, had made specific contributions in their respective fields, as a result of which the 'substantive aspects' of Roscher's 'viewpoint...[had become] obsolete'. Nevertheless,

³⁴ Weber, *Roscher and Knies*, 55.

³⁵ *Ibid.*, 211-12 n. 2.

³⁶ *Ibid.*, 89-90.

according to Weber, 'it would be a mistake to assume that for this reason the logical weaknesses which lie concealed within Roscher's position are in general clearer to us today than they were to him [half a century ago]'.³⁷

Although rejecting Roscher on both logical and substantive grounds, Weber remained faithful to the vision of reconciling history and theory. Others whose works he valued, however, clearly had abandoned that vision, as evidenced by their mutually exclusive and hostile claims. Such claims in Weber's view were based on necessarily illicit or 'one-sided' methodological grounds. Weber's pre- as well as post-breakdown works and all the biographical evidence confirm his lasting appreciation of the substantive contributions of Bücher, Menger, Meyer, and their associates.³⁸ What was lacking was a methodology that could articulate the complementary nature of such contributions and the 'logic-in-use' of their authors.³⁹

From Weber's vantage point it seemed that not only historical political economy, but history and socio-economic theory were incapable of useful separate, self-sustained development. History could not do without theory, albeit generally in an unconscious haphazard way; whilst economics remained ignorant of its own historical genesis and the historicity of its relevance. All the methodological essays of 1903-06 attest that, to paraphrase Whimster (*contra* himself), Weber is placed mid-way between economics and history, positivism and historicism, whence he proceeds to 'build his own position'.⁴⁰ This was after all what his precursors, Roscher and Knies as well as Rodbertus and Bücher in their own different ways had tried to do.

In the wake of their failed attempts, Weber took the simple but radical step of removing the search for and formulation of laws as the ultimate aim of social sciences. In this, Weber not only parts company with Menger and Bücher, but even with Schmoller who, whilst in practice engaged in what amounted to no more (and no less) than economic history, still justified the effort by claiming that this was the means to adduce concrete realistic laws:

The relationship between concept and historical research is reversed for those who appreciate ... that concepts are primarily analytical instruments for the intellectual mastery of empirical data ... the goal of the Historical School then appears as logically impossible, the concepts are not ends but are means to the end of understanding phenomena which are significant from concrete individual viewpoints.⁴¹

The unified social science promised by Schmoller in the distant future is already in place and shares with history-writing the aim of:

³⁷ *Ibid.*, 211 n. 1.

³⁸ *Max Weber and his contemporaries*, ed. Mommsen and Osterhammel provides ample evidence for this claim.

³⁹ This point has been made by many commentators, but I first noticed it in MacRae, *Weber* (London 1974) 65. There is much that I cannot accept in the latter's account, including his insistence on presenting Weber as an exclusive historicist, p. 49. This claim is explained and further developed by S. Whimster in 'The profession of history in the work of Max Weber', *BJS* 31 (1980). Whilst I begin here by emphasizing Weber's attempt to lay bare the logic-in-use of actual historians (and political economists), I will end by showing that Weber's argument eventually entails a radical critique of political history of his day which questions its logic. This weakens the force of MacRae's and Whimster's accounts.

⁴⁰ Whimster, 'Lamprecht and Weber', 279.

⁴¹ Weber, 'Objectivity', 106.

understanding the *characteristic uniqueness of the reality* in which we move. We wish to understand on the one hand the relationship and the cultural significance of individual events in their contemporary manifestations and on the other hand the causes of their being historically so and not otherwise. (emphases added)⁴²

Thenceforth, 'in Weber's terminology "cultural sciences", "history", and "social sciences" are interchangeable terms; they all denote historical sciences whose concept formation is individualizing'.⁴³ Weber, in other words, reverses the history-theory relationship most clearly asserted by Bücher, but only after simultaneously changing the acquired meaning of both terms. According to Bücher, history had the task of collecting data on virtually everything, from which the theorist would then select 'the normal, simply ignoring the accidental' and thereby 'discover ... the laws of development'.⁴⁴ The historian must not forget to relate in 'any period everything that occurred in it' because, theorists assumed, he lacks the conceptual tools for making the analytical distinctions necessary for discovering developmental laws. Ironically, in Weber's view, this division of labour between history and theory, in which the former is subordinated to the latter as its 'handmaiden', was also upheld by mainstream historians, and therefore, to that extent, reflected the existing reality:

[In] those disciplines concerned with social life which seek to arrive at 'rules' or 'laws'... there is always the tacit assumption that history is a discipline which devotes itself exclusively to the collection of materials, or if not that, is purely a descriptive discipline which in fortunate cases drags the 'facts' which serve as the building materials for the intellectual work which 'really' begins only after the historical work has been done. And what is more, even the professional historians, unfortunately, have contributed not a little to the strengthening of the prejudice that 'historical work' is something qualitatively different from 'scientific work' because 'concepts' and 'rules' are of 'no concern' to history; they have done this by the way in which they have sought to define the specific character of 'history' in the specialist sense of the word.⁴⁵

Thus Weber set out not only to disabuse Bücher and other theorists from their 'naturalistic' inclinations, but also to help historians raise their ambitions. History had to stop playing the 'role of a servant of theory instead of the opposite role'.⁴⁶ Such a reversal entailed no less than the conscious incorporation of theory into 'history in the broad sense of the term'. What, in other words, Weber takes with one hand, he returns with another, albeit in a new conceptual context. Envisaged in Weber's methodology as a complex division of labour, this approach allocated to almost all the warring disciplines and theoretical traditions a place defined by their respective contributions to the final aim of producing causal accounts of 'historical individuals'.

The general moments of this division of labour may be presented logically in the following way. The historical individuals are constructed as subjectively grounded 'valued' segments

⁴² *Ibid.*, 47.

⁴³ Burger, *Concept formation*, 68; cf. Weber, 'Objectivity', 80.

⁴⁴ Bücher, *IE*, 85-86.

⁴⁵ Weber, 'Critical studies', 115.

⁴⁶ 'Objectivity', 102.

of historical reality, so defined through ‘value analysis’ or simply assumed as such in the established routine of various historical disciplines.⁴⁷ Causal or scientific accounts of historical individuals, whether given in the existing research programmes or defined afresh, employ theoretical constructs in order to organize and select from the ‘source materials’ the causally relevant elements. Although in ‘our age of specialization’, theoretical construction and generalization, on the one hand, and collection, classification, and description of historical data, on the other, may be carried out as tasks undertaken by professionally segregated specialists or institutions, ultimately they must be brought together as inter-connected stages of an overall division of labour. From the perspective of Weber’s methodology, scientific history is the final product of a teleological production process starting with the (‘subjective’) design of the historical phenomenon and ending with ‘a science of concrete reality ... [which] conceives aspects of given reality – the analytical determination of which can only be relative – as “real” components of the concrete causal relations’. In between, the process is mediated by the two stages of general concept formation: that is, on the one hand, the formulation of ideal types, heuristic laws, empirical regularities – the subject matter of political economy or sociology – and, on the other hand, the collection and critical classification of data – the major task of history in the narrow, traditional sense.

The ‘scientific’ historian, whether or not directly engaged in these stages, can be characterized as such only by virtue of producing the final, causal account. Yet, evidently without employing the products of the preceding intermediate stages, no causal history is possible. For Weber, the coherence and overall unity of the historical sciences is ensured, first, by defining theory construction and data collection as means to the overriding aim of causal understanding of culturally significant historical individuals, and, second, by emphasizing the dependence of theoretical work on the collected historical data for the purposes of construction and illustration of empirical regularities and ‘clear concepts’, and, conversely, the theoretical determination of selected facts.

This logically necessary division of labour is, however, threatened continuously with breakdown resulting from the extension of the particular aim of each stage to the point of replacing the final aim of the process as a whole. Thus, the ‘naturalistic’ theorists assumed that their conceptual constructs and developmental sequences were sufficient for understanding the ‘essential’ aspects of ‘concrete reality’, whereas mainstream historians declared the independence and self-sufficiency of their discipline by maintaining the ideal of history as ‘a “presuppositionless” mental “photograph” of all the physical and psychic events occurring in the space-time region in question’. In fact such a standpoint was consonant with the antiquarian practice of collection and classification of historical data, a necessary element in the production of scientific history, but which, when treated as the latter’s ultimate aim, would reduce it to ‘the level of a mere chronicle of notable events and personalities’.⁴⁸

It is worth emphasising, however, that the set of tasks associated with antiquarianism is a central component of Weber’s definition of the historian as a specialist with privileged access

47 ‘Objectivity’; ‘Critical studies’, 143ff.

48 *Ibid.*, 171, 164; *cf.* 115. It is this aspect of Weber’s methodology which especially appealed to and underpinned Finley’s own methodological campaign. However, his position cannot be seen as Weberian insofar as it ignored Weber’s commitment to many aspects of mainstream historiography or his critique of theorists and prioritization of theory. See, for instance, Finley, ‘How it really was’, 47ff.

to 'reality'. To digress somewhat, but also to illustrate the approach just outlined, here the key may be found to Weber's 'puzzling' stance in the 'Lamprecht dispute'. Although only peripherally involved, Weber stood firmly on the side of Meyer, von Below, and almost every other prominent German historian against Lamprecht's 'slovenly scholarship'.⁴⁹ Whimster's reference to Weber's overriding 'hostility to positivism' as an explanation of Weber's position does not convince, as it applies with equal force to Bücher and other political economists.⁵⁰ In brief, a more appropriate explanation lies in the simple fact that the 'amateurish' Lamprecht's widely reported errors in historical detail were not, from Weber's methodological standpoint, acceptable for a professional historian, whereas Rodbertus, Bücher and other political economists had to be judged above all on the quality and usefulness of their conceptual constructs and models. A second related reason also rooted in the methodological programme outlined above arises from Weber's view of the judgement of the community of specialists as the ultimate (for any given moment) arbiter of 'reality': Lamprecht's *History* had been dismissed almost unanimously by the relevant group of specialists.⁵¹

The approach suggested here, although never explicitly detailed in his work, provided the general framework within which Weber re-examined the polemical disputes that preoccupied his contemporaries. In the following section the way Weber used it to reconcile the conflicting positions of the political economists and historians will be described. He used two approaches: one removed the 'naturalistic' roots of the theoretical traditions discussed in the preceding chapters; the other demonstrated the centrality of theoretical concepts and generalizations to the most developed, that is the scientific, variant of history-writing.

Weber and the economic theorists

Weber's new plan aimed at unifying the social sciences without, in the first instance, any drastic imposition on the substantive practices of the economists.⁵² Instead, it disclosed the wider context, the interactive process to which their work contributed or could contribute. In this spirit, the self-same general concepts and developmental sequences proposed by Menger or Bücher were not so much modified, let alone discarded, as viewed anew to remove their 'naturalistic' ontological self-sufficiency. Thus re-appraised, theoretical constructs, or ideal types were seen as no more (and no less) than important tools of historical research (and policy formulation) and the activity of producing them was justified as such:

49 Ringer, *Methodology*, 24.

50 In lamenting Lamprecht's unfair treatment at the hands of his fellow historians, Whimster speculates that 'had he been a professor of *Nationalökonomie*, he could perhaps have expected a different intellectual engagement.' S. Whimster, 'Lamprecht' (276). This is questionable at least in so far as the historians' hostile treatment of Bücher or Sombart is concerned. However, Whimster's point may apply, specifically and ironically, to Weber.

51 Weintraub may be right in pointing to the blindness of historians 'obsessed with factual accuracy', who therefore could not see the 'richness of conception and detail, profusion of images, vast erudition, and a wealth of suggestive cross-weaving of cultural phenomena in Lamprecht's huge work', but this does not alter the point made here. K. Weintraub, *Visions of culture* (Chicago 1960) 176.

52 This is also true in case of the historians, but with an important difference that will be discussed below.

An ideal type is formed by the one-sided accentuation of one or more points of view and by the synthesis of a great many diffuse, discrete, more or less present and occasionally absent concrete individual phenomena, which are arranged according to those one-sidedly emphasized viewpoints into a unified analytical construct. In its conceptual purity, this mental construct cannot be found empirically anywhere in reality. It is a utopia. Historical research faces the task of determining in each individual case the extent to which this ideal-construct approximates to or diverges from reality, to what extent for example, the economic structure of a certain city is to be classified as a 'city-economy'.⁵³

Once freed from the 'naturalistic' pretensions of their theories, Weber in effect allows both exact and historical political economists to continue almost as before. Starting with Menger's marginal theory, each of the major tendencies in political economy are treated from Weber's new perspective. Somewhat ironically, the marginal theory is defended against both Menger himself and his opponents in the historical school, as 'an ideal picture of events on the commodity market under conditions of a society organized on the principles of exchange economy, free competition and rigorously rational conduct ... Substantively, this construct in itself is like a utopia which has been arrived at by the analytical accentuation of certain elements of reality'.⁵⁴ By replacing the psychological foundation of marginal theory with a historical one, Weber rescued it from the damaging critique of historical economists who were pointing to the existence of other psychological drives beside the 'acquisitive impulse'. Historical contingency was the price he demanded in return. However misguided this may seem to advocates of 'abstract theory' such as von Mises or even Schumpeter, from Weber's standpoint, the strength of their theory lay in its historicity, that is as an ideal type of rational action approximating increasingly to the unfolding historical reality.⁵⁵ It was an ideal type that had passed the historical test and therefore could find useful employment in present circumstances:

the historical peculiarity of the capitalist epoch, and thereby also the significance of marginal utility theory (as of every economic theory of value) for understanding this epoch [as a historical individual], rests on the circumstance that ... under today's conditions of existence the approximation of reality to the theoretical propositions of economics has been a constantly increasing one. It is an approximation to reality that has implicated the destiny of ever-wider layers of humanity. And it will hold more and more broadly, as far as our horizons allow us to see. The heuristic significance of the marginal utility theory rests on this cultural-historical fact, but not on its supposed foundation in the Weber-Fechner law.⁵⁶

53 Weber, 'Objectivity', 90.

54 Weber, 'Objectivity', 89-90.

55 See Ludwig von Mises, *Human action* (Chicago 1949) 126; Schumpeter, *History*, 777 n. 15.

56 Weber, 'Marginal utility theory and the so-called fundamental law of psychophysics', *Social Science Quarterly* 56.1, 33. This conclusion is anticipated in Weber's marginal notes in his copy of Meyer's *Investigations*. See R. Swedborg, *Max Weber and the idea of economic sociology* (Princeton 1998) 196 and 294 n. 101.

Notice that in this passage Weber defends marginal theory along with other economic theories of value, a peculiar position considering the hostility of rival tendencies within political economy. This, however, becomes perfectly understandable when viewed from Weber's new vantage point, which denied that any single one of them (or all of them put together) presented universally valid laws. Rather, they were seen primarily as varied expressions of differentiation of the economy from society and within this context as products of one-sided, possibly complementary, perspectives. Menger's previously discussed acceptance of the legitimacy of the realistic perspective next to his own preferred orientation may be seen as an early anticipation of Weber's stand in this regard. While, in the case of Menger such pluralism threatened his position with incoherence, if not complete collapse, in Weber's case it flows consistently from his stance and strategy.

Weber's historicization of marginal theory was anticipated by Bücher's (and before him by Rodbertus's and Marx's) historicization of classical political economy. The problem, as we have already seen, was that Bücher and his illustrious precursors historicized classical political economy in a linear evolutionary context that was no longer tenable. If Menger's conception of economics as physics was doomed, so was their quasi-biological evolutionary determination of social sciences and history. Both had to be dropped. Yet, this was a purge that, in Weber's hands, guaranteed the survival of the substantial core of their theories. Differently put, Weber's attempt to turn theory into a means at the service of historical research also insured theory against total redundancy in case its initial historical claims were falsified. Ideal typical constructs, apart from internal coherence, are not as such falsifiable. Rather, they may be useful or useless in particular causal accounts; that is, precisely, as tools.

Weber's treatment of Bücher's theory provides a clear example of this case. Weber, at least in part, had developed his notion of ideal type in order to combat and replace the kind of evolutionary theory advanced by Bücher. Moreover, following the historians' critique, he had realized clearly that the *oikos* theory could not explain or provide 'laws of development' of ancient societies, as Bücher had hoped. The latter's theory failed the scientific test by virtue of its speculative evolutionary foundations and its inadequacy as a nomological or institutional account of the historical period for which it was constructed. Yet it could be made to succeed as an ideal type, in the light of which Weber in fact comes to his mentor's rescue in his own final contribution to the *oikos* controversy:

Bücher's views may, I think, be interpreted – on the basis of his own statements – in this manner: he considered the *oikos* as an 'ideal type', denoting a kind of economic system which appeared in Antiquity with its basic features and characteristic consequences in a closer approximation to its 'pure concept' than anywhere else, without this *oikos* economy becoming universally dominant in Antiquity, either in time or space. One may add with confidence that even in those periods when the *oikos* was dominant this meant no more than a limitation on commerce and its role in meeting consumer needs.⁵⁷

What is significant here is not only that, once viewed as an ideal type, Bücher's theory may become the object of meaningful dialogue with historians, but also that even when (or if) as a result of such a dialogue, the scope of its historical applicability was seen to be narrower

⁵⁷ Weber, *AG*, 43.

than initially envisaged, it could still be usefully employed for other purposes. Weber, for example, continues to use and further refine the concept of *oikos* as late as *Economy and society*, and *General economic history*, in comparative discussions aimed at defining the unique determinations of important historical phenomena such as modern or ancient capitalism or as part of the set of ideal types that constitute his sociology. Bücher's other useful constructs, too, are similarly used and explicitly acknowledged.⁵⁸

The point to keep in view in such cases is that Weber follows closely Bücher's 'terminology and classifications', even or especially after the fundamental break with the conceptual orientation underlying those classifications. He retains the substantive theoretical constructs of Menger, Bücher and other economic theorists by resisting 'the temptation to satisfy criteria for precision and axiomatization similar to those employed in the quantified natural sciences'.⁵⁹ Indeed, if such criteria were retained, economic theory, whether of Menger's 'formal' or Bücher's 'substantive' kind (to use Polanyi's classification) would have long been redundant: 'A hypothetical "law of nature" which is definitively refuted in a single case collapses as an hypothesis once and for all. In contrast, the ideal-typical constructions of economics – if they are correctly understood – have no pretensions at all to general validity'.⁶⁰

Once this is understood, 'developmental sequences too can be constructed into ideal types and these constructs can have quite considerable heuristic value'.⁶¹ In fact, as Rickert had already argued, 'the notion of development, in a nutshell, expresses the logical nature of history as a science'.⁶² Causal history, in Weber's further elaboration, thus requires the use of developmental sequences conceived as ideal types. From this perspective not only Bücher's theory, but also Marxian "laws" and developmental constructs – insofar as they are theoretically sound – are ideal types' and, as such, useful in certain contexts. Weber's assessment of historical materialism exhibits the same inclusive approach deployed in Menger and Bücher's theories:

The eminent, indeed unique, heuristic significance of these ideal types when they are used for the assessment of reality is known to everyone who has ever employed Marxian concepts and hypotheses. Similarly, their perniciousness, as soon as they are thought of as empirically valid or as real (i.e. truly metaphysical) "effective forces", "tendencies", etc. is likewise known to those who have used them.⁶³

As ideal types, therefore, Marxian as well as Bücherian developmental concepts may be usefully employed in historical research, or, conversely, they may be treated as empirical hypotheses to be 'tested' in such research. In either case, the functional division between theory or ideal typical construction and 'reality' as represented by causal historical accounts and specialized historical research remains, for Weber, in force.

58 See, for example, Weber, *Economy and society*, 63, 114-15, 381ff.

59 Weber, 'Roscher and Knies', 172-73.

60 *Ibid.*, 190. See also 'Objectivity', 80 for a somewhat different view of Weber's 'solution to the *Methodenstreit*'; and cf. Burger, *Concept formation*, 140ff.

61 Weber, 'Objectivity', 101.

62 Burger, *Concept formation*, 43, see also Runciman, *Substantive social theory*, 37ff.

63 Weber, 'Objectivity', 103.

In a further appropriation of ‘the kernel of truth’ in these otherwise discarded paradigms, Weber re-establishes the distinction between economic theory and history posited by Menger, shared by traditional historians, and employed by Bücher in his own defence against Eduard Meyer. For Bücher, this functional distinction assumed a one-way relationship, whereby the theorist selected the ‘essential facts’, whose privileged position was already underwritten by the theory itself. But this cul-de-sac for Weber leads somewhere: ‘In the interest of the concrete demonstration of an ideal type or of an ideal typical developmental sequence, one seeks to make it clear by the use of concrete illustrative material drawn from empirical-historical reality’.⁶⁴

This procedure, however, may prove a risky affair insofar as ‘historical knowledge here appears as a servant of theory instead of the opposite role’. This risk is compounded by the fact that the material for illustration is often, if not always, drawn from the same material used in constructing ideal types. Yet, the operation is ‘entirely legitimate’ as far as it goes; that is as far as the aim of ideal type construction and illustration is concerned. But of course for Weber this is only an intermediate step towards the final aim of returning to history, now not as a collection and classification of data or description of events, but as causal accounts of valued segments of ‘reality’. This reality is the same against which the empirical adequacy of ideal types must also be judged. At least in the *oikos* debate, this was the part of the journey that Bücher was not prepared to fully undertake. As a theorist, the latter could not resist what Weber calls ‘the great temptation’ to view history’s subservience to theory as ‘normal’, or to commit the ‘far worse’ error of mixing ‘theory with history and indeed to confuse them with each other’.⁶⁵ Here Weber is reversing Bücher’s view of the relationship between history and theory from yet another angle. He agrees with the latter that they are distinct activities and should be kept so, but precisely because theory does not exhaust or embody the essence of ‘reality’, the key to which is only provided by history.

In the essay on ‘Objectivity in social sciences’ Weber describes the result of ‘mixing history with theory’, without naming the culprits. The context and the example that is provided, however, indicates that Bücher is prominent among them:

This [confusion] occurs in an extreme way when an ideal construct of a developmental sequence and a conceptual classification of the ideal-types of certain cultural structures (e.g. the forms of industrial production deriving from the ‘closed domestic economy’ ...) are integrated into a genetic classification. The series of types which results from the selected conceptual criteria appears then as an historical sequence unrolling with the necessity of a law. The logical classification of analytical concepts, on the one hand, and the empirical arrangements of the events thus conceptualized in space, time, and causal relationship, on the other, appear to be so bound up together that there is an almost irresistible temptation to do violence to reality in order to prove the real validity of the construct.⁶⁶

⁶⁴ *Ibid.*, 102.

⁶⁵ *Ibid.*

⁶⁶ *Ibid.*, 102-03.

We are back at our initial point of departure, namely the confusion and misconceived rivalry between history functioning as the collection and classification of data, which rightly is subsumed as a means of conceptual construction, and history as the causal account of historical individuals, to which theory must defer as means. In this second function, history represents the 'reality' which on no account should be mixed with theory, even though reality and causality remain, as much as theory, 'a category of our thought'.⁶⁷

Old and new history

Weber's approach to historians parallels his treatment of theoretical economists in certain significant respects. As with the theorists, he recognizes the historians' substantive contributions, but seeks either to save their 'logic-in-use' from their own misrepresentations or, equally importantly, to provide them with a methodology based on his own project for unifying history and theory. Consequently, in parallel with his attempt to convince the economists that there is still a world beyond theory by way of examples drawn from their own works, he tried to show the historians that such a world could only be understood with the aid of theory at all levels:

Even the first step towards an historical judgement is ... – this is to be emphasised – a process of abstraction ... this first step thus transforms the given 'reality' into a 'mental construct' in order to make it into an historical fact ... the formulation of propositions about historical causal connections not only makes use of both types of abstraction, namely isolation and generalization; ... [but] also the simplest historical judgement concerning the historical 'significance' of a 'concrete fact' is far removed from being a simple registration of something 'found' in an already finished form. The simplest historical judgement represents not only a categorically formed intellectual construct but it also does not acquire a valid content until we bring to the 'given' reality the whole body of our 'nomological' empirical knowledge.⁶⁸

Having thus insisted on the pervasive presence of theoretical mediations, Weber further emphasizes that, as in everyday speech, 'hundreds of words in the vocabulary of historians are ambiguous constructs created to meet the unconsciously felt need for adequate expression and whose meaning is only concretely felt but not clearly thought out'. Whether in assuming the behaviour of prices in case of sudden drop in supply or in employing concepts such as 'individualism', 'imperialism', 'conventional', and so on, the historian assumes the results of theoretical undertakings which in 'an age of specialization' would increasingly and more 'clearly' be carried out by professional social scientists in the narrow sense of the term (i.e. economists or sociologists). Consequently, without the cooperation of 'neighbouring disciplines', the historians' concepts are bound to suffer from 'ambiguity'.⁶⁹

But what about those 'modern' historians, prominent among them Eduard Meyer, who not only rejected the 'naive popular view of history' as the reproduction of the past in all or as much detail as primary evidence allowed, but who also shared many of Weber's

⁶⁷ Weber, 'Critical studies', 188.

⁶⁸ *Ibid.*, 173.

⁶⁹ Weber, 'Objectivity', 93.

methodological and theoretical concerns? The question can best be approached here in respect of Weber's criticism of intuitionism that Meyer and many other prominent historians came to champion against the nomological historiography of Lamprecht and the political economists. Insistent on safeguarding or rather upgrading the status of history as verifiable science, Weber could not accept any variant of this view. But again his rejection of intuitionism was constrained by the recognition of the extent to which it reflected certain valuable aspects of the historians' actual practice. He acknowledged that the historian's intuitive 'sense of the situation' may 'uncover causal interconnections – not generalization and reflections of rules'. Moreover, he noticed the 'suggestive vividness' which the best historical accounts share with literature and which 'allows the reader to "empathize" with what has been depicted in the same way as that in which it is experienced and concretely grasped by the historian's own intuition'. 'Ranke divines the past', Weber concedes to the historian, 'and even the advancement of knowledge by an historian of lesser rank, is poorly served if he does not possess this intuitive gift. Where this is so, he remains a kind of lower-rung bureaucrat in the historical enterprise.'⁷⁰

Nevertheless, the *descriptive* function of history should not be confused or allowed to overshadow what historical sciences share with the natural sciences, namely causal explanation. Arguments emphasizing artistic intuition and creativity were misguided, Weber insisted, insofar as they were advanced to exclude verifiable attribution of causes in history. Weber thus sharply distances himself from the Humboldtian intuitionism referred to in chapter 1. Most significantly for us, he questions intuition as the solution to the problem of the fragmentation of historical evidence and the frustration of the goal of 'total understanding', which in fact historians and political economists both shared. It led to reductionism, albeit of the diametrically opposite, objectivist or subjectivist kinds. More specifically, 'intuitionism', according to Weber, obscured:

the awareness that the 'intuition' is constituted by the emotional contents of the observer, not by those of the epoch described: e.g., the emotional contents of the creative artist, etc. In this case, the claim that 'knowledge' of this sort is subjective is equivalent to the claim that it is not 'valid' ... Causal analysis may be repressed in favour of the search for a 'total' character which corresponds to the 'feeling of totality' ... 'interpretation' in this form does not constitute empirical, historical knowledge of real relations.⁷¹

History was a factually informed art, but also a causal science to which the general standards of intersubjective verification had to be applied. The historians' refusal to recognize this resulted, Weber argued, from the confusion of 'the psychological course of the origin of scientific knowledge and the "artistic" form of presenting what is known, which is selected for the purpose of influencing the reader psychologically, on the one hand, with the logical

⁷⁰ Weber, 'Critical studies', 175-76. W. G. Runciman has more recently attempted to show that it is precisely this descriptive function that distinguishes the historical from the natural sciences, *A treatise on social theory*. I, *The methodology of social theory* (Cambridge 1983) chapters 1 and 4.

⁷¹ Cited in Oakes, 'Introduction', 29-30, see also Weber, *Roscher and Knies*, 176ff.; 'Critical studies' 175ff. In his extensive discussion of 'intuitionism' in *Roscher and Knies*, Weber does not focus on Meyer's methodology. He does, however, make it clear that Meyer views share much with Gottle's (and Croce's) work which is discussed at some length. 212 n. 2, 154ff.

structure of knowledge, on the other'. In any case, the scientific credentials of history are fully established when, as in the natural sciences, causal accounts are conceived as 'hypotheses which are then "verified" *vis-a-vis* facts, i.e. their validity is tested in procedures involving the use of already available empirical knowledge and "formulated" in a logically correct way'.⁷² If this could be done, then history's credentials as a scientific discipline could be established – as had been the intention of historical political economists all along. Indeed, Weber claimed that historians were already engaged in such an enterprise, albeit in their own often unsystematic and undeveloped ways, especially when the causal claims embedded in their accounts were challenged. It is then that 'the skeletal structure of established [or assumed] causes behind the artistically formed facade' will have to be exhibited in a way accessible to intersubjective scrutiny and no amount of erudition or descriptive fluency could foreclose the result.⁷³

Weber's campaign to safeguard the scientific status of history took a further turn in response to the historians' tendency to conflate 'the ethical and causal modes of analysing human action'. The fusion of these approaches arose, as in Meyer's contribution, in response to the need to assert the identity of history as a sphere distinguished by the clash of 'willed decisions', responsibilities, and motives.⁷⁴ Sharing the normative standpoint of the historians, Weber did not deny the significance attached by Meyer and his colleagues to the role of individuals and ideas in historical change. But to square these values with the equally strong claims of science as a universal enterprise entailed a further task, again embedded in the actual practice of historians (and the political economists especially in their policy-making function), namely *evaluation*.

'Causal analysis', Weber insists, 'provides absolutely no value judgement, and a value judgement is absolutely not a causal explanation. And for this very reason the evaluation of an event ... occurs in a sphere quite different from its causal explanation.'⁷⁵ Whether or not the strict segregation implied between the two is tenable is of course a matter of some dispute. However, it suffices to note here that the overall orientation of Weber's methodological project suggests both an interactive view of the relationship between these moments, at least in the longer run, and underlines their distinctiveness at any given point.

Evaluation invites qualities in the historian more akin to the politician, the moralist, or the aesthete than the scientist. Indeed historians may make legitimate use of their own or other historians' causal accounts in these or other evaluative modes. Nevertheless evaluation should not be confused with causal, 'scientific' explanation. In Weber's critical dialogue with historians, there emerges a further division of labour involving the four moments of object construction (or what Runciman has called 'reportage'), description, explanation, and evaluation.⁷⁶ The 'subjective' elements so much emphasized by historians are incorporated specifically in Weber's methodological project at the points: (a) when a segment of reality is bounded and turned into a historical individual; (b) when, in the moment of description, an

72 Weber, 'Critical studies', 176.

73 *Ibid.*

74 *Ibid.*, 116ff., 82.

75 *Ibid.*, 123.

76 W. G. Runciman, *The methodology of social theory*.

'authentic account' of the ways in which it is experienced by 'representative members of the various groups, categories and milieux of which it is composed' is given, and finally (c), when the historical phenomenon is evaluated from various value standpoints, including those of historians themselves. But, as with the complementary division of tasks between political economists and historians discussed above, the relationship between these moments could break down or become confused, or any one may unduly predominate or be neglected altogether. Whether a particular work strikes the 'right' overall balance, divines its object, or fails to provide an adequate causal explanation of its emergence, are precisely matters for critical evaluation and dispute in the relevant community of specialists. The categories mentioned here were only intended to clarify the different domains and standards involved in judging and thus participating reasonably in such disputes, within and across various disciplines.

Throughout this discussion, Weber's attempt to reconcile political economy and history through clarifying the logic-in-use of economists and historians has been emphasized. But should this be seen as a strategic package aimed essentially at preserving the *status quo*, albeit in a more congenial and cooperative spirit than that prevailing at the time? A growing consensus among commentators calls for a positive answer to this question. In Whimster's recent summary of this position – which he himself shares – Weber's cooperative division of labour between history and sociology/political economy is seen as a

sensible good-neighbours policy ... the pragmatism is based on what historians, after all, do but sometimes fail to realize. In an everyday sense what Weber is proposing is not very dissimilar to how the historian carries on his practice as a historian. Weber is posing no fundamental threat to the practice of history-writing ... Weber gives priority to a conception of history-writing before which sociology has to subordinate its claims in respect to past reality. This is ... particularly damaging to the procedure of empirical validation of processes of societal development, and, one might add, detrimental to Weber's own account of modernization.⁷⁷

Evidently much of the preceding discussion reinforces Whimster's position. The pragmatic dimension of Weber's attempted reconciliation of history and political economy has also been emphasized here, as well as the reversal of the history-theory relationship so that the latter is used as a means at the service of the former. Nevertheless, Whimster's interpretation has only limited validity, because in Weber's new research programme, the 'history-writing before which sociology has to subordinate its claims' does not in any way undermine the verification 'of processes of societal development', or Weber's account of modernization.

Closer scrutiny leaves no doubt that Weber's methodological package demands that historians, too, revise their practices to a specifically Weberian agenda. The radical thrust of Weber's approach lies precisely in refusing to view 'sociological' history as distinct from, if not complementary to, political history (the paradigmatic branch of history at the time). Causal political history is not feasible without its incorporation into a more comprehensive sociologically based account. This is a clear, if unstated and neglected, implication of Weber's elaboration of the scientificity of history. In the language of the disputes of the day,

⁷⁷ Whimster, 'The profession of history', 353-54.

the determination of the significance of any particular political action, that is the central aim of political history, cannot be achieved without knowing the likelihood of the alternative outcomes frustrated as a result of the political action in question. Such a knowledge is, however, at all times embedded in the socio-economic context, attended to most systematically by political economists and sociologists and those historians under their influence.

This point emerges most clearly in Weber's illustration of the need for even political history to rely on nomological knowledge and abstraction in order to develop and verify its conclusion by way of examples drawn from Eduard Meyer's work. Weber points therein to the 'logic' behind Meyer's 'great' account of the battle of Marathon and its world historical significance. The battle was decided, as Meyer himself implied, between two possibilities: first, the development of a theocratic culture, 'the beginnings of which lay in the mysteries and oracles, under the aegis of the Persian protectorate'; second, the consolidation and further development of a specifically Hellenic culture and set of institutions. The significance of Marathon may be established in direct relation to the probabilities assigned to these possible outcomes. The higher the probability of the first, the more significant the battle itself and *vice versa*. But to gauge this would require knowing the 'general social and political conditions' and resources available to the forces representing the two alternatives as well as employing 'mental constructs', 'abstractions', and 'empirical rules', all of which fell outside the concerns of mainstream political history.⁷⁸

This is not the place to discuss Weber's related replacement of the historians' opposition between necessity and freedom with the probabilistic notions of 'adequate' and 'chance' causality. The point to note here is simply that the implication of this conclusion is not yet another division of labour between the political and the sociological historian. Rather this argument could lead logically only to the inclusion of political history in 'sociological' history. This is something that, to a significant extent, has come to pass – any worthwhile political history is now sociologically anchored.

By the end of his critique of Eduard Meyer, Weber returns to the kind of holism familiar from the stage theories of Marx, Bücher, and other historical political economists. However, it can be claimed that Weber's holism is now more genuine, in that it retains the autonomy of the parts that make up the whole and thus avoids the reductionism of most 'holistic' accounts. In Weber's new approach, persistent political 'structures' of the 'general conditions' can be identified as one set of factors which underpin, shape, and assign significance to particular forms of political intervention. The resulting possibility of dissonance within and between different economic, ideological and political processes points to another distinguishing feature of Weberian holism, namely open-endedness. As will be shown below, this, too, underpins Weber's attempted resolution of the *oikos* controversy.

In summary, Weber approached the historians with the opposite message from that which he carried to the economic theorists. The latter were called upon to abandon their 'naturalistic' claims and join the historians in a common division of labour, whilst the former were invited to consider the possibility of raising the scientific status of their accounts to that established by natural sciences, by availing themselves of the theoretical achievements and scientific

⁷⁸ Weber, 'Critical studies', 171ff.

ambitions of the neighbouring social sciences. The research programme that emerges from and in support of this double invitation cannot be reduced to 'a reflection of a stage of disciplinization of knowledge within the academic community in Wilhelmine Germany', which continues to accord 'with current organization of academic knowledge into its respective disciplines'.⁷⁹ On the contrary, Weber's proposed division of labour was intended to overcome the problems of 'disciplinization', albeit 'dialectically'. Similarly Weber's sociological history (or historical sociology), notwithstanding certain pronouncements of its author, reflected this by refusing peaceful co-existence with narrow political history. Rather, it attempted to reconstitute history peacefully.

It is widely recognized that Weber's methodological writings leave many unanswered questions, whilst many of the answers provided are limited and require further development. If, however, it is equally true that Weber's methodological turn did not arise from the concerns of professional philosophers and methodologists, but from those of a troubled social scientist, then this discussion may help explain why he was able to leave methodology to the professionals and return to substantive research. The suggested reconciliation, however inadequate from the point of view of the philosopher or even the descendants of the historians and political economists to whom it was addressed, cleared Weber's path, to his own satisfaction, to return to historical political economy in the strict and perhaps originally intended sense of the term.

⁷⁹ Whimster, 'The profession of history', 354.

CHAPTER 4

THE WEBERIAN SETTLEMENT

The original title of Weber's final and most comprehensive contribution to the *oikos* controversy, *Agrarverhältnisse im Altertum* (*The agrarian conditions of antiquity*), as well as the title chosen for its English translation, *The agrarian sociology of ancient civilizations*, has been criticized as both 'awkward' and 'misleading' in view of its actual content.¹ According to Gunther Roth, 'the title [German and English alike] hides ... a developmental history of economy and polity in antiquity'.² Finley, however, claims that 'for all Weber's concern with the dynamics of social institutions and social-cultural interrelations, the *Agrarverhältnisse* is not a history, whether of ancient agriculture or ancient society'.³ Curiously – considering his rejection of the English title as 'even worse' than the German one – Finley eventually settles for Marianne Weber's position, which 'characterized it, not inaccurately as "a sort of sociology of antiquity" prefaced by "an economic theory" of the world of ancient states'.⁴

Evidently the problem of title raises the more important question of the complex nature of the work itself. A key to the latter is provided by Weber's methodology the aim of which was a reconciliation of history and economic or sociological theory in a unified division of labour. It should, therefore, not be surprising if *AG* embodies both Marianne Weber's and Finley's 'sort of sociology', as well as Roth's 'developmental history'. This duality directly refers to Weber's claim that, since causal historical accounts are necessarily mediated by general concepts and ideal types, it pays to construct or borrow the latter in a deliberate fashion. In *AG*, Weber aims to construct such ideal types and employ as well as illustrate them in a differentiated history of antiquity. This twofold task is carried out throughout *AG*, but one or the other is given prominence in the way the text as a whole is divided into two main parts. The first, briefer section is primarily devoted to 'Economic theory and ancient society', whilst the second, 'The agrarian history of major centres of ancient civilization', is itself divided further into seven more or less chronologically ordered accounts of politico-economic developments in Mesopotamia, Egypt, Israel, Greece, the Hellenistic Age, Roman Republic, and Roman Empire. The very organization of the text, thus, reflects Weber's methodological project, which in turn was conceived in response to the debates discussed in the preceding chapters.

Whether one joins Alfred Heuss and Finley in proclaiming *AG* 'the most original, boldest, and most vivid portrayal ever produced of the economic and social development of antiquity',

1 Roth, 'Introduction' to Weber's *Economy and society*, xxi n. 18; Finley, 'Ancient city', 14; Momigliano, 'Weber and Meyer', 435.

2 Roth, 'Introduction', L ff.

3 Finley, 'Ancient city'.

4 *Ibid.* Both Finley and Roth (*ibid.*, n. 27) note that 'the restricted title was determined by the division of the handbook', in which the earlier more appropriately titled editions were also published.

or approves Ste Croix's emphasis on its uneven, fragmentary, and opaque quality⁵, its author's programmatic intention should not be in question: *AG* was conceived and structured as a work of sociological (or politico-economic or theoretical) history in which, unlike the usual historical accounts of its time, the general concepts and developmental sequences employed by the historian were actually constructed in the same text that employed them. Accordingly, the first part ends with a variety of ideal types, such as fortress kingdom, aristocratic *polis*, *hoplite polis*, and bureaucratic city kingdom, which 'allow us' to classify the individual states and 'ask whether a particular state at a particular time more or less approximated to one or another of these pure types'.⁶ The answer is provided in the second part where 'a sketch will be given of what is known about the agrarian history of those states which are historically most significant'.⁷ As it turns out, the second part contains more (and perhaps less) than what was known at the time about the agrarian history of major centres of antiquity. The above-mentioned types also happen to present Weber's summary outline of a developmental history of antiquity in a way which brings to conclusion the first round of the *oikos* debate and sets the agenda for its subsequent revival in the work of Karl Polanyi.

No doubt, as Ste Croix and Finley have written in their own very different words, Weber's historical 'sketches' are in places too sketchy and marred by unevenness and discontinuity. This must have been in part because, as Finley remarks in another context, one 'cannot think of an ancient city, region or "country", or of an institution ... of which it is possible to write a systematic history over a substantial period of time'.⁸ There is also the fact that *AG* was written in great haste.⁹ The main explanation for the sketchiness of Weber's historical discussions, however, may lie in the central objective of the whole exercise, namely to settle the *oikos* controversy. To do this, what was to be a handbook essay on agrarian history of less than two dozen pages was stretched into a lengthy book which nevertheless did not, could not, and was not intended to cover anything like a full-scale history of the ancient societies treated therein.

AG is one of the most neglected of Weber's major writings. Its actual and potential readership has been mainly limited either to ancient historians baffled or repelled by its curious theoretical constructs and methodological orientation, or to social scientists uninterested or unequipped to address the historical questions it treated.¹⁰ When not ignored, *AG* has suffered

5 Finley, 'Max Weber and the Greek city state', in *Ancient history: evidence and models* (London 1985) 88; Ste Croix, *Class struggle*, 85.

6 Weber, *AG*, 77.

7 *AG*, 79.

8 Finley, 'The ancient historian and his sources' in *Ancient history* (Harmondsworth 1985) 11.

9 According to Roth it 'was dashed off in four months in 1908, a feat made possible by the fact that Weber had done his thinking ahead of the period of writing', 'Introduction', L n. 27.

10 Before Finley and his participation in the *oikos* debate, Heuss's remark that 'the special disciplines pertaining to antiquity have gone their way as if Max Weber had never lived' (cited in Finley, 'Max Weber', 88) is confirmed by the absence of any reference to Weber in Eduard Will's review of the *oikos* controversy, see Will, 'Trois quarts de siècle de recherches sur l'économie grecque antique', *Annales* (1954) 7-22. Note also the absence of any reference to *AG* or the *oikos* debate and its protagonist in Reinhard Bendix's deservedly influential study of Weber's thought and development, *Max Weber, an intellectual portrait* (London 1960). After Finley's dramatic turn to Weber in *The ancient economy* (1973) and subsequent publications, Weber's ancient writings received much more attention or mention, but almost invariably as Finley's precursor: see below and Chapter 10.

from one-sided interpretations. This is because of its multiple foci and layered analysis, each of which may be emphasized and pursued in their own right. These include the 'scientific' interest first raised in his methodological critique of Meyer, where antiquity is seen as offering 'an uncommonly rich body of ethnographic data which can be used for the acquisition of general concepts, analogies, and developmental laws applicable in the pre-history not only of our own culture, but every culture ... antiquity comes into consideration on this view insofar as its cultural content is appropriate as an heuristic means for construction of general "types"'.¹¹ The general 'theoretical' part of *AG* is the first instance in which, through comparative examination of modern, medieval, and ancient Near Eastern and Western politico-economic institutions, the above 'scientific' interest is realized. To this extent, Roth is perfectly justified in treating *AG* as a stage on the way to *Economy and society*, evincing 'not only much of the historical substance of the later work, but also its gradual conceptualisation'.¹²

AG also addresses another set of questions which link the concluding comments of *The Protestant ethic* with the discussion of bureaucracy, market, and planning in *Economy and society*. Here Weber views bureaucratic and non-bureaucratic (capitalistic) ancient societies from a normative perspective which purports to establish the 'stifling role' of bureaucracy in antiquity as much as in the Germany of his time. Underpinning Weber's discussion of the comparative development of ancient societies, this analysis enjoins his contemporary concerns and ancient historical studies and reinforces his pessimistic vision of the future. The arguments, assertions and conclusions engendered by the pursuit of these theoretical and value interests have received extensive attention in the commentaries on Weber's politics and political sociology.¹³

The missing point, however, is that such interests in part arise and in any case are pursued coherently in *AG* as moments within the field established by the *oikos* controversy and therefore must, in the first instance, be examined in that context. *AG* represents, from this angle, the substantive (historical as well as theoretical) counterpart to the methodological critique of professional historians and economic theorists. It provides a positive alternative to their works on ancient history, which resolved, at least to Weber's own satisfaction, their dispute. Thence Weber was free to leave ancient history behind. The *oikos* debate had been the major cause of his return to ancient history after abandoning the field following the completion of his *Habilitation* and the assumption of the chair of political economy in Freiburg. The following discussion is therefore anchored around key positions in that debate. It concludes by offering an outline of Athenian history based on *AG* but amended in the light of modern scholarship.

11 Weber, 'Critical studies', 162-63.

12 Roth, 'Introduction', LVII.

13 See, for instance, D. Beetham, *Max Weber and the theory of modern politics* (Cambridge 1985).

of valorization of capital – the exploitation of other people’s labour on a contractual basis – and thus to introduce social factors. Instead we should take into account only economic factors. Where we find property as an object of trade utilized by individuals for *profit-making enterprise in market economy*, there we have *capitalism*. If this is accepted, then it becomes perfectly clear that *capitalism shaped whole periods* of antiquity, and indeed precisely those periods we call ‘golden ages’. (emphases added)²⁰

Accordingly, various periods in Graeco-Roman antiquity are designated as capitalist and ‘feudal’; terms which are also applied to subordinated economic relations in Mesopotamia and Egypt. In passages such as the one just quoted, Weber seems to speak from the far corners of the modernist camp, equating modern and ancient developments and flouting the crucial caveat issued more than once in *AG* itself:

Nothing could be more misleading ... than to describe the economic institutions of antiquity in *modern* terms. Whoever does this underrates – as often happens – the basic changes effected during the Middle Ages in the legal institutions governing capital, though the medieval economy was itself none the less different from ours. (emphasis added)²¹

Is Weber just being inconsistent, another indication of what Ste Croix sees as the confused and confusing character of some of his writings? Or is it that Weber did not really mean what he expressed above and elsewhere in *AG* concerning the significance of capitalism in antiquity? The latter is essentially Finley’s position when he suggests that such (modernist) remarks are merely what Weber ‘calls *Ansätze* (preliminaries) as an indication of fluidity of the genesis within one type of elements characteristic of another type’.²² Put differently, by speaking of capitalism and feudalism in antiquity, Weber is said to be doing no more than Marx, Bücher, and others who also recognized the existence of ‘subordinate’ economic relations, notably merchant capital, in pre-capitalist or pre-modern formations. Careful examination of the text does not confirm Finley’s ingenious suggestion. For one thing, perhaps because having already encountered Sombart’s similar concerns, Weber is emphatically clear in what he says. Equally important is that Weber’s references to ancient capitalism, feudalism, Greek and Roman middle ages, and so on, are not isolated remarks, but conclusions of a comparative account of the emergence of the classical *polis* that runs throughout *AG*. Thus, to resolve the apparent inconsistency in Weber’s insistence both on identifying feudal and capitalist stages in the rise of Athens and Rome in a way consonant with Meyer’s account, whilst rejecting the latter’s cyclical view of ancient and modern epochs, it is necessary to look beyond Finley and the primitivist representation of Weber. First, to the pertinent implications of Weber’s abandonment of evolutionism; then, to the particular comparative institutional perspective which launches his critique of Meyer and modernism.

²⁰ *AG*, 51.

²¹ *Ibid.*, 45.

²² Finley, ‘Ancient city’, 16.

Anti-reductionism

Linear evolutionary theories would disallow in principle the significant presence in a chronologically prior stage of any institution or set of institutions dominant in a chronologically posterior one. Capitalism or feudalism associated with modern and medieval epochs are thus automatically excluded, at least as historically significant moments, in antiquity. A corollary of this approach, also discarded by Weber, is economic reductionism based on which a totalistic conception of these three conventional periods becomes possible. In this respect, Bücher's *oikos* functioned in the same way as the Marxian 'base'. Weber himself in *SC* had based his arguments on an inconsistent variant of the selfsame perspective. On the one hand, he explicitly rejected all political, ideological and social explanations of the empire's demise: 'the disintegration of the Roman Empire was the inevitable consequence of a basic economic development: the gradual disappearance of commerce and the expansion of a barter economy'.²³ On the other hand, the major factor in the decline of commerce was said to be the decreasing supply of slave labour, itself a consequence of the 'imperial policies [which] meant the Roman Empire ceased to expand'.²⁴

In *AG*, however, with the abandonment of economic reductionism, the political and military factors are brought to the fore along with the economic ones. This liberation of the political from the economic in turn frees the economic from the awesome burden of explaining every significant social development, and thus allows Weber a far wider and more flexible use of economic categories, including feudalism and capitalism. Once capitalism as an economic form and concept was freed from the ultimate responsibility for politics and culture, geography and history, once it was detotalized, it could be discovered in other hitherto forbidden territories and periods as an element shaping but also being shaped by other social forces. If so, then the existence, extent, and social significance of capitalism or other economic forms in particular historical periods would become a matter of empirical investigation rather than theoretical assertion.

AG thus extends and exemplifies the anti-theoreticist campaign begun in the methodological essays. This, however, does not imply that Weber also discards the holistic intention of Marx and Bücher (or Meyer for that matter). On the contrary, the rejection of their economism further underlines the necessity of a new holistic approach insofar as the liberation of the political and the ideological points to their interaction with the economic; hence the obligation to incorporate political and ideological considerations even in historical accounts of the economic phenomena. It should be clear now that the above problem of inconsistency is, in part, dissolved once ancient and modern capitalisms are placed in their full political and ideological context. It is with reference to such a context that Weber points both to similarities as well as the differences between ancient and modern capitalism(s):

It is of course true that modern capitalism gained its largest profits from military contracts in medieval and modern times. But there was still something new: the capitalists' organization of industrial production was based on the 'pacification' ... and so despite the vicissitudes of war and politics it maintained the continuity of economic development ...

²³ Weber, *SC*, 408; cf. 389-90.

²⁴ *Ibid.*, 399.

In antiquity, on the contrary, everything about a *polis* from its foundation onwards was motivated by political forces.²⁵

Similarly, Weber attempts to define the ideological contours of ancient, in this case Graeco-Roman, economic developments:

... ancient political theory was based on the ideal of the 'independent citizen', which meant in practice a rentier able to live on his income and also ready to serve in the army whenever needed. Ancient political theory was hostile to the profit motive ... Reasons of state, equality of citizens and autarky of the *polis* were at the centre of these ideas, and there was also the contempt for trade and tradesmen cultivated by the leisured upper classes. Businessmen, on the other hand, were not sustained by any positive justification of the profit motive.... In early modern times the rationalization and economization of life were furthered by the essentially religious idea of 'vocation' and the ethic derived from it, but nothing similar arose in antiquity.²⁶

Primitivism and the critique of modernism

The above remarks are premised on a unitary ideal type of antiquity and therefore appear to contravene Weber's critique of the political economists' accounts of ancient formations as at best different manifestations of the same unitary essence. There is no doubt that, especially when dealing with the modernist historians, Weber tends to view the ancient (as well as medieval and modern) 'epoch' in this way. The conflicting readings of *AG* as primitivist or modernist thus have a real basis in the apparent contradictions of *AG* itself. What appears as contradiction here, however, is firstly no more than a change of perspective entailed by the need to address the different set of questions raised in the accounts of Meyer and his associates. Second, in contrast with, say, Bücher's or Marx's, Weber's unitary ideal type is only 'negatively' established. *AG*'s (Western) antiquity, in other words, is an open-ended (since only negatively bounded) ideal type which presupposes, rather than negates, the diversity of ancient political economies and their major institutions. This ideal type allows Weber to introduce the argument that even those ancient formations closest to or in some respects identical with modern formations radically differed from them. At this level, Weber's approach and results overlap considerably with Bücher's and Finley's, although he does not follow the former, nor anticipate the latter by presenting his comparative ideal type as a model of the unitary stage of the 'ancient economy'.

If the linear evolutionary theories of the political economists tended intrinsically toward underlining the differences between antiquity and the medieval and modern epochs, Meyer's views were consonant with a cyclical theory of history which obscured such differences. Whether an indication of an over-reaction to the theorists and the threat posed to history by generalizing social sciences, lack of comparative theoretical rigour, the residual influence of Roscher's cyclical theory, or a failure to pursue the matter beyond the modern-ancient

²⁵ *AG* 358.

²⁶ *Ibid.*, 66-67. Notwithstanding these and other passages, *AG* concentrates on political and economic factors and developments. Hence the basis of the aforementioned claim that it represents the application of 'a Marxist mode of explanation', see W. Mommsen, *Political and social theory*, 49.

parallels, Meyer's strong claim concerning the essential identity of ancient-modern developments could be sustained, in Weber's view, only by reference to a cyclical philosophy of history which was as unacceptable as evolutionism. The question, as far as Weber was concerned, was an empirical one; otherwise 'the long and continuous history of Mediterranean-European civilization *does not show either closed cycles or linear progress*' (emphasis added).²⁷

To be sure there was strong *prima facie* evidence pointing to parallel institutions and processes in ancient and modern developments, but this was only the beginning of the story. Or rather it was the end of one (*contra* Bücher) and the beginning of another (*contra* Meyer):

A genuinely analytic study of comparing the stages of development of the ancient *polis* with those of the medieval city would be welcome and productive ... Of course I say this on the assumption that such a comparative study would not aim at finding 'analogies and parallels' ... The aim should, rather, be precisely the opposite: to identify and define the individuality of each development, the characteristics which made the one conclude in a manner so different from that of the other. This done, one can determine the causes which led to these differences.²⁸

Thus, from political and ideological factors to banking and commercial practices, and from the character of productive labourers and aristocratic rentiers to the grain policies and the nature and social implications of military technologies, Weber underscores the differences that distinguish various ancient institutions and processes from medieval and modern ones. To return to a key question already raised from the opposite perspective, whilst accepting in self-criticism his own as well as Rodbertus's 'under-estimation of the quantitative importance of free labour', Weber goes on, following Rodbertus, Marx, and Bücher, to remind Meyer that 'the ancient proletariat was a consumer proletariat, a mass of impoverished petty bourgeois, rather than, as today, a working class engaged in production'. Conversely he admits that 'prevailing views of certain areas and periods of antiquity overemphasise the number and importance of slaves', but nevertheless insists that 'ancient civilization was either based directly on slavery or else was permeated by slavery to a degree never present in the European Middle Ages'.²⁹ More pointedly, Weber questions the wisdom of Meyer's rejection of 'the use of special economic concepts in studying' the ancient world:

Meyer ... made the attempt to operate entirely with modern economic concepts, at least in his analysis of Periclean Athens, and so used such terms as 'factory' and 'factory worker'. He aimed to show that otherwise we cannot understand how 'modern' the economy then was ... Now ... there is no evidence for the existence in antiquity of even 'cottage industry', such as appeared in Europe as early as the thirteenth century, based on letting out production on contract.³⁰

²⁷ *AG*, 366.

²⁸ *Ibid.*, 385.

²⁹ *Ibid.*, 42.

³⁰ *Ibid.*, 43-44.

We need not repeat Weber's contrasts, especially between the classical city-states and medieval-modern cities, scattered throughout *AG*. It is enough to note here that by thus differentiating the ancient and modern developments along economic as well as political and ideological dimensions, Weber resolves *AG*'s apparent antinomies each of which when taken in isolation could reduce his views to a variant of Bücher's or Meyer's. Moreover, it must be remembered that Weber takes Meyer to task not for noticing the parallels between stages of development of ancient *polis* and medieval city, but rather for failing to 'identify and define the individuality of each development', It was, in other words, Meyer's deficiencies as a historian and a historicist, rather than his refusal to grant the theorists' demand for privileged access to historical truth, that were the primary issue for Weber. Perhaps somewhat paradoxically for those unprepared by the earlier methodological essays, Weber at the same time claimed to have found the key to overcoming the shortcomings of the historians' accounts, not in amassing more historical detail (useful as that may be), but in utilizing the kind of conceptual constructs and comparative typologies that political economists and sociologists such as Rodbertus and Bücher had produced, notwithstanding the latter's own confusion concerning the status and function of their products:

The gravest error to which most historians (though not all) still fall prey is to assume that the complexity and flux of historical phenomena rule out the use of definite and precise concepts. Now it is obviously true that when we speak of craftsmen there exists a wide variety of possible uses of this term, an infinite series of gradations, ranging from the artisan working on a small scale who intermittently or regularly employs a slave to work alongside him, to the man who has learned the trade but devotes himself mainly to supervising his slaves ... to the princely household in which slaves produce goods for the market or for the households's own use or both. Nevertheless this unordered variety of facts does not prove that we must make use of imprecise terms, but rather on the contrary: we must create precise concepts and use them properly, concepts which I prefer to call 'ideal types'. Such types should not be used as rigid schemata to which historical truth is made to conform, but as tools with which to determine the economic character of a phenomenon, by asking to what degree does that phenomenon approximate this or another ideal type.³¹

Pre-modern formations and the question of perspective

A key question, however, remains. If, as Weber shows, the differences between ancient *poleis* and modern cities were so vast, why continue to call both 'capitalist'? Is not a neo-Bücherian such as Finley essentially following the spirit, if not always the letter, of Weber in claiming that the latter did not really mean to call classical Athens and Rome capitalistic? The answer might have been a qualified 'yes', if Weber had (like Bücher himself) viewed classical economic developments almost entirely from the comparative perspective of modern industrial capitalism. The account underlying such a response, although perfectly legitimate from the standpoint of establishing the 'unique' determinations of modern European

³¹ *Ibid.*, 371-72. In restating his methodological precepts, Weber is addressing both the anti-theoretical historians and the theoreticist political economists.

developments, however, would be seriously inadequate for locating the 'unique' characteristics of the ancient city-states. What appears '*underdeveloped*' (Garnsey and Saller's term) from this perspective, may be seen as 'advanced' from another; for example, from the standpoint of accounting for the rise of the classical *polis*.³² This points to the potential pitfalls of the comparative approach. At least in part, the problem may be controlled by viewing the matter from more than one angle. For Weber, therefore, the advanced (or modern) or underdeveloped (or primitive) features of the classical *polis* could be fully appreciated only in comparison with other pre-modern historical societies as well as with post-Enlightenment Europe. Ancient Near Eastern states provided him with obvious comparative reference points in this regard.

Somewhat ironically, Finley himself came to acknowledge the importance of adopting this kind of perspective for classical studies after finding the standpoints of both anthropology ('primitive tribes') and sociology ('modern industrial societies') too restrictive: 'Ideally, we should create a third discipline, a comparative study of literate, post-primitive (if I may), pre-capitalist, historical societies'.³³ That Finley then went on to concentrate on the modern-ancient/primitive contrast and thus presented a 'one-sided' view of the classical Graeco-Roman developments and Weber's contributions does not alter the significance of the above essentially Weberian 'ideal'.³⁴ Weber had laid the ground for Finley's third discipline in *AG* and subsequently pursued it (if not much further in the case of ancient history). Indeed, the universal historical perspective counterposing occidental and non-occidental developments and institutions which Weber employs in his later work (including the studies of world religions) are fully consonant with or directly follow *AG*'s conclusions.

The insistence on retaining and thereby universalizing categories such as capitalism, bureaucracy, and 'occident' itself, arises in *AG* from the comparison of Graeco-Roman *poleis* and Near Eastern formations. From this angle, the difference between modern and ancient occident is set aside to move to a more general level which unites them in contrast to the non-occidental political economies. The following passage in *General economic history* exhibits the plurality of perspectives employed in approaching the question of capitalism all of which are anticipated in *AG*:

While capitalism is met with in all periods of history, the provision of the everyday wants by capitalistic methods is characteristic of the occident alone and even here has been the inevitable method only since the middle of the 19th century. Such capitalistic beginnings as are found in earlier centuries were merely anticipatory.³⁵

32 Garnsey and Saller, *The Roman empire: economy, society and culture* (London 1987) 43.

33 Finley, 'Anthropology and the classics' in *The use and abuse of history* (London 1975) 119.

34 Finley's failure to follow his own important insight will be discussed at length in chapter 10. For an analysis of ancient capitalism along Weberian lines (although without referring to Weber's ancient studies), which by implication questions Finley's rejection of 'ancient capitalism', see Runciman, 'Capitalism without classes, the case of classical Rome', *BJS* (1983) 34: 2.

35 Weber (1961) 207-08. Of course the polemical context within which *AG* was produced no longer obtained at the time of the lectures subsequently collected as *General economic history*. Finley's aforementioned 'explanation' of Weber's use of concepts such as capitalism to describe economic relations in antiquity must refer to passages such as this, rather than anything that may be found in *AG*.

This can be put differently by saying, first, that capitalism in the 'economic' sense defined in *AG* has been more or less universal (hence the ground for comparison), but, secondly, it became dominant only in the occident (whether ancient or medieval-modern), where, compared to Weber's own time, its prior manifestations appear as 'merely anticipatory'. Although in its anti-modernist dimension *AG* discusses some of the major factors that account for the merely anticipatory character of ancient capitalism, it fails to distinguish the latter through one or more articulated ideal types. This is a limitation that Weber failed to overcome in his subsequent work, as indeed he left ancient history *qua* history behind altogether. The argument over how this particular question may be settled is not over, but this discussion must be sufficient to preclude any primitivist resolution, especially if it is advanced in the name of Weber.

Clearly the above comparative historical perspectives (the ancient-medieval-modern; the Near Eastern-Graeco-Roman; or indeed the Babylonian-Egyptian or the Athenian-Roman) may provide the basis for distinct research programmes, the result of each or all of which may be usefully employed in causal accounts of various aspects of any of these formations conceived as 'historical individuals'. The point about Weber's conclusions in *AG*, however, is that they partake of the results of research (his own as well as those of others) guided by all the aforementioned perspectives. This claim does not imply that he had mastered all the evidence available at the time or that he was equally knowledgeable about all the ancient, medieval, and modern formations to which he refers. Weber himself would have readily acknowledged Ste Croix's observation that 'Weber, who wrote about Greek society as well as Roman, evidently knew much less at first hand about the Greek world than about the Roman'.³⁶ Indeed, in the bibliographical appendix to *AG* Weber already admitted to three 'mistakes' and warned the readers that, due to the publishing deadline, 'I have not had sufficient time to review the enormous mass of evidence, and indeed I only saw a number of important primary sources while correcting the second proofs; some sources I never succeeded in procuring'.³⁷ Finally in line with the conclusions of the methodological studies discussed in the last chapter, Weber leaves the 'final decision on the problems discussed ... to the historians, philologists and archaeologists ... engaged in constant study of the sources (especially the inscriptions) ... My aim has been to use my own particular knowledge and experience to develop heuristic aids, to suggest the questions which need to be answered'.³⁸

Nevertheless, Weber's particular knowledge, if not exactly encompassing 'all that was known of history of the Western world at his time',³⁹ was extensive enough to enable him to ask some important new questions or to settle old ones, but also to expose well in advance some of the shortcomings of many of the answers subsequently given to his own questions by future scholars, including those who identified themselves as Weberian. This is so because the enduring legacy of Weber's ancient studies does not merely depend on its mastery of the

³⁶ Ste Croix, *Class struggle*, 85.

³⁷ *AG*, 371. Weber also notes on the same page that the 1909 edition of *AG* was itself produced because recent research had made the 1898 edition 'quite out of date'.

³⁸ *Ibid.*

³⁹ Wolfgang J. Mommsen, 'Introduction', in *Max Weber and his contemporaries*, ed. W. J. Mommsen and J. Osterhammel (London 1987), 1.

facts of the ancient world. It rather presents, in Momigliano's words, 'the most notable example of ... sociology collaborating with antiquarianism and historiography so closely as to make it ... impossible to distinguish what is history, what was antiquarianism and what was sociology'.⁴⁰ To go beyond it, therefore, requires the same kind of collaboration across disciplines. If anything, it is this that has not been forthcoming, at least not with the same scope in any single work of the subsequent generations; thus the point of Heuss and Finley's otherwise perhaps overblown praise of *AG*.

The purpose here, however, is not so much to go beyond *AG* as to understand it and thereby go beyond the influential one-sided interpretations of it. Thus it is important to highlight *AG*'s essentially, or potentially, coherent use of the above perspectives, methodological as well as comparative and substantive. This is easier said than done, because Weber himself failed either to demarcate the various perspectives from which he viewed ancient political economies or clearly to notify the reader when he moved from one to another. With this in mind, the historical typologies that present in condensed form Weber's view of the comparative development of ancient societies will now be considered.

Typologies of ancient formations and sociological history

The status of the typologies presented at the end of the first 'theoretical' part of *AG* is not clearly spelt out by Weber. Various referred to as 'pure types' and 'stages', the typologies in fact qualify as both. 'Aristocratic city' or 'bureaucratic city kingdom' and other such constructs therein may be considered 'ideal types' to be used or discarded in historical accounts of any number of historical societies in antiquity or other epochs. Once re-arranged only slightly, they appear as stages of historical development of respectively Near Eastern and Graeco-Roman formations defined in view of the evolution of their state forms. This choice of periodization reflects the general consensus concerning the 'primacy' of the political in antiquity. The second, more historical part of *AG* treats the politico-economic developments in individual ancient societies, on the basis of which the ideal types of the first section are constructed. Accordingly in the following pages, the discussion will focus on these 'developmental' ideal types and refer to Weber's accounts of particular states in order to illustrate or examine more closely various aspects of the former.

It has been claimed above that, for Weber, antiquity can only be conceived as a negative comparative unity. In coming to examine his developmental sequences of ancient political economies, however, we are immediately forced to qualify this claim in respect of the initial stages of the urban, and hence 'civilizational', developments in antiquity. Acknowledging the lack of reliable evidence concerning the social organization of the earliest agrarian societies, Weber nevertheless insists:

But one thing is clear: there are certain stages of organization, and these are recapitulated by all the peoples in antiquity from the Seine to the Euphrates among whom urban centres developed. These stages were:

⁴⁰ Momigliano, 'Historiography on written tradition and historiography on oral tradition' in *Studies in historiography* (London 1966) 220; see also Momigliano, 'From Mommsen to Max Weber', *History and theory* 21 (1982).

1) First walls existed to provide defence against attack, and it was within these walls that cities arose later, but at this stage household and village continued to be centres of economic life ... (2) Next there appeared a form of settlement with more urban characteristics – the fortress. At its head was a ‘king’, elevated above his subjects by possession of land, slaves, herds and treasure, and surrounded by a personal retinue ... the formation of larger realms became possible, with the differentiations in wealth of the fortress-kings; the king with largest ‘treasure’ could make other kings his vassals. This was the origin of nearly all ancient ‘states’.⁴¹

The significance of this partly hypothetical universal starting point becomes fully apparent only in view of antiquity’s final stage, when it is once again ‘unified’ (that is, setting aside the Persian, not to mention Chinese, empires) under the Roman empire. The initial ‘unity’ of course refers to the homogeneous character of localized, mostly disconnected, political orders ‘from Seine to Euphrates’, whereas in its imperial phase, Rome actually unified the whole of this vast area in a single political order. Nevertheless at a certain level denoted by the primacy of kingship there is an affinity between the early more or less similar forms of kingship and the late bureaucratic phase of the Roman empire which may suggest a unitary conception of antiquity. Weber’s rather obvious point, however, is that whilst this affinity persists continuously in Near Eastern states, in the West it was radically disrupted by the rise of the aristocratic *polis* and the abolition of monarchy. It is therefore only the Western city-states that, strictly speaking, display historical development defined as the rise to dominance of new forms of political rule, economic interaction, or ideological legitimation in more or less clearly differentiated geo-political entities. It is the historicity of these states and hence the variety of historical stages they traverse that, in Weber’s account, dissolves the unitary conceptions of antiquity into a series of developmental stages marked by *aristocratic*, *hoplite* and *democratic* polities, and *feudal* and *capitalist* economic relations.

Weber also proposes a series of developmental stages for the Near Eastern formations. However, as will be seen, these are rather phases of what may be called bureaucratic rationalization; a process that blocks the developments which, because of its absence, flourished in the West.

Antiquity loses its relatively homogeneous character, according to Weber, in a major cleavage that develops following the establishment of ‘fortress kingdoms’. In the first case ‘the king gained sufficient economic resources to become master of his retinue and army to the extent that he could bind them to his own person ... [and] was able to take a step of fundamental importance: create a bureaucracy entirely subordinate to himself and organized on hierarchical principles. With the aid of such a bureaucracy the king could govern his subjects directly and the city then became no more than the royal capital where he and his court resided’.⁴² Thus the rise of the ‘*bureaucratic city-kingdom*’ or the *first* stage in a distinctly Near Eastern developmental path. In the second case, however, the growth of an autonomous nobility curtailed the power of the king and established urban communities which avoided the domination of the royal bureaucracy, ‘a fact of decisive importance’.⁴³ Thus, the

⁴¹ *AG*, 69-71.

⁴² *Ibid.*, 72.

⁴³ *Ibid.*, 71.

aristocratic *polis* or the *first* stage in the formation of a distinctly occidental path. Considering Weber's focus on the 'decisive' role of bureaucracy, the subsequent stages in the Near Eastern and Western developments follow in his account as a matter of symmetrical course. Each will be considered separately, beginning with the former.

The *second* stage in Weber's bureaucratic developmental sequence is the 'authoritarian liturgical state' with the 'world empire' presented as one of its variants. Under this form 'the state's necessities were met by a carefully contrived system of duties imposed on the state's subjects, now treated as purely fiscal units'.⁴⁴ For our purposes, the most significant characteristic of this 'stage' is that, in a certain precise sense, it was no stage at all:

Oriental despotism of this sort [which] generally developed in the ancient Near East directly out of the more primitive forms of bureaucratic city kingdom differed from the latter only in its *more rationalized* organization. (emphasis added)⁴⁵

The despotic liturgical state or the territorially larger 'world empire' further consolidated the patrimonial reach of the royal court through the incorporation of trained officials or refinement of bureaucratic practices without any fundamental change in the relationship between the ruler and the ruled. Thus the liturgical state as well as the preceding bureaucratic city kingdom and the subsequent world empire all appear as a further rationalization of the once universal fortress kingdom and the political relations which sustained it.⁴⁶ What changes in subsequent 'stages' is the reorganization of the king's 'personal retinue' into a hierarchical officialdom and army as demanded by territorial expansion and external force, without thereby losing their character as the 'personal' instrument of the king. After all, strictly speaking, there is no other 'person' (or universally recognized institution such as the *polis*) in the realm or indeed in the 'whole world', in reference to which the emerging bureaucracies could legitimize their position or dispose of their functions. Put another way, the different forms of Near Eastern monarchies, from bureaucratic city kingdoms to world empires, do not so much represent developmental stages as rationalizations of the same primordial form. On closer scrutiny, this form appears to be no other than the extended household, from which the term *oikos* originated. The patriarch's 'natural' monopoly of economic, ideological, and political power in the extended household is subsequently retained in what Weber pointedly calls the 'royal *oikos*'. Presided over by the divine or the divinely sanctioned monarch, this particular type of *oikos* includes the army, bureaucracy, and the temple. As Marx had said in his partly overlapping (but at the time unavailable) *Grundrisse*, 'the despot here appears as the father of all the numerous lesser communities, thus realizing the common unity of all'.⁴⁷

Bureaucracy, therefore, is important not because it signifies an advance over the universal stage of 'fortress kingdoms', but because it arrests the development of new forms of political rule beyond that stage by consolidating the rule of the royal *oikos*. Bureaucratization of kingship, in other words, does not alter the status of the subjugated territory as an extension of the royal household. In contrast, even the most 'primitive' aristocratic polities represent a

⁴⁴ *Ibid.*, 74.

⁴⁵ *Ibid.*

⁴⁶ *Ibid.*, 70.

⁴⁷ Marx, *Pre-capitalist economic formations*, ed. Eric Hobsbawm (London 1964) 69.

new stage in ancient developments insofar as the mutual recognition of the otherwise inherently warring lords, kinglets, or tribal chiefs creates a new political space independent of and above their respective households. Thus, the subsequent evolutionary development of the *polis* is measured by the extent to which it is able to appropriate and/or transform the functions and values associated with *oikos*.

All this adds up to a somewhat ironic redeployment of the *oikos* theory as developed by Rodbertus and Bücher. The latter had emphasized the 'autarkic household' as the defining institution of the Graeco-Roman civilization. Now in Weber's comparative account, *oikos* (as a dominant 'integrating' institution) is mainly used in its bureaucratic royal form as the major obstacle preventing the rise of the *polis* or the spread of feudalism and capitalism. It is, however, notable that Weber does not fully transcend the polarized terms of debate set by Bücher or Meyer. In contrasting the presumed familial autarchy of the *oikos* with the *polis* and the market, Weber fails to explore the continued role of an evolved *oikos* as a mainstay of the *polis* and the 'capitalist' sectors therein, even though this is consonant with, if not entailed by, his conception of a distinct type or types of ancient capitalism.⁴⁸

In any case, even when considering the Near Eastern states, Weber refuses completely to discount the significance of feudalism and capitalism: 'Although the beginnings of manorialism and feudalism were present in Mesopotamia, the political system did not develop in that direction. The state became bureaucratic with the trappings of a theocracy'.⁴⁹ On the question of capitalism in Mesopotamia, Weber is even more explicit. On the one hand, he claims that 'Babylonia and its law set the pace for capitalist development throughout the ancient Near East', supported by the interest of the king and the priests in the tax revenues resulting from commercial expansion.⁵⁰ On the other hand, prices in this 'technically highly developed' trade were determined either by direct government regulation, as in Babylonia in Hammurabi's time, or else by 'the overwhelming importance of the royal and temple storehouses'.⁵¹

Capitalism, in Weber's view, thus failed to flourish in the Near East (not just compared with nineteenth-century Europe, but compared to the Greek and Roman varieties of capitalism) not because of the absence of the money economy or other 'technical' prerequisites or even because of the economic interests of the king, his bureaucracy, or his priests. The chief problem lay in the institutional weight of the state sector and the use of state power (ideological and political as well as economic) to determine the course of economic transactions which otherwise would have been left to market forces. In Polanyi's later terminology, the economy was embedded in a redistributive polity. In this light, it should not come as a surprise that in the concluding passage of *AG*'s discussion of Mesopotamia, Weber anticipates almost precisely one of the guiding ideas of Polanyi's research project on pre-capitalist societies:

48 See L. Foxhall, 'Pandora unbound: A feminist critique of Foucault's *History of sexuality*', in *Dislocating masculinity: comparative ethnographies*, ed. A. Cornwall and N. Lindisfarne, (London 1994) 133-46 (139); E. Cohen, 'Athenian nation', chapter 1. This crucial issue will be addressed in Chapter 10, below.

49 *AG*, 93; see also 88.

50 *Ibid.*, 99-100.

51 *Ibid.*, 104.

... prices were not set by the market. When we find in the old Babylonian law that caravans regularly had commissions to buy cattle and slaves, and that orders were given 'to buy at the going price', this hardly means a price set by competition in the open market; it is much more likely to mean the selling price set by the royal or temple storehouse.⁵²

Although Weber considers 'bureaucracy' the decisive distinguishing element in the subsequent Near Eastern developments (or non-developments), its rise is not viewed as self-propelling or self-explanatory. In discussing the formation of social institutions in the Egyptian Old Kingdom, he underlines 'the absence of any serious military threat and also the absence of the possibility of expansion; the necessity, arising from geography and climate, to develop somewhat sophisticated bureaucratic administration and to mobilize the population for large-scale work on irrigation systems ... and the absence of important families with their own names and internal ties, such as would have constituted a force for individualism'. Together these ensure the 'dominance of society's [collective] economic interests and of court officialdom'.⁵³

Of these elements, the one shared with Mesopotamian states is irrigation, which is why Weber occasionally speaks of the 'bureaucratic city kingdom or bureaucratic river kingdom'.⁵⁴ He considers irrigation the crucial factor in the use of land resources and the 'fundamental economic cause' of the dominant position of monarchy in Near East.⁵⁵ It is needless to emphasize that the – as it turns out, overrated – importance of irrigation was not an original discovery of Weber. Marx and Engels, among others, had grappled with the issue in order to make sense of 'oriental despotism' which had jeopardized the universality of their theory of history. Without pursuing the question here, we may note in passing that Weber's understanding of the role of large-scale irrigation was not so much different from theirs as his conception of the implications of its absence for the developments in the coastal regions of the ancient world.⁵⁶

In turning to Weber's typology of the city-states, the riverine-coastal contrast is the first in a series of oppositions around which the non-bureaucratic half of antiquity is distinguished from its older half. Riverine-coastal, monarchy-*polis*, theocratic-political legitimation, traditional-*hoplite* warfare, subordination-domination of feudalism and capitalism are, however, all treated in reference to the crucial presence or absence of bureaucracy, including a hierarchical priesthood. Weber's ignorance of the highly evolved Mycenaean bureaucracies

⁵² *Ibid.*

⁵³ *Ibid.*, 106.

⁵⁴ *Ibid.*, 74.

⁵⁵ *Ibid.*, 84; see also 97, 106.

⁵⁶ Marx's rather brief and somewhat incoherent discussion of the Asiatic mode of production was unavailable to Weber. In *Anti-Dühring* (London 1969) 190ff., which was available, Engels examines both 'oriental despotism' and the question of irrigation. The significant point here is that Engels aims to demonstrate to Dühring that economic rather than political factors had primacy in determining the transition from pre-history to history. On the Asiatic mode and oriental despotism, see P. Anderson, *Lineages of the absolutist state* (London 1974) 462ff.; Anderson is particularly dismissive of Wittfogel's *Oriental despotism* which singles out large-scale irrigation as the main explanation for the fate of non-European states, see 487 n. 4.

allowed the all too facile assertion of these antinomies. Here, two points which will be treated below should be noted. First, the subsequent discovery of the highly bureaucratic nature of the Mycenaean state undermines Weber's conveniently drawn oppositions. Secondly, that *AG*'s focus on bureaucracy reflects his own emergent preoccupation and 'value' standpoint. It is certainly a question almost wholly absent from *SC*. Notwithstanding these questions, it remains necessary to ask what role, if any, could the absence of bureaucracy have played in the development of the Western polities. Weber's answer is threefold:

a) Much of the ancient space for much of the ancient time was ruled by bureaucratic states. Coupled with the not very clearly specified internal forces such as 'aspirants to tyranny' and 'tendencies in the Greek world towards theocracy, mysticism and ecstasy', these states threatened the incorporation of the city-states into their bureaucratic orbit.⁵⁷

b) In any case, the revival of monarchy and the fate of the Roman Empire indicated to Weber that bureaucracy was not specific to Near Eastern states; it could emerge in the *polis*, destroy it and 'stifle capitalism'. Apart from its specified economic meaning, capitalism in *AG* also stands for societal tendencies that would flourish, in a quasi-natural way, in the absence of bureaucratic obstacles:

Bureaucracy destroyed economic as well as political initiative ... whereas capitalism always strives to transform the 'wealth' of the possessing classes into investment 'capital', the tendency under the Empire was to exclude capital and to conserve wealth, as in the Ptolemaic state ... Thus by protecting the subjects and by establishing peace the Roman Empire condemned ancient capitalism to death.⁵⁸

c) The initial absence of bureaucracy in the West in turn implied the presence of societal forces that blocked the transformation of monarchs' personal retinue in the universal stage of 'fortress kingdoms' into a bureaucratic apparatus standing over themselves as well as others. It was this first step in the socialization of power in the 'aristocratic *polis*' that constitutes the first structural development in the (post-kingship) forms of political rule:

... the feudal nobility of the old fortress kingdoms emancipated itself from royal authority and constituted itself as an autonomous, urban community, in which rank was determined by military criteria and rule was exercised either by a king who was no more than first among equals or else – and this usually developed with time – by elected magistrates. In any case, however, these cities were not administered by bureaucracies⁵⁹

Thence, for a period, all the societal tendencies otherwise suppressed or subordinated in the Near East would revive in the West. In contrast to the 'rationalization' of a primordial kingship which marked the 'development' of the former, the latter thereby undergoes a series of developments which could be considered genuinely evolutionary. Accordingly, Weber's typologies of Western developments begin with the 'aristocratic *polis*' and via the '*hoplite polis*' end with the 'democratic *polis*'.

⁵⁷ *AG*, 187.

⁵⁸ *Ibid.*, 364. This conclusion is forcefully reiterated in *General economic history*, 247.

⁵⁹ *AG*, 71.

In the above description of the 'aristocratic city kingdom', the first stage in the Western developmental sequence, Weber leaves no doubt as to its feudal character. This was because, *politically*, 'the city was in fact a league of great 'clans'. Only those men were admitted who could live the life of a knight and take part in the city's military institutions. *Ideologically*, 'it was at this time that the great value came to be placed on "blood" and high birth'. Fertile 'land to sustain rental payments [and] proximity to the coast to allow profits from commerce' were the major *economic* preconditions for the rise of a 'class of money lenders' who subsequently turned into a 'class of landowners' whilst 'most peasants fell into debt, then slipped into a form of debt slavery'. Thus 'the open land outside the city came to be divided, part of it being farmed by independent peasants outside the aristocratic families, the rest being worked by a large class of debt slaves. Sometimes the latter were legally distinguished from free men as a separate order, but generally the same effect was achieved by the debt and trial law of early times, combined with aristocratic domination of the courts and the associated institutions of clientage'.⁶⁰

This general description of the ideal type of the 'aristocratic *polis*' assumes a deliberately loose definition of feudalism. The marked political, ideological, and economic privileges of an elite thereby distinguished from a generally differentiated and actually or potentially dependent population is sufficient for Weber as a working definition of feudalism. He, therefore, avoids the vexed questions of the exact form of dependent labour or possession of land in the conflicting definitions of feudalism. Perhaps because the myriad of such forms in the Middle Ages as well as in antiquity precluded any operational conception of feudalism based on any single form of dependent labour.⁶¹ Weber's broad underlying conception of feudalism, however, is further determined with reference to the specific comparative context and the perspective employed. What distinguishes the dominant feudalism of the aristocratic *polis* from the subordinated feudalism of the bureaucratic monarchies is, in the first instance, the mutual recognition of the equal status of aristocrats as joint rulers. This in turn implies and is implied by the functional redundancy or subordination of theocratic legitimation, and bureaucratic (or pre-bureaucratic) domination and state collection and redistribution of the economic 'surplus'. However, Weber is careful to distinguish the ancient feudalism of the 'Greek Middle Ages' from its Medieval counterpart by pointing especially to its 'urban character'.⁶² Various aspects and implications of this argument are developed further in the historical discussions of Greece and Rome. The notable point here is that Weber leaves no doubt as to the fact that Graeco-Roman polities generally went through a stage of feudalism before arriving at the capitalist stage of the classical *polis*. It was only during this latter period that chattel slavery as a distinct category, not so much of dependent labour as of commodities supplied to the capitalist market, becomes significant.

After the aristocratic *polis* and as the sixth and seventh type in Weber's actual presentation, or second and third stage in the development of ancient *poleis*, the '*hoplite polis*' and '*democratic polis*' are introduced. As its name suggests, the *hoplite polis* is said to have

⁶⁰ *Ibid.*, 71-72.

⁶¹ See Finley, 'Between slavery and freedom', and 'The servile statuses in ancient Greece' in *Economy and society in ancient Greece* (London 1981); *The ancient economy*, 183ff.

⁶² AG, 71; see also his further discussion, *pace* Meyer, of 'Greek Middle Ages', 160ff.

emerged from the relative democratization of warfare and extension of citizenship to 'free citizen yeomanry' who formed the core of the *hoplite* army. In this stage, class conflict between the aristocratic creditors and dependent or debt-ridden peasants is ameliorated, citizenship becomes tied to land ownership, expansion of large estates is curtailed, and generally 'the *polis* pursued policies designed to preserve its yeomanry'.⁶³ Finally in the democratic *polis* army service and citizenship rights were separated from ownership of land. In this stage the classical *polis*:

did away with all communal forms of ownership and with all forms of feudal tenure ... What remained in effect was the right to rent land for money or part of the crop, an arrangement made solely for profit and subject to cancellation by either owner or renter. Once these conditions had been established the *flowering of capitalism* followed. Slaves ceased to be recruited from debtors and were instead purchased. (emphasis added)⁶⁴

Thus Weber's (non-bureaucratic) developmental typology ends with what could only be described as the stage of a slave-owning capitalist democracy. To be sure, in concluding his discussion of the 'democratic *polis*', Weber refers to the decline of the 'classical *polis*' (only a descriptive term) and the rise of Hellenistic and Roman empires. Evidently these developments are not considered to merit any new ideal type (or developmental stage) in addition to those already presented. On the contrary, the Hellenistic kingdoms and the Roman empire are placed in the same category as the Near Eastern liturgy states and world empires:

... by protecting subjects and by establishing peace, the Roman Empire condemned ancient capitalism to death ... In the liturgy state created by Diocletian, capitalism found no anchorage for itself, no chance for profit. Bureaucracy destroyed economic as well as political initiative, for the opportunities for gain were gone.⁶⁵

By downplaying the evolutionary characteristics of the Roman empire, and viewing it, in its final bureaucratic phase, as a variant of Near Eastern liturgy states, Weber provides a cyclical reading of ancient history which complements the evolutionary contour of its Western half prior to its bureaucratic transformations. Thus the aforementioned final reminder to both sides of the *oikos* controversy in the very last passage of *AG* that the history of 'Mediterranean-European civilization does not show either closed cycles or linear progress'. But what about the actual historical basis of this comparative typology? Weber himself describes their nature and function in the following way:

... these types seldom existed in complete isolation. They are 'pure types', concepts to be used in classifying individual states. They simply allow us to ask whether a particular state at a particular time more or less approximated to one or another of these pure types. More than an 'approximation' cannot be expected, for actual state structures in the most important phases of history are too complex to be comprehended by so simple a classification as the one used here.⁶⁶

⁶³ *Ibid.*, 74-75.

⁶⁴ *Ibid.*, 75-76.

⁶⁵ *Ibid.*, 366.

⁶⁶ *Ibid.*, 73.

Here, however, Weber omits to mention that such types are in turn drawn from the historical evidence pertaining to particular periods in the history of particular states and to which they, therefore, are bound to closely approximate. Thus Bücher's theory of *oikos* was above all drawn from the experience of large slave plantations of the Roman empire and Marx's slave mode of production approximated most closely to the economic life of classical Athens and Rome. This is why when confronted with contrary evidence against their generalizations, Bücher especially emphasized the Roman developments, and Marx repositioned the Near East under the rubric of the Asiatic mode of production and oriental despotism. By contrast, Weber disaggregated ancient civilization into its major components and, by historicizing these in terms of their own developmental stages, attempted to overcome the deficiencies found in the works of his precursors.

The case of Athens

A question then remains: the history of which particular formation, if any, underlies AG's developmental typology of Western antiquity? The answer must be ancient Athens, but as encased, on the one side, by the Homeric *oikoi* 'at the earliest stage of [Western] antiquity known to us', and, on the other, by Rome, in the regressive as well as declining phase of the ancient world. Athens was, of course, not the most 'typical' among Graeco-Roman *poleis*. Indeed, perhaps by definition there were no typical *poleis*. But Athens was exceptional in the sense ideal for Weber's purposes. The stages found in most other polities without evolutionary development or in 'mixed' forms were displayed in the history of Athens in a relatively 'pure' form as well as in a developmental sequence containing all the stages discussed by Weber. Rome, for example, not only never reached the stage of the democratic *polis*, but it also arrived at the 'hoplite' stage without a corresponding transformation of aristocratic institutions. Rome, as well as Sparta and other perhaps more typical oligarchies, did not 'consciously' do away with all the 'institutions of earlier times'. Athens did, in the sense of reforming them in consonance with the demands of its evolving *polis*. Thus, Weber's pure types may be seen as condensing the characteristic features of ancient city-states, which when ordered developmentally exhibit the apparently exhaustive evolutionary pattern of Athenian history.

Some of the key peculiarities of the Athenian developments will be examined in the next chapters, especially with regard to Finley. Here it will be helpful to consider briefly a problematic aspect of Weber's account which brings into sharper focus the question of the evolutionary depth of classical Athens and points towards the resolution of Marx's opening paradox. In his discussion of Greek history, Weber refers to a full range of partly speculative evolutionary developments from 'complete family communism' to the democratic slave-owning capitalism of ancient Athens.⁶⁷ What is absent from this wide range is any notion of a bureaucratic political economy. AG, following the scholarly consensus of the time, fails to distinguish between the Homeric Mycenae and the bureaucratic Mycenae revealed subsequently through the decipherment of linear B tablets.

Even now this matter is not completely settled. Indeed, the scholars who generally follow Finley's *The world of Odysseus* in characterizing 'Homeric society' as in the main reflecting

⁶⁷ *Ibid.*, 148ff.

the post-Mycenaean world of the tenth and ninth centuries are divided as to their assessment of the present scholarly consensus. Thus, according to Crawford and Whitehead, Finley's position, 'once heretical, is now very much the orthodoxy',⁶⁸ whilst Austin and Vidal-Naquet claim that the majority of scholars still (wrongly) believe that 'the Homeric poems give simply a more or less faithful picture of the vanished Mycenaean world'.⁶⁹ There are still others who would consider 'the Homeric world ... through and through on every level a poetic amalgam' and therefore of no use as historical evidence for understanding the Mycenaean or the Dark Age Greece.⁷⁰

Be that as it may, turning to Finley – both because of the relevance of his work here and because it still 'represents a watershed in the discussion of Homeric society'⁷¹ – the extent of the gap that separates it from Weber's position and the implications thereof are clear. According to Finley,

... the Homeric poems retain a certain measure of Mycenaean 'things' – places, arms and weapons, chariots – but little of Mycenaean institutions or culture ... The [Dark Age] world of Agamemnon and Achilles and Odysseus was one of petty kings and nobles, who possessed the best land and considerable flocks, and lived a signorial existence, in which raids and local wars were frequent. The noble household (*oikos*) was the centre of activity and power. How much power depended on wealth, personal prowess, connexions by marriage and alliance, and retainers ... What was apparently uniform, however, was the class structure suggested by the poems, with an aristocratic upper class and king or chieftain who was a bit more than 'first among equals'.⁷²

This picture is largely anticipated in *AG*, where the Homeric evidence is used in establishing the stage of fortress kingship:

The fortress king who led an expedition overseas was no more than commander in chief, for the weapons and provisions of the army did not come from him alone – as it did in the Near East – and therefore the authority was divided ... Agamemnon acts sometimes with authority, sometimes arbitrarily, sometimes he depends on others, sometimes he strives for compromise ... The king was now the first among equals ...⁷³

These and other similarities clearly show that Weber's analysis of social institutions does not, as such, suffer from their mis-identification as Mycenaean. Weber's error is rendered

68 M. Crawford and D. Whitehead, *Archaic and classical Greece* (Cambridge 1983) 6.

69 Michel M. Austin and Pierre Vidal-Naquet, *Economic and social history of Greece*, (California 1977) 37.

70 O. Taplin, 'Homer' in *The Cambridge ancient history*, volume 3 part 3, ed. J. Boardman *et al.* (Cambridge 1982) 75. See also, Ian Morris, *Archaeology as cultural history: words and things in Iron Age Greece* (Oxford 2000), chapter 3, on 'Inventing the Dark Ages'.

71 K. Raaflaub, 'A historian's headache, how to read "Homeric society"?' in *Archaic Greece* (London 1998) 172. Raaflaub concludes his survey of the state of the debate by finding Finley's fundamental claims still defensible, but notes that 'recent publications tend to date Homeric society to the poet's own time, in the second half of the eighth century or even the early seventh century' rather than the tenth and ninth centuries proposed by Finley, *ibid.*, 177.

72 Finley, *Early Greece, the Bronze and Archaic ages* (London 1970) 84, 86.

73 *AG*, 159-60.

even more harmless by the current consensus which excludes the Mycenaean period from the historical sequence leading to the classical states and assumes that the history of Athens and other city-states need not be traced further than the late Dark Age:

In 1200 BC Greece looked much like any Near-Eastern society ... [By the Dark Age] the slate was rubbed all but clear of the traces of earlier organization and products of that organization.⁷⁴

Significant disagreements arise mainly on the basis of this commonly held view. In this context, Weber's account, once chronologically shifted from the Mycenaean to the Dark Age (or later), stands clearly in the line leading to Finley (and his successors). Indeed, a strong implication of Weber's account is that, if Mycenaean civilization were as bureaucratic as it now is shown to have been, it could not be identified with the kind of social institutions (notably the *oikos*) depicted by Homer. Furthermore, by identifying the Homeric depiction of the Mycenaean world as the period preceding the rise of the aristocratic *polis*, Weber in effect places it in the period suggested by Finley and draws on the same Homeric material used by the latter in presenting his picture of the Dark Age Greece.⁷⁵

This interpretation of Weber may be valid as far as it goes. But it does not go far enough. By rendering Weber respectable in view of more recent scholarship, it neglects the extent to which the discovery of 'meticulous bureaucracies' in Mycenae disturbs the neat symmetry of his dualistic bureaucratic/non-bureaucratic account of ancient history. At the same time, this approach conveniently overlooks the insights contained in Weber's evolutionary account of Greek history, which in turn runs counter to the assumption of a total break between Mycenaean and post-Mycenaean Greece. Weber's identification of the Mycenaean and Homeric worlds was over-determined by his comparative view of the Near Eastern states and the Graeco-Roman *poleis*: the Homeric evidence could easily fit into Weber's typology of the 'fortress kingdom' and the subsequent Western developmental sequence; the fully fledged bureaucratic Mycenaean states could not. In addition to the Homeric poems, Weber's refusal to consider the possibility of a bureaucratic stage in Western antiquity was based on the absence of certain geo-political factors, most notably large-scale irrigation and bureaucracy in the Greece of the city-states. To this extent his position may be said to exemplify his own description of the theorist's inherent predilection to generalize on the basis of patterns adduced from limited empirical data, to a wider potentially dissonant universe. The bureaucratic Mycenae complicates the picture by showing that Western antiquity had undergone a stage hitherto associated only with the Eastern side. Weber's methodology thus appears exonerated here at the expense of his historiography, as it allows the modification of the latter in accordance with new findings.

Two distinct strategies suggest themselves for such a modification. By excluding the Mycenaean age from the history of the *polis*, the first more obvious and far simpler approach essentially leaves Weber's dualistic account of bureaucratic Near Eastern and non-bureaucratic Western developmental sequences intact. Accordingly, it could be suggested that

74 Robin Osborne, *Greece in the making 1200-479 BC* (London 1996), 3 & 31; see also Austin and Vidal-Naquet, *Economic and social history*, 37.

75 Finley discusses at length the 'anthropological' aspects of the Homeric poems generally ignored by Weber. See Finley, *Odysseus*; 'Homer and Mycenae: property and tenure', *Historia* 6 (1957) 133-59.

Weber's discussion be seen as concerned with the Dark Age 'fortress kingdoms', especially as they disintegrate into independent aristocratic *oikoi*, and then re-integrate to create the archaic city-states. Thus, Weber's typologies of fortress kingdom, and aristocratic, *hoplite* and democratic *polis* on the one hand, and fortress kingdom, bureaucratic city and liturgy state on the other, may be retained without undue concern for the Mycenaean age. The second approach, in addition to retaining a modified variant of the above dualism, incorporates the Mycenaean era in a continuous sequence of forms of political rule and socio-economic development. This approach which in my view is closer to the spirit and details of Weber's discussion, may be outlined as follows:

Mycenaean kingdoms although significantly bureaucratized were essentially transitional formations. Their defining bureaucratic system could have ultimately survived only if incorporated into the Near Eastern states, their original and more lasting models. Indeed the transitional or evolving character of the former can be better understood in contrast to the permanent or reproductive character of the latter. This is precisely why in the historical section on Greece, *AG* repeats previous references to the geo-political differences between Greece and the Near East, but now with the crucial proviso that in the latter the bureaucracy had an '*irreversible character*' which consolidated the 'subjection of the individual to the community' and provided the basis of 'the dominance of religious tradition in Near Eastern society and the power of priesthood' (emphasis added).⁷⁶ The significant factor in this situation was 'the need for irrigation systems as a result of which the cities were closely connected with building canals and constant regulation of waters and rivers, all of which demanded the existence of a unified bureaucracy'. The socio-political order was also periodically threatened but ultimately reinforced by the fact that 'the peoples of riverine cultures were repeatedly conquered by foreign invaders from Arabia and Iran, and as a result were held in permanent subjection and powerlessness'.⁷⁷

Now as regards both these considerations, Greece presents a sharp contrast. Indeed, 'Greece's geographical characteristics' may have been ultimately sufficient to 'ensure the triumph of particularism'.⁷⁸ What is more, foreign invasions were few and far between, and in fact probably not foreign at all. Beginning with the early second millennium, it was the original Greeks themselves who apparently invaded what became Greece. The likeliest candidate for leading the next major invaders towards the end of the same millennium are again (Dorian) Greeks, who despite causing as much destruction as any desert storm, may be said to have played a historically 'progressive' role by helping remove the royal Mycenaean bureaucracies. The first foreign invasion of the kind that seriously threatened to overcome the Greek particularism in the universalism of a 'world empire' in fact came at the time when the Greeks proved prepared to resist it. The Persian wars played a similar progressive historical role: from consolidating the identity of city-states and increasing the power of the lower classes in the expanding Athenian navy, to providing the central inaugurating themes of the Greek drama and historiography – and thus to Alexander.

⁷⁶ *AG*, 157.

⁷⁷ *Ibid.*

⁷⁸ *Ibid.*, 158-59.

Two conclusions flow from the above modified version of Weber's basic position. First, that the rise of the bureaucratic states in antiquity was not necessarily determined by geographical factors, whether large-scale irrigation, proximity to invading forces, size or any combination thereof. As it enhances the spirit of his non-deterministic, multi-causal historiography, Weber probably would have welcomed this conclusion. Secondly, that once destroyed there were no significant 'ecological' tendencies towards the re-establishment of bureaucratic kingdoms on Greek soil. The Near Eastern states were faced by the same or similar upheavals that led to the disappearance of the Mycenaean state (the Hittite state, too, disappeared), but they eventually emerged with their traditional structures and institutions more or less in place again, whereas Greece embarked on a path that corresponded to its geo-political 'particularism'. All this is consonant with Weber's assumption of an internal process of economic and political 'decline' of the Greek monarchy, which was 'made manifest by the disappearance of Near Eastern magnificence'. Yet Weber is evidently wrong in concluding that as a result 'king's retinues could not develop into royal bureaucracies and so the first step towards formation of large states was never taken'.⁷⁹

But does all this suggest the inclusion of Mycenaean civilization (that is the equivalent of Weber's stage of 'liturgy state' reserved for Eastern formations) in the developmental sequence of Greek city-states? The answer is a cautious 'yes', at least in the case of the polity of most interest here, namely Athens. If true, this extends – as well as throwing further light on – the evolutionary depth of the process culminating in the rise of classical Athens.

The direct evidence concerning the dynamic developments of Mycenaean centres is minimal. Nevertheless, the archaeological evidence is consonant with Weber's hypothesis and does point generally to a process of decline or 'recession' in these centres prior to the catastrophes of the end of the second millennium.⁸⁰ Apart from the questionable Homeric poems, Weber's evidence, however, was mainly indirect and comparative. The ecological conditions and successful foreign conquests on the one hand and the coastal character of most Mycenaean centres (replaced by the city-states) on the other, provided the ground for the emergence of 'particularism' and specifically independent 'aristocratic clans' drawing on the possibilities of trade, colonization and piracy.⁸¹ This, too, appears consonant with the more recent scholarship concerning the significance of Mycenaean sea trade. Thus even Andrewes, who considers the Mycenaean bureaucratic civilization a 'false start', recognizes a 'close parallel between the Mycenaean and the later Greeks in their trade and colonization, and in their capacity to absorb outside influences and evolve a powerful and individual culture'. Yet, as he goes on to say, 'it is not perhaps our business to speculate on what might have happened to the system if there had not been no interference from outside'.⁸² In other words, unlike Weber, we cannot confidently assert that the so-called Dorian invasions only 'substantially hastened' developments towards aristocratic rule already taking place in the Mycenaean centres. What can be done, however, is to take account of the evidence for a certain, perhaps

⁷⁹ *Ibid.*, 159.

⁸⁰ F. Stubbings, 'The recession of Mycenaean civilisation' in *Cambridge ancient history*, vol. 2 part 2, ed. I. Edwards *et al.* (Cambridge 1975) 358ff.

⁸¹ *AG*, 155ff.

⁸² A. Andrewes, *Greek society* (London 1967) 31.

unique, continuity evinced by Attica, which by all accounts did not suffer the destruction visited on other Mycenaean regions.

First, in contrast with the Doric dialect, the Ionic shows a close affinity with the Mycenaean Greek; a clear indication of a 'development from a common original', and an affirmation of the ancient accounts of the Dorian invasions.⁸³ Secondly, there is the archaeological evidence which equally clearly indicates that 'Athens survived the Dorian invasion without a cultural break'.⁸⁴ This by no means implies that there was no significant cultural change. Rather it underlines the continuous character of such change as indicated, for example, by the cemetery which 'yielded an uninterrupted 500-year sequence of pottery', and another where 'the shift from Sub-Mycenaean to Protogeometric pottery ... matches the traditional date of the shift from kings to aristocratic archons'.⁸⁵ Moreover, in contrast to the destruction of fortresses and palaces in Mycenae, Tiryns, and Pylos, the Acropolis in Athens shows no sign of damage as it 'perhaps lay off the main track of the destroyers'.⁸⁶ Spared by the upheavals of the end of the second millennium, whether they were caused by Dorian or other invasions or even natural disasters, Athens 'did not suffer complete Iron Age depression: the pottery actually shows a technique improved over Sub-Mycenaean. And there was no violent transition from bronze to iron'.⁸⁷ Finally, it should be noted that it is 'in the grave groups of Athenian cemeteries, and nowhere else, [that] we can watch the full course of the transition from the preceding Protogeometric style' to Geometric which spread from Athens from 900 BC onwards.⁸⁸ These and other similar findings are all in general accord with the ancient literary accounts which insisted on the continuity of Athenian history. Athens in this respect stood in sharp contrast with other areas, as Thucydides states,

What is now called Thessaly, Boeotia, most of Peloponnese (except Arcadia), and in others of the richest parts of Hellas [suffered destruction] ... Indeed, this is an important example of my theory that it was because of migrations that there was uneven development elsewhere; for when people were driven out from other parts of Greece by war or by disturbances, the most powerful of them took refuge in Athens, as being a stable society.⁸⁹

Modern scholars are right that Thucydides and all other Greek writers were, in the words of Finley, 'clearly unaware ... of the catastrophic destruction of Mycenaean civilization'. Evidently if provided with a snap-shot of a Mycenaean kingdom to compare with the Athens

83 O. Murray, *Early Greece* (London 1978/93) 19; Andrewes, *ibid.*, 33.

84 P. L. MacKendrick, *The Greek stones speak* (New York 1981) 135; see also V. Desborough, 'The end of the Mycenaean civilization and the Dark Age' in *Cambridge ancient history*, ed. I. Edwards *et al.* (1975) 662ff.

85 MacKendrick, *Greek stones.*, 136ff, 142. This point does not refer to or have any direct bearing on the debate over the gradual or revolutionary nature of changes in eighth-century Greece: see Ian Morris, 'Archaeology and archaic Greek history', in *Archaic Greece*, ed. N. Fisher and H. Van Wees (London 1998) 71ff; nor does it question debatable 'reversals' such as the rise of tyrants in Athens.

86 Andrewes, *Greek society*, 34.

87 MacKendrick, *Greek stones*, 139-40.

88 J. N. Coldstream, *Geometric Greece* (London 1977) 25.

89 Thucydides, *History of the Peloponnesian War* (London 1972) I.2. 3-6.

of his time, Thucydides too would agree with Finley, Murray, Osborne, or Andrewes, that the former was indeed ‘a false start’ for reaching the latter. This, however, does not alter the validity of his insistence on the unbroken continuity of Athenian developments, which modern discoveries now confirm to stretch back to Mycenaean times. The matter may be put differently by suggesting that, whilst ignorant of historical details, Herodotus, Thucydides, or Aristotle rightly knew that, notwithstanding particular ‘reversals’, Athens had not undergone the great upheavals suffered by its neighbours and that this was not insignificant for understanding its status in their own time. From this angle, the fact that Thucydides ‘did not recognize Geometric ... pottery as being particularly Greek and dated it at least three hundred years too early’ or that ‘either he did not know of what we call the Bronze Age or else dated its end too early’ appears as far less important than his ‘bold suggestion that there was a continuity and a development in Greece from the most ancient (mythical) times to his own’.⁹⁰

The general import of this discussion for this study should be obvious: by extending the evolutionary depth of Athenian history, it increases the extent to which primitivist writers have underestimated or ignored the stages traversed by Athens before reaching its classical age. Runciman has recently considered *polis* an ‘evolutionary dead end’ but with the proviso that ‘only by comparison with the enormous increase brought about by the evolution to industrial capitalism does the transformation of the institutions of Homer’s into those of Pericles’s Greece look small’.⁹¹ To have to go further back to Mycenaean times may make the achievement look smaller in certain respects, but it will certainly appear more awesome in others. In any case, it should make it somewhat more understandable.

Less obviously, the approach suggested here may help in the resolution of a conundrum at the heart of the original *oikos* theory as well as more recent accounts of early Greece. For opposite reasons, older scholars such as Rodbertus and Bücher and various modern writers assume that the aristocratic households and/or *poleis* arose from within a ‘tribal’ setting; the former because they were unaware of the bureaucratically developed character of the Mycenaean kingdoms, the latter because they are only too aware of it, and both because of the apparent survival of tribal institutions in the archaic and classical city-states. Thus, for example, Ehrenberg’s representative claim that ‘after the internal and external decay of the Mycenaean age and its kingship, the tribal order came again into its own’.⁹² Finley, however, argued long and hard against this influential view. In his picture of Dark Age Greece, tribal ties are thus explicitly excluded:

⁹⁰ The first two passages are from R. M. Cook’s ‘Thucydides as Archaeologist’ (1955) cited in Finley, ‘Myth, memory and history’ in *Use and abuse* (1965/1975) 20. The last passage is Finley’s own in the same work, 19. Here, Finley forcefully argues against the possibility of writing a history of early Greece: ‘Were every lost line written between 700 and 500 to be recovered ... a generation of historians would be kept busy sorting and organising and interpreting the new material – and we should still be unable to write a history of these two centuries, let alone of the earlier centuries’, 21. This claim at least in part depends on what is meant by history. A few years after writing these lines, Finley himself wrote *Early Greece*, a sociological or ‘structural’ history based on the scant evidence at hand. His later methodological writings attempted to explain why and how this should be done, see Finley, *Ancient history*.

⁹¹ W. G. Runciman, *Substantive social theory*, 336.

⁹² V. Ehrenberg, *The Greek state* (Oxford 1960) 11.

... the noble household (*oikos*) was the centre of activity and power ... There is no role assigned to tribes or other large kinship groups. In the twenty years Odysseus was away from Ithaca, the nobles behaved scandalously towards his family and his possessions; yet his son Telemachus had no body of kinsmen to whom to turn for help, nor was the community fully integrated, properly organized and equipped to impose sanctions ... The assassination of Agamemnon by his wife Clytaemnestra and her paramour Aegisthus placed an obligation of vengeance on his son Orestes, but otherwise life of Mycenae went on unchanged, except that Aegisthus ruled in Agamemnon's place ...⁹³

Who is right? Given the paucity of evidence and the disputed nature of the meagre amount that is available, perhaps no answer can be considered decisive. It seems at present that the balance of evidence and argument favours Finley, except that inherent in the now generally uncontested assumption of a total break between the Mycenaean and the Homeric world is a telling bias towards the 'tribal' side of this confrontation. Thus even Snodgrass who explicitly recognizes the almost insurmountable difficulties (elaborated at length by Roussel) of the characterization of early (post-Mycenaean) Greece as tribal, ends by re-asserting it for lack of a better alternative:

If there was no tribal order in the era before the formation of the Greek states, then what system was there? To what group larger than family did men owe allegiance? ... What ties can have bound together the practices of men living in such small numbers and at times no more than fifty miles apart?⁹⁴

Snodgrass seems to have ignored cultural anthropology's tortured relationship with 'the notion of tribe', through which it has been shown that common material culture and language or dialect can exist between isolated villages with no actual 'tribal' ties located far more than fifty miles apart, and conversely that nearby villages may display radically distinct cultural traits.⁹⁵ He notes the remarkable cultural uniformity of Mycenaean remains, but only in order to contrast it with the diversity of Dark Age archaeological finds. On this basis it is suggested that early tribal ties were both successfully preserved and repressed during the centuries of Mycenaean rule only to re-emerge intact and (especially in the *ethne*) survive the Dark Age.⁹⁶ However, Finley has remarked, with characteristic élan, nobody

would be so foolish as to deny the importance of kinship in the Greek world. However ... that is a false issue. Genos, phyle, and phratry were not kinship groups in reality, whereas the nuclear family and in some circumstances the extended family were realities that retained great vitality everywhere in the Greek world throughout ancient history ... The place of the family was essentially unrelated to, and certainly independent of the genos, phyle and phratry: that is the essential point to hold onto in any discussion of the subject.⁹⁷

⁹³ Finley, *Early Greece*, 85.

⁹⁴ A. Snodgrass, *Archaic Greece: the age of experiment* (London 1980) 25.

⁹⁵ See M. Fried, *The notion of tribe* (Menlo Park 1975).

⁹⁶ Snodgrass, *Archaic Greece*.

⁹⁷ Finley, 'Max Weber', 91.

This exchange and the whole question lends itself to more than one resolution. Among these, there is one that arises from the preceding discussion: whatever large kinship ties may have existed in the pre-Mycenaean period had been effectively dissolved and replaced as mechanisms of societal integration by the state and the family. With the demise of Mycenaean states, it was the family that came to the fore in the declining villages and urban centres increasingly dominated by the aristocratic households, at least in the areas which were not directly conquered. This means most notably Attica, in which the process of unification seems to have been concluded first among the Greek city-states and apparently with relatively little violence. Therefore, the so-called tribal institutions of the later periods, even if rooted in the ancients' ancient past, were, as Finley and his associates insist, at the time of their historical appearance pseudo-kinship secondary formations revived for new politically determined functions.⁹⁸

Clearly the multiplicity of perspectives employed in *AG* (and the methodological essays that precede and underpin it) offer a wide variety from which to select one's own favourite: the modernist, the anti-modernist, the evolutionist, the advocate of the cyclical view of historical change, the theoreticist, the historicist, and so on. All this and the shifting view of antiquity – as a comparative unity contrasted with the modern and medieval worlds, as divided along an east/west axis, and as fully redundant and differentiated in terms of individual states – do not, however, reflect the chaotic organization of *AG* or the mind of its author, or the latter's tortured soul, or eclectic ambiguity and liberal indecisiveness. (Although Weber was of course a tortured liberal-nationalist-cosmopolitan thinker who wrote the final edition of *AG* in a furious rush.) Rather, I hope to have shown that *AG* simply represents Weber's first and perhaps most coherent attempt to realize the project that emerges from his methodological writings of 1903-06. This is not the same as claiming any sort of completeness for it either as the sociological history or the historical sociology of antiquity, even for its time, let alone now when no single scholar undertakes such projects. Indeed, *AG* does not even represent the culmination of Weber's reflections on antiquity in every respect. Finley is certainly right in suggesting that Weber's subsequent discussions of antiquity are based on *AG* and do not advance beyond it. But what should also be taken into account is that the more articulated typologies of feudalism and capitalism in *Economy and society* and *General economic history*, although not focused on ancient formations, point to the need to carry the specific analysis of ancient or indeed the Athenian or Roman capitalism and feudalism further than the rather general and scattered discussions that can be found in *AG*.

In any case, notwithstanding its subsequent neglect, *AG* seems to have succeeded initially in at least one of its aims: namely to strike a middle course between the modernist historians and primitivist political economists and to be understood to have done so. This is precisely the verdict of Friedrich Oertel in the first major review of the controversy, where he himself joins Weber in the group of writers he somewhat inelegantly designates as the 'middle' theorists, standing between the positive and the negative views of ancient economic developments respectively represented by Meyer and Bücher and their associates.⁹⁹ I mention

⁹⁸ *Ibid.*, 90.

⁹⁹ Friedrich Oertel, 'Appendix' in R. Pohlmann, *Geschichte der sozialen Frage und des Sozialismus in der antiken Welt* (Munich 1925) 517.

this especially because it is at odds with the views of ‘Weberian’ ancient historians led by Finley, as well as the accounts of influential scholars of Weber’s intellectual development such as Wolfgang Mommsen. In opening a new round of the *oikos* controversy more than half a century after the publication of *AG*, Finley complained of a ‘feeling of depression’ over middle-of-the-road attempts to reconcile primitivism and modernism as if ‘under dispute were mere quantities, or points along a continuum’.¹⁰⁰ I hope to have shown that Weber would not have shared, although he may have understood, Finley’s feeling and standpoint. Wolfgang Mommsen’s interpretation of *AG* is more bewildering:

In *Die Agrarverhältnisse im Altertum*, Weber came the closest ever to using a Marxist model of explanation. The system of land division and the modes of production largely based upon enslaved labour appear to determine the course of events, whereas human will and human action are entirely conditioned by these material factors.¹⁰¹

Weber came closest to Marxian (or Rodbertusian) economism, as shown above, in *SC*, where all non-economic explanations were explicitly discarded and slavery was seen as the basis of ancient civilization. In *AG*, the developmental typologies are first and foremost political, and slavery is but one factor among many other distinguishing features of certain time-places in antiquity. Indeed, as noted here, Weber specifically criticizes himself (and Rodbertus, not Marx) in *AG* for underestimating the importance of free labour. The assumed exclusive contrast between human will and action and material conditions, too, indicate Mommsen’s similar neglect of the point made earlier, that an implied outcome of Weber’s methodological essays is the dependence of ‘scientific’ political history (‘wilful human action’) on sociological history (‘general conditions’), but not vice versa – without thereby dismissing the importance of political action or reducing it to the movement of material forces. Without bearing these points in mind, Weber’s development and writings would appear radically incoherent and inconsistent, rejecting Marxian evolutionism and economism in the methodological essays and re-asserting them in *AG*, and so on. Wolfgang Mommsen’s not untypical approach and interpretation, however, may be encouraging in one crucial respect: addressing exactly the same issues treated above, it vindicates, or at least fails to falsify, the approach and conclusions proposed here.

Politics of history

Once he felt that he had settled the *oikos* controversy, Weber ceased to view ancient societies from the perspective of an ancient historian. They were now almost wholly to serve as comparative reference points for a better understanding of peculiarities of modern capitalism, its emergence and its future.¹⁰² But such a value-standpoint already underpinned *AG*. Indeed, it

100 Finley, ed. *Trade and politics in the ancient world* (Paris 1965) 12.

101 Wolfgang J. Mommsen, *The political and social theory of Max Weber: collected essays* (Cambridge 1989) 149.

102 This may explain why in Weber’s subsequent writings the emphasis is placed on Rome and its ‘political capitalism’. In Weber’s view, Rome’s type of capitalism presented a sharper contrast to modern fully ‘rational’ capitalism. Weber’s more extensive knowledge of Rome as well as the far greater extent of commerce and wealth under Roman rule, too, must have been important considerations in his choice of focus.

burst centre stage in its concluding pages, as it had in the more famous conclusion of *The Protestant ethic*. Thus in contrast with *SC*, where the audience (and subsequently the reader) is warned at the outset that ‘there is little or nothing which ancient history can teach us about our own social problems’, in *AG* the ancients map even the future horizon of the moderns:

Every bureaucracy tends to intervene in economic matters with the same result. This applies to the bureaucracy in modern Germany too. Whereas in antiquity the policies of the *polis* necessarily set the pace for capitalism, today capitalism itself sets the pace for bureaucratisation of the economy ... Today the average German bourgeois is as little like his medieval ancestor as was the Athenian of the lower Roman Empire like the man who fought at Marathon. The German bourgeois now strives above all for ‘order’ usually even if he is a ‘social democrat’. Thus in all probability some day the bureaucratization of German society will encompass capitalism too, just as it did in antiquity. We too will then enjoy the benefits of bureaucratic ‘order’ instead of the ‘anarchy’ of free enterprise, and this order will be essentially the same as that which characterized the Roman Empire and – even more – the New Empire in Egypt and the Ptolemaic state.¹⁰³

Hitherto, Weber’s intervention in the *oikos* debate has been primarily situated at the ‘scientific’ level – as a response to methodological, theoretical, and historical issues raised therein. Here the reader is openly presented with the ultimate, and, in Weber’s view, ultimately arbitrary ethical value which shaped his study and turned the ‘infinite’ facts comprehended by the notion of antiquity into a determinate object of enquiry, a ‘historical individual’. We are in the domain both of designating the object of enquiry and evaluating the result of the enquiry in the light of particular values that had led to the enquiry in the first place.

In his critique of Meyer’s methodology, Weber briefly discusses various ‘humanistic’, ‘aesthetic’ and ‘scientific’ standpoints that, in addition to that of the historian, have a distinct ‘interest’ in historical accounts of classical Greece.¹⁰⁴ He acknowledged that the ‘strictly scientific’ interest in the ‘epoch which we usually – valuing it entirely subjectively – view as the “pinnacle” of Hellenic culture, *i.e.* the period between Aeschylus and Aristotle’ is essentially no different from that directed at the source material for the construction of ‘general concepts, analogies and developmental laws’ gleaned from the study of Aztecs or Incas or ‘a central African tribe’. If the Hellenic culture nevertheless stands out, it arises from ‘our interest which is oriented towards “values”’.¹⁰⁵

The passages cited above and others from the same concluding section of *AG* not only display the constituents of Weber’s specific ‘value-rapport’ with the classical *polis* (individual autonomy and initiative almost at any price, including ‘peace’, ‘order’ and ‘protection of subjects’), but also view it as the inevitable outcome of a particular social context marked, above all, by the absence of bureaucracy. This ‘empirical law’ was of course further, if not first, confirmed by Weber’s experience of contemporary Germany. In 1909, when *AG* was

¹⁰³ *AG*, 365.

¹⁰⁴ ‘Critical studies’, 162ff; see also 152ff.

¹⁰⁵ *Ibid.*, 156. In the 1920 ‘Introduction’ to his *Sociology of religion* (included by Talcott Parsons in his translation of *The Protestant ethic and the spirit of capitalism* (Los Angeles 1998)), Weber returns to underline the fundamental ‘historical’ interest of Greek antiquity for understanding the uniqueness of the Western developmental path (1920/1930) 13ff.

published, Weber, in a particularly provocative speech to the *Verein*, sharply criticized the Prussian bureaucracy in terms almost identical to that employed in *AG* for lamenting the bureaucratization of Rome: Britain, the USA, and France now providing the favoured points of comparison. Only this time in the politically charged atmosphere of the day, Weber allowed himself a ray of hope by reminding his fellow members, many conservative or socialist advocates of bureaucratic domination, that 'the central question is not, how we may still further promote and accelerate it, but what we can oppose to this machinery, in order to keep a portion of humanity free from this parcelling out of the soul, from this total dominance of the bureaucratic ideal of life'.¹⁰⁶ Unlike its ancient counterpart, modern capitalism may have suffered from increasing bureaucracy, but it was, in Weber's view, preferable to the peace and security of the total bureaucracy promised by what he understood as socialism. Thus his persistent rejection of socialism and the intrinsic connection between his studies of the past and present and his vision of the future. As Beetham notes,

... Weber's analysis of the likely character of a totally bureaucratized society was not based on contemporary evidence alone, but also depended largely on historical analogies, particularly those of ancient Egypt and the Roman Empire ... These historical examples not only provided general evidence for the inescapability of bureaucracy, for the fact that once it had developed it 'disappeared only with the decay of the total surrounding culture'. They also offered more precise analogies to give substance to Weber's image of future in a socialist society. Rome provided an example of the stifling of capitalism by the state, with consequent economic stagnation and cultural decline, where Egypt offered an image of a society living without freedom under a single bureaucratic hierarchy.¹⁰⁷

A major limitation of Weber's comparative analysis and conclusions may be found here. Faced with the apparently totalizing power of bureaucratic rationality, Weber could not see a happy solution to the plight of the autonomous subject at the centre of both the historicist and romantic traditions. Thus he reluctantly advocated, as Polanyi put it, 'marketism' over Marxism, and called in desperation for a strong charismatic plebiscitary leader over party politicians and officials who lived off, rather than for, politics.¹⁰⁸ Weber's obsessive preoccupation with bureaucratic rationality as the defining characteristic of the modern world, limited his interest in and use of the classical antiquity as an unattainable and hence politically useless model, except for the purpose of reinforcing the dark side of his Janus-faced view of bureaucracy.¹⁰⁹

Whether or not one upholds Weber's value priority or the universalistic perspective which allows him to construct ideal types of capitalism, socialism, and bureaucracy, and draw his

¹⁰⁶ Cited in D. Beetham, *Max Weber*, 81.

¹⁰⁷ *Ibid.*, 86.

¹⁰⁸ *Ibid.*, 215ff; see also Wolfgang J. Mommsen, *Max Weber and German politics 1890-1920* (Chicago 1984) 390ff; *The political and social theory*, 100ff; Wolfgang Schluchter, *Paradoxes of modernity: culture and conduct in the theory of Max Weber* (Stanford 1996), chapter 1.

¹⁰⁹ Ira Cohen insightfully analyses the contrasting, optimistic and pessimistic, imbalances in Marx and in Weber's approaches to democracy, see 'The underemphasis on democracy in Marx and Weber', in *A Weber-Marx dialogue*, ed. R. J. Antonio and R. M. Glassman (Lawrence, KS 1985) 274-99. See also J. Thomas, 'Weber and direct democracy', *BJS* 2 (1984) 216-40.

conclusions concerning their historical roles, and however these conclusions are judged in the light of the evidence accumulated since his death, one thing is clear. In attempting to resolve the opposition between history and theory and between sociological and political history at the heart of the initial round of the *oikos* controversy, Weber had raised an issue which, with the success of the Russian revolution, was to dominate the twentieth century. It is thus not surprising that Polanyi revived the old controversy at precisely the point where Weber had left it, although in order to affirm a value and vision of the future that was diametrically opposed to Weber's.

PART 3

KARL POLANYI

CHAPTER 5

BETWEEN LIBERALISM, CHRISTIANITY, AND SOCIALISM

Polanyi never met Weber, although Lukács, his countryman and one-time close friend, was a member of the latter's Heidelberg circle.¹ Direct references to Weber's work in Polanyi's published writings are relatively scant. Yet, Weber's intellectual legacy was, in certain respects, the most developed variant of the problematic within which Polanyi developed his ideas. From the methodological controversy between the historical and the marginal political economists to the question of bureaucratic planning and market capitalism and from Marxian economic reductionism to the *oikos* controversy, Polanyi remains preoccupied with the questions formulated by Weber, and, at times, reiterates the answers already offered by him. Indeed in the unpublished notes of his 1950 Columbia lectures on general economic history, Polanyi underlines his generally neglected debt to Weber in unmistakable terms. After specifically mentioning various writers including Pirenne, Rostovtzeff, Schmoller, Bücher, and Weber as his precursors in approaching economic history from the 'institutional and historical' perspective, he adds: 'Of these authors, it is Max Weber whose *General Economic History* is closest to my own starting point, and I regard the work done here as a continuation of the line inaugurated by him'.²

Nevertheless, Polanyi was no epigone of Weber. On the contrary, his reliance on Weber, although profound in certain methodological and conceptual respects, was severely limited by their opposed 'value stand-points' and 'theories' of world history. Polanyi was well aware of this opposition, but considered it a consequence of his own experience of a world which Weber had not lived to see:

Weber nourished an unshaken belief in the viability and vitality of the market economy. He attached no special significance to Bolshevism and Fascism which had just made their appearance ... Max Weber's own life experience was thus limited to the Nineteenth-Century type of civilization. He never lived to see the Great Depression of 1929, the breakdown of Gold Standard in 1931, and the worldwide transformation which followed.³

¹ Ilona Polanyi, 'Karl Polanyi: a family chronicle and a short account of his life', *Százszóok* 1 (1971), unpublished English translation, 9, Polanyi Archive (henceforth PA), Karl Polanyi Institute of Political Economy, Concordia University, Montreal, Canada. The relationship subsequently turned sour for both personal and political reasons; author's interview with Kari Polanyi-Levitt, Polanyi's daughter (1990). On Lukács's association with Weber, see Paul Honigsheim, *On Max Weber*, trans. Joan Rytina (New York 1968) 24-28; Marianne Weber, *Weber*, 465, 468.

² K. Polanyi, 'Notes' (PA 1950) 2.

³ *Ibid.*, 2-3.

Written a few years after the publication of *The great transformation* (henceforth, *GT*),⁴ when Polanyi was already sixty-four, this comment is far more revealing about the character of his own long odyssey than about the historical limitations of Weber's thought. Had the latter lived through the 1930s and beyond, his views would have no doubt undergone certain significant changes, for example in relation to the role of charisma, and the assumed virtues of plebiscitary democracy. These and other such matters, however, were not what Polanyi had in mind when he referred to the historical limitations of Weber's thought. The source of Polanyi's complex break with his own pre-1930s views as well as the traditions associated with Weber and Marx, or more generally what he called '19th century civilization', lay elsewhere.

At the most fundamental, value or vision-related level, Polanyi objected to Weber's outdated 'marketism'.⁵ In this regard, Weber's conception of market economy as at once the most rational and the most desirable organization of economic life possible in modern industrial and increasingly bureaucratic circumstances, meant that he too – alongside a host of otherwise distinct or indeed opposed thinkers – suffered from the grand nineteenth-century illusion. From Polanyi's new standpoint, what Weber shared with Marx and Ricardo, Menger and Bücher, Lenin and Mises was the assumption of the progressive and, in some historical sense, necessary rise of market capitalism. That Weber thought it was preferable to planned socialism, whereas Marx celebrated it as the penultimate stage on the way to the inevitable establishment of socialism, was a secondary difference, for they both had failed to see its 'utopian', essentially contingent nature. Polanyi's pre-1930s views too, according to his own pointed admission, had been radically compromised by similar illusions of nine-teenth-century civilization. The fatal flaw of this civilization became fully exposed in the 1930s in the light of German Nazism, Soviet Planning, and American 'New Dealism'.

In Polanyi's view, there was almost nothing inevitable, rational, progressive, or natural about the rise of market capitalism.⁶ Rather, it arose as the intended and unintended consequence of a series of ideological and political interventions. Adam Smith's hidden hand of the market was not so much a reflection of the external socio-economic reality as, primarily, a figment of the fertile, if ultimately misguided imagination of himself and his associates. Market capitalism was, in this sense, a 'utopian' project superimposed with the help of the state, and certain interested parties upon the communal/natural 'reality of society'.⁷ Consequently, the underlying struggle throughout the nineteenth century had been between the forces attempting to reorganize society as market society and the forces of resistance based on man's natural inclination towards community. The former achieved a pyrrhic victory

4 As mentioned earlier (p. 5 n.10) I have relied on the first English edition published in 1945 as *Origins of our time: the great transformation*. However, in deference to popular usage, I will refer to the work as *The great transformation*, or *GT*, although Polanyi himself preferred the title of the edition used here. See Polanyi-Levitt, 'The origins and significance of *The great transformation*', in *The life and work of Karl Polanyi*, ed. K. Polanyi-Levitt (Montreal 1990) 119.

5 K. Polanyi, 'The place of economics in societies', in *Primitive, archaic and modern economies: essays of Karl Polanyi*, ed. G. Dalton (Boston 1968) 136.

6 I say 'almost' because on occasion, Polanyi does in fact acknowledge that the individual freedom, relative and technological advances of the nineteenth century were to some extent promoted by the expansion of free markets and commercial exchange; see, for example, *GT*, 244ff.

7 *Ibid.*, 242.

in the latter half of the nineteenth century with the establishment of the gold standard, free trade, and other changes called for by the political economists, and overseen by the *Pax Britannica*. The 1930s in turn signalled the victory of the otherwise disparate and antagonistic forces, all of which nevertheless represented the reality of society against the superimposed individualistic reality of secular liberalism. Although underwritten by its consonance with man's intrinsically social nature, the spread of the new order, represented above all by Stalin's Soviet Union (the positive in contrast to Fascism's negative face of the new order), was not automatically assured. Polanyi's voluntarism and his related interpretation of the rise of market capitalism left room for doubt. If market capitalism had achieved ascendancy in part due the ideological struggles of Smith, Ricardo, Townsend, and others, there was reason to be on guard especially against their contemporary disciples, who still upheld the free market ideology and defended the surviving market institutions.

What has all this got to do with antiquity? A great deal. If Weber's view of market and statist economies was informed by his study of ancient history and participation in the *oikos* debate, Polanyi turned to the latter in order to 'test' and extend his contrary view of the same question. Turning the critique of planned economy as 'irrational' and 'utopian' on its head, Polanyi claimed it was the market 'organization of economic life [that was] ... *unnatural in the strictly empirical sense of being exceptional*' (emphasis added).⁸ Presented in the final chapter of *GT*, Polanyi's masterwork, this conclusion may also be seen as the summary of his historical investigations until then, as well as the outline for the research into primitive and ancient societies to which his remaining years (exactly two decades) were to be devoted. At the time of writing *GT*, Polanyi already 'knew' the market to be unnatural, in the sense of being exceptional and in the sense of being morally perverse. This explains the scattered references to tribal, ancient and other pre-capitalist formations, a surprising element in a treatise concerned with the rise of nineteenth-century capitalism (in and spreading from England) written from the perspective of its apparent demise. What Polanyi asserted in *GT* on the basis of the works of Thurnwald, Malinowski and others, he subsequently went on to substantiate in detail and in accordance with the canons of scholarship demanded and made possible by his appointment as an adjunct professor of economic history at Columbia University in 1947.

The results of his subsequent collaborative research were published as *Trade and market in the early empires* in 1957. An overview of the *oikos* controversy (written from a Polanyian perspective by his young associate, Harry Pearson) introduced the whole volume, whose aim was said to be the further development of Bücher and Weber's analyses but with more 'adequate conceptual tools' than provided by either of them and treating a much broader range of issues than were raised in the earlier rounds of the controversy.⁹ In pursuit of the aforementioned conclusions reached at the end of *GT*, the first part of *Trade and market* was devoted to the study of economic life in the first historical (ancient) societies, beginning with Polanyi's study of 'Marketless trading in Hammurabi's time' in the East. The question of the rise of the market in the West was examined by Polanyi in his second contribution, 'Aristotle discovers the economy'. The two essays are complementary, and together present a new

⁸ *Ibid.*, 243.

⁹ H. Pearson, 'The secular debate on economic primitivism', 10.

variant of the 'primitivist' argument. They purport to show that both the cradle of civilization and the pride of Western civilization in its classical golden age, had flourished without the benefit of genuine markets.¹⁰ Clearly, this conclusion and its underlying orientation was fundamentally opposed to Weber's position in *AG* and his other writings.

For Polanyi the stakes were particularly high, because a main objective of the 'paradigm' developed in *GT* was to prove the historically exceptional character of the disembedded nineteenth-century market relationships.¹¹ In this regard the extent and significance of the market in classical Greece was especially important. The suggestion that the Mesopotamian or other 'oriental' markets were not genuine 'price-setting' institutions, although controversial, could, in view of the authoritarian character of Eastern monarchies, be accommodated by the proponents of market capitalism without undue difficulty. Indeed they could argue, as Weber had in effect done, that this proved their case. If anything, it was the case of democratic Athens that provided Polanyi's thesis with its most crucial test.

All this sets the context and raises questions that will be treated in more detail in the following pages. First, however, we should turn to the current accounts of Polanyi's overall intellectual development, which in certain significant respects run counter to the one presented here. In the only study of Polanyi's development by a professional ancient historian-cum-anthropologist, Sally Humphreys has found a decisive break between *GT* and Polanyi's subsequent work on ancient and archaic formations. According to Humphreys, upon Polanyi's appointment at Columbia,

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.¹²

It may not be quite clear what is meant by socialist economics here. What should, however, be clear from the discussion so far is that, rather than being contradictory, Polanyi's socialism and primitivism were two sides of the same argument. For Polanyi, socialism was but one modern form of redistributive (and reciprocative) formations that in his view were ubiquitous throughout history. His interest in primitive and archaic societies in fact may be considered 'part of his Utopian outlook', as Humphreys incisively suggests.¹³ But, conscious of this charge, Polanyi turned to economic history precisely in order to demonstrate empirically that it was his opponents who were, in fact, utopians. His demonstration may have been flawed.

10 Polanyi, 'Aristotle discovers the economy', 67.

11 This was not because modern capitalism was a technologically driven or an industrial form of production. Polanyi explicitly separated the market dimension of modern economy from its industrial dimension. The latter was clearly unique to modern society. The question was over the former and its genesis, see *GT*, 243. For a cogent introduction to Polanyi's 'paradigm', see G. Dalton, 'Karl Polanyi's analysis of long-distance trade and his wider paradigm' in *Ancient civilization and trade*, ed. J. Sabloff and C. Lamberg-Karlovsky (New Mexico 1975). See also Dalton's 'Writings that clarify theoretical disputes over Karl Polanyi's work' in *The life and work*, ed. K. Polanyi-Levitt.

12 S. Humphreys, *Anthropology and the classics* (London 1978) 38.

13 *Ibid.*, 39.

However, that is different from simply considering him a utopian or assuming that his attention to pre-capitalist formations contradicted his (rather than ‘our’) socialism. Instead of reconstructing the problematic(s) and specifying the internal logic of Polanyi’s intellectual development, Humphreys imposes her own view of the relationship between Polanyi’s apparently familiar concepts, and, not surprisingly, finds contradictions where none originally existed. This is made evident by her ‘external’ explanation of the apparent break, or what she calls the ‘distinct shift in Polanyi’s balance of interests ... between 1943-44 [publication of *GT*] and 1947-48 [the start of the Columbia appointment]’:

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.¹⁴

Here the sixty-year-old intellectual warrior is made out to be something that he decidedly was not: a fledgling academic ever-ready to adjust himself to the exigencies of a tight job market or a changing political climate. This does not mean that Polanyi’s research programme, as expounded in *GT*, was internally consistent or that utopian elements did not overdetermine his vision of a marketless, free, global industrial civilization. The point, however, is to understand the nature of this utopianism as arising, somewhat ironically, from Polanyi’s attempt to overcome what he saw as the utopian illusions of the nineteenth century. These had shaped his own pre-*GT* guild socialism, and if anywhere, it is here that the decisive break in Polanyi’s development may be found. This break occurred not between 1944 and 1948, but in the 1930s – according to his own precise chronology, in 1935 – and culminated a decade later in the publication of his major work, *GT*, in 1944.¹⁵

Most recent Western studies of Polanyi’s thought lack Humphreys’ critical distance and rest on an idealized image of Polanyi.¹⁶ This Polanyi seems to have viewed the world throughout his turbulent life in essentially the same unchanging terms. If Humphreys finds a break where there is none, these accounts of Polanyi’s thought find none, or at best notice the one that radiates most things now considered good by humanist democratic socialists, namely his youthful break with the orthodox deterministic Marxism of the Hungarian Social Democratic Party. Block and Somers, for example, recognize in their generally valuable account of Polanyi’s ‘paradigm’ that the latter’s ‘interest in primitive and archaic economies grew directly out of the analysis of nineteenth-century market society’ in *GT*.¹⁷ *GT*, however, is placed at the culmination of an uninterrupted evolution prefigured in Polanyi’s formative

¹⁴ *Ibid.*

¹⁵ Polanyi, ‘Letter to Oszkár Jaszi’ (PA 27 October 1950). Whenever possible I have relied on Ilona Polanyi’s more polished translation of this important letter, rather than the rough but full version in PA. See I. Polanyi, ‘Karl Polanyi: notes on his life’ in *The livelihood of man*, ed. H. Pearson (New York 1977) xiv.

¹⁶ That the same cannot be said of the Hungarian commentators such as Iván Szelényi or György Litván, may at least be in part due to the latter’s greater awareness of and attention to the pro-Soviet dimension of Polanyi’s ‘mature’ thought. See, in particular, Litván’s ‘Karl Polanyi in Hungarian politics (1914-64)’, in *The life and work of Karl Polanyi*, ed. K. Polanyi-Levitt (Montreal 1990), and see also Congdon, *Seeing red*, 25-41.

¹⁷ Fred L. Block and M. R. Somers, ‘Beyond the economistic fallacy: the holistic social science of Karl Polanyi’ in *Vision and method in historical sociology*, ed. Theda Skocpol (Cambridge 1984) 47-84 (51).

years in Hungary between 1908 and 1918. In particular, they single out his 'passionate rejection of the Second International's belief in the inevitability of progress as a consequence of predetermined stages of historical development'.¹⁸ Thence, one good turn apparently follows another: from anti-determinism to anti-Fascism, anti-marketism and democratic socialism and the study of pre-market societies as 'the obvious place to begin to lay the theoretical foundations for a post-market socialist society'.¹⁹

To be sure, there is a marked element of continuity in Polanyi's views and preoccupations. Throughout his life Polanyi remained an anti-determinist and anti-fascist and a socialist of sorts. But the question that also needs to be addressed is whether the above and other key terms retained the same substantive meaning throughout his career or not. Polanyi's initial break with Marxian economism was not accompanied by the rejection of all variants of evolutionary determinism. His subsequent complete break with determinism was above all a consequence of his conversion to a voluntaristic variant of (Tolstoyian) Christianity in the last years of his Hungarian period, a crucial and persistent factor in his later thought downplayed or ignored in most commentaries on his development. Then again, this voluntarism was retained in *GT* only as a superstructure, at the base of which lay a new deterministic philosophy of history.²⁰ Even the anti-Fascism of 'The essence of Fascism', too, rests on a somewhat different perspective and analysis from that provided in *GT*. Indeed, the former is a key transitional text precisely because it stands at the culmination of what Polanyi himself characterized as the long period of 'one-sided idealism' in his life.²¹ As for socialism, there is a radical distinction to be made between the follower of Bernstein's reformist socialism, the guild socialist, the Polanyi who considered Stalin's Russia 'a new Oriental despotism', and the post-1935 'realistic' Polanyi who defended the Moscow trials in the *Bulletin of the Christian Left* and celebrated the 'amazing success' of Stalin's 'socialism in one country' in *GT*.²²

All this is not to imply that the later Polanyi would not have been wholly unrecognizable to the earlier one(s). On the contrary, his support for Stalinism in *GT*, for example, was coupled with an awareness of the 'problem of freedom' in the Soviet Union and a vision of socialism in which the high values of personal, civil and political liberties would be safeguarded and indeed extended.²³ It is the survival of these and many other elements from his past that help explain the current idealized accounts of Polanyi's development. Nevertheless, by failing to notice the radical shifts in Polanyi's vantage point, these accounts ultimately fail to appreciate

18 *Ibid.*, 50.

19 *Ibid.*, 78. In contrast to wholly uncritical celebrations of Polanyi's thought by writers such as Stanfield, Block and Somers point to analytical and empirical weaknesses in Polanyi's work. See, for example, *ibid.*, 75, 78; and cf. R. Stanfield, *The economic thought of Karl Polanyi* (London 1986) and 'Karl Polanyi and contemporary economic thought' in *The life and work*, ed. K. Polanyi-Levitt.

20 See Polanyi, *GT*, chapter 21; cf. Lee Congdon, 'Karl Polanyi in Hungary, 1900-19', *Journal of Contemporary History* 11 (1976) 178ff; K. Polanyi, 'Message to the young people of the Galilei Circle', unpublished English translation (PA 1919).

21 Polanyi, 'Letter to Jászi'.

22 On 'Oriental despotism' see P. Drucker, *Adventures of a bystander* (New York 1979) 128; on the Moscow trials, see *Bulletin of the Christian Left* (London 1939) 8ff; on Russia's success, see *GT*, 241.

23 *Ibid.*, 244ff.

the historical nature, intended objectives, and limitations of Polanyi's major project as it was elaborated in *GT* and carried out in his subsequent work.

Polanyi himself pointed to breaks and even reversals in his own intellectual development. Reflecting on the complexities of this development towards the end of his life, he tried to formulate a way of dealing with it:

The development of a world of thought may be presented in two different ways: either chronologically, or in the obverse direction, by following the essentials of the system back to their origins. The first, the chronological sequence may be appropriate when the growth of thought is spread over the tortuous and discontinuous course of several decades of human affairs. In these last sixty years we experienced the dialectic of radical breaks, unmediated contradictions and repeated returns to already discarded positions which make it difficult, if not impossible, to discern the underlying logic of advance. The other way, as I said, of clarifying thought is to trace it back from the completed pattern to the origins of the separate strands.²⁴

The two methods should not be seen as mutually exclusive as Polanyi seems to imply here. Indeed, it is precisely in order to locate and control the discontinuities, that the retroactive-genealogical approach, the move from the completed system to its original constituent parts, should be complemented with the historical method, the advance from a delineated beginning to the completed pattern. But how is the completed pattern to be conceptualized and what if there is more than one completed pattern? Does not the notion of break imply the shift from one such pattern or problematic to another, and 'reversal', the return from a later to an earlier one? And what does Polanyi have in mind when he speaks of the completed pattern in the development of his own 'world of thought'? The answer to this last question supplies the key to the rest and suggests the addition of the comparative approach for its immanent understanding and critique. The least controversial result of the foregoing has to be the claim that Polanyi's paradigm appears first and in its most fully articulated form in *GT*. Even Humphreys, who notices a break between *GT* and Polanyi's subsequent work, seems in agreement with Block and Somers that 'the book [*GT*] brought together all of the themes of a lifetime':²⁵ literally '*The Book*', at least in its comprehensive statement of Polanyi's message. If Polanyi's own suggestion is to be followed, the completed pattern of thought from which the development of its constituent parts may be regressively analysed must be found in *GT*.

But therein lies a multiple twist. As *GT* retains and develops as well as breaks with Polanyi's preceding 'world of thought', the simple application of the regressive method, rather than showing the 'logic of advance' or providing a fuller understanding of the import of *GT*, could lead to the above-mentioned homogenization of Polanyi's thought. This is especially the case if the whole question is approached from a contemporary radical perspective which, in any case, tends to overlook the 'dogmatic' and 'non-democratic' aspects of *GT* because it searches for a democratic 'non-dogmatic' alternative to orthodox Marxism. As these

24 Cited in Polanyi-Levitt and Mendell, 'The life', 9. Ironically, these scholars, whose promising study opens with this passage, downplay the breaks in Polanyi's development and emphasise 'the remarkable unity of his thought', 10.

25 Block and Somers, 'Beyond the economic fallacy', 52; Humphreys, *Anthropology*, 37.

overlooked aspects, for the most part, constitute what is novel in *GT*'s underlying orientation, it is not surprising that most current accounts of *GT* and Polanyi's intellectual development doubly suffer from homogenization and idealization of his views.

A further overlooked aspect of *GT*, which may serve as a control instrument in this regard, is the biographical and self-referential dimension of its central critique of nineteenth-century civilization. For Polanyi (and many others including his liberal opponents), this civilization came to an end in the 1930s. It could, therefore, be conceptualized as a historical whole, which is precisely what Polanyi thought he was doing. But this historical whole encompassed Polanyi's own past views, and those notable traditions (Marxism, liberalism and Christianity) on which they had been based. The new and the old thus also refer to the author's own history, and provide the material and perspectives for comparison and a mutually dependent understanding of both.

If, as Weber insisted, an adequate understanding of Western modern capitalism entailed a comparative study of other civilizations, for Polanyi the comparative understanding of both had become possible by the rise of the new post-market societies, which, at one and the same time, provided the 'internal' key to understanding the corresponding break in the evolution of his own thought. Along with the, often claimed, 'remarkable unity' of Polanyi's thought, so equal attention must be paid to the remarkable 'disunity' in his thought. This would reveal the existence of at least two paradigms in Polanyi's development, without excluding crucial overlaps and evolutionary ties between the two, or without implying that either was consistent or that they are both 'complete' to the same extent. The regressive approach suggested by Polanyi himself will, then, be complemented here by the comparative examination of both as the key to each other. To do so, however, requires the historical reconstruction of Polanyi's discarded earlier 'thought world' which appears in *GT* only as deconstructed elements dispersed throughout the text. They are also found in the overlapping liberal and Marxian traditions that served as *GT*'s main polemical targets.

In a letter to his early mentor which, according to Ilona Polanyi, remains 'perhaps the most revealing and most authentic document of the course of his life', Polanyi underlines the approach (and the conclusion) suggested here, albeit in the revealing voice of a prophet looking back at what appeared as his years in bewilderment. Referring to the futility of his previous theoretical and practical efforts, he notes:

From 1909 to 1935 I achieved nothing. I strained my powers in the futile directions of stark idealism, its soarings lost in the void.²⁶

In fact, Polanyi did a great deal in between, from helping Jászi set up the National Bourgeois ('Citizens') Radical Party on the eve of the Great War, to writing commentaries and editorials for a leading Viennese journal, as well as several notable essays on socialism and Fascism. Nevertheless, his observation and the dates provided are significant, when viewed from the perspective of *GT*. They relate to the standpoint of a man reborn, a prophet at last armed with a new vision in the blazing light of which previous beliefs appear faded. The analogy applies to Polanyi's case with special force. Despite their undoubted merit, Polanyi's pre-*GT* writings are undeveloped and limited. It was only in the decade leading to

26 'Letter to Jászi'.

the publication of *GT* in 1944 that all the necessary pieces for producing a vibrant research programme fell into place: new international developments, new conceptual tools mainly borrowed from anthropology, and finally the discovery of the main obstacle to human liberation, the contemporary institutional incarnation of the cult of secular liberalism – the market. Concerning the latter and the biblical dimension of Polanyi's reflexive experience of the 1930s, the eyewitness report by the most intimate and incisive observer of Polanyi's life should suffice:

It is given to the best among men somewhere to let down the roots of a scared hate in the course of their lives. This happened to Polanyi in England [during 1933-1940]. At later stages, in the United States, it merely grew in intensity. His hatred was directed against market society and its effects, which divested man of his human shape.²⁷

If Polanyi's pre-*GT* works remained undeveloped, if he becomes the 'author' of a new paradigm with the publication of *GT*, and if it is the latter and his subsequent studies on primitive and ancient societies that continue to influence research, why insist on examining, even briefly, his earlier works? The answer is twofold. First, it serves to dispel the superficial and/or idealized accounts of Polanyi's development. By so doing, however, it also offers an immanent comparative perspective from which the rise, specificity, and limitations of his mature thought, including his renewal of the *oikos* debate, can be located and judged. An ideal type of Polanyi's earlier views can most effectively fulfil such a function if, *pace* his own suggestion, it is approached in the comparative light of his later project. In this way, perhaps we can come close to a critical as well as an historical understanding of Polanyi in his own words and terms. Further, the 'point', and the politics, of Polanyi's endeavours will be more clearly discerned.

From Marxism to Christianity: Polanyi in Hungary

Polanyi was born in 1886, a year before Lukács, the same year as Karl Korsch, and five years before Gramsci. Coming of age in *fin-de-siècle* Central Europe, Polanyi's formative years, like those of the founders of Western Marxism, were shaped by a variety of vibrant, conflicting intellectual currents. Like them, Polanyi's thought is distinguished from the Marxian orthodoxy by its emphasis on the role of 'subjectivity'. But unlike them, rather than re-interpreting Marxism as a philosophy of praxis, Polanyi broke with it altogether in 1908 at the age of 22.²⁸ Nevertheless, Marxism remained a major influence and reference point throughout his life. Indeed his return to Marxism in the 1930s may be considered as one of the many reversals which he candidly acknowledged. The point, however, remains that this later turn was that of an independent critical thinker finding himself in agreement with certain aspects of Marx's early work. Having lost the benefit of an ideological totality and purported scientific explanation of the world, such as only Marxism has been able effectively to provide, Polanyi entered a long period in a wilderness from which, according to his own testimony, he did not re-emerge until 1935. Of course, the period between 1909 and 1935 could only be so described from the retrospective vantage point of a subsequent period marked by the

27 I. Polanyi, 'Polanyi', xvi.

28 K. Polanyi, 'Unpublished lecture notes on economic history' (PA 1950); see also Polanyi-Levitt and Mendell, 'Polanyi', 17; Congdon, 'Polanyi in Hungary', 178ff.

emergence of his own total message and explanation of world history. Otherwise, the intervening decades were distinguished by distinct phases and achievements, elements of which were eventually synthesized in the paradigm now associated with Polanyi's name.

Polanyi's break from orthodox Marxism was facilitated by his Hungarian mentors, the eminent liberal law professor, Gyula Pikler, and the socialist sociologist, Oszkár Jászi. By the end of 1908, Polanyi had become the co-founder and first president of the Galilei Circle. This was a student organization inspired by the example of the Russian student movement and supported by Hungarian freemasons and radical intellectuals. It was founded in the campaign to defend Pikler against attacks by reactionary students and university authorities demanding his expulsion. The Galilei Circle was to be free from party politics and dedicated to the general struggle against 'clericalism, corruption, against the privileged, against bureaucracy – against the morass ever-present and pervasive in this semi-feudal country'.²⁹ In line with its primarily educational mission, the Circle and Polanyi drew on a host of European thinkers perhaps united only in their opposition to traditional religion and 'metaphysics': 'Like the leaders of the Sociological Society and the Hungarian Association of Free Thinkers, Polanyi and the Galileists were persuaded by Comte's argument that the age of metaphysics, like the age of religion, was merely a stage along man's way to the glorious age of positive science'. Polanyi himself was especially engaged with Mach, as the latter successfully 'drew the boundary line between science and metaphysics'.³⁰

More generally, Polanyi's break with orthodox Marxism had freed him to participate in passionate debates over the ideas of thinkers as diverse as Marx, Pikler, Mach, Avenarius, Spencer, Bergson, Bernstein, and Adler, some of whom actually were invited to address the Circle.³¹ In short, the Galileists may best be considered as young modernizing intellectuals attempting to overcome their country's evident backwardness with the introduction and dissemination of Western scientific thought and values. They clearly operated within the mainstream of what Polanyi was later to call '19th century civilization'. During this period which ended with the shattering experience of the Great War, Polanyi entered the Association of Free Thinkers, was initiated into a masonic lodge, and was particularly noted for his anti-clerical articles and aphorisms.³²

Nevertheless, for all their efforts to promote the 'scientific worldview', the Galileists (as with their counterparts in Russia and elsewhere) were essentially engaged in a moral crusade, with Polanyi apparently standing out more as a prophet than a founding president, a point of some significance in the light of his subsequent career.³³ In a retrospective look at the record of the Circle, Polanyi considered its most notable achievement to have provided many students 'with the experience of moral commitment which they transplanted into their private lives'.³⁴ Thus, his response to the attacks against the Galileists as enemies of morality which neatly captures his view of both traditional religion and Marxism at the time: 'The problem

29 I. Polanyi, 'Polanyi: a family chronicle', 9.

30 Congdon, 'Polanyi in Hungary', 172.

31 *Ibid.*; Polanyi-Levitt and Mendell, 'Polanyi', 19ff.

32 F. Musci, 'The start of Karl Polanyi's career' in *The life and work*, ed. Polanyi-Levitt.

33 See the reminiscences of Polanyi's former comrades in I. Polanyi, 'Polanyi', xii.

34 Polanyi, 'Letter to Jászi'.

with traditional religious ethics is not that it is religious but that it is not ethical'.³⁵ As a science of history and society, Marxism had specific problems of its own. Although almost identical to Weber's view of Marxism, Polanyi's critique was in fact directly rooted in the ideas of Jászi, Bernstein, and the Fabians:

Historical materialism as a general philosophy of history, belongs to the past. Its far reaching discoveries ... are today the common property of social science. As 'the dialectic of reality' it is an antiquated remnant of metaphysics, taken in the bad sense. Its heuristic significance for the methodology of economic history is considerable; it is the indispensable point of view for historical writing. It is one the most important theories of general sociology. But it is worthless for philosophy, whether the philosophy of history or moral philosophy. As for practical ethics, it is simply non-existent.³⁶

Written in the immediate post-war period, this passage indicates the theoretical continuity of Polanyi's pre-war ideas, but also reflects his recent conversion to Christianity, and thus marks a new phase in his development. In contrast to his pre-war scientism, metaphysics as such is no longer rejected. It is bad metaphysics, whether Marxian or religious, that must be discarded. But before proceeding with this rather neglected Christian phase in Polanyi's career, a pause is needed to emphasize his equally neglected and equally enduring debt to revisionist socialism. Polanyi's rejection of the economism and determinism in Marxism, and his insistence on a non-class-based politics, the autonomy of ideology, and the progressive potential of the peasants and other non-proletarian classes in *GT*, have rightly been celebrated, and occasionally traced to his formative years in Hungary. Ironically, what is missing in these appeals to Polanyi by 'contemporary intellectuals who are influenced by the Marxist tradition and concerned with transcending its limits',³⁷ is that, in almost all the above respects, Polanyi was directly and indirectly (through the writings and politics of his great Hungarian mentor, Oszkár Jászi), in Bernstein's debt. A frequent guest at Polanyi's mother's Budapest salon, Jászi had (as early as 1903) published a little book on *The political philosophy of historical materialism* in which Bernstein's explicitly acknowledged influence was paramount. Criticizing Marx's theory for its 'rigid, exclusive emphasis on the economic forces', Jászi in turn stressed the importance of the role of the 'subjective' factors and consciousness. He also questioned the revolutionary seizure of power by a single class, the conception of the state merely as a tool of class rule, and its eventual withering away. Borrowing Bernstein's phrase, he argued that historical materialism should only be employed 'in its most developed and not its original form'.³⁸ Along with other maverick Marxists such as Adler, Sombart, and Michels,

35 Cited in Congdon, 'Polanyi in Hungary', 174.

36 Cited in Congdon, *ibid.*, 178.

37 Block and Somers, 'Beyond the economic fallacy', 48; see also T. Schroyer, 'Karl Polanyi's post-Marxist critical theory', in *The legacy of Karl Polanyi: market, state and society at the end of the twentieth century*, ed. Marguerite Mendell and Daniel Sallée (London 1991).

38 Cited in R. Allen, 'Oscar Yaszi and radicalism in Hungary, 1900-1919', unpublished PhD thesis (Columbia University 1972) 88, 51. Bernstein even anticipates Polanyi's interest in Austrian economics by daringly (for a leading Marxist) suggesting that both the labour theory of value and the theory of marginal utility are abstractions which 'have only worth and validity within defined limits'. See also E. Bernstein, *Evolutionary socialism* (London 1961) 34ff.

Bernstein himself addressed the Galilei Circle. Indeed it was in a lecture to the Circle which reflected on Hungarian conditions, that Bernstein raised the idea of forming a radical bourgeois party in that country. In June 1914 precisely such a party, the National Bourgeois (alternatively conceived and translated as ‘Citizens’) Radical Party, was formally constituted under Jászi’s leadership. The new Party aimed at achieving ‘fundamental reforms’ particularly aimed at solving the land and the nationalities questions within a federal framework by mobilizing, in Polanyi’s words, ‘the intelligentsia, the lower middle class, the peasantry and the [non-Magyar] nationalities’.³⁹ Polanyi, Jászi’s chief lieutenant, briefly served as the party’s secretary until his departure for the Galician front.

What Polanyi learned during this period underscores some of the most valuable discussions of *GT*, including the role of classical economic theory and the pre-bourgeois state in creating rather than merely reflecting market relations and institutions. Yet, it is worth bearing in mind that, by the time Polanyi came to write *GT*, he was equipped with a new philosophy of history in the context of which the views of Bernstein and Jászi were considered as much part of nineteenth-century civilization as those of the orthodox Marxists and liberals. If the break with Marxism was the first rupture of consequence in Polanyi’s development, embracing Christianity was his first return to what he later called ‘discarded views’. Clearly though, this was no simple return. Polanyi did not so much rediscover religion in the traditional sense, as abandon scientism and for a period his faith in science altogether, and discover a way of reconciling his growing voluntarism with his moralistic ethos, which was permeated by mystical yearnings. Thus, if a return, it was to the earlier ‘Russian elements’ in his upbringing to which he refers later in appropriately messianic terms:

I indeed had a very special mission: into my Central-European mentality there entered very early-Russian elements – and not too late-Anglo-Saxon ones. On the one hand I had Tolstoy and Dostoyevsky (of course as elements of the Russian revolution) ... and on the other, through my father’s side (who had strong ties to the West), my English education which finally took me to England ... It was not only Goethe who taught me tolerance but Dostoyevsky and John Stuart Mill as well, although with emphases that apparently excluded each other ... I fell under the decisive religious influence at the age of 32 [c. 1918] ... I perceive and understand only now that the tranquillity of my state of my mind was due to a certain mysticism.⁴⁰

Following this and other personal observations (by himself as well as by Ilona and Kari Polanyi-Levitt and others), it appears that in the shattering experience of war, during which the Bible (and/or probably Tolstoy’s version of the Gospels) and Shakespeare’s plays were his only close companions, the submerged Christian mysticism of the Russian writers came to the surface and replaced scientific empiricism and faith in progress as the underlying focus of his outlook: ‘4 August 1914 shattered forever the materialist blind faith in automatic progress’.⁴¹ An enduring moment in Polanyi’s development, the importance of his turn to Christianity cannot be overestimated. It represents the first clear step away from what, *pace*

39 Musci, ‘The start’, 29; see also Litván, ‘Polanyi’, 31ff.

40 ‘Letter to Jászi’.

41 Cited in Congdon, ‘Polanyi in Hungary’, 176.

the later Polanyi, we may call major thought patterns of nineteenth-century civilization. It certainly radicalized Polanyi's voluntarism. But more significantly, and with hindsight, Tolstoyan Christianity provided the crucial ground for Polanyi's subsequent call to replace liberal individualism, as well as the passive individualism of Catholicism and the submerged individualism of Marxian class struggle, with Christian/communal/socialist 'individualism'. This in turn allowed Polanyi, when the time came, to make his break with liberalism and market capitalism clean and absolute. The developed concept of Christian individualism is presented some fifteen years later in 'The essence of Fascism' (1935) where it is contrasted with what Polanyi interchangeably calls, atheistic, secular, nihilistic, or liberal individualism.⁴² Finally in *GT* (1944), Christian individualism is viewed as the knowledge of (ethical) freedom 'revealed through the discovery of the uniqueness of the person in the teachings of Jesus as recorded in the New Testament'.⁴³

Yet, the subsequent effects of Polanyi's conversion to Christianity cannot be deduced from his writings in Hungary. First, at the socio-political level, Polanyi was at the time still within the orbit of the non-dogmatic reformism of Jászi and Bernstein, and retained firm links with the liberal tradition. This is, in other words, not yet the Polanyi that, speaking as a Christian socialist in the late 1930s, is able to justify the persecution of 'reactionary' priests, approve the Moscow trials, and the collectivization of Kulak land in the Soviet Union. Rather, this is still the Polanyi that on the eve of the first communist take-over in Hungary warns that,

The country must be protected from revolutionary jolts so that the operation does not kill the patient ... We do not believe in the strong hand, whether employed by Istvan Tisza or threatened by those who have been exploited ... Just as we disowned the dictatorship of the ruling class, so we will never accept the dictatorship of the proletariat.⁴⁴

Secondly, Polanyi's conversion to Christianity at this initial stage essentially served to radicalize his voluntaristic 'idealism'. It rested on the explicit rejection of the 'reality of society' which later was recalled as the foundation stone of *GT*, and Polanyi's new theory of history. 'Reality of society' is considered in *GT* as the 'third [and last] revelation' of universal significance, the historical and analytical elaboration of which forms one side of the antinomic constitution of *GT*; the other being its (non-dialectical) opposite, the 'utopian reality of the market society'. Thus, when in the concluding chapter of *GT*, Polanyi says that 'the Gospels ignored the reality of society' or that for a complex industrial society 'the Gospels did not any more suffice', he is at the same time criticizing his own earlier 'idealistic' understanding of this question. Indeed, we can almost pinpoint the passages from the writings of his Hungarian period that could have been the object of such a self-criticism. One such passage may be the following from his lofty 'Message to the young people of the Galilei Circle' on the eve of his departure from Hungary in 1919. He admonishes his contemporaries for believing:

42 K. Polanyi, 'The essence of Fascism' in *Christianity and social revolution*, ed. J. Lewis *et al.* (London 1935) 367ff.

43 *GT*, 249. The Greek notion of freedom is neglected here. As will be seen below, it and the socio-economic order which shaped it caused severe problems for Polanyi's as well as other variants of primitivism.

44 Cited in Congdon, 'Polanyi in Hungary', 177.

that mankind must adjust to the *realities of society* that the external things are the real things and that science is the leading light in them. We believe that not men, but circumstances made the war, that the responsibility and guilt lies not in us, human beings, but with the circumstances, and that therefore, not us but the circumstances must change ... This is the faith of *unbelievers* ... What the *believer* says is this: I shall change and everything will be changed ... , and if others also change, then the whole world will be truly different ... There is no science that could alter the fact that the bird soars despite rather than because of the law of gravity ... that society soars to stages embodying ever loftier ideals despite rather than because of material interest ... (emphases added)⁴⁵

Evidently there is a wide gulf between the 'idealism' of this 'sermon' and the youthful Galileist's faith in Galileo's legacy and the liberating potential of scientific thought, or the later champion of the 'reality of society' against the liberal marketists' 'radical illusion ... that there is nothing in human society that is not derived from the volition of individuals and that could not, therefore, be removed again by their volition'.⁴⁶ This suggests that Polanyi's conversion to Christianity, although significant, did not over-determine his subsequent intellectual developments. There were to be other breaks and reversals.⁴⁷

Guild Socialism: Polanyi in Austria

In June 1919, Polanyi left Hungary for Vienna, following the suppression of the *Szabadgondalat* (*Free thought*, which he had once edited and on whose editorial board he remained), and the increasingly dictatorial turn of the short-lived communist regime of Béla Kun.⁴⁸ After a period of withdrawal and deep depression rooted in his direct experience of the catastrophe of the War (for which he held every single social group responsible), the defeat of the democratic forces in Hungary, his own spiritual isolation from his comrades and contemporaries by his conversion to Christianity, and finally the physical injuries suffered in the war, Polanyi re-entered public controversy in his new home. Polanyi's marriage to Ilona Ducyńska, a young communist activist, was apparently crucial to his recovery. As she recalls, when they first met in 1920, the 33 year-old Polanyi 'wasted from his long illness and very

45 K. Polanyi, 'Message to the young people of the Galilei Circle', unpublished English translation (PA 1919) 5-6.

46 *GT*, 244.

47 It is notable that even Congdon in his pioneering study of 'Polanyi in Hungary' neglected the Christian dimension of Polanyi's thought to the point of attributing his radical voluntarism to a 'Nietzschean determination to command [which] ... was vital to Hungary's national regeneration, because too many ... denied that men make history; they believed only in reality of society, only in impersonal facts.' (179). In his more recent work, however, Congdon has traced and emphasized the importance of Christianity running through Polanyi's life, from before the Great War to the end: see, *Exile and social thought: Hungarian intellectuals in Germany and Russia 1919-1933* (Princeton 1991) 223; and *Seeing red*, 39ff. Among recent accounts that take religion in general and Christianity in particular seriously in ways that the young liberal socialist Polanyi may have found congenial, see Charles Taylor, *Sources of the self: the making of the modern identity* (Cambridge MA 1989).

48 Polanyi-Levitt and Mendell, 'Polanyi', 13. Ilona Polanyi mentions the need for a 'grave operation', 'Family chronicle', 12. See also L. Congdon, *Exile and social thought: Hungarian exiles in Germany and Russia 1919-1933* (Princeton 1991) 213ff., for the wider political and intellectual context.

lonely ... was like one who looks back on life, not forward to it ... [He showed] a deep understanding of the lives of the living, as though he himself hardly belonged among them ... He was still very strongly a Tolstoyian'.⁴⁹ In less than two years, Polanyi is back in buoyant form advancing the cause of guild socialism, a subject on which he began a series of lectures in the premises of the Austrian Social Democratic Student Organization. It is in this period that Polanyi also turned in earnest to the study of social sciences, in particular economics. He also went on to become a leader-writer for the Austrian *Economist*, *Der Österreichische Volkswirt*. Polanyi's preoccupation with the problems of socialism at least in part may be explained by the changed context of the post-war world, where, besides Russia, socialist parties either ruled or were in positions of strong influence elsewhere in Eastern and Central Europe. Austria, or more precisely 'Red Vienna', stood at the cutting edge of socialist advance. There the stage was dominated by a flourishing and radical socialist party which aimed to steer an independent course between Russian Bolshevism and German social democracy.⁵⁰ No longer bound by the backward conditions of Hungary, everything was in place for Polanyi's submerged socialism to return to the surface.

Polanyi's recovered socialism, however, did not entail a break with either the democratic approach and ideals of the now defunct Hungarian Radical party, or his Christian beliefs. It is only towards the end of Polanyi's stay in Vienna that a fundamental shift in his understanding of both socialism and Christianity becomes noticeable. This shift will be examined in the next section. Here, the focus is on Polanyi's intervention in the debate on socialist planning. His contributions mark the beginning of a most important intellectual confrontation which will span Polanyi's new paradigm as it emerges in the subsequent decade. But again, merely to emphasize the continuity of Polanyi's rejection of liberal-political economy misses the mark. For, as will be seen, by the 1930s his anti-liberalism had a comprehensive quality at odds with the dialectical approach of the writings about to be examined.

Already introduced to the ideas of British Fabians and French syndicalists by Jászi, Bernstein, and others, it is hardly surprising that the vision of socialism that Polanyi counterposes to Mises's critique of socialist planning is above all informed by G. D. H. Cole's guild socialism. The latter's sharply critical distance from the state or 'collectivist' (particularly orthodox Fabian) variants of socialism and his emphasis on individual freedom and 'moral' factors precisely matched Polanyi's ideals. Sometime before Polanyi directly experienced the consequences of the communists' (first, short-lived) rule in Hungary, Cole was already proclaiming the 'collectivists' to be either

knaves who hate freedom, or they are fools, who do not know what freedom means, or they are a bit of both. The knaves are not Socialist at all; they are divorced by their whole theory of life from the democratic idea that is essential to all true socialism. The fools may become socialists if they get a philosophy: if, ceasing to think of social organization as a

⁴⁹ *Ibid.*, 13. Also see Ilona Polanyi interviewed by K. Polanyi-Levitt (PA 2-3 Feb 1974).

⁵⁰ On Vienna during this period, see *The Austrian socialist experiment: social democracy and Austromarxism, 1918-1934*, ed. Anson Rabinbach (Boulder and London 1985).

mere mechanism and of self-government merely as a means, they try for themselves to understand the moral basis on which socialism rests.⁵¹

In contrast, Cole's 'Guildsman' aimed 'not merely to provide a mechanism for the more equal distribution of material commodities', but also 'and more intensely, to change the moral basis of Society, and to make it everywhere express the personality of those who compose it ... , to give free play to the conscious will of the individual'. Moreover, this could be brought about only if the link between political democracy (and the independent organizations that it had allowed to flourish) and socialism was preserved: 'Admitting the failure of political democracy to achieve all its pioneers promised ... [the Guildsman] refuses to be disillusioned, or to give up his belief in the ideal for which they strove'.⁵² It was hence 'in the name of individual freedom' that Cole refused a unitary conception of socialism based either on the supreme authority of the state, as the collectivists demanded, or on that of the industrial guilds, which was the ultimate aim of the syndicalists. Instead, he proposed a society of dual sovereignty where at every level decisions would result from a dialogue between the producers and the consumers as expressed in their respective functional organizations. At the highest level the latter would be represented by the national parliament and the unitary state, whose power is counterbalanced by the guilds and their congress organized functionally on the basis of the 'social service rendered'. Embodied in this division was the recognition of the boundaries between the political and economic powers, the balance of which 'is the fundamental principle of National Guilds, and ... if that goes, the security of individual freedom goes with it'.⁵³ It goes without saying that in this synthesis of state socialism and syndicalism, Cole remained strongly wedded to a highly democratic view of socialism based on a dialectical critique of what Polanyi was later to reject absolutely – nineteenth-century (liberal) civilization.

At the time, however, Polanyi's defence of socialism against Mises's onslaught shared Cole's stance. Thus, in contrast to *GT* or even 'The essence of Fascism', where Mises and the liberal tradition for which he stood are rejected completely, here in the Vienna of 1922, Polanyi was able to engage with Mises in a genuine dialogue. Indeed, if anything, it is the latter whose polemical approach and language anticipate Polanyi's later turn, in which liberal economists are considered 'utopians' bent on preserving an impossible, yet paradoxically realized, dream (or nightmare). In the opening passage of his celebrated 'Economic calculation in the socialist commonwealth' (commonly credited as the main starting point for the rigorous discussion of socialist planning), Mises points out that:

Economics, as such, figures all too sparsely in the glamorous pictures painted by the Utopians. They invariably explain how, in the cloud-cuckoo lands of their fancy, roast pigeons will in some way fly into the mouths of the comrades, but they omit to show how this miracle is to take place.⁵⁴

51 G. D. H. Cole, *Self government in industry* (London 1917) 231. For Cole's influence on Polanyi and his fellow exiles, see Congdon, *Hungarian exiles*, 220ff.

52 *Ibid.*, 229-30.

53 *Ibid.*, 92. Cf. P. Hirst, *Associative democracy* (Cambridge 1994) 103ff.

54 L. von Mises, 'Economic calculation in the socialist commonwealth' in *Collectivist economic planning*, ed. F. von Hayek (London 1935) 88. For a 'Polanyian' examination of the debate and of this passage, see M. Mendell, 'Karl Polanyi and feasible socialism' in Polanyi-Levitt, *The life and work*, 67ff.

Mises went on to show how rational or economic calculation in a complex industrial society presupposed the existence of market prices, the absence of which under central planning would entail a catastrophic waste of resources and a drastic reduction in the living standards of the population as a whole.⁵⁵ If true, Mises's arguments would have falsified the central economic claim of the Marxist camp, along with the theory of history on which it was based. This was the claim that, arising from the ever deepening and destructive crisis of capitalism, socialism rationalizes economic life and increases the production of wealth beyond the highest level possible under capitalism. To demonstrate the contrary implied the immanent demolition of 'scientific' socialism's own chosen ground for distinguishing itself from all varieties of what Marx, long before Mises, had called 'utopian socialism'.

It is notable that in his last years, Weber, too, had independently come to conclusions similar to that of Mises. Weber questioned the wisdom of deducing, as socialist economists were increasingly doing, the viability of socialism from the experience of 'war economy':

In war time the whole economy is oriented to what is in principle a single clear goal, and the authorities are in a position to make use of powers which would generally not to be tolerated in peace except in cases where the subjects are 'slaves' of an authoritarian state ... Hence, however illuminating the experience of war-time and post-war adjustments is for the analysis of the possible range of variation of economic forms, it is unwise to draw conclusions from the type of accounting in kind found under war conditions for suitability in a permanent peacetime economy.

Weber thereby attempted to demonstrate at the most abstract level the 'irrationality' of centralized planning as a mechanism for allocating economic resources in ordinary circumstances. On the one hand, money calculations would be impossible in a necessarily 'arbitrary' system of 'assigned prices'. But, on the other hand,

without an extensive system of money prices, calculation would have to be 'in kind' and there is no possibility of rational results in a complex economy because it involves reducing qualitatively heterogeneous elements to a common denominator, which could only be done by making arbitrary assumptions.⁵⁶

Weber's theoretical examination, in his last years, of a 'fully socialized economy', confirms as well as extends and complements his earlier historical discussion of capitalist and bureaucratic formations in the ancient world. Capitalism was to be preferred to full-blooded socialism, not only on the ideological grounds of its relative superiority in safeguarding individual initiative, but also on account of its economic rationality. The choice, in the absence of any modern experience and in view of Weber's rejection of the war economy as relevant for the question at hand, remained that illuminated by the experience of ancient Egypt, on the one hand, and the classical *polis*, on the other. The contemporary import of this historical contrast was further underlined, as was shown in the last chapter, in the debates

55 For clarification of Mises's controversial claim about the 'impossibility' of socialism, see Hayek, 'The nature and history of the problem' in *Collectivist planning*, 36ff.

56 Weber, *Theory of social and economic organization* (New York 1947) 209.

concerning the stifling role of bureaucracy in modern Germany. Despite the close resemblance between Weber and Mises's views of socialism, then as well as later, Polanyi's interventions were ranged understandably against Mises, the chief living polemical standard-bearer of the anti-socialist cause.

Although much of Mises's (and Weber's) fundamental insight now appears to have survived the empirical tests of the subsequent decades, his strongest claim soon met with a decisive objection. Shortly after the publication of his seminal essay, it transpired that a follower of Pareto, the Italian economist Enrico Barone, had, as early as 1908, shown the logical possibility and consistency of rational allocation of resources in a 'collectivist' economy. While Barone's arguments were based on the condition that 'all economic categories of the old regime ... , prices, salaries, interest, rent, profit, saving, etc.,' are retained ('even though maybe with other names') and the 'errors and contradictions' of the Marxian views are excluded,⁵⁷ nevertheless, the significance of Barone's contribution lay in the fact that in the 'spirit of the Marxist system' it demonstrated that there were no *a-priori* theoretical reasons for rejecting the economic rationality of a collectivist order. The debate, therefore, moved on to the more empirical plane of considering the feasibility of establishing a rational planned economy and its political and social costs.⁵⁸ Perhaps largely because of their obsessive identification of almost any form of state intervention as a further (almost inexorable) move towards collectivism, Mises and his followers remained on the defensive for a considerable time. In the later (1932) words of Mises himself, 'interventionism and efforts to introduce Socialism have been working now for some decades to shatter the foundations of the world economic system. We stand on the brink of a precipice which threatens to engulf our civilization'.⁵⁹ From Polanyi's later perspective, Mises was absolutely right, except that the former welcomed what the latter most feared: the fully centralized variant of interventionism.

Things, however, were somewhat different when Polanyi first encountered Mises's initial arguments and responded to them in 1922. In contrast to *GT* and thereafter, Polanyi's articles on 'Socialist accountancy' essentially concede the latter's critique of centralized planning. As a socialist, Polanyi rejected Mises's defence of capitalism as the best and most rational of all possible economic arrangements, but, *pace* Cole and others, he insisted on transcending the traditional opposition between market and non-market economy, which he viewed as a futile polemical exercise. Similarly, he rejected the opposition between syndicalism and collectivism which was vital to the arguments of both Mises and his orthodox Marxist opponents. Both sides agreed that syndicalism (and perspectives such as guild socialism which it influenced) was, in the words of Mises, a kind of 'workers' capitalism'.⁶⁰ As such, although vulnerable to certain important inefficiencies, it was immune from the full brunt of Mises's critique of marketless socialism. For the same reason, but from the opposite

57 E. Barone, 'The ministry of production in the collectivist state' in *Collectivist planning*, 289 and 245ff.

58 Oskar Lange and Fred M. Taylor, *On the economic theory of socialism*, ed. Benjamin E. Lippincott (Minneapolis 1938) 12.

59 L. von Mises, *Socialism* (London 1932/1951) 24.

60 Mises, 'Calculation', 112.

perspective, the Marxian orthodoxy, too, rejected the identification of syndicalism with socialism. In contrast, Polanyi acknowledged that his

attempted solution depends on the dual premise that the contradiction ‘market versus non-market economy’ is not a useful point of departure for a theory of the economy and that the opposition ‘collectivism versus syndicalism’ does not necessarily represent meaningful alternatives for a theory of organization of a socialist economy.⁶¹

Instead, Polanyi followed a synthetic or, in his own words, ‘pluralistic’ approach based on a dualistic model of socialist economy. Such an economy was to be constituted by various local and regional associations of consumers and producers, culminating in a national commune of consumers or citizens and a congress of producers’ associations which will be jointly responsible for national economic decisions such as the size and distribution of the national surplus. Discussion of the concepts that Polanyi develops for dealing with the problem of accounting in his socialist commonwealth within the above framework is not necessary here. Suffice it to note that his particular solution, although original in certain respects, is not feasible on technical grounds. His distinction between natural and social cost cannot be sustained in the way he imagined. Nor is the real cost of scarce resources independent of relative prices and so on.⁶² These and other similar problems are not what make Polanyi’s early intervention in the market-planning debate interesting for the purpose of examining his intellectual development. Nor were they the issues that provoked the critical response of Mises. For Mises, too, the fundamental question or, in his words, ‘mistake’ of Polanyi lay in the latter’s juxtaposition of the citizens’ commune and the congress of producers, beside which ‘other errors of details of Polanyi’s system are of little interest’.⁶³

What Mises, but also Felix Weil (the initial benefactor of the Frankfurt School) from the (Soviet-) Marxist end of the spectrum, found most objectionable in Polanyi’s views was precisely the pluralistic nature of his vision, which eluded their customary polemical targets. Polanyi considered the political community to ‘own the means of production’, but denied it any automatic right unilaterally to ‘dispose of production’. This right was jointly held by the producers’ associations and their congress as the second ‘functional main association of society’. Each of these two functional associations exercises ‘within its own sphere the legislative and executive functions’, whilst agreement between them constituted the highest authority in society. Although in ‘Socialist accounting’ and his subsequent (Viennese) writings on the organization of socialism, Polanyi did not explicitly deal with the existence of market prices and market competition under socialism, Mises correctly recognized that, despite the contrary assumption of public ownership of the means of production, Polanyi’s independent associations and sub-associations of producers acted ‘as if they were owners’: by maintaining exchange relationships in effect they participated in the formation of a market and market prices. This referred to the syndicalist side of Polanyi’s vision, which, however deficient (from Mises’s standpoint) in comparison with the fully competitive private enterprise

61 K. Polanyi, ‘The functionalist theory of society and the problem of socialist economic calculability’, *Archiv für Sozialwissenschaft und Sozialpolitik*, Bd. 52 (1925); unpublished English translation (PA) 4.

62 See P. Rosner, ‘Karl Polanyi on socialist accounting’ in *Life and Times*, 60ff.

63 Mises, *Socialism*, 518.

capitalism, was nevertheless 'incompatible' with the 'collectivist' authority of the political commune elected by all the consumers *qua* citizens. By pointing to the potential conflict between the two major functional authorities in Polanyi's society, Mises demanded a clear-cut choice: 'if the final decision rests neither with the [citizens/consumers] Commune nor the Congress of Producers' Associations, the *System cannot live at all*' (emphases added).⁶⁴ Put differently, Polanyi was required to choose between capitalism and centralized socialism because Mises's own polemical 'system' could not function as smoothly in the face of a pluralistic vision of socialism in which the all-important distinction between economy and polity was in some sense recognized and retained.

Polanyi's pluralism was similarly criticized by Felix Weil, if in a harsher tone. As an orthodox Marxist he, too, could not be reconciled with a decentralized variant of socialism which he considered to be 'inherently capitalist', and ultimately dismissed as a 'curious fantasy'.⁶⁵ In a truly socialist system, Weil argued, finding a common unit of account would not be a problem; productivity would be evaluated directly by comparing inputs and outputs without prices, and other economic problems would simply not arise once the economy was re-organized according to a central plan.⁶⁶ Polanyi's basic orientation against the common thrust of his critics is left in no doubt in his final response to Weil:

Our own writing originated in a challenge to the two conventional positions and should be interpreted as a response to the need to provide a positive theory of socialist economy as distinct from what, in our view, is a somewhat stale scholastic debate between orthodox Marxists and their 'bourgeois' enemies.⁶⁷

In the light of Polanyi's later reconciliation with Soviet central planning in the 1930s, it is worth noting that, whilst conceding a technical objection raised by Weil concerning the infeasibility of determining 'quasi social costs', he pointedly stresses that 'Any meeting of minds between Weil's critical comments and our line of argument could only be coincidental'.⁶⁸ Equally ironic is Polanyi's far more receptive and extensive treatment, in his Vienna articles, of Mises, the zealous champion of liberal capitalism. Here, Polanyi accepts that by pointing to the problem of ultimate authority and conflict between the political Commune and Congress of Producers (respectively rooted in the centralist socialist and syndicalist traditions), Mises had gone 'to the heart of the matter'.⁶⁹ Indeed, Polanyi readily admits that 'the question has no *a-priori* answer', but then suggests that this is precisely his point and an all important advantage of his stance, for:

we have never stated that there could not be conflict between associations of consumers (Kommune) and producers. Such conflicts are an essential dynamic lifeforce of a functionally organized socialist society ... Not only because choices are ordered differently by individuals, as argued by Mises, but precisely because the functional organizational model

⁶⁴ *Ibid.*

⁶⁵ Cited in Polanyi, 'Functionalist theory', 10.

⁶⁶ Rosner, 'Socialist accounting', 61.

⁶⁷ Polanyi, 'Functionalist theory', 2 (translation slightly modified).

⁶⁸ *Ibid.*, 11.

⁶⁹ *Ibid.*, 4ff.

facilitates conflict between functional associations, there is movement within society. What we maintain, *contra* Mises, is that those conflicts are never *irreconcilable* because the transparency of conflict between functional organizations representing different interests of the same set of individuals ensure that a solution **must** be possible, just as is the case with respect to contending interests within a single individual. Through their representatives individuals are faced with the task of confronting themselves. (emphases in original)⁷⁰

As I have already noted (*pace* both Mises and Polanyi himself), the interesting question is not the detail of Polanyi's intervention in the earliest round of debate on socialist economics. Rather, what is of interest here is his general view of socialism, and the underlying pluralistic vision which he continued to share with Bernstein, Jászi, Bauer, and Cole. Polanyi's interventions in this period anticipate the later market socialist and neo-Marxist critiques of Soviet Marxism. This conception of socialism as an ongoing potentially conflictual dialogue between and within organizations of producers and consumer citizens, and the implied acceptance of the boundary between the economy and polity, would have ensured his critical distance from centralized planning as it emerged in the Soviet Union from the 1930s onwards. In this way, the links that connected his earlier views to what he was later to dismiss as the legacy of nineteenth-century liberal capitalism would also have been maintained.

In a subsequent essay on the theory and practice of socialism, written as a contribution to the ongoing debates within the Austrian Social Democratic Party, Polanyi primarily focuses on and extends his critique of the 'administered economy' by further emphasizing the failure of centralized economic planning to account for individual needs and efforts. His attention to this question was at least partly drawn by his recent study of the Austrian neo-classical school:

In fear of falling into the error of fetishistic concepts of classical political economy which treat the wealth of societies as so and so many 'commodities', the theorists of the administered economy tend to the false extreme of crude naturalism whereby the economy is conceived merely in terms of tangible objects, machines, raw materials, etc ... thus, needs and efforts slip into the background. As regards needs, these are simply assumed to be known ... or ... are proclaimed by fiat ... With respect to human needs and actual human efforts, the economic planner of the administered economy rests content with the mere appearance of a solution.⁷¹

Polanyi's own solution calls for extending and deepening democracy within socialist parties, as well in other actually existing associations and organizations: trade unions, industrial and professional associations, co-operatives, town councils, and so on, which he groups together as the 'organs of the "inner view" of the economy'. Only through open conflict and debate within such a historically evolving organization, 'a comprehensive picture of the common needs of the community ... from "bottom up" and from "inside outward" can be provided'. The significance of Polanyi's repeated emphasis on actually existing and evolving organizations cannot be overestimated, as it points to the obsolescence of organizations

⁷⁰ *Ibid.*, 8.

⁷¹ K. Polanyi, 'Some reflections concerning our theory and practice', *Der Kampf*; unpublished English translation (1925 PA) 23.

'artificially created by fiat according to some preconceived administrative model'.⁷² In the writings of this period, Polanyi remains firmly within the paradigm first – or most clearly – presented by Bernstein, and developed (directly or independently) in various ways by others. Accordingly, his main critical preoccupation here is not with the liberal defenders of *laissez-faire* capitalism, much less with the total rejection of its legacy as a perverse utopia. In these writings, as we saw, Polanyi largely assumes the basic thrust of Mises's (and Weber's) critique, as well as the 'subjectivist' foundation of the Austrian neo-classical theory on which it ultimately rested. Socialism, therefore, is conceived in broadly evolutionary terms and as essentially co-terminous with the extension and consolidation of democratic institutions and processes.

Although lacking the originality or compelling explanatory power of *GT*, these neglected writings offer a respectable precursor to those neo-Marxists and other radicals searching for one. Indeed, Ivan Szelenyi's acute critique of *GT*, or what he calls the 'hard interpretation' of Polanyi, is clearly anticipated here.⁷³ To be sure, *GT* contains and even extends some important elements of Polanyi's radical pluralism. The crucial point, however, is that in *GT* such elements are submerged in a new paradigm largely developed in (self-critical) contrast to Polanyi's earlier 'idealistic' standpoint.

⁷² *Ibid.*, 6.

⁷³ See 'Karl Polanyi and the theory of a socialist mixed economy', in *The legacy*, 235ff.; cf., M. Vajda, *The state and socialism* (London 1981), 47, and D. Brown, 'Karl Polanyi's influence on the Frankfurt School' in *Life and times*.

CHAPTER 6

THE GREAT TRANSFORMATION

In 1933, more than half a century after his father had returned from studying in Britain with fond memories of its enlightened culture, the threat of a Nazi takeover forced Polanyi to migrate from Austria to the land of his childhood dreams. This was not a surprising move, also considering the close intellectual and personal ties he had already forged in Vienna both with socialists, such as Cole, and with a group of Christian leftists whose leading light was John MacMurray, the holder of the Grote Chair of Philosophy in the University of London. As already mentioned, Polanyi himself considered his move to England to have marked the end of a long period of bewilderment. A decade later, his aptly titled new message, *The great transformation (GT)*, was published.

A wide range of factors together set the context and equipped Polanyi with the tools and models to break free of his 'one-sided idealism' and articulate his new theory of history: the worldwide crisis of capitalism and the rapid rise and spread of 'collectivism'; Polanyi's own direct experience of the wretched condition of the workers in the once idealized England; his study of British economic history and his appropriation of various forms of societal integration elaborated in Thurnwald and Malinowski's anthropology; and the apparent success of the five-year plans in the Soviet Union. However, thanks to two texts, both written during his last years in Vienna, it is possible more directly to locate the emergence of questions and orientations that predisposed Polanyi towards translating/interpreting/transforming the subsequent events and personal experiences of the 1930s into a new research programme. These texts show that it was not simply the weight of the overwhelming developments in the 1930s that shaped Polanyi's reversal of his earlier views, as implied by some commentators and, at times, himself. They also throw further light on the fundamental vision that animates *GT*.

First, there is an unpublished and undated manuscript entitled, 'On freedom' which according to Ilona Polanyi was written around the end of the 1920s in Vienna.¹ The second is 'The essence of Fascism', Polanyi's most important pre-*GT* publication. Although published in Britain in 1935 in a famous collection of essays co-edited by Polanyi, *Christianity and the social revolution*, it first appeared in a German version in the organ of a small group of Austrian religious socialists.² Taken together, these two essays represent Polanyi's self-critical revision of his earlier religious and individualistic convictions.

In direct anticipation of the concluding discussion of *GT*, 'On freedom' locates the major shortcoming of all 'old religions' for 'our new world' in their common neglect of the 'existence of society'. They all arose in response to the 'knowledge of death', to a life 'which

1 I. Polanyi, 'Life', xv.

2 Polanyi-Levitt and Mendell, 'Polanyi', 25; Congdon, *Seeing red*, 39.

owes its confines to death. ... All religions as we have known them up to now concern themselves with giving meaning to this life. They are the religion of man, whose inalienable category is death'. This is no longer adequate, for

the knowledge of the social nature of human existence forces us to accept another Inalienable. Where this new knowledge is present, so is new man. The knowledge of social existence becomes the constitutive element of his personality. He has become a *different being*. The fact of the inalienability of society is no less dreadful than death. *Since we have come to know it we have become twice mortal*. Even what death leaves to me is not mine. It belongs to others ... There is no nook in everyday life that would not – if we could but see it – be at work building and destroying the everyday of others, *by inscrutable laws*. This is man's situation ... He had learnt to accept death. *He must learn to accept society*. But in the same way in which man need bear no responsibility for the fact of death, he also need bear no responsibility for the fact of society. Rousseau's idea, that man had willed society, was wrong ... (emphases added)³

Beyond a somewhat curious redescription of *homo sociologicus*, this passage points to the deadly struggle of the new Polanyi with the old. The latter in his last days in Hungary had passionately denounced the 'reality of society' and questioned the efficacy of even physical, let alone sociological, laws. Now, in repentance, in accepting the overwhelming weight of 'society', he was no less fervent. The assertion of the absolute priority of society was, for the radical individualist that he had been, a mortal blow more decisive than death itself. Here he mourned not only the death of the individual, *qua* that of classical liberal and socialist humanism, but also the demise of his deluded but heroic former self as a free-willed individual. The Gospels, the highest expression of the 'old religions', had rescued him in the trenches of the Great War from the double threat of physical death and nihilism born out of the apparent meaninglessness of the aim for which such supreme sacrifice was demanded. Now a new religion was needed to rescue man (and Polanyi) at the hour of his death as an individual. As expected, the reborn Polanyi, the 'new man', was shaped in contrast to Rousseau's free contracting citizens, but also 'to a breed of supercilious nonentities. The hypocrite on the one hand, the aesthete, individualist-anarchist, literary crank, *Übermensch* on the other'.⁴ Polanyi's new man – or the new Polanyi – dialectically preserves an essential feature of the old religions in his new 'society'-based religion. This essay provides the first indications of his subsequent absolute negation of the variegated men of liberal society and theory; a society and theory which subsequently comes to play the role ascribed to Satan in the old religions. Here also, in retrospect, can be found the philosophical underpinning of his break with a conception of socialism which assumed the heritage of classical liberalism and its emphasis on the irreducible individual dimension of human needs. Having thus crushed the self-determining individual of the earlier period, Polanyi concludes 'On freedom' by setting his 'new man' a task, namely to choose between the alternatives thrown up by 'social existence':

³ K. Polanyi, 'On freedom' (PA, n.d. 1920s) 2-3.

⁴ *Ibid.*, 4.

Inescapable alternatives of human existence are the essence of society. Whether we like it or not, every and any value judgement ... engenders power ... be it the power of public opinion or that of the organs of the state. We merely have the choice of which kind of power to engender, we cannot refuse power ... We can only create one power or the other, posit one value or the other ... The complaints about what they have brought on to the world are vain. Creating power creates subjugation ...⁵

It is not surprising that around the same time (1927) in writing to the editors of the Budapest *Lathatar* (*Horizon*), he emphasizes the political implications of his new found philosophical 'realism': 'An abstract idea of democracy which loftily disregarded the reality of class-structure, religion, war, violence, deserved the fate of being discounted by the realities'.⁶ All this anticipates Polanyi's later anti-liberal philosophy of history and his support for Stalinism when in the 1930s it became the alternative he chose over what in any case was conceived as moribund liberal capitalism. By then, of course, there were not only two alternatives. There was also Fascism to contend with, especially as, in the words of *GT*, for 'Fascists and socialists alike the reality of society is accepted with the finality with which the knowledge of death has moulded human consciousness'.⁷ It is to distinguish between the two that Polanyi appears, along with other supporters of the Soviet Union during the Popular Front period, to make his peace with the liberal foundations of socialism: 'The issue on which they divide is whether in light of this knowledge, the idea of freedom can be upheld or not, is freedom an empty word or can man reassert his freedom ... without lapsing into moral illusionism?'⁸ However, as the examination of 'The essence of Fascism' will show, Polanyi's reassertion of freedom in fact derived from a notion of Christian individualism especially coined to exclude all notions associated with liberal or 'atavistic individualism'.⁹

Of all the commentators on Polanyi's thought, only Ilona Polanyi has realized the significance of 'On freedom'. As she says, it was here that for the 'first time' Polanyi presents a view of 'the transcending of the individual Christian ethic, the reality of society, society's final and inescapable nature ... which were to become the cornerstones of Polanyi's future life-work and of his philosophy of life'.¹⁰ This does not mean that all the elements of Polanyi's theory of history were in place. Most of these and the political and social upheavals which

⁵ *Ibid.*, 5.

⁶ Cited in I. Polanyi, 'Life', xv.

⁷ *GT*, 248.

⁸ *Ibid.*, 248-49.

⁹ Although the position adopted in 'On freedom' marks Polanyi's return to a contradictory variant of sociological determinism similar to that which also underpinned orthodox Marxism, it did not, then or later, lead to his full return to the Marxian fold. Not only did he retain a rather eccentric faith in Christianity, and the language and indeed the attitude of a believer, but he also admonished the Marxists for failing to see beyond the question of class rule. This is a view that, along with his critique of the evolutionary aspect of historical materialism (with its implied recognition of liberal capitalism as a progressive stage in human history), has a prominent place in *GT*. It is the persistence of aspects of Polanyi's early critical distance from Marxism that explains his subsequent attempt to fill the lacuna opened in his thought by his recognition of the overwhelming 'reality of society' with his own theory of history.

¹⁰ I. Polanyi, 'Life', xv.

shaped them were brought together only gradually in the subsequent decade. What the essay nevertheless shows is the prior intellectual ground which underlay Polanyi's creative reaction to such issues as the shocking conditions of the workers in liberal England, and the dominance of 'society' in and through the five-year plans in the Soviet Union.

Liberalism, Fascism, and socialism

Polanyi's view of the alternatives facing the 'new man' in 'On freedom' lacked an essential ingredient which was brought to the fore by the rapid rise of fascist forces in Central Europe. There, Polanyi appeared to address the choice between a variety of individualistic outlooks which ignored or downplayed the reality of 'society' and that which recognized its absolute priority. Fascism, however, decisively disturbed the straightforward opposition thus implied between the varieties of individualistic outlooks and practices associated with liberal capitalism and a 'no nonsense' realistic socialism. For, as Polanyi was to recognize in his later work, 'The essence of Fascism' (henceforth, EF), '... the guiding principle of all Fascist schools of thought of whatever description [is] the idea of *anti individualism*' (emphasis in original).¹¹ If so, the question to answer immediately is on what basis is one to distinguish between socialism's and Fascism's 'anti-individualism'? After all, some years before Polanyi, Othmar Spann, whose 'philosophic system' the former considered the most comprehensive produced by Fascism, had declared:

We must make our choice between two world systems: Individualism and Universalism. Unless we accept the latter, we cannot escape the fatal consequences of the former. For Bolshevism is but the extension of the individualistic doctrine of the natural rights of man from the political sphere to the economic. Far from being the opposite of Individualism it is its consistent fulfilment.¹²

Thus, Polanyi now faced the choice of either backing away from the anti-individualist turn of 'On freedom', or producing a new 'individualism' which set his socialism apart from both liberal and fascist variants. In doing this, EF completes the vision that informs the new theory of history developed in *GT*.

The final version of EF was published in 1935 as Polanyi's contribution to a 'symposium' on *Christianity and the social revolution* which included contributions from Russian scholars as well as well known British communists, radical theologians, and other academic sympathizers of the Soviet Union. Appearing in the wake of Polanyi's move to Britain, the editorship of *Christianity and the social revolution* was a mark of his active membership in the Christian Left, which produced an irregular *Bulletin* as well as various pamphlets and held workshops on Marxism, Christianity, the developments in the Soviet Union and other important issues of the day. In the words of Ilona Polanyi, it was a 'circle of kindred spirits and eminent scholars who combined their Christian outlook with an enthusiastic sympathy, one might say, an uncritical sympathy towards the Soviet Union'.¹³ This is confirmed by the

¹¹ EF, 362

¹² Paraphrased and cited in EF, 363.

¹³ I. Polanyi, 'Life', xv. This is especially intriguing in Polanyi's case in view of his own long standing rejection of Marxism and Communism and the fact that his old mentor Oszkár Jászi and his younger

contributions of the two leading theoreticians of the group, John MacMurray and Polanyi himself, to *Christianity and the social revolution* as well as in various articles that subsequently appeared in the *NewsSheet* and the bulletin of the group (from 1936 onwards).¹⁴ The important issue here, however, is the theoretical basis on which this enthusiastic support for the Soviet Union rested. Especially telling is the contrast between Polanyi's and MacMurray's understanding of the relationship between liberalism, Fascism and socialism in *Christianity and the social revolution*. Although almost certainly deemed insignificant at the time, it serves to explain their parting of the ways over the Soviet-Nazi pact and the invasion of Finland as well as Polanyi's continued, if somewhat critical, celebration of 'Socialism in one country' in *GT*.¹⁵

The gist of MacMurray's view may be gleaned from the following passage in the concluding remarks to the whole volume: 'The practical Fascist discovers in his effort to construct the Fascist State what the more intelligent Fascist theorists had already foreseen – that Christianity breeds Liberalism, Liberalism breeds Socialism, and Socialism breeds Communism'.¹⁶ However right or wrong this view of the course of world historical development may appear now, the key point is that MacMurray here pleads guilty to Spann's aforementioned charge, namely that theoretically and historically it is by way of democracy and liberalism that individualism leads to Bolshevism.

Polanyi rejected MacMurray and Spann's jointly held view, which was consonant with the evolutionary orientation of classical Marxism. In EF, he extended his analysis of 'On freedom' by distinguishing between democratic or Christian individualism, which is the 'substance of socialism', and 'atheist individualism', now explicitly associated with the 'short transition period in which Liberal Capitalism was triumphant'.¹⁷ On this basis Polanyi accepts the fascist argument, but with an important caveat. According to Polanyi, what Spann aimed to 'disprove is the Individualism which is the substance of socialism. It is essentially Christian. His actual arguments [however] are directed against atheist Individualism. Both these forms of Individualism are theological in origin. But the reference to the Absolute is negative in one and positive with the other. In fact one is precisely the opposite of the other. No valid conclusions can be reached if we confuse them'.¹⁸

brother Michael remained steadfast critics of the Soviet Union. Michael Polanyi's series of eye-opening articles on the Soviet Union in the 1930s failed to move Karl, but underlines the fact that the latter was not among those who relied on the Communist Party's literature or the apologies of the Webbs and other fellow travellers. See Michael Polanyi's response to S. and B. Webb, *Soviet Communism: a new civilization?* 2 vols (London 1936), in his 'Truth and propaganda' in *The contempt of freedom: the Russian experiment and after* (London 1936/1940) 96-116. On the relationship between the two brothers see Congdon, *Seeing red*, 77-85.

¹⁴ Polanyi's links with certain members of the Christian Left, especially Donald and Irene Grant, dates back to Vienna, where the latter lived for many years. On this group and Polanyi's growing attachment to it, see Kari Polanyi-Levitt's conversation with Irene Grant (PA transcribed 15 December 1986).

¹⁵ 240ff.

¹⁶ J. Macmurray, 'Christianity and communism: towards a synthesis' in *Christianity and the social revolution*, ed. J. Lewis *et al.* (London 1935) 507.

¹⁷ EF, 368ff., 369 n. 2.

¹⁸ *Ibid.*, 368.

Polanyi here explicitly signals his total break with liberalism. No more dialogue is possible with the 'liberals of the Mises school', who are indeed now called liberal Fascists for viewing Fascism 'as a safeguard of Liberal economics'.¹⁹ Socialism is still seen as issuing from the extension of 'the democratic principle to economics'; and democracy still includes free expression of thought and judgment in the light of which it is accepted that 'Russian Socialism is still in the dictatorial phase', even though 'the tendency towards Democracy has become clearly discernible'.²⁰ The point, however, remains that by basing his conception of socialism on an exclusive notion of an essentially Christian self-sacrificing God-fearing individual, Polanyi cancels the pluralistic essence at the heart of any consistent concept of individual. He leaves no doubt on this point, as his own ideal, the 'new man' of 'On freedom', is developed in direct contrast with Kiriloff in Dostoevsky's *The possessed*,²¹ the atheist individualist *par excellence*. Whereas the latter assumes the role of God by declaring that there is no God and ends with the 'ghastly failure' of committing suicide, Polanyi's individual, *pace* Dostoevsky, recognizes that 'God is that which gives meaning to human life and creates a difference between good and evil'.²² Taken in isolation, Polanyi's critique of liberal or secular individualism anticipates many of the recent concerns expressed both by neo-conservative writers such as Irving Kristol as well as by neo-romantic ('communitarian') radicals such as MacIntyre.²³ Yet, when coupled with his absolute rejection of the market, Polanyi's critique of liberalism displays a reductionist or monistic closure absent from these writers.

Again, for Polanyi, the concept of Christian individualism is another way of declaring the 'Brotherhood of man' and the universal values which underlie all conceptions of a socialist community.²⁴ Nevertheless, the exclusion of the liberal legacy severely blinkered his evaluation of actual socialism and communism. His apparently curious failure even to consider the possibility of the aggressively atheistic Communist Party becoming another godhead (and indeed his persistence in defending it long after much direct evidence had come to his attention) could only be explained with this in mind.²⁵

19 *Ibid.*, 392.

20 *Ibid.*

21 Also translated as *The devils*, and most recently as *The demons*.

22 *Ibid.*, 368-69.

23 See Irving Kristol, *Reflections of a neoconservative: looking back, looking ahead* (New York [c. 1983]); Alasdair MacIntyre, *After virtue: a study in moral theory* (London 1985).

24 EF, 370. It is also true that for Polanyi, *pace* Marx, the rise of such a community is premised not on any godhead or grand inquisitor but on the humanist hypostasization of 'man's true nature' that 'will be real, for it will be humane' (EF, 375).

25 Even in subsequent years, and despite possible career and other advantages, Polanyi avoided public criticism of the Soviet Union and, as in the case of his attempt to set up the journal *Co-Existence*, he was accused of being too pro-Soviet. See Edward Shils's letter dated 28 September 1962 to Esther Simpson, in which he complains of 'an excessive tendency of the Polanyis to include mainly "Sovietophilic" scholars', and of Karl Polanyi's 'belief in the superiority of the "socialist countries" in dealing with certain questions of international trade, economic development etc.' Also see Polanyi's correspondence with Eric Fromm in 1960 on establishing a new journal (PA). At the same time Polanyi refused to join the Communist Party and longed for reform of the Soviet Union and hence enthusiastically received the news of Khrushchev's reforms. See 'Soviet thought in transition', *Nouva Presenza* 5, unpublished English translation (PA 1962).

As the following section shows, in his critique of the nineteenth-century liberal civilization, Polanyi went further than orthodox Marxism or his comrades in the Christian Left. After all, the cardinal ideological import of his new theory of history was the indictment of liberal or ‘atheistic’ individualism as the main source of evil in the modern world. This was a view that, although pursued in practice by Stalinism, was never fully incorporated into its variant of historical materialism, precisely because of classical Marxism’s insistence on the progressive achievements of liberal capitalism.

The Great Transformation

Polanyi arrived in England after living in Vienna for a decade and a half. His tenure there spanned almost the whole short, but not inglorious, life of the Austrian Republic. During this period Polanyi witnessed how the ‘large scale participation of the working people of Vienna in a remarkable variety of cultural, recreational and educational activities organized by the Socialists made “Red” Vienna a world class showpiece of avant-guard urban lifestyle’.²⁶ Polanyi’s wife belonged to the revolutionary wing of the Social Democratic Party along with 350,000 others in Vienna alone, while socialist trade unions comprised 700,000 workers. ‘Never before’, wrote Ernst Fischer, ‘has a social democratic party been so powerful, so intelligent or so attractive as was the Austrian party of the mid 1920s’.²⁷ Polanyi, however, did not join the party. Nor did he, according to his wife, set down roots in Vienna, where his theoretical efforts failed to advance far. Yet, he too was involved in the affairs of the party, indeed taught regularly at its adult education college in Vienna and remained ‘an enthusiastic admirer of Red Vienna. ‘In our home in one of Vienna’s proletarian districts’, Ilona recalled, ‘our child grew up in the world of proletarian organizations ...’.²⁸

It was from this warm, if fatally threatened – and thus more nostalgically appreciated – communal network that Polanyi escaped to England, the country he wrote about in his years in Vienna not just as the bastion of Free Trade, but as the world’s ‘most progressive democracy’.²⁹ The land of his father’s childhood tales, of his own early ‘English education’, John Stuart Mill, the Fabians and the co-operative movement, and of Cole’s Guild Socialism left him cold when he arrived there in 1933. His position as an adult education teacher in the tutorial classes organized by the Workers’ Educational Association and the Extramural Delegacies of the Universities of Oxford and London brought him in close contact with various sections of the British working class. He saw ‘the houses which Engels had described were still standing; people lived in them ... The memory of Blake’s “dark, satanic mills” lived on through the generations’.³⁰ The experience was evidently traumatic, especially when observed in contrast to the conditions of working class Viennese with their ‘access to low

26 M. Mendell and K. Polanyi-Levitt, ‘Hayek in Vienna’, *Working Papers*, Department of Economics (McGill University 1988) 16.

27 Cited in *ibid.*

28 I. Polanyi, ‘Family chronicle’, 13-14.

29 Cited in Congdon, *Hungarian exiles*, 231.

30 I. Polanyi, ‘Life’, xvi.

rental bright, spacious, modern apartments with parks, kindergartens and other communal facilities'.³¹

England, then, provided the immediate roots of Polanyi's 'scared hatred' of the market society which 'merely grew in intensity' in his subsequent travels to the United States. Polanyi's view of the market as evil incarnate was well received by a group of pro-Soviet Christians with whom he had already forged some links during his Vienna period. Now he formally joined them and became, along with John MacMurray, one of the two leading spokesmen of the Christian Left. At the same time his adult education classes in economic history provided him with the opportunity of tracing the apparently squalid condition of his working-class students to the developments in nineteenth-century England.³² History (as written especially by the Hammonds) and direct experience appeared to point to the market as the main culprit for the terrible plight of large sections of the population in the oldest and still the most advanced capitalist nation in the world. Here was the source of the moral and emotional charge that permeated Polanyi's attempt in the *GT* (1944) to turn his discovery into the (negative) object of a new social science 'paradigm'.

The philosophical foundations of such a paradigm were more or less fully in place by the time *EF* was published in 1935. This becomes most evident in the final chapter of *GT*, where Polanyi invokes as

the three constitutive facts in the consciousness of Western man: knowledge of death, knowledge of freedom, knowledge of society. The first, ... was revealed through the Old Testament story. The second was revealed ... in the teachings of Jesus as recorded in the New Testament. The third revelation came to us through living in an industrial society ... It is the constitutive element in modern man's consciousness.³³

Two features stand out in this condensed formulation of what was first and more extensively elaborated in 'On freedom' and *EF*. First, its focus on the religious dimension of 'Western man's consciousness', which directly reflects the underlying structure of Polanyi's own evolving consciousness, a fact further highlighted by the religious language employed above and elsewhere in Polanyi's writings.³⁴ Secondly, the convenient, if inadvertent, omission of the Graeco-Roman moment allows Polanyi to concentrate on '19th century civilization' as a transient evil aberration in the evolving 'consciousness of Western man'. *GT* is the product of the research programme shaped by this vision and assigned with the task of demonstrating that the nineteenth-century market 'organization of the economic life is unnatural in the

31 Mendell and Polanyi-Levitt, 'Hayek', 16.

32 This may be seen in Polanyi's aforementioned reference to his triple Russian, central European and English roots. Having left central Europe, and now finally visiting and becoming disillusioned with England, only his image of Russia remained untarnished.

33 *GT*, 249.

34 Many commentators have read or cited this passage without noting its restricted view of 'Western man' or its explicitly religious formulation. Block and Somers, for example, find it an expression of Polanyi's search for a 'third way' between revolutionary utopianism and the 'resignation of those who believed that it was futile to take radical action to create a better society', see 'Beyond the economic fallacy', 53.

strictly empirical sense of being exceptional'.³⁵ Yet it is extremely doubtful whether Polanyi would have embarked on such a vast project if certain other conditions had not been in place. These will be examined in the following section by drawing mainly on *GT*, but also on Polanyi's subsequent writings, above all his contributions to the *oikos* controversy. These, it should be stressed, are viewed here as further moves within the framework outlined in *GT* and are aimed at demonstrating the conclusions already reached in the latter.

The international situation

While at the end of the Great War nineteenth-century ideals were paramount, and their influence dominated the following decade, by 1940 every vestige of the international system had disappeared and, apart from a few enclaves, the nations were living in an entirely new international setting ... Its landmarks were the abandonment of the gold standard by Great Britain; the Five-Year Plans in Russia; the launching of the New Deal; the National Socialist Revolution in Germany; the collapse of the League in favour of autarkist empires.³⁶

The great transformation that was the passing of the 'market society' at the same time made it possible to comprehend the latter as a historical 'whole'. Only now could the owl of Minerva fully spread its wings over what appeared not only to Polanyi or the Webbs and countless others, but even to Mises and Hayek, as the ruins of the market society. Indeed as with Mises and Hayek (and unlike those including his own brother Michael), Polanyi did not consider the Keynesian breakthrough and the interventionism of the New Deal type as representing an alternative in its own right, alongside central planning and *laissez-faire* capitalism.³⁷ Keynes and the New Deal had provided decisive proof of the passing of the invisible hand of the market as the sole provider of the best economic outcome. They were, however, also taken by Polanyi to prove the inevitability of redistributive central planning similar to that pioneered in the Soviet Union. In other words, as Block and Somers point out, 'rather than seeing the New Deal leading to reinvigorated liberal capitalism, he views it as the beginning of a transition to socialism'.³⁸

Of all these landmarks, from the collapse of the gold standard to the rise of Fascism, the most crucial for the sharply divided socialists were developments in the Soviet Union. Polanyi's view of these developments remains exemplary for its clarity. In contrast to most present commentaries on the Soviet Union, which tend to view Stalinism as the legitimate offspring of Bolshevism, Polanyi stressed the gulf that separated the two. He therefore acknowledged the arguments of both the left and right opposition to Stalin's 'socialism in one

³⁵ *GT*, 243.

³⁶ *Ibid.*, 33.

³⁷ See also Karl and Michael Polanyi's exchange dated 26 October 1943 and 12 November 1943 (Michael Polanyi Archive, University of Chicago). In line with Karl's earlier position *vis-à-vis* Mises and Weil, Michael Polanyi rejected the claim that the only choice was between the 'superstitions' of orthodox liberals and the 'medieval fetters' of state planning; see 'Collectivist planning' in *The contempt of freedom*, 56ff.

³⁸ 'Beyond the economic fallacy', 61, see also A. Sievers, *Has market capitalism collapsed?* (New York 1949), which after half a century remains a valuable account of *GT*.

country'. But, *contra* most who insist on unmixing Lenin and Stalin, Polanyi favoured the Stalinist turn, which was christened the 'Second Russian Revolution'. Whereas the first, 1917, Russian Revolution 'was merely a Russian event', an anti-feudal upheaval 'which embodied traditional Western European ideals', the 'revolution that started with the collectivization of farms, about 1930, was the first of the great social changes that transformed our world in the thirties'.³⁹

'Socialism in one country' thus provided Polanyi with a concrete reference point for developing a new theory of history. Indeed, at a certain level, the motivation to do so may be understood as a response to the absence of an adequate theory to account for the practice or, *pace* the Webbs and many others, '*the amazing success*', of '*socialism in one country*' during the 1930s (emphases added).⁴⁰ This claim will be further elucidated in considering Polanyi's view of the available theoretical alternatives and their inability to deal with 'the utterly new developments of the thirties'.

The theoretical alternatives: liberal political economy and Marxism

Liberal political economy, a term used here to denote both classical and neo-classical economics, was inadequate for understanding nineteenth-century civilization (and even more so for other civilizations) primarily because, in Polanyi's view, it was a constitutive part of that civilization, as it arose and spread from its English heartland. Many aspects of Polanyi's critique of liberal political economy can be directly traced to the preceding debates between Schmoller and Menger, and their precursors as well as disciples. Polanyi, however, does not always explicitly refer to these debates, in part because the main participants (including Weber) had not lived to draw the all-important lessons of the 1930s, and in part because of his understandable preoccupation with Marxism, which had long replaced 'state socialism', or 'socialism of the chair', as the main alternative to bourgeois political economy.

In any case, as with Schmoller and his associates, Polanyi strongly objected to the model of self-interested economic man at the centre of the liberal political economy. Nevertheless, like Weber, he accepted that classical and neo-classical political economy furnished a faithful account of the workings of the self-regulated markets that emerged in the century following Smith's assertion of man's universal propensity to barter, truck, and exchange one thing for another:

In retrospect it can be said that no misreading of the past ever proved more prophetic of the future. For while up to Adam Smith's time that propensity had hardly shown up on a considerable scale in the life of any observed community, and had remained, at best, a subordinate feature of economic life, a hundred years later an industrial system was in full swing over the major parts of the planet which, practically and theoretically, implied that the human race was swayed in all its economic activities, if not also in political, intellectual, and spiritual pursuits, by that one particular propensity ... In point of fact [however] the alleged propensity to barter ... is almost entirely apocryphal.⁴¹

³⁹ *GT*, 240.

⁴⁰ *Ibid.*, 39.

⁴¹ *Ibid.*, 50-51.

The exception was the century in which classical political economy was established as both a science and the constitutive ideology of the new ‘disembedded’ economic system. But then that century was itself apocryphal, not least because it was shaped by the transient success of ‘the utopian endeavour of economic liberalism to set up a self-regulating market system’.⁴² This system, based as it was on the separation of economic relations from collective institutions and values (politics, religion, custom, etc.), was an ‘utterly new’ development in the nineteenth century.⁴³ Thus, its official ideology, *i.e.* liberal political economy, was congenitally obsolete as a basis for understanding any but the exceptional case of the segregated economic relations of the nineteenth century. Economic history, whether of pre- or post-nineteenth-century civilization, therefore required a radically different foundation. Polanyi appears here to be following Marx and other socialist critics of classical political economy, except that he finds Marxism a failed alternative, ‘a failure due to Marx’s too close adherence to Ricardo and the traditions of liberal economics’.⁴⁴ The Marxian theory of economic class struggle merely replaced the individual interests of competing economic men with the economic interests of rival classes: ‘The liberal economic outlook thus found powerful support in a narrow class theory. Upholding the viewpoint of opposing classes, liberals and Marxists stood for identical propositions ... Between them they all but completely obstructed an overall view of market society ...’.⁴⁵

Polanyi’s critique of Marxism in *GT* was the impressive culmination of his earlier reflections, and anticipates most of the recent criticisms. He incisively questioned a whole series of Marxian habits, including reading off the actions of political actors from the putative logic of their economic positions, treating classes as given rather as changing historical entities, and ignoring the internal divisions of classes, the importance of cross-class coalitions, and the autonomous role of status, security and other such factors as determinants of social action.⁴⁶ He also pointed to the failure of Marxism to take account of the multiple roles of individuals as, for example, citizens, ‘neighbours, professional persons, consumers, pedestrians, commuters, sportsmen, hikers, gardeners, patients, mothers, or lovers’, and the complex ways these are represented by ‘almost any type of territorial or functional association such as churches, townships, fraternal lodges, clubs, trade unions’ as well as broad-based political parties, and indeed the nation-state itself.⁴⁷ More specifically in relation to the present discussion, Polanyi rejected the Marxist view of market capitalism as the progressive culmination of a long world historical process whose roots could be traced to Graeco-Roman times or, more recently, to the Reformation and other developments in the sixteenth century. Such a view, from Polanyi’s standpoint, was too tainted with the liberal attempts to naturalize

⁴² *Ibid.*, 39.

⁴³ *Ibid.*, 62ff.

⁴⁴ *Ibid.*, 129.

⁴⁵ *Ibid.*, 153.

⁴⁶ Cf. A. Cutler *et al.*, *Marx’s ‘Capital’ and capitalism today*, 2 vols (London 1977-78), and F. Parkin, *Marxism and class theory: a bourgeois critique* (London 1979).

⁴⁷ *GT*, 156, 153ff.

the nineteenth-century market society as somehow an ultimate (or penultimate for liberal socialists) response to a longstanding 'natural' human need.⁴⁸

By basing itself on the primacy of the (disembedded) economy and economic values, Marxism, like liberalism, not only failed to anticipate the events of the 1930s, but also ignored the true significance of their roots in the 'society's' protean response to the rise of market capitalism throughout the nineteenth century. The 'protective legislation, restrictive associations, and other instruments of intervention' which the liberals saw as impediments to the smooth and beneficial workings of *laissez-faire*, and Marxists only viewed as expressions of narrow class interest, were above all the society's natural self-protective measures against the violation of its essence by the expansive penetration of self-regulating markets and values associated with this destructive process.⁴⁹ In contrast to the utterly new developments of Smith's time, the apparently new developments in the 1930s were new only because all were blinded by the combined ideological force of liberalism and Marxism: 'Where Ricardo and Marx were at one, the nineteenth century [lasting till the 1930s] knew no doubt'.⁵⁰

This takes us back to the culmination of society's reassertion of its reality against the encroachment of expanding markets, namely the second Russian Revolution. It was here that, in the name of Marxism, Marxism's failure as an adequate theoretical alternative to liberalism was revealed. If the October revolution was, as Gramsci had noted, above all a revolution against *Das Kapital*, then it was only carried through to its logical conclusions, according to Polanyi, by Stalin. The Bolsheviks, like Marx, were compromised by liberalism:

It is not usually realized that the Bolsheviks, though ardent socialists themselves, stubbornly refused to 'establish socialism in Russia'. Their Marxist convictions alone would have precluded such an attempt in a backward agrarian country. But apart from the entirely exceptional episode of so-called 'War Communism' in 1920, the leaders adhered to the position that the world revolution must start in industrialized Western Europe. Socialism in one country would have appeared to them a contradiction in terms, and when it became a reality, the old Bolsheviks rejected it almost to a man. Yet it was precisely this departure which proved an amazing success.⁵¹

The Stalinist regime, however, could not easily provide a theoretical justification for its practice in the 'decade that socialism became a reality in Russia', precisely because it was bound to uphold Marxism as its official ideology for historical reasons. But Marxism was helpless, especially as in the same decade Hitler also proved with equal success that 'the

⁴⁸ *Ibid.*, 53.

⁴⁹ *Ibid.*, 133ff.

⁵⁰ *Ibid.*, 35. Polanyi reaches this verdict in his discussion of the universal faith in the gold standard. Apart from Marx and Ricardo, he mentions a dozen others from Bismark, Mussolini, and Coolidge to Mill, Mises, and Trotsky, and describes the catastrophic outcome of their collective belief. In this he was, of course, anticipated by Keynes. Polanyi's refusal to follow the Keynesian strategy, which was consonant with his critique of free-market capitalism, is notable. Keynes, after all, was a liberal of the new sort, who had no illusions about classical liberalism or the Soviet Union or indeed about his own position as a privileged member of the bourgeoisie, see Keynes, *Essays in persuasion*, vol. 9, *Collected Works* (London 1972) part 4.

⁵¹ *GT*, 241.

social unit of nation ...[is] in the long run even more cohesive than the economic unit of class'.⁵²

For Polanyi, both Stalinism and Fascism were ultimate manifestations of the universal reality of society, and man's true nature. If 'the discarding of market utopia brings us face to face with the [primordial] reality of society', and if this is 'the dividing line between liberalism on the one hand and Fascism and [Christian, or other non-liberal] socialism on the other', then it follows that there are no necessary pre-conditions for the realization of socialism.⁵³ In any case, socialism or, more precisely, the reality of society need not be so much asserted or constructed as revealed, once the imposed veil of the market is removed. Rather than being an evolutionary culmination of a long historical process and presupposing the maturation of liberal capitalism, socialism was in the first instance a return to a period lasting many millennia up until the beginning of the nineteenth century. There was an urgent need for a new theory, based on the primacy of the 'reality of society', which could both explain the new world heralded by the 1930s and provide an alternative account of pre-nineteenth-century formations from that propounded by the evidently defunct classical liberal and Marxian traditions. Such a theory was that on which *GT* was based and to which I shall now turn.

Theoretical concepts

The works of the founders of economic anthropology, Malinowski and Thurnwald, appeared to reinforce Polanyi's vision and provide him with empirical proof of the limited reach of the economic man and his tendency to truck, barter, and exchange for profit. In his seminal study, *Argonauts of the western Pacific*, Malinowski had concluded that a 'notion which must be exploded, once and for ever, is that of the Primitive Economic Man of some current economic textbooks'.⁵⁴ This was an observation underlined by Thurnwald in his complex overview of his own and other anthropological research (including Malinowski's): 'A characteristic feature of primitive economics is the absence of any desire to make profits either from production or exchange. If money exists at all, its function is quite different from that fulfilled by it in our civilization'.⁵⁵

Various scattered references apart, one whole chapter in the main text and a lengthy section in the bibliographical notes in *GT* are devoted to the presentation of evidence from especially Malinowski and Thurnwald's studies *contra* the 'hypothesis about primitive man's alleged predilection for gainful occupations'.⁵⁶ But, then, both Malinowski and Thurnwald equally rejected the opposite assumption of the primitive 'communistic' man. Malinowski, for example, dismissed the 'wide-spread fallacy of the primitive Golden Age, characterized mainly by the absence of any distinction between mine and thine' as 'an old prejudice shared

⁵² *Ibid.*, 240. This may seem prophetic now, but, perhaps displaying the cyclical aspect of historical change, it was a reasonable description of the events in and around both world wars.

⁵³ He does, however, mention some of the actual economic and political conditions that hastened the formulation and implementation of the five-year plans, see 241ff.

⁵⁴ Bronislaw Malinowski, *Argonauts of the western Pacific* (London 1930) 60.

⁵⁵ Richard Thurnwald, *Economics in primitive communities* (London 1932) xiii.

⁵⁶ *GT*, 51. The supporting evidence is cited in section 6 of the bibliographical appendix.

by many modern writers, especially in support of communistic theories, and the so-called materialist view of history'. He also rejected the apparently even more influential view of Bücher, on which 'all the best of modern writings on Primitive Economics' are based, namely the latter's 'individualistic' conception of early hunters and gatherers as organized into isolated households.⁵⁷ Whilst making the same double observations concerning the 'two extreme views', Thurnwald summarizes the anthropological wisdom of the time thus: 'The actual facts, unfortunately, do not square with the theories inspired by the need of systematization'.⁵⁸ This was, however, precisely the need that underpinned both Marx and Bücher's turn to the question of the primitive man. Polanyi too was now employing the findings of empirical anthropology in response to a similar systematizing need. From the studies of Thurnwald, Malinowski, and others, Polanyi drew the conclusion that 'man's economy, as a rule, is submerged in his social relationships'.⁵⁹ In other words, the economic relations in the societies studied by the former were not differentiated from kinship or political ties, a conclusion that, notwithstanding the formalists' objections, would have been at least comparatively justified in the case of 'primitive' societies. It was these formations which were after all the main source of Malinowski's and Thurnwald's findings. Polanyi, however, generalized from these to pronounce on 'man's economy', and to confirm to his own satisfaction, 'the changelessness of man as a social being'.⁶⁰

Apart from thus reassuring him on the question of the exceptional status of the economic man, anthropology crucially opened for Polanyi the possibility of distinguishing between different types of markets and trading activities. According to Thurnwald, 'markets are not found everywhere; their absence, while indicating a certain isolation and a tendency to seclusion, is not associated with any particular development any more than can be inferred with their presence'.⁶¹ On the basis of this and other anthropologists' observations concerning the role and significance of money in early societies, Polanyi later developed a fertile research programme into various types of exchange, trade, money, and prices, all with a view to emphasizing the non-expansive, localized, or external and, in sum, 'embedded' nature of pre-nineteenth-century markets.⁶² In *GT*, Thurnwald's above insight underlined one of Polanyi's key claims that, contrary to both defenders and opponents of the self-regulating markets of the

57 Malinowski, *Argonauts*, 167. See also 516ff. where Malinowski points to the common roots of Marxism and utilitarianism in a way that anticipates Polanyi's discussion in *GT*.

58 Thurnwald, *Economics*, 268. There are certain explicit passages in Thurnwald's work which could be used in direct opposition to Polanyi's conclusions. For example, after rejecting the romantic individualist and collectivist theories, he notes: 'If we are ready to regard the fundamentals of primitive economics with a balanced and realistic mind we are struck by the fact we see the same emotional powers at work as with us, only sometimes in different proportions', 278. Polanyi himself acknowledged, albeit in passing, that 'anti-collectivist' conclusions can also be drawn from the study of primitive economics.

59 *GT*, 51.

60 *GT*, 53.

61 Cited in *GT*, 64.

62 See, in particular, Polanyi, 'Our obsolete market mentality', in *Primitive, archaic and modern economies*, ed. G. Dalton (Boston 1947/1968), and 'The economy as an instituted process' in *Trade*, ed. Polanyi *et al.* (Glencoe 1957).

nineteenth century, such markets were not products of evolutionary growth, or in Hayek's later phrase, 'spontaneous orders', but institutions imposed by the state and other social actors.

Thurnwald was also inspiring because in order to illustrate his various conclusions, he at times ventured far beyond the confines of primitive orders by drawing on his vast knowledge of a wide variety of ancient and medieval, oriental and occidental societies. In these excursions, Thurnwald developed the notion of 'distribution', which came to occupy a key place in Polanyi's theory. According to Thurnwald, even though found in most primitive hunting tribes, 'distribution' was most notable in 'all archaic states – ancient China, empire of the Incas, the Indian kingdoms, Egypt, Babylonia', where the extension of the 'area controlled by a despot necessitates an increase in the number of warehouses, granaries and treasuries, and a corresponding increase in the number of officials required for their management'.⁶³ Here Thurnwald is essentially concerned with what Weber had called the *oikos* economy and had pointedly contrasted it with the capitalist *polis* of the Graeco-Roman civilization. However, in appropriating Thurnwald's concept Polanyi discarded Weber's comparative perspective. On the contrary, Thurnwald's (despotic) systems of distribution are employed here along with 'reciprocity' as the dominant patterns of societal integration in all pre-nineteenth-century formations, including Greece and Rome:

The Graeco-Roman period, in spite of its highly developed trade, represented no break in this respect; it was characterized by the grand scale on which redistribution of grain was practised by the Roman administration in an otherwise householding economy, and it formed no exception to the rule that up to the end of the Middle Ages, markets played no important part in the economic system; other institutional patterns prevailed. From the sixteenth century onwards markets were both numerous and important. Under the mercantile system they became in effect a main concern of the government; yet there was still no sign of the coming control of the markets over human society. On the contrary: regulation and regimentation were stricter than ever; the very idea of a self regulating market was absent. To comprehend the sudden change-over to an utterly new type of economy in the nineteenth century ...⁶⁴

An examination of Polanyi's debt to anthropology would not be complete without reference to Polanyi's total inversion of the perspective underlying both liberal and Marxian political economy. Whereas the latter relied on a theory of history which was essentially a retrojective evolutionary generalization of the relations and values of modern capitalism, Polanyi produced his anti-evolutionary anti-market alternative from a perspective firmly located in the very opposite end of the historical spectrum, namely the primitive societies. If for Marx (and Smith) 'the human anatomy contains a key to the anatomy of the ape', for Polanyi the opposite is true. Or rather, Polanyi reverses the order in which they came about. From his standpoint, the 'social' man came first, and then came the ape, or 'economic' man of the liberal market

63 Thurnwald, *Economics*, 106, 108.

64 *GT*, 62. I shall deal with Polanyi's illicit, if understandable, conflation of the whole of the Graeco-Roman period with the later Roman empire below. It suffices to recall here that the latter period more precisely corresponds to the period when the '*oikos* economy' began to dominate large parts of the empire.

society. It was the former that provided the key to understanding the latter, with the added proviso that the authentic pre-market man, although authentic in conducting his life in 'society' (whether in western Pacific tribes, or the Athens of Pericles, the Egypt of the Ptolemies, or even Locke's England) resembled Adam before the Fall, in that he lacked consciousness of living in the 'reality of society'.

According to Polanyi, this consciousness, although achieved in a prophetic (and general) sense by isolated thinkers such as Robert Owen, became generally accessible during the 1930s. Only then, the 'evident' demise of the market society on the one hand, and the (planned) re-incorporation of the economy into the society of the Soviet Union on the other, provided the double vantage point for reclaiming the lost heaven. Polanyi's theory was in this context the social scientific formulation of this consciousness: a historical social science that paralleled the Marxian concepts of modes of production with a set of modes of societal 'integration' derived from anthropology and, most particularly, from the work of Thurnwald. What was original in Polanyi, notwithstanding George Dalton and Scott Cook's claims and counterclaims, was his derivation of differentiated sub-categories (different types of trade, money, market, for example) on the basis of the three fundamental concepts of reciprocity, redistribution, and exchange, all of which came to his attention especially in the works of Thurnwald and Malinowski.⁶⁵ To these concepts (and influences) may also be added (Rodbertus/) Bücher's 'householding', which Polanyi presented with the above in *GT*; that is, some time before turning to the *oikos* debate in earnest. 'Householding' was subsequently dropped in the more extensive and rigorous discussions of *TM*, apparently because its autarkic constitution precluded its conception as a pattern of 'societal' integration. In *Dahomey and the slave trade* (posthumously edited and published in 1966), however, Polanyi once again employed 'householding' as the institutional site of slave labour. But, as his last published contribution makes clear, he seems to have settled for the *oikos* pattern as 'redistribution on a smaller scale'.⁶⁶

The important point is that Polanyi used these borrowed concepts in a new context and research programme informed by his own particular understanding of world history. He employed these essentially anthropological concepts far beyond their initially derived domain of primitive (or archaic-bureaucratic) formations.

Reciprocity, redistribution, and market exchange as universal forms of organization of socio-economic life constituted the fundamental categories of Polanyi's new 'paradigm', which could now function as a theoretical alternative to Bücher's tripartite (household, city,

65 Cook in his trenchant review of Polanyi's economic writings – edited by Dalton – criticizes the latter for claiming that the concept of redistribution as a mode of societal integration was an 'original' conception of Polanyi; see S. Cook, 'Review of Primitive, archaic and modern economies', *American Anthropologist* 70 (1968) 969. A comparison of Thurnwald's *Economics* and particularly the fourth chapter of *GT* certainly leaves no doubt as to Polanyi's considerable debt to the former. But this is openly acknowledged by Polanyi, see 54 n. 1 and 260ff. A source of confusion may be found in certain remarks in Polanyi's other major work, *TM*, which may be construed to support Dalton's problematic claim, see *TM*, 252.

66 See Polanyi, 'On the comparative treatment of economic institutions in antiquity', in *City invincible: a symposium on urbanization and cultural development in the ancient Near East*, ed. C. H. Kraeling and R. M. Adams (Chicago 1960); see also F. Benet, 'Explosive markets: the Berber ...' in *Trade and market*, ed. Polanyi *et al.*, 215 n. 58; S. Humphreys, *Anthropology and the classics*, 63ff.

national economies) general theory of economic development or the Marxian theory of successive modes of production. In this respect, Polanyi's theory remained pre-Weberian; indeed very much a product of the nineteenth-century ethos that he so vehemently criticized, except that, *contra* Ernest Gellner's plausible interpretation, reciprocity, redistribution, and market exchange do not, in Polanyi's work, present a stage theory of history.⁶⁷ To have conceived market exchange as the evolutionary culmination of societies dominated by reciprocity (early tribal formations) and, subsequently, redistribution (other pre-nineteenth century historical societies), would have radically undermined Polanyi's project in every significant respect. This explains Polanyi's otherwise belaboured emphases on the utter newness and utopian, unnatural, apocryphal, and historically unmediated eruption of the nineteenth-century self-regulated markets. The point is not only repeated in every conceivable way in *GT*, it is also pointedly emphasized in his later more theoretically elaborate work: 'forms of integration do not represent "stages" of development. No sequence in time is implied. Several subordinate forms may be present alongside the dominant one, which may itself recur after a temporary eclipse'.⁶⁸

In another respect, however, Polanyi's theory suffers from comparison with the Marxian conception of modes of production. I do not mean the often repeated charge of 'circulationism' laid against him, which, whilst true at a certain level, simply affirms the fact the Polanyi was not a Marxist.⁶⁹ Historical materialism, even if, in the words of the young Polanyi himself, 'worthless for philosophy, whether philosophy of history or moral philosophy', contained a dynamic dimension that made it an 'indispensable point of view for historical writing' and gave it considerable 'heuristic significance for the methodology of economic history'.⁷⁰ Polanyi's own alternative, in contrast, remains essentially a static enterprise, which may explain its relative success in the anthropology of primitive 'tribes', or what has been called 'aboriginal economies'. Even there, as George Dalton, the most forceful anthropological exponent of his views, admits, 'Polanyi had no theory of change under aboriginal conditions (although he said some interesting things about the two sets of aboriginal social and political conditions ...). He had no theory of change under colonial conditions (although he had some insights into the negative consequences for colonized peoples of European commercial practices ...) He had no theory of development and modernization ... a very new subject'.⁷¹

This, however, can be explained not just by reference to the newness of the questions or other contingent factors external to Polanyi's paradigm. The fact is that, despite the many historical insights to be found in Polanyi's work, reciprocity and redistribution, the putative exhaustive patterns of pre-capitalist socio-economic integration, were conceived as harmonious entities (or eternities) immune to historical change. These concepts and the societies

⁶⁷ Ernest Gellner, *Plough, sword and book: the structure of human history* (London 1988) 180ff., 19.

⁶⁸ 'The economy' in *TM*, 256.

⁶⁹ See Humphreys, *Anthropology*, 63 and references therein. Cf. George Dalton's response to Polanyi's French critics in 'Comment' in 'Symposium on the work of Karl Polanyi', *Research in Economic Anthropology* 4 (1981).

⁷⁰ Cited in L. Congdon, 'Polanyi in Hungary', 178.

⁷¹ G. Dalton, 'Karl Polanyi's analysis of long-distance trade and his wider paradigm', in *Ancient civilization and trade*, ed. J. A. Sabloff and C. C. Lamberg-Karlovsky (New Mexico 1975) 109.

which they designated were so constituted because they were at the same time conceived as (theoretical and societal) manifestations of the 'unchanging essence of man as a social being'. Internally propelled change, at least historical/structural transformation, was thus in principle excluded from such societies, a clear reminder of a long-standing tradition in modern (and ancient) Western thought which conceived of the 'orient', the Asiatic, or the non-Western as stagnant.⁷² However, for Polanyi this antinomic other (man or social order) was not exclusive to the East or the non-European. It was not an other at all; it was universal. It reflected an era in which there was no other; literally the era where man was 'whole', unreflectively at peace with his 'essence', living an unalienated life, in reciprocative and/or redistributive societies, however squalid or unfree such life may now appear to us. It is this vision of 'man' and society, which permeates Polanyi's research programme and which precludes a way of accounting for 'change', and not any contingent factor which can be remedied sooner or later, as Dalton optimistically suggests.⁷³ Notwithstanding his sociological and historical insights and intentions, Polanyi's paradigm remained not just pre-Weberian, but, in a certain precise sense, pre-sociological and transhistorical, which, incidentally, is another reason why initially it resonated most noticeably with anthropologists. Without its underlying unitary conception of 'man', it would have remained an undetermined set of theoretical categories incapable of responding adequately to the questions it itself generated. Yet, once deconstructed or released from Polanyi's philological anthropology, the concepts now considered Polanyian, as well as his critique of liberalism, can and have been productively employed in older paradigms, from social democratic accounts of modern capitalism to the more fertile variants of world-systems theory.⁷⁴

The static constitution of the reciprocative and redistributive systems in Polanyi's theory can be explained only by the consonance it assumes between these forms of societal integration and Man's essence. This is what is at issue when considering Polanyi's paradigm to be pre- or insufficiently sociological. It is ultimately derived from and inspired by a hypostasized, self-consciously religious conception of man.⁷⁵ The last and only apparently dynamic integrative system, market exchange, may also be better understood in this regard. Market exchange's historicity is, at the same time, its fatal flaw. It is dynamic because self-destructive; and it is self-destructive because it violates man's collectivist essence. Thus, even the dynamism of the market exchange is not primarily a sociological attribute, nor even a concrete historical development. First and foremost, it is adduced from Polanyi's philosophical anthropology.

72 See P. Anderson, *Passages from antiquity to feudalism* (London 1974) 462ff.

73 Dalton, 'Polanyi', 109. Cf. the 'formalist' critiques of Polanyi collected in *Economic anthropology: readings in theory and analysis*, ed. E. E. Le Clair and H. K. Schneider (New York 1968).

74 See, for example, D. Marquand, *The new reckoning: capitalism, states and citizens* (Cambridge 1997), 30-31; and C. Chase-Dunn and T. D. Hall, *Rise and demise: comparing world-systems* (Boulder CO 1997), 23-25.

75 Although both Polanyi and Marx (and Weber) arrive at a similar conclusion about the static nature of ancient empires, their underlying theories are not the same. Polanyi includes the Western formations under the universal umbrella of reciprocative and redistributive systems, whereas in his later writings, Marx avoids essentialist anthropology and distinguishes between Western and non-Western developmental paths. That Marx may be charged with sociological determinism is another valid question put early on by Polanyi.

Nevertheless, Polanyi intended his theory as primarily an ‘institutionalist’ contribution to economic history, a development of Weber’s legacy free from the drawbacks of the Marxian alternative.⁷⁶ That Polanyi did not wholly succeed in his intended task is, I hope to have shown, at least in part explained by an anthropological reductionism left behind by Marx. A 1938 *Bulletin of the Christian Left* devoted to Polanyi’s most sympathetic, indeed *quasi-Marxian*, discussion of Marx’s work underlines this claim. Dismissing the alleged break between Marx’s early and mature writings, Polanyi begins his ‘general outline of Marxism’ with what he aptly calls ‘Anthropology’: ‘The starting point for Marx is anthropology in its fullest sense, i.e. a science of the nature of man. This science is the basis of Marx’s method. It deals not with man as individual, but with mankind, the genus man’ (emphasis in the original).⁷⁷ In this reading of Marx, Polanyi anticipates *GT*’s inversion of the economic man of classical (and neo-classical) political economy. His rejection of Smith’s universalization of man’s propensity to barter, truck, and exchange did not stem from a recognition of the fundamental inadequacy of constructing historical sciences around a/singular notion of man. Polanyi shared Smith’s problematic; indeed he accepted its surface validity for the nineteenth century, but in effect claimed that man’s deeper and more genuine propensity was to reciprocate and redistribute.

This forced opposition between the ‘individualistic’ or ‘egotistical’ conception of man on the one hand, and the ‘altruistic’ or ‘collectivist’ conception on the other, was a key question in the disputes of classical and neo-classical economists and their critics. We have already seen how it was raised in the Menger-Schmoller dispute and how Weber attempted to go beyond the problematic shared by both sides by defending the Austrians’ theory in a sociological-historical context, an approach already anticipated in the work of the mature Marx. Interpreting both Marx and Weber, as well as liberal political economy from a perspective akin to that of the young Marx, Polanyi failed to develop Weber’s work, at least in this respect, as he had intended. It may be recalled that, according to Polanyi, ‘man’s natural endowments [which] reappear with a remarkable constancy in societies of all times and places’ serve to confirm ‘the changelessness of man as a social being’.⁷⁸ This unchanging human nature in turn explains the associated constancy of the societal forms in which it is mirrored and for which it serves as a mirror:

The outstanding discovery of recent historical and anthropological research is that man’s economy, as a rule, is submerged in his social relationships. He does not act so as to safeguard his individual interest in the possession of material goods ... Neither the process of production nor that of distribution is linked to specific economic interests attached to the possession of goods; but every single step in that process is geared to a number of social interests which eventually ensure that the required step be taken. These interests will

76 K. Polanyi, ‘Unpublished Columbia University lectures notes on economic history’ (PA 1950) 3.

77 K. Polanyi, ‘General outline of Marxism’, *Bulletin of the Christian Left*, 2 (1938) 5. Polanyi rejects Engels’s *Dialectic of nature* for its essentialist view of nature and natural sciences. He insisted that these sciences deal ‘not with essences but descriptions’, but ignored this point or found it inapplicable when it came to his own social science.

78 *GT*, 53.

be very different in a small hunting or fishing community from those in a vast despotic society, but in either case the economic system will be run on non-economic motives.⁷⁹

Market society, therefore, had to collapse not so much because its opponents appeared to have gained the upper hand in the 1930s, but because it violated human nature which in turn explains why its opponents had gained the upper hand. Polanyi's anti-determinism was thus underpinned by a determinism as cast-iron as any to be noticed in traditions it is claimed he transcended.

From another angle, the constitutive concepts of Polanyi's paradigm appear as upsidedown versions of certain key concepts associated with liberal (classical and neo-classical) political economy. Thus, in contrast to the so-called economic man, we have the social man; at the level of social organization, the market is opposed by planning, the disembedded economy by an economy once again embedded in an undifferentiated totality; and, at the level of political strategy and socio-economic analysis, the charge of utopianism made against the advocates of planning is seen (inevitably) to boomerang in the face of exponents of the moribund market civilization:

*The congenital weakness of nineteenth-century society was not that it was industrial but that it was a market-society. Industrial civilization will continue to exist when the utopian experiment of a self-adjusting market will be no more than a memory. (emphasis in original)*⁸⁰

GT failed to develop certain crucial insights found in Polanyi's earlier incarnations. The young Polanyi, as has been seen, had attempted to go beyond what he considered the stale debate between Marxist supporters of central planning and their free market opponents. He moreover recognized the importance of Austrian economics' focus on the demand side of economic transactions and on the underlying question of the determination of needs. Such considerations in turn resulted in the separation of the organizations of producers and consumers (a socialist way of retaining the crucial distinction between economy and polity) in his own version of guild socialism. In *GT*, these advances are reversed or rather are scattered as the still-vibrant elements of a discarded research programme. Instead, *GT* is permeated with a ferocious polemic against market capitalism and its liberal defenders from the viewpoint of a staunch champion of central planning. As such, *GT* cannot provide a coherent basis for dealing with contemporary concerns, even though its critique of classical Marxism and liberalism and, most crucially, of 'marketism' may have to be retained in any such project.

The new paradigm's value-standpoint

For the young Polanyi, as for the mature Weber, individual freedom and initiative was considered the supreme value. The latter's defence of an entrepreneurial regime, distrust of officialdom, lamentation at the spread of bureaucratic methods in private economic organizations, and his objection to socialism all arose from the overriding concern to ensure the maximum space possible under modern circumstances for the free play of individual

⁷⁹ *Ibid.*

⁸⁰ *Ibid.*, 243.

creativity. The Polanyi of *GT*, however, viewed these matters from the diametrically opposite end of the ideological spectrum. The question, then, is how did he reconcile his total ‘scared hatred’ of market capitalism with the claim of Weber’s fellow liberal ‘marketists’ that capitalism was causally related to the spread of personal and political freedoms?

Unlike Marx, the Polanyi that emerged in the 1930s did not naively assume that the ‘sphere of freedom’ would expand automatically with the ‘socialization’ of the means of production. Rather, freedom was viewed as a residual category secondary to and ultimately distinct from the fundamental struggle between market and planning. Once the price-setting markets had been abolished and the economy had again been re-embedded in a redistributive polity, those who cared for individual freedoms, and Polanyi certainly did, could struggle for it. But the concept of socialism did not include ‘freedom’ as a necessary motive. Put in another way, socialism was not seen as the dialectical abolition of capitalism but its absolute negation. Bourgeois freedoms were not to be ‘idealistically’ viewed as intrinsic to the socialist project, which therefore reduced the latter to a variant of ‘palace economies’ adapted to a modern industrial setting: thus the virtual identification of socialism and central planning, at least in the struggle to overcome market capitalism. Only in this context can Polanyi’s affirmation of the 1930s as the period when ‘socialism became a reality in Russia’ be explained. Or, his less noticed but equally significant disregard of the question of freedom in discussion of the ‘redistributive’ systems, whether of Mesopotamia or Dahomey, be understood.⁸¹

This does not mean that Polanyi favoured despotism as such or did not passionately value freedom. It rather means that, in Polanyi’s ‘paradigm’, freedom became a residual concern, normatively as well as historically and conceptually. Polanyi turned to economic history in order to verify the claim that there was nothing ‘natural’ about free markets, that ‘*laissez-faire* was planned; planning was not’.⁸² The flip side of this attempt was the assumption that societies organized on the basis of ‘planning’ were somehow ‘natural’, in the sense of being both historically ubiquitous and corresponding to man’s social nature. But were personal and political freedoms also not unnatural in one or both of the above senses? In most pre-modern and modern ‘planned’ societies such freedoms were absent or unrecognized. Could it be that, whether natural or not, such societies tended to preclude the institutionalization of individual freedoms; and that, conversely, there is a causal connection between market-based economic freedom and other political and personal liberties?

Polanyi’s published reflections on these questions, the core of the liberal critique of planning, were at best ambiguous. On the one hand he acknowledged, albeit in passing, that

the institutional separation of politics and economics, which proved a deadly danger to the substance of society, almost automatically produced freedom at the cost of justice and security. Civil liberties, private enterprise and wage system fused into a pattern of life which favoured moral freedom and independence of mind.⁸³

81 Alfredo Salsano notices the problem, but then concludes somewhat cryptically that Polanyi was ‘never in the service of the king of Dahomey’ (*The Great Transformation* in the œuvre of Karl Polanyi’ in *Life*, ed. K. Polanyi-Levitt, 144). That is certainly true, but the point is that he preferred the system represented by Dahomey’s king or Hammurabi to that defended by Gladstone or Hayek.

82 *GT*, 143.

83 *Ibid.*, 244. See also *Primitive, archaic, and modern economies*, 74ff.

Left at this, one must further accept as legitimate the case of those liberals such as Weber who favoured ‘moral freedom and independence of mind’ as the ultimate value and thus upheld the cause of market capitalism, even at the cost of forgoing the benefits of planned systems in terms of ‘justice’ and ‘security’. Weber was reconciled to what he somewhat romantically saw as the irreconcilable, even deadly struggle of forces representing rival values. Polanyi was not prepared to concede as much to the liberal marketists. His hatred of self-regulating markets and his identification of the latter as an absolute evil precluded such a concession. Instead, he almost wholly retracted what he had previously conceded concerning the structural association between market society and freedom, by asserting that it was actually no more than a contingent, ephemeral affair: ‘Neither freedom, nor peace could be institutionalised under the [market] economy, since its purpose was to create profits and welfare, not peace and freedom’.⁸⁴

Moreover, the liberal idea of freedom had in the face of the ‘hard reality of giant trusts and princely monopolies’ degenerated into a ‘mere advocacy of free enterprise’. Even worse, ‘the victory of Fascism was made practically unavoidable by the liberals’ obstruction of any reform involving planning, regulation or control’.⁸⁵ In sum, any association between ‘freedom’ and the disembedded market economy was, at best, an unfounded ‘illusion’. If true, however, this means that the ‘freedoms we prize highly’ were essentially contingent outcomes of the voluntaristic efforts of their advocates and enemies, and not causally associated with any particular type of political economy. And this is precisely the conclusion that Polanyi repeats when he returns to the question, a few years after the publication of the *GT*, in response to Hayek whose *The road to serfdom* was published in the same year as his own masterwork. After somewhat disingenuously proving the compatibility of planning and civil and political liberties with reference to the wartime US and UK, where ‘never were public liberties more securely entrenched than at the height of emergency’: Polanyi (re-)affirms ‘Institutional guarantees of personal freedom are compatible with any economic system’.⁸⁶ Polanyi’s evidence in this case is particularly problematic, considering Hayek’s clear anticipation of his argument in *The road to serfdom*:

The only exception to the rule that a free society must not be subjected to a single purpose is war and other temporary disasters when subordination of almost everything to the immediate and pressing need is the price at which we preserve our freedom in the long run. This explains also why so many of the fashionable phrases about doing for the purposes of peace what we have learnt to do for the purposes of war are very misleading: it is sensible temporarily to sacrifice freedom in order to make it more secure in the future; but the same cannot be said for a system proposed as a permanent arrangement.⁸⁷

⁸⁴ *Ibid.*, 245.

⁸⁵ *Ibid.*, 24. Evidently, this is a problematic claim insofar as Fascism arose first and foremost in societies with weak liberal traditions.

⁸⁶ K. Polanyi, ‘Obsolete market’, 206ff.

⁸⁷ (London 1944) 153. On the radical instability of Hayek’s own variant of liberal ‘marketism’, see Chandran Kukathas, *Hayek and modern liberalism* (Oxford 1989), and M. Nafissi, ‘The paradox of principles: the dialectic of Hayek’s liberalism’, *Economy and society* 2 (2000), 207-38.

Hayek's point is not original. A quarter of a century earlier, Weber had considered the calls for 'socialization' of the German economy arising from the experience of the (Great) 'War economy' and had similarly found them wanting.⁸⁸ But the question here is not the doubtful nature of the 'historical' evidence that Polanyi offers to demonstrate the indifferent compatibility of institutionalized freedom with any and every type of socio-economic structure. Rather I am concerned with demonstrating how Polanyi needed to convince himself (and his readers) that the choice of 'security', 'justice' and 'community' or 'society' over 'freedom' as the supreme value was, in fact, a costless affair. This may also throw light on Litván's question 'how could he have indulged in that [scared] hatred of [market society] seeing the range of Stalin's terror, or of Rákosi's atrocities?'⁸⁹

In and through *GT*, Polanyi reassured himself that the evidence of the sacrifice of freedom entailed by Soviet planning was in fact inadmissible as it referred to a transient phase in the (re-)abolition of the boundary separating the economy from polity and society:

The passing of market economy can become the beginning of an era of unprecedented freedom. Juridical and actual freedom can be made wider and more general than ever before; regulation and control can achieve freedom not only for the few, but for all ... Thus will old freedoms and civic rights be added to the fund of new freedom generated by the leisure and security that industrial society offers to all. Such a society can afford to be both just and free.⁹⁰

Notice that here Polanyi does not simply express the pious hopes of an idealist preacher or simply another anti-market romantic. He is not saying that the passing of the market economy *will*, but that it *can* lead to a free society. Such an outcome is, however, said to be dependent on the unpredictable, because conscious, struggles of wilful individuals. Therefore, he offers the following precise formulation,

personal liberty ... will exist to the degree which *we will deliberately* create new safeguards for its maintenance and, indeed, extension ... The true answer to the threat of bureaucracy as a source of abuse of power is to create spheres of *arbitrary* freedom protected by unbreakable rules. (emphasis added)⁹¹

The realistic Polanyi thus responds to his own passion for freedom by disembodimenting it from any sociological determination and thence reducing it to the actions of, in this one instance, self-determining individuals. Whether they would choose to uphold or protect it with 'unbreakable rules' is of course a matter that, notwithstanding Polanyi's own preference, must remain open, as it is not dictated by 'nature' or 'social structure'. Polanyi thereby resurrects the radical voluntarism of his youth, except that now this voluntarism is constrained by the overriding 'reality of society'.

⁸⁸ *Theory of social and economic organization* (New York 1947) 206ff.

⁸⁹ Litván, 'Karl Polanyi', p. 36. Polanyi's relationship with his one-time closest comrades Oszkár Jászi and Michael Polanyi effectively broke down over this issue.

⁹⁰ *GT*, 246.

⁹¹ *Ibid.*, 245.

Polanyi's self-determining individuals are strongly advised not to exercise their power to disembed economic relations from political institutions: those who do will, sooner or later, be forced to retrace their steps, as the experience of the 1930s and indeed the whole history of the world had shown. Herein lies the point of the historical commentary that runs through *GT* and, whilst focusing on England, refers to an astonishing range of societies, from primitive tribes and archaic empires to contemporary Europe and the US.

CHAPTER 7

DISCOVERY OF THE ECONOMY

Whatever reservations there may be about the limitations of the anthropological foundations of Polanyi's paradigm or its ideological orientation, it was certainly not intended or presented as unfalsifiable or self-evident. Indeed, its very formulation entailed the historical treatment of certain issues as empirical proofs of its validity. Polanyi welcomed the need to demonstrate the universality of 'planning' (as redistribution and/or reciprocity) as the dominant pattern of socio-economic integration in pre-modern societies. This was required if his double thesis of the historical uniqueness of the nineteenth-century market economy and the constancy of man's 'social nature' were to be sustained. But this leads to a second issue: if it is taken as given that market exchange never dominated what was thereby always an 'embedded' pattern of sustaining material life, and if it is further granted that this demonstrates man's social nature, then an account of the curious rise of market society in the nineteenth century has to be provided. In *GT*, the first question, the chronologically prior matter of the universality of non-market economies, is treated in general outline and as background to the second question, the rise of the market society as viewed from the vantage point of its apparent fall in the 1930s. Polanyi's discussion of the rise of modern capitalism even now remains stimulating. Not constrained by the deterministic layer of his own theory, and intent on exposing the determinism of the standard evolutionary accounts, Polanyi presents a powerful multi-causal, if ultimately incoherent, analysis of the emergence of market capitalism in England, in which political and ideological forces are given a prominent role. But what is of interest in this chapter is Polanyi's turn or return to the question of pre-modern societies in the two decades between the publication of *GT* and his death in 1964. Raised only as background to Polanyi's conception of 'man' and the historical focus of *GT* on the rise and fall of market capitalism, this question now became Polanyi's main preoccupation.¹

Armed with a new message, and a new stage and medium (academic teaching and research), the prophet was now ready for disciples. They came mostly from the ranks of the graduate students in Columbia University who attended Polanyi's provocative lectures during 1947-53, when he was adjunct professor of economic history, or they joined his research project on 'The origins of economic institutions' (1948-53), which subsequently continued as 'The economic

¹ During this period, Polanyi also attempted to expand and update the contemporary aspects of *GT* as indicated in the draft table of contents of a planned book provisionally and aptly called *Freedom and technology*. Drafts of various sections of the project, pursued in collaboration with Abe Rothstein, the co-author of Polanyi's posthumously published *Dahomey and slave trade*, survive. This unpublished material, mostly Rothstein's transcription of conversations with Polanyi, however, indicates the persistence of *GT* as Polanyi's basic standpoint and frame of reference. See Polanyi Archive (PA).

aspects of economic growth' (1953-59). The results of these projects were published in a somewhat curiously titled collection of essays, *Trade and market in the early empires* (1957, henceforth, *TM*) edited by Polanyi, Conrad Arensberg, and Harry Pearson. Polanyi's enduring presence in the fields of economic anthropology and ancient history is mainly due to his celebrated essays in this volume, as well as the works of George Dalton and Moses Finley, the standard-bearers of his paradigm in these fields.²

As already suggested, *contra* Humphreys, Polanyi's turn to the study of primitive and ancient societies was the further elaboration of his underlying theory of history rather than a break with *GT*. Having once viewed history backward from the contemporary vantage point of the upheavals of the 1930s, Polanyi was now ready to develop his views in a forward, although not chronologically ordered, direction. The vision, the intention, and the central set of concepts and even the historical outline remain the same as found in *GT*. The point of studying pre-capitalist formations was, after all, to demonstrate the 'empirical' validity of such things. The *oikos* debate was a natural starting point. It not only dealt with the politico-economic foundation of the first stage in the rise of European civilization, it was also the first serious attempt to put the general theories of history – invariably invented by political economists – to the test of empirical evidence as construed by professional historians. Polanyi's own theory dealt with the same questions and drew on the work of many of the participants in the earlier controversy.

Unsurprisingly in view of the above, Polanyi's sympathy went to the primitivists, but not without serious reservations. He particularly questioned the evolutionary orientation of their theories, not least because it underpinned the celebration of market society as either the culmination or the highest stage yet reached in a *quasi*-natural understanding of historical development. Their evolutionary outlook, however, had a crucial advantage: it limited the role of markets (as the main mechanism of allocation) to the modern period. This was far closer to Polanyi's position than that of the historians who found flourishing markets not only in Greece but also in ancient Mesopotamia and elsewhere. Such a view clearly could in no way be squared with the position that finds markets exceptional, unnatural and, in the period before the nineteenth century, at best a subordinate and limited institution, or indeed not as markets at all. As Polanyi elaborates in a research proposal in 1950:

Some forms of trade and various money uses gain great importance in economic life independently and precedent to markets. And even when market elements are present, these do not necessarily involve the existence of a supply-demand-price mechanism, i.e. market proper. Prices are originally set by tradition or authority and their change, if it

² Reference should also be made to Polanyi's so-called 'last word' on antiquity in the posthumously published *The livelihood of man*, edited by Harry Pearson (New York 1977), which brings together unpublished manuscripts and lecture notes, some of which are referred to separately in this and the previous chapter. The 'reliability' of *Livelihood*, however, has been questioned by Anne Mayhew, Walter C. Neale, and David W. Tandy, 'Markets in the ancient Near East: a challenge to Silver's argument and use of evidence', *JEcH* 45.1 (March 1985) 127-34. In a subsequent work, Tandy and Neale report Finley's strenuous, but unsuccessful, efforts to stop the publication of Polanyi's unpublished material on Greece in *Livelihood*, see 'Karl Polanyi and the case of ancient Greece' in *From political economy to anthropology: situating economic life in past societies*, eds. David W. Tandy and Colin A. M. Duncan (Montreal 1994) 10 & 25 n. 6.

occurs, is brought about again by institutional, not by market methods. For the student of antiquity, fluctuating prices, not fixed prices are the problem.³

In his longest extant (unpublished) reflections on the *oikos* debate, Polanyi insists that Rodbertus and Bücher's views were 'still the most suitable peg on which to hang a discussion of the economic problems of antiquity'. Above all, because 'in spite of inaccuracies, Rodbertus' *oikos theorem*, implied a significant warning not to assume that economic activity and market activity were coterminous' (emphasis in original).⁴ Yet, Polanyi was aware that those inaccuracies were sufficiently important to necessitate looking elsewhere for a more adequate variant of the primitivist case: 'in fairness to the modernizers ... on the fact of the *oikos* ... both Rodbertus and Bücher were wrong, or at least were guilty of gross exaggeration'.⁵ Marxism was an obvious candidate. However, it failed to impress Polanyi in this particular field as well:

Marxism developed a rigid stages theory, based on the origins of the surplus, which by definition originated in the exploitation of labour. This produces the series: slavery, serfdom, wage labour – the greatest single obstacle to the understanding of economic history ... Actually, slavery was an economic institution only over short periods in Graeco-Roman history (5th and 4th centuries in Greece, 2nd and 1st centuries in Rome).⁶

Ironically, but not surprisingly, Polanyi turned to Weber. I say ironically, because Polanyi recognized Weber as a 'marketist' associate of liberal economists in respect of economic theory and organization.⁷ Nevertheless, the attraction is not surprising because Weber's comparative institutional historiography embodied the insights of Rodbertus, Bücher, and Marx without retaining those aspects Polanyi had found objectionable in their views, from evolutionary stages and economic reductionism to the insistence on slavery or *oikos* as the defining characteristic of ancient political economy. Moreover, it was Weber who asserted what became Polanyi's battle cry when he made his contribution to the study of primitive and ancient societies: 'Nothing could be more misleading, therefore, than to describe the economic institutions of Antiquity in modern terms'.⁸ Indeed Polanyi's unpublished lecture notes and the various plans for writing a major work in economic history are full of references to Weber's *Economy and society* and more particularly *General economic history*. These writings leave no doubt that Polanyi viewed his own project not so much as an alternative to Weber's as an attempt at its full realization. As regards the *oikos* controversy, Polanyi placed himself at the culmination of the tradition that *via* Weber was to be traced to the primitivist

3 This passage from Polanyi's application for a 'stipend' (PA 17 March 1950) from Columbia's Council for Research in Social Sciences contains the central claim of his subsequent studies published in *TM*.

4 Polanyi, 'Market elements and economic planning' (PA, n.d.) 3.

5 *Ibid.*, 2.

6 Unpublished lectures on 'The methodological problems connected with the question of capitalism in Antiquity' (PA, n.d.)

7 Polanyi, *Primitive*, 135. But Polanyi was equally impressed with Menger's achievements. See *ibid.* 134, and 'Carl Menger's two meanings of economics' in *Studies in economic anthropology*, ed. G. Dalton (Washington DC 1971) 134.

8 Weber, *AG*, 45.

political economists: 'Though neither Rodbertus or Bücher realized fully the implications of their position, it was their initiative which eventually led, in Max Weber's work to a radical reformulation of the problem of capitalism in antiquity'.⁹ This new formulation's 'diagnosis of the sociological character of the Greek and Roman polities as settlements of partially detribalized populations, the leading strata of which never ceased to be organized as a warriors' guild' was, Polanyi further remarks, in 'complete harmony' with the results of his own reading of the ancient evidence.¹⁰

Nevertheless, the differences between the contributions of Weber and Polanyi to social thought in general, and the *oikos* controversy in particular, are ultimately more significant for understanding their projects than their similarities. Indeed, Weber's contribution to the *oikos* debate provides the rival pole against which Polanyi's revival of that debate may be better understood and judged. Although it is true that more than other major participants in the debate, they approached antiquity with the same fundamental question, the point remains that their respective answers were far apart. According to Weber, capitalism shaped the golden ages of antiquity until it and they were brought to an end by the universally stifling bureaucracy.¹¹ The key causal connection in Weber's account between market economy and the achievements of classical Greece and Rome could not be accepted by Polanyi, as it entailed the abandonment of the latter's central claims: the historical uniqueness of market exchange; the contingent association of freedom and disembedded market economy and so forth. Polanyi thus understandably re-opened the *oikos* controversy from a new angle, and with a new strategic approach. It is to the twist and turns of the new road traversed by Polanyi that I now turn.

Polanyi's ingenious revision of the primitivist argument took place under the double constraint of his own theoretico-political agenda on the one hand, and the recognition of the strength of the modernists' initial critique of Rodbertus and Bücher on the other. The following reconstruction of his contribution is based on the seminal essays in *TM* as well as his pertinent unpublished lecture notes, commentaries, and letters. In line with Polanyi's own treatment (and in fact Meyer's and Weber's too), the question of economic relations in ancient Athens will be prefaced with an examination of the latter's comparative view of the same relations in the Near East.

Non-markets in the ancient Near East

First, Polanyi restricted the scope of market developments in Antiquity by rejecting Meyer's view that free commerce already flourished in Mesopotamia long before it spread to the Greek mainland. Turning the table on the widespread consensus over the character of ancient Babylonia as 'a capitalistically minded business community', Polanyi called for the reversal of what he took to be a fundamental pillar of the modernists' argument:

In terms of our interpretation of the *oikos* controversy the impasse can be succinctly formulated. Babylonian economic life had necessarily appeared as a complex of activities

⁹ Polanyi, 'Market elements', 3.

¹⁰ *Ibid.*

¹¹ *AG*, 365.

ultimately depending on the functioning of an underlying market system. Markets were the rock bottom on which rested with axiomatic assurance the determination of forms of trade, money uses, prices, commercial transactions, profit and loss accounts, insolvency, partnership, in short the essentials of business life. It follows that in the absence of such markets these explanations of the economic institutions and their way of functioning must fall to the ground.¹²

Extending the Weberian insight of price-fixing by ‘the royal and temple storehouses’, Polanyi went on to assert confidently as a matter of fact that Babylonia possessed ‘neither market places nor a functioning market system of any description’.¹³ Instead of competitive markets, what the Babylonians as well as Assyrians and other Near Eastern peoples had was ‘marketless’, ‘risk-free’, ‘administrative’, or ‘treaty’ trading. What appeared to modern ancient historians as market prices, were more precisely ‘equivalencies established by authority of custom, statute or proclamation’. In the ancient Mesopotamian political economies ‘price risk is excluded by the absence of price-making markets with their fluctuating prices, and the general organization of trade which does not depend for profit on price differentials, but rather on turnover’, which explains ‘why business knows only profit not loss’.¹⁴ In short, all the evidence hitherto taken to show high levels of commercial activity in the ancient Near East from Hammurabi’s time and before, was, according to Polanyi, the product of a centrally directed redistributive system in which the economy was completely embedded in the polity or the wider social totality.

With this conclusion, Polanyi made significant advances on two different fronts. First, by the shattering of the Near Eastern dimension of the modernist case, the uniqueness of the nineteenth-century price-fixing markets was further confirmed. Secondly, the modernists’ view of the historical extent and depth of the Athenian commercial developments, which were the main focus of the *oikos* controversy, was undermined. Certainly, the putative absence of markets and a commercial culture in the ancient Near East did not preclude the development of market relations in Greece. But it did underline Polanyi’s view of market relations in classical Greece as a late and indeed highly primitive affair. The implications of this will be described in more detail shortly. First, however, it must be asked how solid Polanyi’s interpretation of the Mesopotamian evidence was, or, indeed, remains.

A clear answer is to be found in Mogens Larsen’s sympathetic review of the Mesopotamian evidence in his historically detailed assessment of ‘the Polanyi paradigm’ in regard to archaic states, a task jointly undertaken with John Gledhill. On almost every count, Larsen and Gledhill find Polanyi’s (strong ‘marketless’) conclusions refuted by more defensible interpretations of the empirical evidence. Concerning the Old Babylonian period, for example, Larsen and Gledhill consider Polanyi’s view of the absence, or self-defeating outcome, of ‘gainful motives’, to be ‘flatly contradicted by our evidence, which shows us how private individuals invest in commercial ventures and how foreign trade is carried out by independent

12 ‘Marketless trading in Hammurabi’s time’ in *TM*, 16.

13 *Ibid.*

14 *Ibid.*, 19ff.

entrepreneurs'.¹⁵ Similarly, Larsen and Gledhill conclude that 'close analysis of the Old Assyrian trade ... flatly contradicts Polanyi's picture of an administered or dispositional trade ... Polanyi's claims concerning the absence of a market and the function of silver as "money" in the Old Assyrian trade have been subjected to detailed scrutiny by Veenhof ... and his conclusions likewise contradict Polanyi; markets did exist and silver did in fact function as money'.¹⁶ Larsen and Gledhill's general conclusion for Polanyi's thesis concerning the existence and role of disembedded markets in pre-modern or non-European formations requires little additional comment:

Polanyi's special emphasis on the redistributive aspects of Mesopotamian society obscures the vitally important role played by the private sector and by commercial accumulation. It is precisely the interplay of centralization and bureaucratic features on the one hand, and decentralization and private economy on the other, that is likely to provide us with a better understanding of long-term developmental patterns in Mesopotamian history.¹⁷

The bold assertion of the total embeddedness of the economy in Mesopotamian polities thus appears, at least in retrospect, to have been primarily based on Polanyi's theory of history rather than any careful generalization from the available evidence. This point, however, should not be confused with any deliberate mis-reading of such evidence as was at hand. On the contrary, Polanyi made every effort to investigate the available evidence thoroughly and in consultation with recognized specialists. A comparison of Polanyi's views with the conclusions of A. L. Oppenheim, his chief specialist source, provides a rare insight into the extent to which normative or theoretical commitments may influence not only the interpretation of primary sources, but also the cross-reception of such interpretations, even among writers working self-consciously in the same tradition. A close collaborator of Polanyi on the Columbia Research Project, Oppenheim's own almost equally famous contribution to *TM* immediately followed Polanyi's 'Marketless trading in Hammurabi's time'. Whilst openly displaying his Polanyian credentials and concerns by noting the warning against the modernizing bias of most modern studies of antiquity and employing concepts such as 'redistribution', Oppenheim's 'A bird's-eye view of Mesopotamian economic history', on closer scrutiny, tells a very different story from Polanyi's supposedly pace-setting contribution.

According to Oppenheim, 'in fact the entire development of Mesopotamian economy is marked 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

15 John Gledhill and Mogens Trolle Larsen, 'The Polanyi paradigm and a dynamic analysis of archaic states' in *Theory and explanation in archaeology: the Southampton conference*, ed. Colin Renfrew, Michael J. Rowlands, and Barbara Abbott Segraves (New York and London 1982) 197-229 (204-05).

16 *Ibid.*

17 *Ibid.*, 213. See also Morris Silver, 'Karl Polanyi and markets in the ancient Near East: the challenge of the evidence' *JECH* 43.4 (December 1983) 795-829, who concludes (829) that 'Near Eastern antiquity knew true markets': see n. 2 above for Mayhew, Neale, and Tandy's response to Silver; and Morris Silver, 'Karl Polanyi and markets in the ancient Near East: reply', *JECH* 45.1 (March 1985) 135-37. More generally and from an empirically anchored theoretical position that incorporates Polanyi's modes of integration, Chase-Dunn and Hall acknowledge that 'there is convincing evidence that market-like mechanisms existed within certain state-based systems that Polanyi claimed were marketless', *Rise and demise*, p. 24.

time'.¹⁸ More specifically, and in direct anticipation of Larsen and other later scholars, Oppenheim places alongside and variously interacting with the redistributive tax and tribute extracting palace and/or temple, an urban tradition and economy which distinguished Mesopotamia from the Egyptian 'monolithic storage' or redistributive political economy: 'The interaction between the two independent variables, palace and city, determined the entire course of the economic – and political – history of Babylonia'.¹⁹ Although avoiding the term 'market', it clearly played a key institutional role in Oppenheim's urban variable: 'At times, this [city] spirit blossomed into a conscious civic pride that is unparalleled in other urban societies of the ancient Near East and created spurts of *commercial activity based primarily on individual initiative* which likewise have few analogies' (emphasis added).²⁰

The contrast between Polanyi and Oppenheim's reading of the same evidence on the basis of a self-avowedly common theoretical orientation from within the same research collective, and published as complementary pieces in a volume co-edited by Polanyi himself, is surely instructive. Here, at the same time, is the bold prophetic theorist out to spread his message in an academic context and the cautious scholar who, although impressed with that message, remains somewhat detached and refuses, at least in writing, to swallow it whole. The example may also reinforce the traditional view that, although facts may not simply speak for themselves and there may be no hard and fast rules for guarding against theoretical or value-laden (mis-)interpretations of evidence, an attitude of scholarly impartiality is not wholly ineffective.

There is, in any case, a further observation to be made on Oppenheim (and Larsen, *et al.*) that may throw new light on both positions. Notwithstanding the serious shortcomings of Polanyi's account as an analysis of the Mesopotamian political economy, it can still be accommodated as a motive within Weber's multi-level discussion of ancient economic developments in *AG*. Polanyi's account would thereby appear valid from a comparative perspective focused on the contrast between Eastern antiquity and modern (nineteenth-century) or indeed classical Graeco-Roman capitalism. At this level the distinguishing feature of the former would be the dominance of the royal *oikos*, whereas the latter would be marked by the centrality of market relations. In addition to providing a (corroborated) bird's-eye view of the Mesopotamian political economy, Oppenheim's account also reflects the further breakdown of the Eastern formations, where Egypt and Babylonia may be distinguished by the extent to which their economies were shaped by the royal *oikos* or the market. Such perspectives, as I tried to show in my discussion of Weber, may be found side by side in *AG*. Polanyi, however, could not develop Weber's multi-level analysis because it would have entailed, as was seen, a drastic revision of his own theory of history. This will become more apparent when the question of the Athenian political economy is examined.

¹⁸ *TM*, 29.

¹⁹ *Ibid.*, 33.

²⁰ *Ibid.*, 32. In a particularly harsh review at the time, Heichelheim pointed to the discrepancy between Polanyi's marketless account and Oppenheim's 'more modest' chapter, Fritz M. Heichelheim, 'Review of *TM*', *JESHO* 3 (1960) 108-10 (110, 109). Tandy and Neale discuss certain instances of Polanyi and Oppenheim's cooperation, and note the irony that Oppenheim and Finley, Polanyi's most prominent mentors on Mesopotamia and Greece respectively, declined to commit themselves fully to Polanyi's research programme, 'Karl Polanyi', 11-14 and 25-26 n. 12.

The rise of market exchange in Greece

For the sake of following Polanyi's argument, let us accept, for the moment, his assertion that 'we have no more cause to doubt' that the "non-market" reading of the Mesopotamian scene is true to fact', and examine its implications for the *oikos* debate as well as for his own theory of history.²¹ The modernists' case would evidently be weakened by this concession, as it implies that

the Greeks may not have been, as was so confidently assumed, simply latecomers picking up the commercial practices developed by Oriental empires. Rather, they were latecomers in a civilized marketless world, and compelled by circumstances to become pioneers in the development of the novel trading methods which were at most on the point of turning towards market trade ...²²

This, however, is a double-edged conclusion as far as Polanyi's variant of primitivism is concerned. If Mesopotamia was indeed marketless, it would be true that Polanyi's case concerning the uniqueness of the nineteenth-century markets would be reinforced. So, too, would be the primitivist argument with the denial of the claim that the ancient Greeks were the inheritors of already developed Near Eastern commercial relations and institutions. But none of this would dent the liberal economist's case for the advantages of a market economy. On the contrary, liberal economists and their forerunners from Montesquieu onwards (including Marx and Engels), had already marked off European developments from those of the oriental empires by reference to the insecurity or absence of private property in the East. Babylonia, Assyria, and Egypt were after all considered despotic regimes at least in part because of the absence of an autonomous economic sphere within which price-making markets could operate.

Moreover, Polanyi's radical assertion of a marketless Near East, even more than Weber's more guarded views on the matter, in fact enhances the case for the existence of a structural association between markets and freedom. If, as Polanyi claimed, proper markets were first invented in Greece, then the more widely accepted claim that the Greeks also invented freedom must be considered. A positive correlation between the two would lead back to Weber's view that market capitalism predominated in precisely those periods now considered the golden ages of classical antiquity. This conclusion in turn further undermines Polanyi's refusal to acknowledge the strong association between the 'economic freedom' of market capitalism and personal and political freedoms. Polanyi's response to this problem leads directly to his discussion of the central core of the controversy, namely the question of the economic foundations of classical Athens. His solution, as will be shown, is ingenious, if not ultimately empirically tenable. It also suffers from a crucial theoretical confusion (noticeable also in many writers who have followed in his path) between 'dominance' of the political values and institutions, and embeddedness of the economy in the polity.²³

Polanyi's first historical move is disarmingly simple: the Greeks invented the price-fixing markets, but these only became noticeable in the closing days of classical Athens, and then

²¹ Polanyi, 'Aristotle discovers the economy', *TM*, 57.

²² *Ibid.*

²³ The distinction will be discussed in more detail in Chapter 10, below.

only in a rudimentary sense and certainly as a subordinate institution. Thus, ‘in Aristotle’s writings we possess an eye-witness account of some of the pristine features of incipient market trading at its very first appearance in the history of civilization’.²⁴ From its incipient appearance, Polanyi further claimed, it took some twenty (non-evolutionary) centuries for the (market) economy to fully free itself from the web of social and political institutions and achieve ‘fulfilment’. In other words, not only was the market economy a nineteenth-century phenomenon, but also and equally significant, there was no actual connection between markets and the personal and political freedoms and other achievements of Greece, whether in the classical era or in the stages leading to it. In this, Polanyi explicitly went further than earlier ‘primitivists’ in asserting the absence of markets in ‘golden age’ Greece: ‘Sixth and fifth century Greece was ... in essential respects economically more naive than even the extreme “primitivist” would have it’.²⁵ If true, Polanyi had hit all his targets with one shot. His case needs closer examination.

To begin with, it fails on empirical grounds. First, there is the evidence summarized in the above discussion of the existence of genuine markets in the Near East. Second, there is a problem with Polanyi’s chief literary evidence against the existence of markets in Mesopotamia and the Persian empire. If, as Polanyi assumes in his discussion of marketless trading in the Near East, Herodotus knew what he was talking about when he asserted that ‘the Persians ... in effect do not possess in their country a single market place’, then it follows that proper markets were already in place in the Greece of his time.²⁶ This means that, in Aristotle’s Athens, the market could not have been a ‘disturbing novelty, which could neither be placed, nor explained, nor judged adequately’. Nor can it be claimed that ‘the supply-demand mechanism’ was unknown to Aristotle.²⁷ Third, and perhaps most significant, is the question first raised by Ste Croix in his early critique of *TM*: if the Greek, or more precisely, the Athenian economy was not organized predominantly along private market lines, then how was it organized? Of the three major forms of ‘integration’, reciprocity, redistribution, and market exchange, clearly the first two could not be said to characterize classical Athens. Nor did Polanyi make such a claim on their behalf, at least not directly. Market exchange would thus be left as the only candidate for the role of main organizer of the classical Athenian economy.²⁸

In the aforementioned (unpublished) discussion of the *oikos* controversy, Polanyi appears to come precisely to such a conclusion – admittedly among other at times contrary observations. In the section that directly concerns this study, Athenian history is recounted as passing through three distinct stages each dominated by one of Polanyi’s forms of societal integration. The first stage of tribal ‘reciprocity’, with its blood feuds, family rights in landed estates and inalienable property, ends in the eighth and seventh centuries. Gift trade and other highly developed gift and counter-gift systems common in the times of the epics were now

²⁴ ‘Aristotle’, 57.

²⁵ *Ibid.*, 64.

²⁶ Polanyi, ‘Marketless trading’, 16; *cf.* Herodotus, *The histories*, I. 53.

²⁷ Polanyi, ‘Aristotle’, 86; *cf.* Scott Meikle, ‘Modernism, economics and the ancient economy’ in *The ancient economy*, ed. Walter Scheidel and Sitta von Reden (Edinburgh 2002) 238ff., and *Aristotle’s economic thought* (Oxford 1995).

²⁸ G. E. M. de Ste Croix, ‘Review of *TM*’, *Economic History Review* 3 (1960) 510.

'fading out'. In moving to the next stage, 'the *polis* took over much of the redistributive inheritance of the tribe ... The basic economic organization of the *polis* was redistribution of the proceeds of the common activity, share in booty and tribute, share in conquered land and in colonial ventures, in the advantages gained from third-party trade'.²⁹ But this is not the end of the story, at least of the Athenian political economy. In Polanyi's own words, it is indeed from here that he must 'part company with the primitivists'. Because, as a result of further developments, Athenian political economy enters a third stage:

The *polis* ... had not only a free constitution but also a market. The two together made the *polis* way of life. The new development cannot be dated with any precision, but it is fair to assume that Solonic Attica was already familiar with the market, but that it was only after the fall of the tyrannies that it fully developed.³⁰

But this view is almost identical with that implied by Ste Croix and other specialists in their critiques of 'Aristotle discovers the economy', where Polanyi claims that markets first made their limited appearance in Aristotle's own time. Why, then, did Polanyi fail to develop the above line of argument, and indeed reverted to its opposite? Three interrelated but distinct factors must be mentioned in explanation. First is the familiar theoretico-ideological one. By fully accepting that Athenian political economy ran along (politically, if not socially, disembedded) market lines, and that there was a clear link between Athens's free constitution and its relatively free markets, the whole ideological underpinnings of Polanyi's excursion into the field of ancient history would have been seriously shaken. Conversely, Polanyi's research agenda may have prevented him from paying adequate attention to unfavourable evidence. Yet this does not explain the view that even Finley later described as 'strange'.³¹ Secondly, therefore, the empirical evidence deployed by Polanyi should be examined. Polanyi seems to have, for example, been unaware of evidence such as Lysias's twenty-second oration, 'Against the corn dealers', which provides clear evidence for the spread of bottomry bonds and high risk international market trading. As regards the extent of local markets, he appears to have misinterpreted the evidence and deduced that because cities at times set up special markets for passing armies outside their walls, such markets did not exist inside their walls: 'Local markets in Aristotle's time ... were put up on occasion, in an emergency or for some definite purpose and not unless political expediency so advised'.³² Polanyi neglects the fact that the evidence offered by Thucydides and Xenophon may more plausibly be taken to show the reluctance of cities to open their gates to foreign armies, rather than the absence of regular markets within those cities during the Peloponnesian war or even later in Ionia.³³

This leads to the third, strictly theoretical, factor. Despite his long-standing anti-economism and critical view of Marxism, Polanyi shared with the latter an outlook that was, at a certain

29 Polanyi, 'Elements of market', 13.

30 *Ibid.*, 14; cf. Robin Osborne, 'Pots, trade and the archaic Greek economy', *Antiquity* 70 no. 267 (1996) 31-44, who states (31) that 'The archaic Greek world *was* a world of independent markets' (emphasis in original).

31 M. I. Finley, 'Aristotle and economic analysis' in *Studies in ancient society* ed. M. I. Finley (London 1974) 39 n. 45.

32 Polanyi, 'Aristotle', 86.

33 Ste Croix, 'Review of *TM*', 510.

level, both reductionist and totalizing. Although distinct and even apparently contradictory, reductionism and holism are in fact often closely bound together. Totalizing theoretical perspectives almost invariably ends up capturing the unmanageable whole by reducing it to its defining level, motive, or essence. Some such operation may have especially distorted Polanyi's judgement in two crucial respects. The first of these was Polanyi's assumption of an automatic relationship between the existence of definite institutions such as markets and the theoretical reflection of these institutions. 'Aristotle discovers the economy' was in fact for Polanyi another way of proclaiming 'the Economy discovers Aristotle'. If it is true that Aristotle was the first to reflect analytically (formally, theoretically) on economic questions, then, *prima facie*, there is a case for assuming that it was then and there that economic relations were beginning to be disentangled from the web of social and political institutions and obligations. Conversely the absence of economic theory, in this view, implies the absence of economy as an independent sphere of human interaction, a situation that must have therefore prevailed prior to Aristotle but also largely during his time. This is indeed the reasoning that Polanyi seems to have followed:

Aristotle ... recognized the early instances of gain made on price differentials for the symptomatic development in the organization of trade which they actually were. Yet in the absence of price-making markets he would have seen nothing but perversity in the expectation that the new urge for money making might conceivably serve a useful purpose.³⁴

In this way, one can arrive, not implausibly, at the conclusion that, nineteenth-century northern Europe and the US apart, all hitherto existing societies were essentially marketless, or lacked an independent economic sphere, which for Polanyi was the same thing. This conclusion can be derived solely from the fact that all such societies failed to produce economic theory in the strict sense offered in the works of the Physiocrats or more specifically in the *Wealth of nations*, and better still, in Ricardo's or Menger's *Principles*.³⁵ Such an approach may thus dispense with the need to investigate the possibility that actual market economic differentiation may in fact take place without an accompanying differentiation of economics as a formal theoretical discipline. That Polanyi approached the question of market relations and the separation of economy in ancient Athens in this way in part explains his singular fascination with Aristotle *qua* analytical economic theorist. There is no need to emphasize that although there certainly exists a positive correlation between economic theory and economic practice, the two are not the direct and necessary reflection of each other. Market relations have to develop to a certain significant extent for a theory of market behaviour to be produced. The reverse, however, is not necessarily true, as pre-Aristotelian Greece, but also oriental societies from Babylonia to many flourishing Islamic cities throughout the Middle Ages, and beyond, attest. This is to say that social developments impact on the perceptions of the actors concerned, but often (and in many societies and historical periods) only in what Michael Polanyi has described as 'tacit' forms of knowledge.³⁶

³⁴ 'Aristotle', 87.

³⁵ See *ibid.*, 69.

³⁶ M. Polanyi, *Personal knowledge: towards a post-critical philosophy* (London 1958), esp. part 2.

There is a second problem with Polanyi's theoretical stance. If historical evidence indicates the existence of more or less free markets in both Babylonia and classical Athens, would it be right to conclude that 'economically' they were of the same type and therefore should be classified together? The answer depends on the comparative scope and context of the question. In terms of the question underlying both Weber's and Polanyi's intervention in the *oikos* controversy, *i.e.* planning vs market, evidently the classical Graeco-Roman world and the Near Eastern societies could not be placed in the same class. Polanyi and Weber both concurred in this regard. For Weber the matter was the straightforward case of market capitalist *polis* vs bureaucratic statist economies of the Near East variously dominated by the royal household and temple. In addition to all that has hitherto been said, Polanyi could not follow Weber for essentially the same theoretical reason that Sombart and other Marxists refused to designate classical Athens as capitalist, and criticized Weber and others for doing so. Although otherwise distinct from the Marxian concept of mode of production, Polanyi's triple modes of societal 'integration' retained the same key function in the latter's totalizing project. Indeed reciprocity and redistribution were themselves holistic concepts insofar as they represented undifferentiated societies in which the economy remained embedded in the polity or kinship networks.

Clearly the market form of integration posed a problem, because market allocation was based on the reviled separation of the economy from the polity. The problem was/is: what, even if only in the famous 'last instance', determines the now differentiated 'social totality'? This immediately raises the equally famous problem of the 'dominant' among the differentiated levels. Evidently, none of these problems would have arisen, or arisen in the same way, if the totalizing aim had been abandoned. However, Polanyi, as many of his followers have favourably noted, remained a 'holist', and thus, like most holists before and since, also a reductionist – at least to the extent that each mechanism of societal integration was identified with a particular type of society and a particular type of 'man'. *Reciprocity* and *redistribution*, although respectively empirically predominant in primitive-tribal and state and imperial formations, were identified with 'planning'. They were different but fundamentally identical expressions of man's essentially communal nature. Market economy, the differentiation of the economy from the polity (seen as a communal organ, however despotic), on the other hand, represented the deliberate, individualistic perversion of man's true nature. Although differentiated, the market was endowed with the same systemic homogenizing quality as the redistributive societies of the past and the future. A market economy could not, for instance, be associated with non-individualistic values. The individualism of the market place and the attendant political and cultural institutions and relationships invariably coalesced, in Polanyi's theoretical universe, so as to make a unitary whole.

In short, as Polanyi himself implies, Tonnies's distinction between *Gemeinschaft* and *Gesellschaft* has to be taken seriously, not merely as a pair of heuristic ideal types useful for certain analytical purposes and contexts, but also as exclusive modes of societal organization. Tonnies drew his inspiration from Sumner Maine's contrast between *status* and *contractus*. The latter had attempted to place the pair in an evolutionary historical context in which status is ultimately replaced by contractual relationships. As Polanyi himself, however, noted, 'already under Roman law status was gradually replaced by contractus, *i.e.* by rights and

duties derived from bilateral arrangements'.³⁷ Moreover, and more significantly for our purposes, by Solon's time wealth had already replaced birth and blood as the most significant basis of social power. Clearly from this perspective, whatever the merit of Tonnies and Maine's contrasts between contemporary modern and traditional societies, they could not simply be extended to the ancient Graeco-Roman world without major qualifications.

The alternative of developing Weber's synthesis of modernist and anti-modernist views in treating the Greek evidence was not available to Polanyi. His holism did not leave room for the co-existence, for example, of market economy and an aristocratic *cum*-communal value system. The holistic-reductionist perspective would break down if it could be shown that market capitalism was compatible with, say, oligarchic Corinth, democratic Athens, imperial Rome, as well as liberal England. Not only would the perverse uniqueness of the latter thereby become doubtful, the foundations of Polanyi's 'scared hatred of the market', too, would be seriously shaken.

This raises the third and final major theoretical problem with Polanyi's contribution to the study of pre-modern capitalist formations in general and the ancient states in particular. The key concept of embedded economy as applied to ancient societies (and more generally to all pre-nineteenth-century formations) rests on two radically distinct ways in which the domination of the political or the insertion of the economic relations within the social totality is assured. At the level of generality that Polanyi as well as Weber and other participants in the debate pitched much of their discussion, there is, first, the kind of politically dominated society represented by the Near Eastern states. In these cases, those holding the monopoly of the means of violence ruled over the subject population without the latter's political consent. Indeed the domination of the political in this sense was positively correlated with the degree to which differentiated political institutions were absent. The ideological institutions were generally subservient to and functioned as means of legitimizing rulers who often served as their titular heads. Most significantly for the purposes of illustrating the embeddedness of the economy, the political rulers or the palace (and the temple) dominated the economy not merely as an external force extracting tax or other more or less arbitrary tributes. They were also direct owners and/or controllers of economic resources, water, land, industrial establishments, and so on. Thus ideological, political and economic power overlapped and reinforced each other in such a way that one could literally speak of an embedded economy, or for that matter embedded polity, or embedded ideology. As Polanyi correctly emphasized in these societies, as in the Soviet Union of his day, the economy was not 'separate' from the polity.

The classical city-states of the Graeco-Roman world, and most notably Athens, however, were 'dominated by the political' in a very different sense. Most importantly, the domination of the political here did not preclude a clear-cut boundary between the economic and the political. Indeed the boundary was so well drawn that a hallmark of Athenian citizenship was exemption from almost all regular direct taxation.³⁸ This is not at all to deny that the state did intervene in the economy in all sorts of ways, from ensuring an adequate supply of essential food to setting direct and indirect taxes and duties as well as spending imperial tributes and paying office holders. But such functions were dispensed within recognizable limits. And at

37 'Aristotle', 78ff.

38 Austin and Vidal-Naquet, *Economic and social history*, 121ff.

least in democratic Athens, the 'state' was the Athenian citizens, not a bureaucracy standing apart and over them.³⁹

The pertinence of this point can be illustrated by an influential example from Austin and Vidal-Naquet who, in attacking the modernists along the lines opened by Polanyi, warn that:

When one says that Greek cities had an economic policy, what one means in practice is usually that they had an import policy which aimed at ensuring the supplying of the city and the citizens with a number of goods essential for their livelihood, but not an export policy aimed at disposing on favourable terms or even imposing abroad 'national' produce in competition with rival cities. If a Greek city took into account the economic interests of its members, it was solely as consumers and not as producers.⁴⁰

Contrary to the 'primitivist' intentions of Austin and Vidal-Naquet, this conclusion can be read as indicating that the Greeks were better *laissez-fairists* than the moderns have ever been. Or, to continue with the analogy, they could be seen as cautious Keynesians, combining a market-oriented policy with ensuring a decent standard of living for citizens through public works and payment for political services, whilst avoiding bureaucracy, political as well as economic. The question of the relationship between the economy and polity in classical Athens is dealt with at greater length in the following chapters when turning to Finley's work. Here it suffices to note that, despite this apparently minimalist state, nobody has denied that in Athens politics was 'dominant'. However, it dominated all else including the economy in the sense that *politics* and *political values* took precedence and had a higher status than economic pursuits. Moreover, to speak of domination in this sense (rather than in the first sense given here) is meaningful only insofar as the separation of politics and economics is already assumed. This in turn refers to a society in which economic affairs are conducted within market parameters but subject to restrictions imposed by the citizens themselves, ranging from the variously enforced ban on the sale of land to foreigners to (the disputed) recourse to non-exploitative lending and borrowing 'in small-scale groupings of relatives, neighbours, and other associates'.⁴¹

In summary, contrary to Polanyi, the economy in Athens and many other city-states appeared disembedded, in a historically and comparatively significant sense, from the polity.

³⁹ Mogens Herman Hansen, *The Athenian democracy in the age of Demosthenes: structure, principles, and ideology*, trans. J. A. Crook (Oxford 1991) 61ff.

⁴⁰ *Economic and social history*, 113ff., also see 7ff., where the authors' allegiance to Polanyi's approach is clearly spelt out.

⁴¹ Paul Millett, *Lending and borrowing in ancient Athens* (Cambridge 1991) 220. Millett's studies raise the whole issue of the role of reciprocal social networks that mediated economic relationships in ancient Athens. See also Millett's 'Sale, credit and exchange in Athenian law and society' in *Nomos: essays in Athenian law, politics and society*, ed. Paul Cartledge, Paul Millett, and Stephen Todd (Cambridge 1990) 167-94. Although directly inspired by Polanyi, Millett's conclusions do not confirm Polanyi's 'main' point, namely the political embeddedness of ancient economies. Otherwise, even Hayek could/would not object to socially embedded economic transactions as such, although he would see commercial markets as a major element of flourishing complex societies. As will be discussed in greater detail in Chapter 10, in his forceful critique of primitivism, Edward E. Cohen has shown, *contra* Millett and Finley in particular, that the practice of commercial banking in classical Athens was widespread, see *Athenian economy and society: a banking perspective* (Princeton 1992).

If so, the claim that this occurred only in the nineteenth century would fall.⁴² Further, the supplementary thesis that such a separation entailed the dominance of the economy and the values associated with economic man would also be undermined. The case of ancient Athens showed that whilst market relations may play an important role in the economy, the values and the institutional context within which economic transactions are carried out can be radically distinct from those associated with the dominance of the market in the modern era.

But this conclusion anticipates the discussion of Finley's attempt(s) to critically pursue Polanyi's agenda in the field of ancient history. By the time of his death in 1964, Polanyi's theory of history and his own attempts to verify it with regard to tribal, ancient and modern societies had yet to receive the kind of specialist attention, critical as well as supportive, that was to follow through and in response to the works of Moses Finley, George Dalton, and others. Capitalism had certainly not collapsed, but then its flourishing Keynesian variant was as much a falsification of Polanyi's *GT* as of Hayek's *The road to serfdom*, written from the opposite perspective and also published in 1944. Moreover, Sputnik had circled the earth before the American spaceships and Khrushchev's promise of the 'redistributionist' USSR overtaking the US in a decade or so did not seem as wildly off the mark as it now seems.

As for the ancient world, it is true that even a non-modernizing historian (and an early admirer of the young Moses Finley) such as Heichelheim had found *TM* 'on the whole... a most regrettable book, with the exception of Professor Oppenheim's chapter III'. Ste Croix, while noting its 'outstanding interest', had astutely questioned Polanyi's own account of Greece:

Professor Polanyi will not, then, allow the economy of ancient Greece, at any rate before the Hellenistic period, to count as a system of 'exchange'. Unfortunately he has failed to ask himself whether it can be said to fall under either of his other [reciprocity and redistribution] heads ... Slavery in a highly developed form and the free market: a case might be made for putting these two features of Greek society, with the political

42 This conclusion is, in a notable sense, consonant with that reached by Tandy and Neale who find that 'Polanyi's importance in the study of ancient Greece does not derive from his essays and chapters on Greece. Rather his great contribution has been to recast issues earlier debated between "primitivists" and "modernists"', 'Polanyi', 23. Indeed, this can be said also about *GT*, the research programme and theory that framed Polanyi's ancient studies: it cast a fresh eye on the debate between the liberals and Marxists without ultimately offering a sustainable alternative. The question of such an alternative, incorporating what remains of use in Polanyi's contributions, cannot be discussed here. The only point to mention is the rather obvious one that it must discard *GT*'s 'scared hatred of the market' and the 'liberal civilization', and include ways of embedding the economy that retain, as Paul Hirst insists, 'the core of liberal individualism', *Associative democracy* (Cambridge 1994) 51. Many of Hayek's 'neo liberal' followers (e.g. David G. Green, *Reinventing civil society* (London 1993)) as well as various theorists of 'social capital' would welcome a flourishing 'voluntary' cooperative sector. The dispute would be over deploying the state and public resources to promote and consolidate an economy and culture of cooperation. 'Hard' Polanyians, to use again Ivan Szelenyi's designation ('Polanyi and the theory of a socialist mixed economy', 235ff.), will question such a compromise, but Polanyi himself perhaps would have appreciated that what is being suggested may be accommodated within the guild-socialist tradition with which he closely identified before the great transformation of the 1930s. 'Soft' Polanyians such as Szelenyi, or David Marquand, *The new reckoning: capitalism, states, and citizens* (Cambridge 1997), however, should have little difficulty with this conclusion.

development culminating in democracy, among the basic reasons why Greek civilisation advanced so far beyond anything that had gone before it.⁴³

These and other questions about Polanyi's position may in part explain Finley's decision not to contribute to *TM*. Yet, Finley's own writings in the 1950s and in particular the highly influential *The world of Odysseus* had shown the fertility of Polanyi's research programme, albeit only for certain periods and aspects of antiquity. By implication, and on balance, there was still a good deal to play for in this new round of the debate on the ancient economy opened by Karl Polanyi, and no one was better placed to lead it than Moses Finley.

⁴³ F. Heichelheim, 'Review of *TM*', 110; G. E. M. de Ste Croix, 'Review of *TM*', 510. These and other responses to *TM* (as well as the account here) reduce the significance of the claim that the objections to Polanyi's position would carry less force if the unreliability of the posthumously edited and published *Livelihood* is taken into account. See, Mayhew *et al.*, 'Markets', and Tandy and Neale, 'Polanyi'.

PART 4

MOSES FINLEY

CHAPTER 8

THE SERIOUS APPRENTICE

Hailed as ‘the most influential ancient historian of our time’, Moses Finley has been largely responsible for the revival of the *oikos* controversy among ancient historians in recent years.¹ A doctoral candidate at Columbia, Finley came to appreciate the ideological and theoretical import of the dispute over the nature of the ‘ancient economy’ following his encounter with Polanyi in the aftermath of the Second World War. His close collaboration with Polanyi’s interdisciplinary project came to an end in 1954, when following his expulsion from Rutgers University for refusing to cooperate with the congressional witch-hunts, he took up the offer of a fellowship in Cambridge and remained there until his death in 1986.

By the time Finley’s culminating contribution to our understanding of the ancient economy was published in 1973, he had in certain explicit pronouncements already indicated his break with the Polanyian paradigm.² However, as will be shown, Finley continued to share the fundamental ideological thrust of Polanyi’s project. More broadly, Finley aimed at overcoming the empirical limitations of the primitivist approach to antiquity from a perspective informed by ‘structural’ or sociological historiography. This revision was eventually presented by Finley himself as a return to Weber, whose *AG* was singled out for the strongest praise.

Finley underlined his Weberian credentials by opening another front within the primitivist camp itself. In *The ancient economy* (henceforth *AE*), he provocatively suggested that ancient conflicts can be understood best in Weberian ‘status’ terms rather than Marxian ‘class’ terms. The latter, he proclaimed, were only applicable to modern capitalist societies.³ Until the publication of *AE* in 1973, Finley was considered by many to be a Marxist historian in the non-dogmatic and broad sense of the term, not without justification, as will be seen. Now Finley discarded class analysis, and did so in the name of Marx’s arch rival. Marxist ancient historians led by Ste Croix lost no time in responding, and a many-sided battle ensued. Many-sided because the main polemical thrust of *AE* was directed against the ‘modernists’, whose champion, Eduard Meyer, was subsequently targeted as the embodiment of all that Finley ‘violently’ despised in mainstream ancient history.⁴ Again, Finley developed his case by reference to Weber’s authority, who in turn was said to have been preceded by Karl Bücher

1 A. Momigliano, ‘The use of the Greeks’, *Sesto contributo alla storia degli studi classici e del mondo antico* (Rome 1975/1980) 313.

2 See, for example, M. I. Finley, ‘Anthropology and the classics’, *The use and abuse of history* (London 1972/1975) 117.

3 Finley, *Ancient economy* (London 1973) 50ff.

4 Momigliano, ‘A personal note’, in *Classical slavery*, ed. Finley (London 1987) 4.

and followed 'in our own day by Karl Polanyi'.⁵ In this double deployment of Weber (against both modernists and Marxists), the latter metamorphosed from the man of peace that he essentially was, at least in the context of the *oikos* debate, into a hardened warrior: a somewhat paler reflection of Finley himself. By 1983, it was reported:

The ancient economy is an academic battle ground where the contestants campaign under various colours – apologists, marxists, modernizers, primitivists ... Even within schools, there are sects. Besides, new strategies, new alliances, new compromises are repeatedly devised. Fresh contingents of scholars arrive, new tactics (such as underwater archaeology) are developed ... But no new weapon is finally decisive. The war continues.⁶

Keith Hopkins, to whom we owe this vivid, if slightly dramatized, first-hand account, does not dwell upon the many questions it raises. We may, for instance, want to know which war it was that continued. The first, fought between the political economists and the historians, led respectively by Bücher and Meyer; or the one whose grounds were redrawn by Weber, Hasebroek and Polanyi? Did their ghosts refuse to leave the stage or did the more recent developments, underwater or dry archaeology, say, raise really new questions? And if the latter, then, how did the old division between the primitivists, modernizers (romantic) apologists and Marxists appear to retain its force? These are not addressed by Hopkins. He does, however, consider a fundamental question: the reasons for the persistence of the controversy, despite the ascendancy of what he calls the 'new orthodoxy' led by Finley: 'Its underlying causes? They are difficult to discover. But professional love of polemic, deep differences in beliefs and values, and irremediable ignorance about the classical world all contribute'.⁷ At first glance this selection seems too general and vague to merit further attention. But on closer scrutiny and by viewing them as salient features of Finley's own contributions, rather than as universal characteristics of the 'profession' as a whole, Hopkins's apparent platitudes serve as a suggestive starting point into both the causes of the continued dispute over the nature of the 'ancient economy' and the nature of Finley's legacy.

Hopkins's first 'cause', love of polemic, is a much noticed feature of Finley's writings.⁸ It focuses on the gripping energy and enthusiasm which distinguish them from rival accounts. This is not to deny that the academy thrives on originality, apocryphal or genuine, and therefore on criticism. But as Finley's following nostalgic reference to the Syme-Last debate indicates, love of polemic in any significant sense of the term is an altogether different matter, one that was almost wholly absent from the output of the 'profession' when he embarked on re-opening the case of the ancient economy:

By serious history, I mean history which is about important matters of broad human concern, and which reflects the historian's own seriousness and his values ... Less than a generation ago the profound disagreements between Hugh Last and (now Sir) Ronald Syme about Augustus was ... serious. But today? While our colleagues engage in polemics

⁵ *AE*, 26; see also 'The ancient city', in *Economy and society in ancient Greece*, ed. B. Shaw and R. Saller (London 1981) 12ff.

⁶ K. Hopkins, 'Introduction', in *Trade in ancient economy*, ed. P. Garnsey *et al.* (London 1983) ix.

⁷ *Ibid.*

⁸ B. Shaw and R. Saller, 'Editors' introduction', in *Economy and society* (London 1981) xxv.

over the Tudor Revolution in government, the rise of gentry, the roots of the Industrial Revolution or the causes of the First World War, what excites us to debate?⁹

The passage is from a ferocious essay aptly titled ‘Unfreezing the Classics’ which appeared in the famous 1966 issue of *TLS* devoted to examining the state of various branches of historical scholarship. Less than two decades later, the ascendant Finley had succeeded in transforming this state of affairs to that described by Hopkins. Only against this background, and considering Finley’s pivotal position in the field, could it be said that polemical pursuits were a cause of the so-called battle of the ancient economy.

Hopkins’s second cause, deep differences in beliefs and values, even more closely reflects Finley’s deeply held and loudly stated views. In another revealing article published around the same time, Finley declaimed:

Since the day Herodotus invented the subject ... readers of history expected it to prove something, or at least to reinforce belief, prejudice and prophecies ... Then [in the late 19th century] came the fatal day when the word ‘science’ began to mesmerize historians and the writing of history became scholarship, ‘value free’, and objective research for how things really were, for facts and for nothing else. I am prepared to argue that there is no such history and cannot be.¹⁰

Clearly, besides pure empiricists and antiquarians, many others too would reject the radical subjectivism implied here. None of Finley’s exalted mentors, Marx, Weber, or Polanyi, ever went this far in their estimation of the role of values and beliefs and the objective indeterminacy of the historical sciences.¹¹ In any case, even though the work of ‘disinterested’ historians may be inescapably sullied or blessed by their values and prejudices, it cannot be denied that such a partial conception of historiography was openly advocated as a necessary virtue only by Finley among influential ancient historians of his generation.

‘The irremediable ignorance about the classical world’, the third ‘cause’ in Hopkins’s explanation of the persistence of the battle of the ancient economy, only makes consistent sense if every significant historiographical project was overdetermined by conflicting values and beliefs. By definition, professional historians cannot so much be accused of ignorance of bare facts of classical history as of lopsided selection and interpretation of those facts, a point often stressed by Finley. There is, however, a further issue here. The adjective, ‘irremediable’, underlines the absolute hopelessness of any effort aimed at a negotiated peace between rival accounts of the ancient economy. Such a belief in one’s colleagues’ profound ignorance (whatever its source) evidently precludes the possibility of an agreement over even a limited, neutral, ‘factual’ zone, where exploratory talks could be initiated between various contestants. It therefore serves to buttress the position underlying the above observations: value-based

⁹ Finley, ‘Unfreezing the Classics’, *TLS* 65 (1966)289-90(290).

¹⁰ Finley, ‘Review of A. Oppenheim, *Ancient Mesopotamia*; R. Flacelière, *Daily life in ancient Greece*’ *New York Review of Books* v (1965) 30-32 (31).

¹¹ Finley remained preoccupied with this question till the very end, but not always from this perspective. See, for example, his furious attack on subjectivism in discussing Eduard Meyer’s methodology: ‘How it really was’ in *Ancient history: evidence and models* (London 1984/1985) 53ff.

polemical discourse is or should be the natural state of affairs in the study of the ancient economy. By implication, this claim also applies to other branches of history.

It should by now be clear that the interest of Hopkins's dispatch from the frontlines of his war-torn metaphor lies, for us, not so much in its general validity, as in its empathetic projection of Finley's standpoint.¹² Finley (and Hopkins) may or may not be wrong about the impossibility of value-free history and all that it implies, but he believed that such was the case, and it imbued his work with a sense of 'mission' that, as Anthony Andrewes noted, distinguished his presence among ancient historians.¹³

An important caveat is in order here: the Finley portrayed thus far misrepresents the great historian in one crucial respect. No doubt he was an 'ideological' historian in the conscious and common sense of the term. This, however, was not the end of the matter. For in Finley's historiography, there are two further 'ideological' determinations at work which distinguish it from well-informed propaganda and which correspond to the title and the methodological orientation of the present study: ideology as 'professionalism', that is, in Finley's case, respect for and detailed mastery of historical evidence as established by the community of specialist historians; and ideology as 'theoretical problematic' or 'research programme', the articulated set of concepts that provides historians with the significant questions as well as the tools with which to approach them. I have already discussed this approach in the chapter on Weber's methodology and applied it to both Weber himself and Polanyi. In the case of Finley, this approach – and indeed the very use of the term ideology – may be further justified in view of the following. First, this is what Finley himself was groping towards, when in the admittedly not always systematically presented methodological reflections of his last years, he insisted that 'The study and writing of history, in short, is a form of ideology'.¹⁴ Secondly, even more clearly than Weber or Polanyi, Finley's career is best understood in terms of the strategies assumed, modified or discarded in order to overcome the emerging tensions and dissonances between his beliefs and values, the limitations imposed by historical evidence and the theoretical arsenal at his disposal.

On this basis, Finley's career as an ancient historian may be divided into three distinct periods. The first period of 'apprenticeship' begins in the early 1930s, when he turned to ancient history, and ends with his intellectual engagement with Karl Polanyi in the early 1950s. In these years, Finley became familiar with almost all the major contributors to the *oikos* debate and acquired certain values and views that endured till the end. The latter were, most notably, socialism, a clear preference for a 'holistic' approach to historical questions, a distaste for scholarship for its own sake, and an existentially rooted demand for 'serious' or relevant history. However, these remained either completely veiled in his published writings or surfaced in programmatic statements only. Moreover, there is no evidence that he fully recognized the normative and theoretical issues at stake in the *oikos* controversy. Most ironically, Eduard Meyer, his future *bête noire*, appears to rank even higher than the Marxist historian Ciccotti as the example of a 'holistic' historian to be followed. His two substantive essays remain 'traditional', and a certain tension can be discerned between these and the

12 The volume introduced and co-edited by Professor Hopkins was, in effect, Finley's Festschrift.

13 'Autonomy in antiquity', *TLS* 74, 335.

14 Finley, 'Progress in historiography', in *Ancient history*, 4.

programmatic statements which appeared in the journal of the Frankfurt School in exile. This tension is eventually released when Polanyi reveals the ideological and theoretical dimensions of the *oikos* debate and its contemporary significance. Finley is thence presented with a wide-ranging research programme that unleashes his enormous energy and accumulated knowledge of Greek history.

The significant continuity in Finley's work during the next three and a half decades may appear sufficient to preclude the introduction of a third period. Indeed, Shaw and Saller in their informative account of Finley's development, appear to view Finley's work as essentially the unfolding of a set of ideas already present in his early reviews.¹⁵ In the following, I hope to demonstrate why this view with its emphasis on the decisive role of the Frankfurt philosophers, Horkheimer in particular, is untenable. For the moment, it is sufficient to state that, in contrast to Shaw and Saller's account, where no direct evidence from Finley's publications is (or can be) supplied to show the unique influence of Horkheimer, our periodization is based on numerous explicit references to Polanyi and Weber (and the break with the former). Many of these references cannot be accepted at face value. In particular, Finley's break in the early 1970s with Polanyi and primitivism in general turns out to be short lived. Such discrepancy raises serious questions about designating Finley's last period as Weberian. But these qualms do not negate the significance of Finley's critique of Polanyi, and, in any case, have very little to do with 'the Frankfurt School's stress on the use of social psychology as bridge between the means of production and the actions of individuals' and even less with 'Horkheimer's ideas about induction based on delving into the significant particular'.¹⁶

The formative years

Moses Finkelstein was born in 1912. Having received his MA in public law in 1929, Finkelstein embarked on what became an illustrious career in ancient history in the early 1930s without any Latin or Greek. In later years, and apparently with increasing intensity, Finley always considered himself a man of that decade:

I find it very hard to put a label on myself in terms of a tradition. But I'm a product of the thirties, there's no question about that ... I came of age in the Depression. The political event which sticks in my mind as fundamental is the Spanish Civil War.¹⁷

By the beginning of the 1940s Moses Finkelstein was ready to assume the new identity forged during the previous decade. A review in *Zeitschrift für Sozialforschung* (the journal of the exiled Frankfurt School) in 1941 for the first time carried the signature of Moses Finley.¹⁸ The decade-long process of reincarnation was thus symbolically sealed, with almost all traces of what may be called Finley's pre-history removed. The depth of this suppression may be gauged, as Momigliano pointed out, by the almost complete 'elimination of the Jewish side'

¹⁵ 'Introduction', xivff.

¹⁶ *Ibid.*, xviii.

¹⁷ Interview with Richard Winkler (1980 unpublished, Finley Papers, Darwin College, Cambridge (hereafter FP)) 1.

¹⁸ 'Review of B. Farrington, *Science and politics in the ancient world* (1939); M. Nilsson, *Greek popular religion* (1940); H. Parke, *A history of the Delphic oracle* (1939)', *Zeitschrift* 9, 502-10 (510).

from Finley's extensive writings on slavery: 'When Moses Finkelstein changed his name to Moses Finley a whole set of questions was almost entirely removed from the public side of his thinking. There are still some signs of the violence of this decision'.¹⁹

The limitation, intensity and violence that Momigliano noticed in assessing Finley's writings on slavery are symptomatic of the pervasive characteristic of Finley's work variously described as polemical, serious, missionary, relevant, passionate, even 'envious, villainous, murderous'.²⁰ For Momigliano, however, himself so luxuriously at ease and preoccupied with his Jewish heritage, the roots of the matter were inevitably to be sought in Finley's sharp break with his Jewish past: 'Finley, the scion of generations of eminent rabbis (some going back to Italy in the sixteenth century) had himself received a Jewish education sufficient to make his admission to the Jewish Theological Seminary of New York conceivable'.²¹ Against this background and the fact that the 'Passover ritual is basically a ritual of liberation from slavery', Momigliano's fascination with the absence of the Jewish side and sources in Finley's studies of slavery is understandable.²² Nevertheless, in and of itself, Momigliano's interesting insight does not fully convince. For a start, the abandonment of Judaism as well as the change of name was not so rare among cosmopolitan second-generation East Coast intellectuals. It was also common in Central Europe among assimilating Jews, as the examples of Finley's mentors, from Marx to Polanyi and Adorno, show. There is also the more general problem that, in the absence of in-depth psychological data, Momigliano's claim cannot be decisively proved or disproved. Thus the absence of any reference to religious influences in Finley's own account of his upbringing may be taken to corroborate Momigliano's view, to add a new dimension to it, or simply to show its relative insignificance. In any case, here is my summary of what Finley has to say about his pre-history in a wide ranging and highly personal (unpublished) interview with Richard Winkler:

His father was Polish ('in contemporary terms from Lithuania') and went to the States to avoid military service. He took a degree in engineering from Cooper Union, a great tuition free night school in New York City. An impoverished immigrant to whom money meant a great deal, he had high aspirations for his prodigious son. Moses was to become a lawyer and the president of a large corporation. A hard driving patriarch, he drove his obliging son relentlessly. By the age of 15, Moses had received a BA (*magna cum laude*) from Syracuse, his home town university. Sometime after, probably after completing a masters degree in public law at Columbia University, Moses started a job his father had found him at the legal department of General Motors. 'But after six months, I walked out. I rebelled and that led to a certain strain that never ended until the day he died, aged 90. He was very much a patriarch'.²³

19 'Personal note', 2.

20 This colourful description comes from a former student of Finley who would, I think, prefer not to receive the credit for it.

21 'Personal note', 5.

22 Both Finley's writings and the recollections of those of his close associates that I interviewed do not indicate any special interest in or detailed knowledge of Judaism.

23 'Interview', 3.

This account by itself, but even more so when taken together with Momigliano's biographical information, evinces the enormous cost of Finley's turn to history. To have to decide between becoming a rabbi or the president of General Motors must have been hard for the very young Moses. But at least the choice reflected the not uncommon, if also schizoid, predicament of the bright sons of many first-generation Jewish immigrants from Central Europe. And in any case he (and more likely his father) seems to have made up his mind by joining General Motors. To abandon the latter, and to do so in the aftermath of the Great Crash, in order to become a historian was serious by any standards. Even more so in the face of strong opposition from a patriarchal and hitherto omnipotent father who 'could see no use in the classics' by a son who at the time knew no 'Latin or Greek whatsoever'.²⁴ Finley's decision to become a historian therefore condensed a multiplicity of breaks and sacrifices, the existential charge of which permeates his mature work. The violence that Momigliano associates with his break with Judaism may therefore be placed in the context of this wider break with what can be called his pre-history.

Finley, in short, was born again in the decade of 'the great transformation'. The discussion of Polanyi showed that for almost everybody, from Hayek to Keynes, and from Roosevelt to Stalin, the 1930s represented a major break with the past. For Finley the co-incidence of this global upheaval with his personal break provided the space and the raw material with which to reconstruct himself and replace the home that he had lost. Above all, this took the seemingly curious form of becoming a historian: 'We, who were growing up in a difficult world with problems we believed to be urgent and to demand solutions, sought explanation and understanding of the present in our study of the past'.²⁵ The professor of the Renaissance with whom he was to work, however, was 'intolerably boring and the medievalist not much more interesting'. So Finley turned to ancient history, whose 'professor ... had a glint in his eye. It was an absolutely childish caper'.²⁶ Relevance, passion, seriousness, these hallmarks of Finleyan historiography, can thus be traced to the historian's initial demands as well as the mixed experience and considerable costs of taking up history. The potential lawyer turned struggling historian, moreover, had to spend (another) eighteen years in the wilderness before being able to settle with his 'first proper teaching job' in 1948 at Rutgers University. This, too proved but a temporary respite. After his final refusal to follow the Rutgers' trustees' ultimatum and cooperate with McCarren's Senate committee, 'at midnight on January 1st, 1953 I was out'.²⁷

1930-48 is, strictly speaking, Finley's period of apprenticeship. Eighteen tumultuous years in his new incarnation before reaching the age of majority again. A glance at various part-time jobs and assistantships that he held during this period, exhibits the antinomies which characterized his new life and which were to be reflected in the three dimensions of his historiography, then and later. Along with registering for graduate studies in early modern and then in ancient history, various part-time jobs Finley held until the outbreak of the war ranged

²⁴ *Ibid.*

²⁵ Cited in Shaw and Saller, 'Introduction', x.

²⁶ Winkler, 'Interview', 4. See also interview with Didier Eribon, in FP. I have been unable to establish the source or date of publication from the available copy.

²⁷ Winkler, 'Interview', 5.

from an assistantship in classical legal studies, and various part-time teaching posts, to working at the Encyclopaedia of Social Sciences, and acting as translator and guide to members of the Frankfurt School in exile.²⁸ He became especially close to Karl Wittfogel, the only still politically active, communist member of the School. Finley's radical political credentials were clearly established during this period. In the late 1930s, after instigating with fellow students a nationwide campaign amongst academics to counter the propagation of Nazi ideas, Finley helped set up the American Committee for Democracy and Intellectual Freedom which soon attracted publicity as 'a communist front'. Exempted from military service for medical reasons, Finley joined Russian War Relief when the US entered the Second World War, and rapidly rose to become its national director.²⁹

Against this background, it is hardly surprising that the history Finley was being taught at Columbia could not match the relevance and excitement of the history he was experiencing almost everywhere else:

At Columbia University I first studied ancient history and eventually obtained a doctorate in the subject in the faculty of history, not in classics. Those were the years of considerable tension, the years of the Great Depression (with its great effect on the job market, even in the universities), of the Nazi seizure of power in Germany and then the Spanish Civil War. As I think back to this period, I have the firm impression that lectures and seminars were pretty securely locked in an ivory tower. By this I do not refer to the political views of the professors of history, which varied considerably, but to the irrelevance of their professional work as historians. The same lectures and seminars could have been given – and no doubt were – in an earlier generation, before the First World War ... There was the same pervasive impression that the study of history was an end in itself. Whereas we, who were growing up in a different world with problems we believed to be urgent and to demand solutions, sought explanation and understanding of the present in our study of the past.³⁰

Written some three decades after the period it describes, this passage is revealing in several ways. Finley writes here not merely to recall the 'good old bad days'. It is above all a thinly veiled attack on contemporary classics, which simply repeats the message of the slightly earlier piece, 'Unfreezing the Classics' from the perspective of his own formative years. It therefore displays a double continuity: in the author's demand to make history relevant and its continued, frozen, irrelevance.³¹ Underpinning both, there is a third continuity, the affirmation of Finley's status as the 'outsider'. The Finley that now himself appeared to be securely locked in an ivory tower, we are reminded, is fundamentally no different from the

28 Shaw and Saller, 'Introduction', ix, xi; Winkler, 'Interview', 1-2.

29 *Ibid.*, 4-5. Finley maintained his principled silence over his membership of the Communist Party till the end.

30 Finley, 'Class struggles', *The Listener*, LXXVIII, 201-02 (201).

31 Among his other statements on this question, see especially his inaugural address which ends with a question, a tribute, and an answer: "The time has perhaps come ... to add to the questions What is history? What is historical explanation? a third, What is the effect of the study of history? I might rephrase it, *Cui bono?* Who listens? Why not? ... Hugo Jones ... would surely have agreed that ancient history is a practical subject." 'The ancestral constitution', in *Use and abuse* (1971/1975) 59.

radical crusader of the 1930s, except he now has a proper job and an enhanced voice. The message remained the same. If the institutional antinomy between the ivory tower and the student study groups and part-time but interesting jobs had finally been overcome in favour of the former, the assault on the historical establishment continued even more ferociously from the inside as it were. The theoretical, social scientific plank of the campaign endured intact, as did the radical stance of the young apprentice:

And so we went off on our own to seek in books what we thought we were not getting in lectures and seminars. We read and argued about Marc Bloch and Henri Pirenne, Max Weber, Veblen and the Freudians, such analysts of the right as Mosca ... and Pareto ... And we studied Marx and the Marxists: not just *Das Kapital*, not even primarily *Das Kapital*, but also Marxist historical and theoretical works. Marxism is therefore built into my intellectual experience, what the Greeks would have called my *paideia*. Marx, like the other thinkers I have mentioned, put an end to any idea that the study of history is an autonomous activity and to the corollary that the various aspects of human behaviour – economic, political, intellectual, religious – can be seriously treated in isolation.³²

This is all true. Many of the underlying questions of Finley's mature thought, sociological history vs political history, holism vs particularism, contemporary relevance vs antiquarianism certainly made their appearance, in one form or another, in the 1930s. The conflicts that gave rise to the Depression, the Spanish Civil War, Fascism, Popular Fronts, and Planning evidently had a strong impact, but so did the theories which mediated and explained these conflicts, and the study groups and organizations that channelled and instituted these exchanges. All these must be borne in mind when considering Finley's claim that he was above all a product of the 1930s. It is also significant that the primary importance of Marxism is placed in the context of a broader exchange with writers belonging to other, even rival traditions. Again, this points to another lasting element in Finley's development. Certainly the relative importance of Marx, Weber, and others changed in subsequent periods. And there were additions such as Polanyi. Finley, however, seems to have generally retained what may be called a non-dogmatic popular frontist attitude towards social scientists: always willing to forgive their real or perceived faults in the interest of the larger struggle against his fellow ('positivist', 'antiquarian') historians.

Nevertheless, pride of place is rightly given to Marx and Marxism. It was only Marxism that could deliver all that Finkelstein (and later Finley) demanded of an inevitably limited body of knowledge and more: holism, interdisciplinary scope, relevance, historical explanation of urgent contemporary problems. Among the competing alternatives, only Marxism directly incorporated the otherwise remote researches of, say, a student of ancient history (or genetics or any other branch of social and natural sciences) in the contemporary project of proletarian revolution and thus most effectively 'put an end to the idea that the study of history is an autonomous activity'. And of course revolution was a serious proposition at the time, as were the struggles that led to the establishment of industrial unions in the US in the years before the outbreak of the war. Mere academic historiography could never hope to match anything approaching what Marxism could and did offer, especially to someone who had already risked much in becoming a historian.

³² Finley, 'Class struggles', 201.

This portrait, largely shaped through Finley's own later, always polemically anchored, recollections can be corroborated by turning to the only direct evidence available, namely, what Finley published in these years.³³ These writings also make it possible to buttress my periodization of Finley's development, and to assess his first brush with the *oikos* controversy.

The making of a professional scholar

The fruits of Finley's scholarly labours in this period are two articles, both published in highly specialized journals. These may be considered the first foundation stones of Finley's career as a professional ancient historian. Finley's first publication, '*Mandata principum*' was 'a thorough examination of all the available references, juristic and non-juristic, to *mandata* in the classical period'.³⁴ It was a straightforward philological and textual exercise, the likes of which Finley later was to downgrade as 'antiquarian'.

The interest of '*Mandata*' for us is almost purely biographical, a demonstration of Finley's success in mastering primary sources in a language that until recently was completely foreign to him, as well as further application of his legal training to ancient Roman texts. Even here a passing indication of his sensitivity to the illicit 'modernizing' interpretation of ancient evidence may be found: 'It is customary for most modern scholars, when enumerating the types of imperial constitutions, to include *mandata* along with *edicta*, *decreta* and *rescripta*. This classification is made despite the fact that no classical jurist did so'.³⁵ '*Mandata*' had been conceived in Professor Schiller's seminar on Roman law. Finley was a research assistant to Schiller, a position he had acquired in part due to the legal training he had received in what I have called his pre-history. Notwithstanding the claims of a break with 'traditional' historiography made by and on behalf of Finley, Schiller remained a direct force (and thesis supervisor) in Finley's development at least until 1952, when Finley's thesis on Athenian *horoi* was published. In that seminal text, which perhaps more than any other established Finley's scholarly credentials and ensured his warm reception at Oxford and Cambridge, Finley singles out Schiller (together with Westermann) as a 'rare guide and mentor'.³⁶

Finley's second 'traditional' article, '*Emporos, naukleros and kapelos: prolegomena to the study of Athenian trade*' was published in 1935. Apart from indicating a further step in Finley's professional career, now handling Greek primary sources, this article represents Finley's first treatment of the issues arising from the *oikos* dispute. It is in this latter regard that the article is especially significant here. It opens on a very promising note. It appears to signal Finley's entry on behalf of the primitivists, whose cause had only recently been given a boost by the publication of Hasebroek's contributions:

It is unfortunate for the study of Greek economic history that so many scholars have been unable to break away from modern channels of thought and, specifically, from modern

³³ The unpublished material from or about Finley's early years in the archive kept at Darwin College is negligible.

³⁴ Finley (Finkelstein), '*Mandata principum*', *Tijdschrift voor Rechtsgeschiedenis* XIII (1934) 150-69 (150).

³⁵ *Ibid.*

³⁶ *Studies in land and credit in ancient Athens, 500-200 B.C.* (Rutgers 1952) ix.

terminology. Expressions such as ‘firms’, ‘Joint stock companies’, ‘bank drafts’, ‘capitalists’, and the like constantly appear in their discussions of Greek business activity. The confusion of thought which must inevitably arise from such terminology interferes with any attempt to obtain a correct view of the conditions existing in antiquity. Such terms, closely bound up with definite modern connotations, cannot fail to bring a great variety of elements into the picture which never existed in ancient Greece.³⁷

What follows, however, is much less than promised. The limitation of Finley’s conception of the problem is indicated by the remedy that is immediately suggested:

Yet, the difficulty is easily surmounted. One may retain the Greek terms either in the original or in transliteration, accompanied by the necessary explanations, or one may employ modern terminology after it has been properly defined in its application to antiquity.³⁸

This twofold solution was, according to Finley, above all exemplified in Westermann’s 1930 article on warehousing and banking in Antiquity, where he ‘has hit upon a variation of the first method, or perhaps more correctly, a combination of the two types ..’.³⁹ For his part, Finley simply concentrates on the various terms for trader in ancient Athens in order to determine ‘whether ancient usage was sufficiently clear to warrant the definition of these terms into exact and consistent meanings’.⁴⁰ Thus, despite the grand introduction, Finley remains confined to what has been called ‘a predominantly philological exercise ... written under Westermann’s aegis [with] a more or less traditional’ approach.⁴¹

What is especially interesting about this article is, however, not its ‘traditional’ character or that it was written under Westermann’s direction. Rather, it is Finley’s failure to recognize and/or pursue any of the major theoretical, normative, and historical underpinnings and implications of the dispute over the ancient economy. It cannot be said that Finley was unaware of the controversy and its protagonists. There is a direct reference to Weber’s *AG*, where the latter is referred to approvingly for showing that ‘much of the controversy about the extent of capitalism in antiquity can be attributed to the failure of the various participants to define their uses of the term “capital”’.⁴² Oertel’s summary of the initial dispute between Bücher and Meyer is also cited. And, most notably, Hasebroek’s update of primitivism *Trade and politics in ancient Greece* serves as the main secondary source of Finley’s own study: ‘To examine all the various views [on variety of Greek traders] is impossible. The fullest

37 ‘Emporos, naukleros and kapelos: prolegomena to the study of Athenian trade’, *Classical Philology* 30 (1935) 320-36 (320).

38 *Ibid.*

39 *Ibid.*, 320 n. 2.

40 *Ibid.*, 321.

41 Shaw and Saller, ‘Introduction’, xiii. Ironically in the light of Finley’s turn against Rostovtzeff’s ‘modernism’, the latter commends Finkelstein’s ‘judicious remarks’ whilst himself taking a ‘middle’ position with regard to the *oikos* debate. See M. Rostovtzeff, *The social and economic history of the Hellenistic world*, vol. 2 (Oxford 1941) 1328.

42 ‘Emporos’, 320 n. 2.

discussion is that by Hasebroek'.⁴³ Finley's article abounds with references to Hasebroek's work. However, none refer to Hasebroek's substantive critique of the modernists, or to his variant of primitivism. Instead, Finley concentrates on a purely philological examination of Hasebroek's typology of Greek traders and finds it wanting in comparison with Paoli's views that are judged 'the most nearly tenable'.⁴⁴

What does Finley's first brush with the *oikos* controversy show? For one thing, it confirms, at the substantive level, my periodization of his development. Finley treats the controversy, or what remained of it, as essentially revolving around a series of terminological confusions which could be eliminated by philological scrutiny. Otherwise, in line with his mentor Westermann and others, he seems to have assumed the prevailing view among historians that, although Bücher's initial formulation was misguided, Meyer too had gone too far in his modernizing assumptions. In contrast, when Finley returned to the question explicitly and at some length in 1962 during his subsequent 'Polanyian' period, it was precisely such middle of the road views that were vehemently rejected. The gulf between Meyer and Beloch and other modernizers and Hasebroek and others was now said to be unbridgeable, not a matter of mere facts and philological confusion, but conceptual, with 'implications [that] transcend all merely quantitative assessment of, or disagreements over, commerce'.⁴⁵ No easy solutions are on offer now: thence the old texts told a different story altogether.

At a more general, methodological, level, Finley's early articles clearly display a certain degree of theoretical sophistication. The spirit, if not necessarily the letter, of his later boast that 'I was reading Max Weber before any ancient historian had heard his name' is clearly attested here.⁴⁶ The point, however, is that Finley's rare familiarity with sociological sources is not reflected in his substantive articles, except in a bibliographical sense. Whatever his intentions, Finley's theoretical concerns and references have an essentially 'antiquarian' function. In the reviews which Finley wrote during this period there is a repeated call for 'holism', for an approach that integrates political, cultural, and economic elements in an integrated whole. But, as Finley's own substantive work shows, this was much easier said than done, especially in a historiographically defensible way. This, among other things, may explain why it was nearly two decades before Finley published another full-length article.

Finally, there is no implicit or explicit indication of Finley's 'beliefs' and 'values' in these articles. It is difficult to see how it could have been otherwise, even if the professional constraints that came with the dreaded positivist historiography were not in place. The subject matter itself evidently imposes certain constraints of its own, whether the author consciously upholds a particular set of values or not, and whether or not one or another piece of writing is conceived or is used in a normative project. Finley, as will be seen in more detail shortly, stood within the Marxian tradition. But his Marxism did not engender the kind of research programme that in turn entailed or developed his empirical findings. Yet, the fractured normative and theoretical dimensions of his thought did make a difference. Any bright young

⁴³ *Ibid.*, 324.

⁴⁴ *Ibid.*; see also 333ff.

⁴⁵ 'Classical Greece', in *Trade and politics in the ancient world*, ed. M. I. Finley (Paris 1962/1965) 13.

⁴⁶ 'Class struggles', 201. See also 'interview with Keith Hopkins', videotape, *Institute of Historical Research* (18 October 1985).

academic might have written Finley's early articles, but very few could have produced them along with the reviews that he published during this period. It is this difference that points to Finley's distinct brand of historiography in subsequent years.

Holism, Meyer, and Marxism

Finley's early reviews (1935-41) were all published in non-Classical journals with a more or less broad orientation. Spanning Finley's varied association with the Frankfurt Institute, most of these reviews appear in the history book review section of *Zeitschrift* (probably under Wittfogel's editorial direction). One of the first explicitly interdisciplinary international journals ever, it provided the forum for Finley to display and apply his knowledge of the social sciences. These reviews also presented him with the chance to state what, in his view, modern historiography should ideally be all about.

Finley's very first published critique, a review of the first ten volumes of the *Cambridge ancient history*, is particularly significant in this regard. As Shaw and Saller notice, the common central theme of this and nearly all the subsequent reviews of this period, revolves around Finley's demand for a 'holistic' approach:

One major fault, however, vitiates the entire work. Freeman's dictum, 'History is past politics', binds the various chapters into a unified whole. Although the avowed purpose was to create a complete synthesis of ancient history in its manifold phases, much of the work is devoted to political and military minutiae. Art, literature, philosophy and above all social and economic history are treated as separate details, never as coordinated parts of the whole story of the ancient world.⁴⁷

The enduring and often repeated (although never fully realized by Finley himself) programmatic demand put forward here provides Shaw and Saller with the backbone of their overall account of Finley's intellectual development. Neatly symmetrical, it sees Finley's development fractured by a single fundamental break from the 'traditional' (philological) classical scholarship under the aegis of Westermann to the holistic, interdisciplinary historiography first and decisively shaped by the Frankfurt writers. The latter, in this plausible scenario, saved Finley not only from the narrow confines of orthodox scholarship, but also from the clutches of vulgar Marxism, prevailing in New York's radical intellectual circles: 'In contrast with the orthodox Marxism of the day, Horkheimer and his colleagues refused either to accept a simplistic relationship between material base and ideological superstructure or to assume the primacy of economic forms (the so called "base"), and instead called for an interdisciplinary approach to a holistic analysis of society'.⁴⁸ Shaw and Saller finally seal their case for the lasting and eventually substantive impact of the Frankfurt-propelled break by claiming that

The sort of approach which Finley was asking for is exemplified in his own 'Sparta' essay, written thirty years later [than the critique of the *Cambridge ancient history* in 1935] ...

⁴⁷ Shaw and Saller, 'Introduction' xiii; Finley, 'Review of the *Cambridge ancient history*, vols. 1-10 (1923-34)', *Zeitschrift* IV (1935) 289-90 (289).

⁴⁸ Shaw and Saller, 'Introduction', xii.

There, peculiar Spartan institutions are treated not in terms of their origins, but in terms of how they functioned together to promote stability or change in the society as a whole.⁴⁹

Even though it has had the benefit of Finley's own advice, this account must be questioned on several counts. To begin with the most straightforward, which also turns out to be the most ironic. The chief textual evidence connecting Finley's break from traditional historiography and the decisive influence of the Frankfurt writers remains the call for 'holism' in the above passage from his review of the *Cambridge ancient history*. The understandable excitement at discovering the evidence to underpin their account may have prevented Shaw and Saller from registering the significance of the concluding passages of this review. For there, Finley leaves no doubt whatsoever as to exactly what or who he has in mind when calling for the so-called holistic approach:

In sum, though the *Cambridge ancient history* is in many respects a great work well executed, one looks in vain for the integration of historical materials to be found in Beloch or Meyer.⁵⁰

Not Horkheimer and his colleagues, but two ancient historians thus turn out to be the notable sources of Finley's critique of the *Cambridge ancient history*. Apart from pointing to a different view of Finley's formative influences, this is a forewarning of the need to treat his subsequent comprehensive rejection of Meyer's legacy with extra care. But it is first necessary to settle the questions arising from Finley's reviews. However surprising the above reference to Meyer and Beloch may appear in the light of Finley's later writings, it would have hardly raised any eyebrows at the time. The universal scope and the novel socio-economic orientation of their accounts were (and remain) widely recognized.⁵¹ Notwithstanding their conservative views, they clearly provided models to serve the holistic aspirations of the youthful historian closer to hand than the rather remote philosophical disquisitions of Horkheimer or Adorno, however much Finley's association with the latter may have widened his intellectual horizons. At any rate, Finley's own reminiscence of his relationship with the Frankfurt thinkers appears to put the matter in proper perspective: 'They were extremely high powered people. I'm no philosopher, so that side of it made very little impact on me, but I read a lot of stuff I'd never read before'.⁵²

None of this is meant to imply that Meyer and Beloch were the sole or even the main sources in Finley's intellectual formation during this period. On the contrary, Marxism had the greatest impact on Finley, but only in a general sense, as he lacked an operational, recognizably Marxist, research agenda. Even so, the kind of Marxism that is to be found in

⁴⁹ *Ibid.*, xiii-xiv.

⁵⁰ Finley, 'Review of the *Cambridge ancient history*', 290.

⁵¹ See Momigliano, 'Weber and Meyer' (1980) 288ff. Finley's particular appreciation of Meyer's work may have been due in part to his teacher and thesis supervisor with the 'twinkle in the eye', W. L. Westermann, who had studied under Meyer in Germany. I owe this information to C. R. Whittaker.

⁵² Winkler, 'Interview', 3. Except for a brief and unrevealing letter from Marcuse, I found nothing in Finley's papers at Darwin College or elsewhere relating to the Frankfurt School.

Finley's publications cannot in any significant or exclusive sense be traced to the Frankfurt School.

Without once mentioning Marx directly, Finley's reviews are full of thinly veiled references to Marxism and Marxian preoccupations and positions.⁵³ Here, however, it suffices to turn to his review of Ciccotti's two volume *La civiltà del mondo antico*, in which the clearest and most extensive statement of Finley's Marxism in this period may be found. Here, he follows, affirms, and at times clarifies the meaning and implications of Ciccotti's Marxist historiography:

The history of human achievement in every sphere of activity is the history of 'co-operation', 'association', 'class conflict'. To understand that history, then, it is necessary to focus attention on society and social relations, not the individual ... These social relations determine the entire moral and intellectual structure, and the two spheres, the objective and the subjective, interact in a highly complicated fashion ... Since the fundamental and earliest function of social organization is the satisfaction of the individual's basic needs, needs which are directed squarely at those needs which are 'the most demanding and continuous, the most germinal and active'. Here lies the solution of the problem of historical periodization. Since all aspects of life are inextricably bound together, only a fundamental transformation in the entire complex ushers in a new period. Though Ciccotti never says so explicitly, he clearly justifies the retention of the traditional unity of the ancient world by the unbroken existence of just such a complex. At the root lies slavery and the productive relations, agricultural and industrial. Upon these foundations society could and did develop in different ways, but only the change to a feudal system of relations brought a distinctively new period. It is always within a given society that the causes of its development and decline are to be found. This point Ciccotti has occasion to emphasize and demonstrate time and again.⁵⁴

In this most comprehensive formulation of Marxist historiography as Finley understood and upheld it, several questions are raised or clarified. First, it puts to rest the assertion made by Shaw and Saller that somehow under the influence of Horkheimer and his colleagues, Finley had developed a critical sort of Marxism in which, among other nice things, the 'primacy of economic forms (the so-called base)' was abandoned in favour of 'an interdisciplinary approach to a holistic analysis of society'.⁵⁵ Perhaps Finley's reference to the 'highly complicated' interaction between the 'subjective and the objective' and the generally cautious tone of his formulations have something to do with the influence of the Frankfurt philosophers. But then again, in his last years Engels too was given to warning against (too much) economic reductionism (before the 'last instance'). There is nothing in the above that Engels and the Marxism of 'the day' could not agree with wholeheartedly. It is indeed worth noting that Finley's evident admiration for Meyer did not overcome his explicit preference for

53 See, for example, Finley's 'Review of Westermann's *Sklaverei* (1935)' in *Zeitschrift* 5, where 'the economic approach' is contrasted favourably with other major perspectives, from liberal to romantic.

54 Finley, 'Review of E. Ciccotti, *La civiltà del mondo antico* (1935)', *American Historical Review* XLII (1937) 277-79 (277-78).

55 Shaw and Saller, 'Introduction', xii.

Ciccotti's mainstream Marxian economic analysis: 'I know of no discussion of the ancient economy that is comparable to Ciccotti's eighty-two pages. His training in economics enables him to correct just those misconceptions which have vitiated so much of the writings on this subject, Eduard Meyer's, for example'.⁵⁶ The first explicit signs of Finley's critical distance from orthodox historical materialism only appear with the publication of the first in his series of studies on slavery some two and half decades later in the middle of his 'Polanyian' period.⁵⁷

All this is not to deny any material significance to Finley's association with the Institute for Social Research. No doubt the flexibility that Finley continued to display in learning from a wide variety of social scientists, including Polanyi, owed something to the Institute's rich and varied intellectual sources. Nevertheless, the non-dogmatic or, shall we say, pluralistic quality that Shaw and Saller rightly discern in Finley's early work perhaps lay less in the assumed break from both orthodox Marxism and 'traditional' historiography, than in his awareness of the indispensable, indeed generally superior, contributions of non-Marxist historians to his professional field. I have already mentioned the reference to Beloch and Meyer in his critique of the *Cambridge ancient history*. In that review, Finley's demand for a holistic account of the ancient world clearly derives from a Marxian perspective. But it is Meyer's work that provides him with an example of such an account, despite the fact that Meyer was politically a reactionary conservative, and theoretically an arch-critic of nomological political economy. This juxtaposition is doubly emphasized in the opening sentence of the above review of Ciccotti, the foremost Marxist ancient historian of his time, where Finley again displays the awe with which he viewed Meyer: 'Not since Eduard Meyer, and not often before him, has anyone attempted to examine the whole structure of ancient society or, more correctly, the current conception of that structure'. Finley's professionalism and the 'objectivity' that it entailed is further evinced by the fact that, despite his admiration for and ideological affinity with Ciccotti, he finds the 'work under review far from a complete success', which 'nevertheless bristles with the provocative insights that Rostovtzeff alone of living ancient historians can parallel'.⁵⁸

So among the dead, Meyer, and among the living, Rostovtzeff, both anti-socialist and both 'modernizing' historians, are singled out by Finley as examples to follow. Or perhaps to match and surpass, from a more suitable theoretical and normative perspective: Marxism, to be precise. When Finley returned to Meyer and Rostovtzeff two decades later, his tone, approach, position, and agenda all indicate a distinctly new stage in his intellectual development. No longer a Marxist in any strict sense, Finley now pointedly summoned Weber, Hasebroek, and Polanyi to battle against Meyer, Beloch, and Rostovtzeff and all those, dead or alive, who dared to suggest that a settlement between the two sides, the primitivists and the modernizers, was feasible.⁵⁹

⁵⁶ Finley, 'Review of Ciccotti', 278.

⁵⁷ Finley, 'Was Greek civilization based on slave labour?', in *Slavery in classical antiquity: views and controversies*, ed. M. I. Finley (Cambridge 1959/1960).

⁵⁸ Finley, 'Review of Ciccotti' 278.

⁵⁹ Finley, 'Classical Greece' (1962/65) 12ff.

Finley's achievements during this period can be assessed at two levels, as an apprentice in ancient history as well as in the social sciences. In each institutionally segregated field he received considerable training and mastered his brief. All his substantive work in the two decades between the Great Crash and his break with his father and the encounter with his new mentor, Karl Polanyi, may be classified as 'traditional'. The pejorative connotations of this term, however, should not obliterate the fact that, without the mastery of technical and detailed knowledge displayed in these works, Finley's own distinctive achievements would have been impossible. '*Mandata*' (1934), '*Emporos*' (1935) and later 'Some Problems of Greek Law: Considerations of Pringsheim *On sale*' (1950) and his thesis, *Studies in land and credit in ancient Athens, 500-200 BC, the Horos-inscriptions* (published 1952), were all written under the auspices of the 'traditionalists' Westermann and Schiller. Of course, consideration of these works as traditional must be understood in the context of Finley's own later developments. Otherwise, as Millett has noticed, even these are set apart from rival accounts by their conceptual sophistication and wider-than-usual scope.⁶⁰ In any case, although not 'reinforcing any values and beliefs' or employing any distinct set of theoretical concepts, these works laid the foundation upon which Finley's own particular agenda could be advanced in the subsequent periods. Indeed by the end of this period one reviewer of Finley's published thesis could write, 'With his new book, Dr Finley has definitely established his place among the very best writers in the domain of Greek law and its sources'.⁶¹ Whilst another, no less an economic historian than Franz Heichelheim, already saw in Finley 'an American scholar who may, one day, rise to be considered for Greek Economic History what the great American T. Frank of Baltimore was for Roman Economic History'.⁶²

At the same time, Finley's apprenticeship in the social sciences, and more particularly Marxism to which he was also politically attached, continued apace outside and in opposition to the university 'ivory tower'. Embodied in his reviews, this provided Finley with a powerful vantage point to see and criticize the sterile empiricism of much academic scholarship. Sociological thought, therefore, underpinned his recurrent attack on individualism, the fragmentary treatment of different aspects of ancient society, and class-based ideological distortions, on the one hand, and the lack of sufficient attention to the key questions of slavery, socio-economic relations, and historical periodization on the other.

However, these primarily Marxian concerns were not being developed in a living dynamic tradition of substantive research and historiography. The young scholar was faced with a conundrum. The deepening worldwide crisis, the upsurge in working-class struggles in advanced capitalist countries, and the apparent success of the Soviet central planning, appeared to confirm the historical veracity of Marxism in its manifold ('holistic') aspects. The apparent vindication of the Marxist prognosis of capitalist crisis verified in its wake historical materialism as a whole, including its general conception of the slave mode of production. Yet, these uplifting advances were not matched equally or evenly in various academic and

60 P. Millett, *Lending and borrowing in ancient Athens* (Cambridge 1991)14.

61 A. Berger, 'Review of Finley, *Studies in land and credit ...* (1952)', in FP (date and place of publication indecipherable), 87.

62 F. M. Heichelheim, 'Review of Finley, *Studies in land and credit ...* (1952)', in FP (date and place of publication indecipherable).

intellectual fields. In ancient history, as Momigliano observed, the presence of Marxism or other sociological approaches was indeed negligible. This situation was reflected in Finley's early writings. His Marxism, although both solid and flexible, failed in two decades to produce much beyond programmatic statements and critical reviews. But, again, his achievement on this front must not be underestimated. The rare interdisciplinary apprenticeship Finley received during these years would stand him in good stead in subsequent periods, and culminate, if not in the presidency of General Motors, then in the pinnacle of his chosen profession.

CHAPTER 9

THE MASTER CRAFTSMAN

Finley and Polanyi were both ‘born again’ offspring of the 1930s. But with the difference that Polanyi – forty-four years old at the outset of that decade, and old enough to have been the eighteen-year-old Finley’s father – was in a position to turn the transmogrification that he himself and the ‘world’ underwent during those years into the basis of a new theory of history and a vibrant research programme. Young Finley could only observe or experience the developments that the former wrote about, but he did so with a similar intensity and from the same side of the barricades. They eventually met at the height of the Cold War. Predictions of further socialist advance refuted, the radical left in the West was everywhere in retreat. Though also threatened, the university ivory towers remained one of the last refuges of intellectual and ideological dissent in the US. Towards the end of 1951, when their association began in earnest, Polanyi was at Columbia, teaching and conducting his research project, whilst Finley, a recent Columbia graduate, had at last found a full-time position at the neighbouring Rutgers University in New Jersey. At around the time of his first meetings with Polanyi, Finley was summoned to testify in front of the Senate committee on internal security. A year later and after certain invidious twists, Finley was expelled from Rutgers for refusing to cooperate with the committee. In retrospect, this may have been a blessing. Jobless, he eventually received and accepted the offer of a fellowship from Cambridge which proved to be, in his own words, ‘a kind of Alice in Wonderland story’.¹ And the expulsion also allowed him to become fully immersed (as a paid-up member) in Polanyi’s interdisciplinary project and in various ‘seminars, discussions, and conferences organized under its auspices’.² The seminal *World of Odysseus*, too, was written during this period.

Peter Garnsey dates Finley’s association with Polanyi from 1946.³ This is unlikely, as Polanyi left Britain to take up the offer of adjunct professorship at Columbia in 1947. Clear evidence of Polanyian influence is to be found in Finley’s first full-length article since ‘*Emporos*’, namely ‘Land, debt, and the man of property in Classical Athens’, which was published in 1953. The first acknowledgement of Finley’s direct debt to Polanyi appeared a year later in the preface to *Odysseus*, the book that established the former’s reputation as a sociological historian. Polanyi is singled out in that preface ‘for many stimulating discussions

1 Winkler, ‘Interview’, 8.

2 Finley’s name appears on Polanyi’s expense accounts for researchers on his project (1952, PA); see also Shaw and Saller, ‘Introduction’, xiv.

3 Garnsey, ‘M. I. Finley’ in *Blackwell dictionary of historians*, ed. J. Cannon *et al.* (Oxford 1988) 131. This may be based on Shaw and Saller’s suggestion that Polanyi assumed his post at Columbia in 1946; ‘Introduction’, xix.

importance of status, the theory of the *oikos*, and the writings of anthropologists like Malinowski and Mauss introduced Finley to new research avenues or encouraged him to pursue the questions he had already formed through Weber and Hasebroek.

Although every social science research project may embody, as Weber insisted, evaluative as well as nomological and ideographic dimensions, whether the specialist practitioner is fully aware of them or not, there is a significant difference between those scholars who are so aware and those who are not. In Polanyi, Finley had found a mentor who was highly conscious of the theoretical mediations and ideological implications of the *oikos* dispute. Conversely in that dispute as understood by Polanyi, Finley found a broad comparative research project that uniquely combined the manifold and hitherto centrifugal trajectories of his own historiography. It is one thing to research into different Greek terms for trader, scrutinize the Greek laws of sale and the extant Athenian *horoi*, whilst calling for 'explanation and understanding of the present in our study of the past', or seeking a co-ordinated approach to 'the whole story of the ancient world' on a par with Meyer's efforts. It is quite another to be able to bring one's research and expertise to bear upon a project that, on the one hand, conjoined the otherwise remote questions of ancient history with the most urgent problem of the modern era (market and planning, primacy of politics or economics) and, on the other, brought to the fore the methodological and substantive issues involved in one's own discipline of Classical history. Not only Polanyi's conceptual arsenal and ideological orientation, but also his particular research focus matched Finley's variegated needs. Before meeting Polanyi, Finley had already 'read' many of the sources of Polanyi's thought, both social scientific and historical. That is why he could appreciate Polanyi's project in the first place. He had read them, but he had not discovered or realized their potential use for his own work. This applied as much to more recent writers such as Mauss as to Homer.

Another way of putting all this is to say that Polanyi was the mentor that Finley's formative years had prepared him for. The former came closest to being the personification of the different, partly conflicting influences that had shaped the preceding stage in Finley's intellectual formation: say, Westermann, Horkheimer, and Wittfogel rolled into one. Polanyi had Westermann's passion, that 'glint in the eye' that had first drawn Finley to ancient history. He also had the kind of detailed knowledge and interest in ancient history that Horkheimer and other Frankfurt writers simply lacked: although Wittfogel was an exception, his historical interests were mainly confined to China and other Eastern formations. As with Wittfogel and Finley himself during the 1930s, Polanyi, too, had been an active partisan of the Soviet cause. Theoretically, he could offer Finley what Westermann and Schiller never could: a critical and original interpretation of Marxian and other social science traditions, not just at the philosophical level of the Frankfurt thinkers, which Finley found too abstract and remote, but in a way that was directly relevant to the latter's experience, aptitude, and professional needs. Finally, and in a more substantive sense than any of the above, Polanyi himself required the services of his new disciple. Not as mere research assistant or translator, but as a partner in a field in which Finley was a promising specialist. At the time Polanyi had already embarked

on his own 'General economic history', a major chunk of which treated Athenian economic history. This never-ending project soon received Finley's critical attention.¹⁰

None of this, however, should be taken to imply that Finley followed Polanyi's thought in every respect, or that, without the latter's influence, Finley's achievements in the 1950s and 60s would have been necessarily of less significance. As has been seen, Finley's reputation as a Classical scholar had already been established prior to his close association with Polanyi. He was also familiar with the classics of social thought and many of the latest advances in the field, and had varied and direct experience of the events of the 1930s which had such profound influence on the formation of the Polanyian agenda. Thus, before his Polanyian turn, he had not only read *AG* but appreciated its generally neglected importance: 'When I read in Marianne Weber's preface that Max Weber's *AG* was the result of four months' intensive work, I react as to one of the miracles of the Bible. It takes me four months to study Demosthenes'.¹¹ At the same time, he was casting a critical glance at the illicit modernization of Greek institutions in terms that anticipate almost completely some of his later conclusions.¹² In other words, unlike most, if not all, graduate students gathered round Polanyi, the forty-year-old Finley was in a strong position to keep other channels of intellectual exchange wide open and to enter a dialogue with the master, not merely to follow his lead.

It is therefore important to distinguish between Finley's and, say, George Dalton's roles within the Polanyian camp. Both are singled out as spreading Polanyi's ideas in their respective fields, but the contrast in their respective attitudes to Polanyi's teachings is equally notable. Dalton, whose formative years had been profoundly shaped by Polanyi (culminating in a doctoral thesis on the latter's work), remained fully within the orbit of what he called and elaborated further as the 'Polanyi paradigm', whilst being characteristically open about its limitations as he saw them. Indeed, every attempt at refutation of Polanyi's views only seems to have reinforced Dalton's resolve in reasserting their distinct validity against competing alternatives.¹³ In contrast, Finley chose Polanyi's research programme after having experimented with other, partly overlapping, approaches. As a result, he not only kept a critical distance from Polanyi during his 'Polanyian period', but came publicly to declare its end in 1972, in view of historical evidence and what he saw as a superior research programme.¹⁴ In the Finley-Polanyi correspondence, even more than his published work, Finley's independence and the critical care with which he treated Polanyi's always forceful

10 Copies of various drafts of this project are in the Polanyi Archive. Pearson's edited selection from these drafts is published as *The livelihood of man* (New York 1977). The Polanyi-Finley correspondence abounds with references to it, although, as already mentioned, Finley advised against the publication of Pearson's selection.

11 'Letter to F. Heichelheim, 17 November 1947', cited in B. Shaw, 'The early development of M. I. Finley's thought: the Heichelheim dossier', *Athenaeum* 1 (1993), 177-99 (182).

12 Compare, for instance, Finley's comments on A. Gomme's work on Greek history in the 1947 'Research proposal to SSRC', in B. Shaw (see n. 11 above), 193, and in 'Classical Greece' in *Trade and politics in the ancient world*, ed. M. I. Finley (1965) 12.

13 See G. Dalton, 'Analysis of long distance trade' (1975); 'Comment' (1981) and 'Writings that clarify theoretical disputes over Karl Polanyi's work' in Polanyi-Levitt, ed. (1990).

14 'Anthropology and the Classics' (1972/1975) 116ff. That the new research agenda did not sustain his interest is an important matter that will be discussed below.

suggestions and theses is clearly attested. Indeed, the contrast between their attitudes in these exchanges is also instructive. Face-to-face with Polanyi, the prophetic thinker, Finley often appears in the guise of the antiquarian, invariably counselling caution and requiring further scrutiny of available evidence, a somewhat ironic reversal of the posture he subsequently adopted towards his fellow ancient historians.¹⁵

During this perhaps most fertile period of his career (1953-73), Finley approached ancient economic developments from five different angles. Three of these, dealing respectively with the limitations of commercial agriculture, technological progress, and trade (published between 1953 and 1965) will be treated here in one section as more or less integral parts of Finley's contribution to the primitivist side of the *oikos* debate. The fourth, on slavery, will be treated separately. Finley's evolving view of this crucial question appears in a series of articles between 1959 and 1968, which, when followed sequentially, point to the remarkable emergence of a double break in Finley's thought. On the one hand, they chart the increasing distance between Finley's new and old (Marxian) conceptions of the slave mode of production. On the other hand – and this is their really remarkable aspect – they show that at about the same time that Finley was vehemently rejecting any compromise with modernizers, the compelling logic of his studies was leading him to an overall cyclical picture of ancient developments that could, in many crucial respects, scarcely be distinguished from Eduard Meyer's. In 1970, Finley approached the controversy from yet another, fifth, angle, pursuing the implications of what he considered to be the absence of 'economic thought' in the Classical world. 'Aristotle and economic analysis' may be considered a transitional work insofar as it displays for the first time Finley's serious unease with Polanyi's view of economic relations in Classical Athens. It will be discussed together with 'Anthropology and the Classics' (1972), in which Finley's break with Polanyi's research programme is openly declared.

Landholding, technology and trade

With 'Land, debt' Finley's direct elaboration and extension of primitivism begins. Whilst based on his research into Athenian *horoi*, it also marked the beginning of his Polanyian phase. Welcoming its publication, Polanyi wrote, 'In focussing on the "man of property" as you do here, the sociological significance of your *horoi* results become patent'.¹⁶ A pertinent observation because, although Finley's earlier study had been very well received, its implications for Athenian social life were by no means clear or well understood. Thus, for example, one enthusiastic reviewer, H. Mitchell, took Finley's book to show 'the seemingly inevitable encroachment of the capitalist upon the small farmer and of the dispossession of the small holder by the large. This has been seen all through history, [and] is being seen today'.¹⁷

Finley's diametrically opposite view was clearly set out in 'Land, debt'. Confining the discussion mainly to fourth-century Athens, Finley dismissed the double generalization based

15 See the Finley-Polanyi correspondence in the Polanyi Archive and Darwin College. The Darwin College collection edited by R. Di Donato is published as 'Finley-Polanyi correspondence', *Opus* VI-VIII (1987-89).

16 Polanyi, 'Letter to Finley' (22 August 1953, PA).

17 H. Mitchell, 'Review of M. I. Finley, *Studies [in land and credit]*' (no place of publication 1952) FP.

on the Solonic conjuncture on the one hand, and the modern developments on the other: 'In fact, the *horoi* tell us nothing whatsoever about the small farmer and his debts: they stood on the property of the wealthier landowners ... The astonishing point is that, once the *horoi* have been eliminated as evidence of the decline of the small farmer and of the growing concentration of agricultural properties in fourth-century Athens, no evidence at all remains'.¹⁸ Thence Finley went on to conclude that 'there was no real-estate market, properly speaking, in Athens at all, ... land was not a commodity in any significant sense'.¹⁹ On this basis, a whole series of modern-ancient contrasts were drawn, ranging from major institutional inhibition to close ties between property and money caused by the citizens' monopoly of land ownership, to the non-productive mentality of the Athenian men of property, and from the non-institutional and discontinuous nature of moneylending and the absence of firms or 'true' partnerships, to the absence of struggle between small farmer and usurer or between landowner and merchant capitalist.²⁰ Whilst evidently anti-modernist, these conclusions are not intrinsically and exclusively primitivist. They can also be incorporated into a Weberian or other synthetic accounts of ancient developments. For instance, Finley's important observation here concerning the persistence of smallholders, and the absence of land redistribution movements in the exceptional case of Classical Athens, may be viewed as evidence of the success of the struggles of Athenian smallholders and their allies in creating a new type of society. Whilst Finley insisted this was not like the seventeenth-century England of Lord Nottingham,²¹ it was perhaps no less 'modern' in terms of its own developmental sequence.

Be that as it may, such vistas were not within Finley's field of vision at the time. As Shaw and Saller point out, Polanyi's concepts of 'the embeddedness of the economy and the sphere of non-market exchanges' underpinned Finley's discussion.²² Even though neither term is explicitly mentioned, their guiding presence is unmistakable. To be sure, Finley did not go as far as claiming that private market transactions were embedded in an economy primarily organized on a different basis. The aforementioned institutional links, the palace/temple couple of the Near East, the relatively self-sufficient Homeric *oikoi*, or the 'tribal' kinship organizations, were simply no longer at hand to sustain such a claim. Meanwhile, however, Finley viewed Athens, alongside Polanyi as well as Bücher, from a dual comparative vantage point which emphasized its undeveloped character. Compared to modern capitalism, the undeveloped character of Athenian market instruments and the restricted scope of its market transactions were evident. At the same time, the features that Athens appeared to share with 'all earlier socio-economic systems' were underlined: the considerable 'financial requirements of marriage, in particular a large dowry', for instance, or indeed the evident persistence of an aristocratic mentality, values, and associations.²³ From this vantage point, Finley showed in some detail and with much insight that Athens was not 'modern', at least in the sense of the world of the emergent rational economic man.

18 Finley, 'Land', in *Economy and society* (1954/1981) 64, 60.

19 *Ibid.* 71.

20 *Ibid.*, 72-3, 75-6.

21 *Ibid.*, 75.

22 Shaw and Saller, 'Introduction', xix.

23 Finley, 'Land', 69ff.

On the face of it the relative technological stagnation of the Greeks and Romans was non-controversial, a widely recognized ‘commonplace’, as Finley himself suggested in opening his study ‘Technical innovation and economic progress in the ancient world’. Nevertheless, it offered Finley a further opportunity to bring his target into sharper focus: ‘The desperate search of “modernizers” among economic historians of antiquity for something which they can hold up with pride against, say, fifteenth-century Toulouse or Lubeck’ in regard to various credit instruments essential for large-scale utilization of new technologies, was sufficient to encourage Finley’s excursion into this area.²⁴

Moreover, Finley saw behind the above commonplace a ‘big question’ in view of the ancients’ high level of intellectual and scientific achievements and their guiltless, positive valuation of wealth as an essential element of the good life.²⁵ Why, Finley asked, did productivity then not advance or technological advances spread as they had in subsequent and apparently less propitious periods? His answer pointed to a range of factors, from values and beliefs to institutional obstacles, which ensured ‘the divorce between science and philosophy on the one hand, and the productive process on the other’, at least since the early Ionian philosophers and Pythagoreans all the way to the end of antiquity.²⁶

Thence, Finley proceeded to show how this fissure was reflected in the writings of otherwise very different ancient writers, from the abstract, theoretically minded Aristotle to the practical utilitarian Vitruvius, and from Xenophon to Archimedes and Pliny, and even Cato, Varro, and Columella. The famous passage in *Cyropaedia* taken as an anticipation of Smith’s division of labour is seen to be its exact opposite: an indication of Xenophon’s aristocratic preoccupation with improving quality rather than productivity, and specialization of crafts rather than division of labour. In short, the ancients ‘lacked the spirit of capitalism’.²⁷ They, moreover, lacked the institutional differentiation that accompanied the spread of that spirit. Here Finley reiterates the points already made in ‘Land, debt’ concerning the primitive commercial, credit and industrial institutions and of course the non-productive mentality of what we may now call the ancient man of property.²⁸ The situation was overdetermined by slavery which – citing as appropriate a Louisville merchant’s remark – ‘deprives us of the energy and spirit of enterprise that characterises the States that have no slaves’.²⁹ A final (to become Finleyan) commonplace summarized the comparative perspective and spirit of Finley’s own enterprise: ‘It is not only the opening analysis of *The wealth of nations* which is fifteen hundred or two thousand years ahead in the future, but the pin factory itself’.³⁰

In this study, Finley for the first time not only treats a question by drawing examples from various Graeco-Roman formations in various phases of their development, but in the process

24 M. I. Finley, ‘Technical innovation and economic progress in the ancient world’, *Economic History Review* XVIII (1965) 29-45 (37).

25 *Ibid.*, 32-33.

26 Finley begins by discarding ‘alternative values’ as an explanation because ‘one of these was a very powerful desire for wealth and for large scale consumption’, 33. However, values and beliefs (re-) appear, as will be seen below, as an important part of his own answer.

27 *Ibid.*, 38.

28 *Ibid.*, 32-40.

29 *Ibid.*, 45.

30 *Ibid.*, 38.

constructs the ancient, or rather, the Graeco-Roman, world as a unitary object of analysis. This was a significant feature of the early primitivist writings. It was an intrinsic aspect of their theories of history. Finley, however, could no longer rely on either *oikos* or even slavery as ‘the basic’ institution of the Graeco-Roman world. Instead, the unity of the ‘ancient world’ was here ensured with reference to a multiplicity of factors, ranging from technological primitivism to the persistence of aristocratic values. As Finley himself recognized, the narrower thrust of his argument was not really in dispute. The question, however, remained as to whether the arguments marshalled were sufficient to sustain a unitary and, by implication, primitive conception of the Graeco-Roman political economy. The following key passage indicates both Finley’s recognition of the unsatisfactory nature of his approach in this regard as well as the need to maintain it in accordance with the requirements of primitivism:

Impossible as it is to lump the whole of ancient society into one generalization, it would not be far wrong to say that from the Homeric World to Justinian great wealth was landed wealth, that new wealth came from war and politics (including such by-products as tax-farming), not from enterprise, and that whatever was available for investment found its way into land as quickly as it could.³¹

Later Finley overcame the impossible even more conclusively and wrote a whole book about *The ancient economy* from Homer to Justinian. The roots of that celebrated attempt are visible here. The slow pace of technical progress limited the extent of the market, which in any case was severely restricted by various institutional and cultural obstacles. Commercial trade and manufacturing were minimal, and moreover were largely undertaken by metics. What was left of the politically extracted, non-productively consumed ‘surplus’, was sunk irrationally or non-rationally into land. Technological stagnation and the persistence of non-economic values, policies and other ‘non-bourgeois’ elements simply overshadowed the variety of ancient formations and their different developmental trajectories.

It is perfectly understandable to set aside the massive differences between the Graeco-Roman formations in order to focus on the question of the state of technical progress in ‘antiquity as a whole’. At this level, many of Finley’s conclusions were non-controversial, even from the standpoint of ‘desperate modernizers’. The dispute has been primarily over the ‘holistic’ narrative that articulates (or in the words of the young Finley, ‘co-ordinates’) such partial (land, technology, trade, slavery) accounts. Finley’s emergent multi-causal account of the ideal type he later designates as ‘the ancient economy’ evidently could not be falsified in the same way and with the same relative ease that the original *oikos* theory was questioned. It was, nevertheless, threatened by an explanatory vacuity that often results from attempting to uphold anti-marketist primitivism by a synchronic focus on what distinguishes the ancient economies from modern bourgeois capitalism. At this stage, however, it still may be too early to charge Finley with this sin, as the narrower, explicitly argued conclusions of his efforts – whilst exposing the more extreme claims of the modernizers – could be entered into other non-primitivist accounts of antiquity.

I now turn to the third major flank of Finley’s attack on the modernist interpretations of Greek economic developments. [Trade and politics in] ‘Classical Greece’ is where Finley

³¹ *Ibid.*, 39.

confronted the modernizers head on, and displayed the full extent of his uncompromising commitment to the Polanyian variety of primitivism. It was initially delivered as the keynote paper at the ancient history section of the second international conference of economic history in 1962. Organized by Finley himself, the central theme of the sessions was pointedly chosen with an eye on Johannes Hasebroek's *Trade and politics in ancient Greece*. With his position and reputation secured as the foremost social historian of ancient Greece, Finley now attempted to set out his own agenda for investigating ancient economic developments. Unsurprisingly, the *oikos* debate looms large in his contribution, even though it disclaims any intention 'to reopen the *oikos* controversy'.³² Having already made explicit his equation of 'good ... historical writing' with 'partisan' historiography in a recent review, the full force of Finley's partisanship is unleashed here for the first time.³³ Not only modernist authors are personally dismissed or held up to ridicule, but the gulf between their position(s) and the favoured Weber-Hasebroek (or more precisely Bücher-Hasebroek-Polanyi) view is also declared unbridgeable. Thus, whilst the views of those considered unsympathetic are basically shrugged off, the waverings of the faithful are ironically lamented:

My feeling of depression rather comes from the friendly critics, the ones who welcomed the [Hasebroek] books as important and salutary, who said, in effect, 'The modernizers have been defeated, and high time too. If only Hasebroek didn't exaggerate ..'. That word 'exaggerate' is crucial: it implies that under dispute were mere quantities, or points along a continuum; that Beloch, Eduard Meyer and the other modernizers stood far too far at one end, that Hasebroek stood too far at the opposite end, and that all that was now required was to find some comfortable station between them ...³⁴

Finley does not name the friendly critics. Nor does he elaborate what he acknowledges as 'the legitimate objections which were raised against weaknesses in Hasebroek's knowledge and against his stubborn refusal to recognize how much trading activity actually went on'. The depth of his uncompromising stand, can, nevertheless, be gauged from his dismissive treatment of Gomme's discussion of Hasebroek's views as 'a schoolboy version of Adam Smith'.³⁵ This is said of a position that respects many of Hasebroek's insights and which anticipates many of Finley's own. Gomme, too, for example, recognized the discontinuous nature of financial investments, the almost total predominance of small individually owned and internally undifferentiated establishments, as well as the restrictions on real-estate ownership in Athens, and, indeed, went one step further, acknowledging that:

There were no commercial banks, no discount houses, whose main business it would be to finance foreign trade; there was no creation of credit which is the foundation of modern trading methods, no international finance in that sense: but individuals who lent their

³² Finley, 'Classical Greece' (1962/1965) 13.

³³ Finley, 'Review of E. Gibbon, *The decline and fall of the Roman empire*, abridged version (1960); R. Syme, *The Roman revolution*, paperback edn (1960), M. Grant, *The world of Rome* (1960)', *Spectator* LXVIII (1960) 527-28 (528).

³⁴ 'Classical Greece', 12.

³⁵ *Ibid.* In somewhat more graphic terms, this repeats the point made in the 1947 research proposal referred to at n. 12 above.

existing surplus capital to other individuals. Sometimes two or three men would join in partnership to lend to a merchant and share that risk; but no companies in this any more than in any other branch of commerce or industry.³⁶

Finley ignored such ‘concessions’. Perhaps his attempt at the ‘non-revival’ of the *oikos* controversy required enemies as well as martyrs. Hasebroek was especially suited for the role of martyr. A fellow sociological ancient historian, Hasebroek had applied and developed certain aspects of Weber’s work and was in turn viewed by Polanyi as a direct precursor. Besides, his writings had been largely ignored or dismissed by mainstream historians. Two interrelated aspects of his contribution are directly pertinent here.

First, Hasebroek exposed many of the modernist fallacies with more force and, in the case of trade, in more detail, than before. His critique, however, drew on Weber, Oertel, and Francotte who were also critical of Bücher’s views. Thus, despite his heartfelt claim that ‘there is no longer any reason to doubt that Bücher was right in repudiating the conventional view, or that the economic conditions of the fifth and fourth centuries were relatively primitive’, Hasebroek at the same time recognized the need to discard the theoretical schema within which the primitivist views were initially placed:

The household-economy of Rodbertus and Bücher was exaggerated ... by the beginning of the Classical period Greece has passed beyond the stage (which we see in Homer) of separate household economies – especially in one or two states in which industrial activities were beginning to manifest themselves.³⁷

With this retreat, ‘primitivism’ faced the serious problem of losing its positive conceptual anchor and historical orientation. Its main claim could thus be seen as no more than the assertion that Greek political economies were what modern ‘national’ economies were not. This (non-historical) retrojective exercise downplayed, if not precluded, the question of how far an ancient society had moved on in relation to its own (variously determinable) starting point(s). This question leads to the second aspect of Hasebroek’s contribution that is of interest here, namely the replacement of *oikos* with *polis* as the central organ assumed to curtail the sphere of commercial exchange and development. With this change, primitivism – which had been reduced to anti-modernism – could once again present a positive account of ancient developments. This ‘solution’, however, gives rise to a new question: is the move from *oikos* to *polis* at the same time a move away from primitivism?

Rodbertus and Bücher may have been wrong in viewing the ancient economy as an essentially unitary landscape dominated by more or less self-sufficient households, but at least primitive was a precise label for these institutions, which were seen as slave-based extensions

36 A. Gomme, *Essays in Greek history and literature* (London 1937) 50, 53-54.

37 J. Hasebroek, *Trade and politics in ancient Greece* (London 1933) v, 70. On Hasebroek’s contributions in the 1930s and their reception at the time and in the half-century leading to Finley’s last years, see P. Cartledge, “‘Trade and politics’ revisited: archaic Greece”, in *Trade in the ancient economy*, ed. P. Garnsey, K. Hopkins, and C. R. Whittaker (London 1983). Notice that as with earlier modernists as well as primitivists including Weber and Hasebroek, Finley considers *oikos* in its more or less self-sufficient form and thus as the polar opposite of the market. As mentioned in discussing Weber, Chapter 10 considers the *oikos* also as the institution through which the market economy functions in Athens.

of the earliest kinship units. They were seen as man's first venture outside his blood relations; the first truly 'social' forms of production and consumption. Once, however, it was conceded that these forms were superseded by further institutional differentiations including the rise of the *polis* itself, primitivism could be sustained only if the new forms are made to function as obstacles to further development of the existing (by definition primitive) economic institutions and processes. In other words, it had to be shown that the transition from *oikos* to *polis* involved no significant economic transformation. Otherwise, primitivism would simply collapse.

The strategy that may be found in Hasebroek's work for staving off this possibility is ingenious. First, the evolved nature of *polis* itself is questioned. Thus he claims that the Greek aristocracy was 'an aristocracy based upon force and unrestrained brutality and which, remoulded to an ethical pattern, was to become the governing class of Plato's ideal state'.³⁸ Secondly, the *polis* was, to use Polanyi's subsequent terms, an embedding, redistributive state: 'The economics of the *Republic* and the *Laws* appear much less utopian, less divorced from contemporary fact, when the false assumptions of modern historians are cleared away'.³⁹ Thirdly, the strait-jacket imposed by the city-states on economic development was such that the 'material' aspect of the move from the *oikos* to *polis* was reduced to insignificance:

Not until the Hellenistic period, with its large political empires, do we find Greek commerce and industry free from its shackles and able to expand beyond the narrow limits of the city-state. Before that time there is little trace of economic progress. If the general advance of civilization had its material side, it was not sufficiently far-reaching or important for us to be able to define it clearly or mark its stages.⁴⁰

This is not the place for an adequate presentation, let alone critical evaluation, of Hasebroek's views. However, for our own limited purpose of following Finley's developing views, it is notable that, first, many of the objections raised against Polanyi apply to Hasebroek also. In particular, he neglects the economically liberating aspects of the *polis*, especially those with an evolved market sphere. In this regard, Hasebroek suffered from a twisted variant of the modernizing virus. From the rapid economic developments associated with the rise of 'economic man' in the modern period, he adduced that 'political man' and its institutional counterpart, the *polis*, could only impede 'material' progress.⁴¹ This mechanical conclusion was overdetermined by the general exclusion of other comparative perspectives which, for example, underpinned Weber's more complex analysis, even though the latter, too, emphasized the 'political man'-'economic man' opposition. Moreover, the somewhat curious turn in the above passage to the contextless 'material' side of historical development in place of structural or institutional forms is perhaps the only way that the primitivism of Classical

³⁸ *Ibid.*, viii.

³⁹ *Ibid.*

⁴⁰ *Ibid.*, 81.

⁴¹ In conversation with the author, Robin Osborne noted that there is evidence to suggest that market transactions became in some respects more restricted in the Classical *poleis* than in the archaic era. At least in the case of Athens, this perhaps should be seen as an indication not so much of primitivism as an advance akin to the restriction imposed by, say, modern interventionist states, on 'free markets' and other institutions.

Athens could still be maintained. Be that as it may, Hasebroek's formulation does not represent a full retreat from the qualitative, 'structural' analysis of historical development as the differentiation and evolution of social forms which underpins Bücher's and Meyer's as well as Marx's and Weber's accounts. In pinpointing the restrictive role of the *polis*, Hasebroek's account provides both a causal explanation of the material stagnation (and essential homogeneity) of pre-Hellenistic Greece and a basis for periodizing ancient history. This double claim may be treated as a testable hypothesis: did the breakdown of the *polis* generate high economic growth and new economic structures? did the different forms of *polis* make no significant difference in terms of the 'material' circumstances of their inhabitants? did the *polis* not have any significant role in the promotion of commerce, in historical as well as comparative terms? In any case, would all political interventions be necessarily primitivist, or did at least some represent political development, and even 'modernization'?

These questions bring me back to Finley. He does not face them directly, but the setting he suggests for treating them is even more 'primitivist' in certain respects than what may be found in Hasebroek. Notwithstanding Finley's various disclaimers in 'Classical Greece', this is not surprising. Already in 'Technical innovation', Finley had laid the foundation for a unitary conception of the Graeco-Roman world on the basis of technological stagnation, homogenous cultural values, and psychological attitudes. Developed along the same lines, this approach could even overrun Hasebroek's minimalist differentiation of ancient history on the basis of *oikos*, *polis*, and empire, and return full circle to Bücher's initial unitary account, but without *oikos* as Western antiquity's defining institution. In 'Classical Greece', however, Finley's position appears at first more complex and somewhat paradoxical. On the one hand, he vehemently rejected any compromise whatsoever with even such 'moderate' modernizers as Gomme. On the other, he acknowledged their achievement:

Hasebroek made one grievous error: in trying to eliminate the modernizing fallacies he virtually eliminated trade itself. Hence so much effort has been expended ever since in 'proving' the great extent, range and quantity of trade. The modernizers won easily, I need hardly add, on that score.⁴²

Ironically, this verdict is almost identical with the one issued in Gomme's 'hostile' critique of Hasebroek, except that, whereas Finley finds the task of Hasebroek's critic an easy one in this regard, from Gomme's standpoint, it was Hasebroek who had an easy time exposing the modernizers' obvious excesses. According to Gomme, Hasebroek in 'the not very difficult task' of showing the 'exaggerations' of the modernizers had committed a graver error: 'I mean the error of assuming that because a thing was not done in earlier times in the same way we do it now, it was not done at all; of supposing that before the age of steamships, railways and motor cars no one travelled ... that because in antiquity men had not our elaborate facilities both of transport and of international banking, therefore they did, practically no trade – only a little, of the simplest kind of barter'.⁴³

42 Finley, 'Classical Greece', 32.

43 Gomme, *Essays*, 43. Strictly speaking, both Finley and Gomme fail to do justice to Hasebroek. In the admittedly few places that the latter challenges Bücher, he does specifically point to the existence of extensive trade, for example: 'Bücher goes too far when he says that nothing was exported except the raw wool and sheep themselves (58) ... Production for export ... was a perfectly ordinary

Considering the extent of Finley's apparent agreement with Gomme, it may be questioned seriously whether the gulf separating Finley from the opponents of Hasebroek was indeed so wide as to 'transcend all merely quantitative assessments of, or disagreements over, commerce'.⁴⁴ The answer is yes. Notwithstanding certain ambiguous remarks, Finley's rectification of Hasebroek's grievous error of eliminating trade altogether was not to reintroduce market trade, such as it was, into an updated picture of the ancient Greek economy. On the contrary, Finley aimed to introduce a new differentiated notion of trade, which was unlikely to allow any more importance to commercial trade than is to be found in Hasebroek's account. So what was Finley's new conception? Closer scrutiny of the nine-point research programme suggested at the conclusion of 'Classical Greece' leaves little doubt as to its Polanyian pedigree. Indeed, it is here that, for the first time, Finley refers to Polanyi in the main body of one of his works:

Past experience suggests the necessity for a careful preliminary definition, which would distinguish the kind of market with which the *agoranomoi* were concerned from the behaviour of pirates on the sea or from wartime blockade measures; or between the agora in its commercial sense, an *emporion* as a 'port of trade' to use a phrase (and a concept) recently placed on the agenda by Karl Polanyi, and the temporary 'markets' that Xenophon and others are always mentioning in connection with campaigning armies. Whether these are meaningful distinctions or not remains to be seen; the usual approach to market regulations begins by ignoring them and therefore makes a test impossible.⁴⁵

The rest of Finley's programme, although in certain parts traceable to Hasebroek and other writers, betrays the same Polanyian concern with investigating the possibility of showing the absence or minimal significance of commercial trade in Greece. Thus, Finley's explicit acknowledgement of Hasebroek's gross underestimation of 'trade' should not be taken at face value. On the contrary, Finley suggested, *pace* Polanyi, that probably much of what hitherto was considered market exchange was accounted for by administered and other forms of non-market trade.⁴⁶ It is the orientation of this agenda that explains Finley's uncompromising revival of the *oikos* controversy and his vehement dismissal of Hasebroek's modernist critics. To the extent that this agenda is directly developed out of the evolving primitivist views culminating in Polanyi's paradigm, its crucial bearing for the latter lies in the type of answer it provides to the question put by Ste Croix to Polanyi in his review of 'Aristotle discovers the economy'. Finley's clearest answer to this question, as well as his summary view of the fate of the Polanyian research programme explicitly advanced here, came nearly a decade later in the aptly titled 'Anthropology and the Classics'. However, before turning to this article –

phenomenon of Greek economic life during this [Classical] period (79) ... Nor can we deny with Bücher that Athens imported industrial goods of various kinds (80) ... The trade of Greece in Classical times was extensive enough to provide the state with an appreciable part of its revenue through the tolls and dues ... (94)'. Why did Gomme and Finley ignore comments such as these? In part it was because the predominant thrust of Hasebroek's argument veered towards the side of denying the importance of commercial trade; cf. Cartledge, "'Trade'", 5.

44 Finley, 'Classical Greece', 13.

45 *Ibid.*, 35.

46 *Ibid.*, 34-35.

which marks the end of the second stage in Finley's development – his studies on slavery need to be considered, as they culminate in a very different view of the contours of the 'ancient economy' from those seen so far.

Slavery: modern or primitive?

Finley's studies of ancient slavery began in 1959 and thence ran parallel with his studies of other aspects of the Greek economy discussed above. Apart from their intrinsic interest, these articles have a further twofold significance. They signify Finley's reconsideration of the Marxian foundations of his view of Graeco-Roman antiquity, a deliberate undertaking encouraged by Polanyi's rejection of the universal relevance and efficacy of class struggle for understanding the workings of various historical formations. In following Polanyi, Finley clearly intended to remain within the more general orbit of primitivism which included Polanyi, Marx, and his rival Rodbertus. However, the logic of inquiry led to the unintended (and unacknowledged or perhaps not fully recognized) consequence of breaking not only with primitivism as such but also with certain key aspects of his other writings during this period.

Whilst favouring the 'economic approach' in a review in the 1930s, Finley had accused other, 'dominant' schools of historiography of 'concealing' the importance of slavery in antiquity.⁴⁷ Although, at the time, the economic approach was a coded reference to Marxism, from the perspective of the *oikos* controversy, it is in fact an apposite designation, as slavery also played a central role in the theories of Rodbertus and Bücher. For them, as for Marx, slavery stood as the furthest form of social labour from free contractual labour. Thus, for both Marxism and for Finley there was a 'natural' affinity with primitivism. On the other hand, Finley's teacher and supervisor, Westermann, was one of the few mainstream historians to have undertaken detailed investigation of ancient slavery. His conclusion tended in the opposite direction from that of Marxist writers. He rejected the view of ancient Greece as a 'slave-ridden society'.⁴⁸

Against this background, it is not surprising to witness Finley's turn to the question of slavery as soon as circumstances allowed.⁴⁹ This was not only because slavery was an important and still relatively neglected subject, but also because the Polanyian research agenda had provided him with both the need and the opportunity to re-examine the question of the slave mode of production which he had hitherto taken for granted as the proper framework for understanding antiquity as a distinct stage of world history. Indeed the very title of Finley's first article on slavery, 'Was Greek civilization based on slave labour?', underlined this process of re-examination and, one might say, self-criticism. The new perspective allowed Finley to transcend the polemical stance of his earlier reviews and

47 Finley, 'Review of W. Westermann, *Sklaverei* (1935)', *Zeitschrift V* (1936) 441. See also Finley's much later recollection of this review and its context in *Ancient slavery and modern ideology* (London 1980) 54-55.

48 W. Westermann, 'Athenians and the slaves of Athens', in *Slavery in Classical antiquity: views and controversies*, ed. M. I. Finley (Cambridge 1960) 92.

49 This became possible after setting aside the project of writing a full-scale accessible history of ancient Greece. *The World of Odysseus* was the opening part of this project which extended itself into a separate book. This much can be gleaned from Finley-Polanyi correspondence of 1952-54. *The ancient Greeks* (London 1963) may be seen as the partial fulfilment of Finley's original project.

approach both Marxian and other accounts of ancient society from a critical distance. Finley now singled out ‘two extraneous factors imposed by modern society’ which made it ‘almost impossible’ to form a proper historical understanding of the institutions of ancient slavery:

The first is the confusion of the historical study with moral judgments about slavery. We condemn slavery, and we are embarrassed for the Greeks, whom we admire so much; therefore we tend either to underestimate its role in their life, or we ignore it altogether, hoping that somehow it will quietly go away. The second factor is more political, and it goes back at least to 1848, when the Communist Manifesto declared that ‘The history of all existing society is the history of class struggles. Free man and slave, patrician and plebeian, lord and serf, guildmaster and journeyman, in a word, oppressor and oppressed, stood in constant opposition to one another’. Ever since, ancient slavery has been a battleground between Marxists and non-Marxists, a political issue rather a historical phenomenon.⁵⁰

Finley could sum up the matter in this way precisely because he was no longer a fully-fledged Marxist. Slavery was not the basic institution in ancient Greece, but, ‘if we could emancipate ourselves from the despotism of extraneous moral, intellectual and political pressures, we would conclude, without hesitation, that slavery was a basic element in Greek civilization’.⁵¹ The emphasis is of course double-edged. Marxian reductionism is rejected, but not in favour of the mainstream accounts that ignored or downplayed the role of slavery. On the contrary, Finley attempted to show the direct or indirect importance of slavery in every area of economic activity – agriculture, mining, manufacturing, commerce, and domestic – and the Marxian flavour of his account remains strong. Although the distinction between the exploitative surplus-producing slave sector and the subsistence peasant sector is not made in these terms, it underpins the discussion: ‘I am not saying that slaves outnumbered free men in agriculture, or that the bulk of farming was done by slaves, but that slavery dominated agriculture insofar as it was on a scale that transcended the labour of the householder and his sons’. With even more force the same point is applied to mining as well as to manufacturing, commerce and banking, and domestic labour.⁵² Finley at this first step largely upheld the spirit, though not the letter, of Marx in perhaps the only way available to a serious historian familiar with both theoretical and empirical problems facing the Marxian approach. This turn resulted not only from the persistence of powerful Marxian residues, but also from the static

⁵⁰ Finley, ‘Was Greek civilization based on slave labour?’, in *Slavery in Classical antiquity* (London 1959/1960) 48. Finley’s distinction here between historical (scientific?) and political and moral considerations is notable. This is only just before he praised Syme’s *The Roman revolution* in these terms: ‘It is a partisan work; so is every good piece of historical writing’. *The Spectator* (1960) 527. According to C. R. Whittaker, Finley’s political instincts were reawakened during the Stockholm Congress of Historians in 1960 when mainstream historians tore into Marxism (author’s conversation with Whittaker, 1989; and see also Whittaker, ‘Qui êtes-vous Sir Moses?’, 10-11). For Finley’s own account of the Congress, see *AS* (1980) 56, 60-62. In any event, all his studies on slavery in this period maintain the ‘objective’ tone of the first.

⁵¹ ‘Was Greek civilization based on slave labour?’, 69.

⁵² *Ibid.*, 57ff.

nature of the (Polanyi-inspired) functional approach that Finley counterposed to both Marxism and mainstream historiography:

The most fruitful approach, I suggest, is to think in terms of purpose, in Immanuel Kant's sense, or of function, as the social anthropologists use that concept. The question which is most promising for systematic investigation is not whether slavery was the basic element, or whether it caused this or that, but how it functioned. This eliminates the sterile attempts to decide which was historically prior, slavery or something else ...⁵³

Somewhat ironically for a historian, it was only through this dehistoricization of the question of slavery (or any other important institution) that the Graeco-Roman world could be viewed as a unitary stage. As the above somewhat naïve assertion of the functionalist solution suggests, the main shortcoming of the otherwise successful 'Was Greek civilization based on slave labour?' was its lack of a proper historical framework. Although most clearly based on Classical Athens, it nevertheless drew on evidence from other times and places. Finley was aware of the variety of forms that dependent labour took in different areas and periods in ancient Greece, but apparently remained content with the impression that 'generally the form was outright slavery'.⁵⁴ The proposed methodology, in other words, explicitly and effectively excluded reflection on slavery as an historically evolving institution with an evolving and/or discontinuous set of functions. Did slavery have the same function in Odysseus or Homer's own time and place or in Hesiod's, as it did in Pericles's Athens? Functionalism without an appropriate historical context fails not just as history but as a synchronic account of functions too. Contrary to Finley's claim, the historical priority or otherwise of slavery compared with other ancient institutions was by no means a 'sterile' question. This was not only because Marx's and Rodbertus's (as well as young Weber's and young Finley's) periodization of Greek antiquity depended on a particular view of it. And not just because the question of priority and posteriority is the historical question *par excellence*. But, more specifically, because Finley's own re-formulation of its importance in 'Classical Greece' begged precisely the question that he wished to dismiss: was slave labour a primordial and consistently significant element in Greek civilization and, if not, what were the conditions of its rise to prominence, and what would be the implications of this for any unitary conception of this civilization?

Finley turned to deal with this and various related questions surprisingly swiftly. A year later, noting in 'The servile statuses of ancient Greece' (1960) that 'we are in thrall to a very primitive sociology which assumes that there are only three kinds of labour-status: the free contractual wage-earner, the serf, and the slave', Finley examined the evidence from Rome and the Near East as well as 'modern anthropology'. This time, however, the matter was approached from a historical rather than a functionalist perspective, with serious doubts emerging about any unitary, functional or otherwise, conception of Greek antiquity, at least insofar as it centred on the question of labour: 'Modern anthropology has ... demonstrated that human status possibilities are far from exhausted by the triple classification which we have inherited from Rome and medieval Europe. Ancient Greece, it seems clear to me, is exactly

⁵³ *Ibid.*, 69.

⁵⁴ *Ibid.*, 59. In the same place, Finley draws on Hesiod as well as Xenophon and pseudo-Aristotle.

comparable in this respect and we must take seriously and literally the idea of a broad status-spectrum'.⁵⁵ But, what about the place of slavery in this spectrum? At the time, Finley probably did not know how close his own brief answer came to that provided by Eduard Meyer some half a century before:

It is a fact, I believe, that social and political progress in the Greek states was accompanied by the triumph of chattel slavery over other statuses of dependent labour. But it is also a fact that much of the Greek world did not take this step (or did not take it fully), and that the Hellenistic age was filled with debt-bondage and kindred practices – in the eastern regions more than on the Greek mainland and in the West.⁵⁶

This conclusion and its modernist implications are further developed in 'Between slavery and freedom' (1964) and 'Debt-bondage and the problem of slavery' (1965). In these important articles, Finley's arguments are fully placed in a clear historical (diachronic) context. He was thus able to distinguish and compare, however briefly, the different developmental paths that emerged within the ancient world. As a result, some of the questions that had been raised in his earlier studies could now be resolved. A crucial proviso was added in 'Between slavery and freedom' to the rejection of the 'harmful' slave-free antinomy. The continuum of statuses, it was emphasized, applied specifically to

the ancient Near East or to the *earliest periods* of Greek and Roman history. There one status did shade into another. There, although some men were the property of others and though the gap between the slave and the king was as great as social distance can be, neither the property-definition nor any other single test is really meaningful. There, in short, freedom is not a useful category and therefore it is pointless to ask where one draws the line between the free and unfree. (emphasis added)⁵⁷

But what about the most historically interesting cases, Classical Athens and Rome, and the process leading to their rise? Here, concedes Finley, 'the metaphor of a continuum breaks down' and 'the traditional distinction according to whether a man is or is not the property of another, remains a convenient rule of thumb for most purposes'. But why? It was because they were 'relatively atypical societies'.⁵⁸ How, then, did they become atypical from a stage whence the metaphor of continuum applied to them as well as to the more typical Greek and Near Eastern societies? Finley's response is somewhat vague. Although various references are made to internal crisis in both archaic Athens and Rome which 'brought about massive debt bondage', he stops well short of developing the point to a satisfactory conclusion.⁵⁹ Instead, with the following peculiar reference to Weber, the issue is left unresolved:

⁵⁵ Finley, 'The servile statuses of ancient Greece' in *Economy and society* (1960/1981) 143.

⁵⁶ *Ibid.*, 149.

⁵⁷ Finley, 'Between slavery and freedom', in *Economy and society* (1964/1981) 132. O. Patterson points to Finley as one of only three ancient historians to have understood the direct association between slavery and freedom, although, in Finley's case, not in the same causal direction as he favoured himself; *Freedom*. vol. I: *Freedom in the making of western culture* (London 1991) xiv, 68ff.

⁵⁸ *Ibid.*

⁵⁹ *Ibid.*, 125.

Max Weber suggested that the answer lay in the loosening of royal grip on trade and the consequent emergence of a free trading class who acted as social catalysts. I have no great confidence in the hypothesis, which can neither be verified nor falsified from Greek or Roman evidence. The decisive changes occurred precisely in the centuries for which we lack documentation, and for which there is no realistic prospect of new documentation being discovered. I must confess immediately that I have no alternative explanation to offer.⁶⁰

The peculiarity of the passage lies not just in the fact that Weber's thesis was, as we saw, more elaborate than this. Its greater interest lies in showing that (a) Finley was cognizant, however inadequately, of the 'modernist' dimension of Weber's views (something that he generally ignored in favour of exclusive presentation of the anti-modernist side of the latter's studies) and (b) the unfolding logic of his own arguments leads to an overall view of the ancient developments whose modernizing dimension cannot be ignored:

I might close with a highly schematic model of the history of ancient society. It moved from a society in which status ran along a continuum towards one in which statuses were bunched at the two ends, the slave and the free – a movement which was most nearly completed in the societies which most attract our attention for obvious reasons. And then, under the Roman Empire, the movement was reversed; ancient society gradually returned to a continuum of statuses and was transformed into what we call the medieval world.⁶¹

Eduard Meyer himself could not have agreed more with this concluding note to 'Between slavery and freedom'. The decipherment of the same overall movement, from a pre-Classical sort of medievalism to the post-Classical, was at the heart of Meyer's rejection of the evolutionary schemas of the political economists. The extent of Finley's turn away from his own earlier, Marxian position, is also indicated here by Finley's denial of the efficacy or indeed existence of class struggle between slaves and slave owners in Classical states. Not only is slave society seen as a late arrival on the ancient stage. Even when it finally arrives, it is not, according to Finley, accompanied by 'class' or any other sort of societal struggle between slaves and their masters. Finley did not abandon the notion of social struggle altogether. Rather, in accordance with ancient evidence, the main opposing forces are located elsewhere and in different guises. In the case of Sparta, for instance, they are placed between the invading forces and the indigenous population, and in the case of Athens, between the aristocratic creditors and the peasant debtors, potential as well as actual.⁶²

In his last major article on slavery during this period, 'Debt bondage and slavery', Finley developed this theme further to its logical conclusion. Again in a comparative examination of evidence from Greece and Rome as well as the Near East, it was concluded that debt-bondage never reached in the latter the massive proportions of Greece and Rome.⁶³ There were pressures for change in all ancient societies, but the constellation of conditions and forces led to a 'complete and drastic' break only in seventh-century Greece and fifth-century

⁶⁰ *Ibid.*, 130.

⁶¹ *Ibid.*, 132.

⁶² *Ibid.*, 119.

⁶³ Finley, 'Debt bondage and slavery', in *Economy and society* (1965/1981) 165.

Rome.⁶⁴ Although an account of the actual developments that engendered such a radical break is left for a 'basic re-examination of early (post-Mycenaean) Greece and Rome', Finley could leave no doubt as to its overall character, driving force and outcome:

Despite ... differences in the character of sources, I believe we may draw one very sharp distinction: in Greece and Rome the debtor-class rebelled, whereas in the Near East they did not. Stated differently, reform, amelioration, abolition came in Greece and Rome as a direct consequence of struggle from below, at times reaching genuinely revolutionary proportions; elsewhere the initiative came from above, from the rulers, in response to grumbling and dissatisfaction, no doubt, but on the whole with little effect, and none at long range on the social system itself.⁶⁵

Finley thus retained the Marxian concept of class struggle, but between dependent peasants and aristocratic groups, which in turn led to the consolidation of both slave labour and free citizenship in the Classical period. In this way, Finley's account also broke with Meyer, especially over the question of the social forces that effected the structural changes that the Greek formations underwent. Where Meyer and other modernists such as Beloch, influenced by their understanding of modern developments, emphasized the role of urban merchants and industrialists in the rise of Classical polities and the demand for slave labour, Finley primarily referred to the dynamics of agrarian relations and conflicts. This approach could draw on as well as reinforce the results of his studies of the Athenian *horoi* which, contrary to the modernizing thrust of existing modern accounts, had shown the exceptional resilience of Athenian smallholders in the post-Solonic period.

Finally, in his last articles on slavery during this period, Finley returned to, and indeed settled, the question that the functionalist research agenda set out in 'Was Greek civilization based on slave labour?' and dismissed as 'sterile', namely the question of the historical priority of slavery or other relations of production. As if despite their author's intention, Finley's subsequent studies led to the conclusion that slavery as a significant force had indeed post-dated and, in certain respects, resulted from the success of peasant struggles.

From this angle, Finley prepared the ground for the final synthetic resolution of the *oikos* controversy along the path opened by Weber. More carefully and clearly than Weber's somewhat hasty *AG*, Finley's studies of slavery pointed to a new anti-modernist perspective which disclosed the specificity of the Athenian development especially as compared to the 'typical' modern developmental path from feudalism to capitalism. The latter had invariably entailed the significant dispossession of the peasantry and the concomitant rise of free rather than slave labour. At the same time, Finley's studies tended to support the anti-primitivist (and anti-Marxist)-*cum*-modernist view that found in ancient developments a cyclical multi-stage developmental process within which autarkic households as well as slave labour played a limited role, in both time and space.

The reader will have noticed the tension between the culminating orientation of these studies and the strategic view of ancient developments underlying the parallel series of articles on technological change and trade in Classical Greece discussed earlier. By 1965, on the eve

⁶⁴ *Ibid.*, 165-66.

⁶⁵ *Ibid.*, 166, 162.

of his fifty-third birthday, Finley's writings had engendered two overlapping, yet distinct, approaches to ancient developments. One, reiterating and advancing the primitivist argument, emphasized the comparatively slow pace of 'material' progress and the apparently homogenous values of the Graeco-Roman peoples from Homer's time to Justinian's. The other displayed a differentiated developmental view of the Graeco-Roman world that is, at least and at last, open to reconciliation with the modernizing insights without abandoning the primitivist ones. Both were embodied in a series of insightful articles bubbling with energy and enthusiasm and only occasionally violence. Was this Finley at the summit of a truly dialectical career?

Aristotle and Polanyi Revisited

The productive tension that characterizes Finley's work in this period bursts out in 'Aristotle and economic analysis' over a question that had endured at the heart of the *oikos* debate, namely the nature, extent, and implications of market exchange in Classical Athens. Although published in 1971, the making of 'Aristotle ..'. may be said to span the whole of Finley's relationship with Polanyi, including the seven years that had passed since the latter's death. On 11 November 1954, Finley sent a note to Polanyi complaining that 'Aristotle will be the end of me yet. Now that I have taken a closer look, my unhappiness has increased manifold'.⁶⁶ The reference is both to Aristotle's so-called economic writings in *Ethics* and *Politics* and to the early draft of what (in part) became Polanyi's celebrated 'Aristotle discovers the economy'. Finley accepted Polanyi's view that Aristotle had no theory of market price in 'the supply and demand' sense and also that 'perhaps he came out with a sociology of the establishment of equivalencies'. His unhappiness was over the most crucial question of all: 'What is Aristotle talking about?' For Polanyi, the absence of a supply-demand market mechanism in Aristotle's discussion was taken as a direct reflection of the near absence of disembedded market exchange in fourth-century Athens. Finley's reading of this aspect of the evidence, however, was radically different: 'My answer, at this moment, is that he is talking about (a) a former stage in the evolution of Greek society, and (b) the ethical problems of justice, virtue, and friendship'.⁶⁷

In support of his provisional reading, Finley points to the fact that Aristotle's examples are drawn either from outside the Greek world, or from the more 'backward' regions of Greece.⁶⁸ He also reminds Polanyi that Aristotle's silence concerning the operation of the market mechanism may have been not so much a reflection of the predominance of 'fixed equivalencies' as of his commitment to an anti-commercial ethic: 'he condemned commercial trading and therefore felt no need to explain how it worked'.⁶⁹

Until the publication of 'Aristotle and economic analysis' two decades later, this is as close as Finley came – even in the unpublished writings that I have been able to examine – to acknowledging directly the possible importance of market exchange in Greece. Otherwise, his directly pertinent writings during this period were preoccupied with those aspects of the Greek economy where he could accept or extend Polanyi's primitivist substantivist views.

⁶⁶ (11 November 1954, PA) 1.

⁶⁷ *Ibid.*

⁶⁸ *Ibid.*, 2.

⁶⁹ *Ibid.*

Thus, for example, in a research seminar of the Columbia Interdisciplinary Project devoted to Finley's report on 'Aristotle on equivalencies' and Marshall Sahlins's on 'The problem of equivalencies in primitive Polynesian economy', Finley concentrated on demonstrating the widespread fallacy (shared by Marx, Schumpeter, and other major historians of economic thought as well as Classicists) that Aristotle was engaged in a kind of rudimentary economic analysis.⁷⁰ Here, as elsewhere, Finley writes as if he is doing his best to be convinced that any doubt over Polanyi's central assertion was actually unfounded. He seems to have managed this in a lengthy draft called 'Aristotle on exchange'. Not only the ethical/political context of Aristotle's discussion of exchange is further elaborated in this study, but, dropping any suggestion as to the idealized or archaic nature of Aristotle's discussion, Polanyi's view is fully defended:

We must assume, unless there is powerful evidence to the contrary, that the discussion of exchange ... is equally realistic. Heretofore the stumbling block has been the unwarranted assumption that Aristotle was discussing market (commercial) exchange; and behind that, the even more unwarranted assumption that all exchange is market exchange (and all markets are price-making markets). Once we rid ourselves of these assumptions, we are able to proceed to the proper question, which is to find out just what in his society were the situations pertinent to this particular analysis by Aristotle.⁷¹

It is only against this background that Finley's final published return to the question in 1970 can be understood in its full significance. If 'Classical Greece' had for the first time explicitly acknowledged the value of Polanyi's paradigm, 'Aristotle and economic analysis' underlined Finley's critical distance from it and, therefore, from his own derivative project:

Aristotle knew perfectly well that this [barter] was not the way a large volume of goods circulated in his world. He also knew perfectly well that prices responded to variations in supply and demand ... In short, price variations according to supply and demand were a commonplace in Greek life in the fourth century BC.⁷²

More ironic is the note attached to this apparently overdue acknowledgement: 'I should not have bothered with these seeming platitudes, were it not that Karl Polanyi, "Aristotle discovers the economy", ... makes the strange remark that "the supply-demand-price mechanism escaped Aristotle". How wrong that is will be evident from Lysias ... Or from Demosthenes and Pseudo-Demosthenes'.⁷³ This is not the first time the belated discovery of such 'seeming platitudes' has been observed: nor will it be the last. Evidently much depends on the perspective in which the evidence is seen, selected, and interpreted. What for modernizers were certain platitudes, for primitivists were major blows which, when received, were returned as seeming platitudes and *vice versa*.

But there is a more important point at issue here. Even if Finley had been absolutely certain of the predominance of commercial exchange, the question remains: what role did this

70 'Minutes of the meeting' (16 November 1953, PA).

71 Finley, 'Aristotle on exchange' (n.d. probably late 1954, PA) 11-12.

72 Finley, 'Aristotle', 38-39.

73 *Ibid.*, 39 n. 45.

knowledge play in his research; what weight did he attach to this fact and its implications? The answer is almost none whatsoever. Indeed, even here, the reference to the importance of commercial exchange is made in the briefest terms possible whilst the bulk of the study is still devoted to advancing the primitivist position. Thus, in an interesting tactical reversal of what after all was the admission of a major setback, Finley shifted the focus of discussion to the fact that ‘what we call the economy was properly the exclusive business of outsiders’. Thence follows another rehearsal of all the points made in his earlier studies concerning the comparative limitations of ancient economic institutions and relations. In contrast, the predominance or significant presence of citizens in manufacturing, crafts, and mining (as managers and owners of slave labour) and as investors is ignored. Agriculture and land are only mentioned to emphasize the exclusion of aliens and the resulting restrictions on commercial exchange and circulation of liquid funds. But nothing is said here (or elsewhere) about the destination of ‘the very substantial amount of money available for investment which was in the hands of the non-citizens’.⁷⁴ Knowing that non-citizens welcomed their Athenian residency (and were welcomed), that they could not invest in real estate, and assuming that they did not hoard their money under pillows, it is legitimate to assume that it was largely reinvested in expanding trading operations. Who supplied them with goods to sell and who bought their goods in a society where, by all accounts, the gap between the rich and the poor was far less pronounced than in other centres of ancient civilization?

The most daring aspect of Finley’s discussion, however, concerns his reformulation of Polanyi’s project. Finley now claimed that ‘the current debate in “economic anthropology” ... largely stimulated by Karl Polanyi’s insistence on a sharp distinction between what he called the “substantive” and the “formal” definitions of the “economy” is a debate about definitions and their implications for (historical) analysis, not about the existence of the “economy”’.⁷⁵ This claim enabled Finley to mount a counteroffensive on several fronts at once. The apparently lost debate over the existence of a disembedded market economy in Classical Greece, and Finley’s break with Polanyi, would be reduced to insignificance – if indeed the real debate had always been about the absence or presence of the economy as a ‘concept’. This latter debate had already been won by the reunited Polanyi and Finley, especially given Finley’s further elaboration of the subject of debate: ‘I would be prepared to argue that without the concept of relevant “laws” (or “statistical uniformities”, if one prefers) it is not possible to have a concept of “the economy”’. Finally, having thus established the subject, terms, and therefore the outcome of the debate, Finley turned to attack the ‘modern’ attempts to discuss the ‘economics of ancient Greece’ by breaking it sectorally down into agriculture, mining, labour, public finance, and so on because ‘this learned activity presupposes the existence of “the economy” as a concept’.⁷⁶

Finley was evidently not yet fully ready to follow the path out of primitivism that had emerged in his studies on slavery. As if having reluctantly left the Polanyi project, and found nowhere better, Finley was refurbishing it in anticipation of having to return to it. Be that as it may, his reformulation of the Polanyi debate is untenable. Polanyi was interested in

⁷⁴ *Ibid.*, 45, 49ff, 47, 52.

⁷⁵ *Ibid.*, 45.

⁷⁶ *Ibid.*, 45ff.

demonstrating the absence of formal economic analysis in Aristotle, precisely because, according to his epistemology, such an analysis would have presupposed the existence of a significant market sector in Classical Greece: formal economic analysis entails and is entailed by disembedded economies, substantive analysis by embedded economies. Otherwise, to follow one of Finley's own favourite refrains, nobody would have been so foolish as to claim that the Classical Greeks, let alone primitive tribes, produced nomological economic theory. Finley's objection to sectoral economic analysis, too, cannot be sustained. There is no reason why Athenian agriculture or public finance should not be discussed separately, whether or not the Greeks did so themselves, and whether or not they had the same concept of the economy as we do. Finley has a point, but does not make it here. The strength of the anti-modernist case from Bücher and Hasebroek to Polanyi and Finley himself had been to show the specificity of agriculture, money and banking, and other activities in antiquity and to stop the modernists from thinking that because, to paraphrase Gomme, the Greeks did many of the things that moderns do, they had done them in more or less identical ways.

Notwithstanding Finley's prevarications in 'Aristotle and economic analysis', its importance as the first public display of his critical distance from Polanyi cannot be denied. Here, he not only breaks with Polanyi over the question of market exchange in Classical Athens, but also over its implied corollary: absence of formal economic analysis did not necessarily indicate absence of 'disembedded' market exchange. This should be borne in mind, because Finley returned to the primitivist fold later by reasserting precisely the symmetrical relationship between the economy and its concept discarded here.

A new research agenda

Two years later, on the occasion of the 1972 Jane Harrison Memorial Lecture, Finley announced what amounted to an unambiguous break with Polanyi's research programme in particular and with primitivism in general. Moreover, he now recognized the need to examine the Greek formations in the light of pre-industrial and post-primitive civilizations, an approach which had effectively been precluded by the shared primitivist-modernist understanding of modernity as essentially limited to the civilization built around the rational economic man of nineteenth-century liberal capitalism. Considering its unique self-appraisal, the clarity with which it sets a new agenda for research and the sharp contrast it represents with Finley's own subsequent writings, the pertinent passages from the crucial concluding parts of this lecture are given at length:

I do not find the work of anthropologists of much use, in a concrete way, for archaic Greece (the period roughly between 750 and 500 BC), which saw the emergence of the city-state, conflicts over tyranny, the first appearance of democracy, the Theogony of Hesiod, Ionian philosophy and science, the Pythagoreans and the poetry of Sappho. (For archaic Rome, it is enough to mention the replacement of kingship by a republican system of government and early law code known as the Twelve Tables.) ... Because anthropology illuminates one [Homeric] period (or one aspect) of the Classical world, it does not automatically follow that it also illuminates all other periods (or aspects) ... Sparta provides a model example. For more than a century scholars have drawn upon anthropological parallels for an explanation of Sparta ... What has been largely overlooked

is that all the anthropological models are inadequate for Classical Sparta, the Sparta which, with Athens, gave the Greeks effective leadership in defeating Persian invaders, and which, half a century later, entered into a twenty-seven-year war that destroyed the Athenian Empire; inadequate because those ‘peculiar’ features in Spartan life that appear to be illuminated by anthropology were, by the Classical period, fossilized rites which had lost their original function (and which the Spartans themselves no longer understood) and had acquired new functions within a complex society of a kind that eludes meaningful comparison with non-literate, primitive groups ... A different kind of example is provided by the work of Karl Polanyi. One of the intellectual roots of his insistence that the market model of trade is not universal was the work of the German anthropologist, Richard Thurnwald, who formulated a scheme of types of exchange which he called ‘reciprocity’, ‘redistribution’ and ‘market (or commercial) exchange’. These Polanyi tried to convert into systems of ‘integration’, and, though that effort must be deemed a *failure*, his insights remain indispensable in the study of Classical trade, indeed of trade in all pre-industrial societies. The implication was irresistible that the student of Classical trade should steep himself in the available studies of primitive trade, as did Polanyi himself. At least I could not resist, until I discovered that these studies, thorough, sophisticated and increasingly numerous though they are, were more misleading than illuminating for my purposes. Peasant and peasant markets, administered trade ... port of trade ... conventional ‘prices’, barter are to be found in both worlds. But *the intrusion of genuine market (commercial) trade, on a considerable scale and over very great distances, into the Graeco-Roman world had a feedback effect on peasant markets and the rest to such a degree as to render the primitive models all but useless* ... I deliberately select anthropology, not sociology, as the mentor ... It is not only that, for comparative study, modern industrial society is very limited in its usefulness to the Classicist, but also that sociology has, so far at least, been most illuminating when it deals with very narrow, precise, temporally bound questions, quickly flying off into over-generalized, and commonplace propositions when it becomes macho-sociology, as the jargon has it. Ideally, we should create a *third discipline, the comparative study of literate, post-primitive (if I may), pre-industrial, historical societies* ... For most of the concerns of the Classicist (and for most of the periods on which he concentrates), pre-Maoist China, pre-Colonial India, medieval Europe, pre-Revolutionary Russia, medieval Islam offer a more appropriate field for the systematic investigation of uniformities and differences, and therefore for an increased understanding of the society and culture of his own discipline. (emphases added)⁷⁷

Here there is no ambiguity, no hesitation, no desperate search to save an exhausted research programme. Finley now appears to have overcome all doubt concerning the direction of his future work as well as the limitation of his earlier efforts. Although Weber is not once mentioned here, it is the above statement that for the first time evinces a genuine understanding of a specifically Weberian agenda. The latter’s views overlapped in many significant respects with those of the early primitivists, Marx as well as Rodbertus and Bücher. They thereby provided the basis for some of the major arguments advanced by later

⁷⁷ Finley, ‘Anthropology and the Classics’, in *The use and abuse of history* (London 1972/1975) 117-19.

primitivists such as Hasebroek, Polanyi, and Finley himself. In contrast, the modernist (mainstream) historians, as Finley noticed, had scarcely heard of Weber, much less read or used him. This may at least partly explain the automatic association of Weber with the primitivists, an association that could not be questioned by mainstream historians. After all, the Weber they knew, was the Weber they encountered in the works of their primitivist rivals, who only noticed or made use of Weber's anti-modernist probings. The 'real' Weber, therefore, was unlikely to be fully discovered unless by a renegade primitivist with a theoretical background and the patience that has been rare among mainstream historians – hence their 'natural' predilection for modernizing discourse. So it should not be wholly surprising that it was Finley who now raised Weber's true standard. The failure of 'Polanyi's model', and the clear anti-primitivist drift of his own studies on ancient slavery, on the one hand, and his unusual command of major theoretical traditions and Weber's historical sociology, on the other, evidently had paved the way for Finley to extend and refine Weber's analysis of the emergence of the Classical *polis*.

Finley's break with primitivism entailed identifying, or rather bringing to the centre of attention, certain notions which he might have otherwise cast aside as mere platitudes, for example, the importance of market trade, the irreducible diversity of *poleis*, the need to extend the scope of comparative analysis beyond the modern-ancient coupling, and so on. At any rate, these and other points raised in Finley's farewell, were clearly anticipated in *AG*. This reconciliation with the 'modernist' side of Weber cleared the ground for a project the initial idea of which can be traced to Finley's admiring references to Eduard Meyer in his reviews of the 1930s. With the increasing specialization of various branches of ancient history, an updated repeat of Meyer's feat had become impossible more than half a century later. However, within the narrower confines of ancient Greece, Finley was clearly now at the point of providing a comparable account without Meyer's modernizing misconceptions and with the benefit of more recent theoretical and empirical advances. Already in 1963, Finley had published a concise popular account of *The ancient Greeks*. Moreover, by the time he succeeded Hugh Jones in the Cambridge chair of ancient history in 1970, Finley had subjected various periods and areas of ancient Greek history to critical scrutiny. What remained was to reintegrate his findings in a grand scholarly synthesis.

A major obstacle to such a synthesis for all primitivists was precisely what was discussed in the Introduction as 'Marx's paradox': how to reconcile the presumed primitivism of the Greek economy with its apparently exemplary achievements in areas such as the arts, social thought, and politics. In 'Anthropology and the Classics', Finley refers specifically to this question before abandoning 'primitivist models'. Whatever may have been wrong with the modernist accounts of Greek development, they always have had an in-built advantage in this regard. In such accounts the overall coincidence of Greek politics and culture and its economic developments was axiomatic. This, incidentally, may explain why they never had to deal with the kind of puzzle faced by Marx, as well as by Jane Harrison and her associates and Finley himself. By discarding the primitivist-modernist problematic, Finley was at last free to resolve it and fully realize the promise spotted by Heichelheim and others two decades earlier, when his doctoral dissertation had been published.

CHAPTER 10

THE BATTLE OF THE ANCIENT ECONOMY

In 1970, Finley was appointed to the chair of ancient history at Cambridge University. A naturalized British citizen since 1962, he received further honours in the following decade. Among them, fellowship of the British Academy (1971), mastership of Darwin College, Cambridge in 1976, and a knighthood in 1979: accolades which reflected the recognition enjoyed by Finley within his own field of ancient history. Few in this decade, or indeed until his death in 1986, would have disputed Momigliano's aforementioned choice of Finley as the most influential ancient historian of our time. Through broadcasting, reviews and articles in non-professional journals and newspapers, Finley addressed an audience never before reached by a Classical historian. In the academy, too, his readership extended beyond the confines of ancient history.¹

Finley's writings during this period are largely synthetic efforts based on the generally brilliant and shorter studies of his middle period. The pronounced comparative focus of the later books on great modern concerns further enhanced Finley's reputation as the one ancient historian who could not be ignored by scholars in related and not-so-related fields. In the congenial atmosphere of the 1960s and 70s, the radical, theoretically sophisticated, polemically unrestrained orientation of the bulk of Finley's writings, underscored by the memory of his courageous stand during the American witch-hunts, and coupled with the careful and charismatic cultivation of younger scholars in Britain and elsewhere, ensured the ascendancy of the tradition now increasingly associated with his name. The offer of the leading chair of one of the world's largest Classics departments was therefore both a recognition of Finley's eminence in 1970 and a factor in his subsequent pre-eminence. Although Finley continued to write as an 'outsider', Hopkins was no more than stating a fact when, in 1983, he pointed out that Finley now led the new (primitivist) orthodoxy in the field of the ancient economy.² Finley had not made it to the presidency of General Motors, but would even his unforgiving father have denied that his achievements were every bit as impressive?

This begs a second question: what had happened to the self- and Polanyi-directed critical remarks, the dismissal of 'primitive models', and the resulting research programme that had been so clearly put forward in 'Anthropology and the Classics'? The short answer is that they were discarded soon after their recorded delivery in May 1972. Triumphant returning to the US after two decades of self-imposed exile, Finley used the Sather Classical Lectures of 1972

¹ See K. Hopkins, 'Classicists and sociologists', *TLS* (31 March 1972) 355-56 (355), who identifies Finley as the 'only ancient historian to have had his works appraised in a professional journal of sociology'; and C. R. Whittaker, 'Qui êtes-vous Sir Moses?', *London Review of Books* (6 March 1986) 10-11, for Finley's reception on the Continent.

² K. Hopkins, 'Introduction', in *Trade*, xi.

to give a full-blooded primitivist account of the 'ancient economy' that provoked the 'battle' with which I introduced my examination of his development. Faced with the actual possibility of a final settlement of the century-old dispute without any clear winners or losers, the old warrior opted for continued or indeed intensified warfare, even if it entailed stifling his own work by a series of contradictory reflections and orientations.

Revised and expanded, the Sather Lectures were published in 1973 as *The ancient economy* (henceforth *AE*). Acclaimed as the book with the greatest impact on the study of Greek and Roman economic history in the twentieth century,³ *AE* (and its essentially unchanged 1985 edition) also represents the culmination of his contributions to the *oikos* controversy. This text inaugurates a new phase in Finley's intellectual odyssey, not, however, because it contains specific new discoveries or insights. In fact, in this respect, it is more dependent on Finley's earlier writings than his other major works of the period, especially those on politics. The significance of *AE* lies rather in Finley's refusal to carry out the project outlined in 'Anthropology and the Classics'. In pointedly elaborating and extending the primitivist and unitary conception of the 'ancient economy', especially noticeable in parts of 'Technical innovation and economic progress in the ancient world' and 'Aristotle and economic analysis' to which I have already referred (see above, 213-23), *AE* reasserts a Polanyi-inspired, empirically updated variant of Bücher's original contribution. This is not to say that *AE* is a homogenized text. It contains various sub-texts which may be used as evidence against the intended stance, the official text, of their author. Indeed it is in the light of the resulting tension within *AE* and between its intended and widely accepted posture and Finley's earlier (and later writings) that I hope to find a way through and perhaps beyond the latest round of the dispute which is still called the *oikos* controversy, although it is no longer centred around autarkic households.

AE marks a break in Finley's development in yet another sense. As has been shown, Finley's familiarity with Weber's writings may be traced to his earliest publications in the 1930s. It has also been demonstrated how, *pace* Polanyi, he came to view Weber as the latter's (and hence his own) precursor in the continuing debate on the ancient economy. But it is really starting with *AE* that Finley identifies Weber as his own foremost mentor. The new centrality of Weber is brought into sharp focus especially in *AE*'s provocative invitation to Finley's hitherto close Marxist allies to drop the notion of 'class' in favour of the Weberian concept of 'status'. This was underpinned by finding the unity of the ancient economy in cultural determinations, again apparently in line with the Weberian research agenda.⁴ *AE* is, in fact, explicitly introduced with reference to the putative pioneering anti-marketist efforts of Weber, Hasebroek, and Polanyi. It is therefore not surprising that both Finley's associates and his critics thence treated him as the senior member of the Weber school, to which the name of Polanyi, too, often remained attached.⁵ The identification with Weber is so

³ Ian Morris, writing at the close of the twentieth century and twenty-five years after its publication, stated that 'No book this century has had such a great influence on the study of Greek and Roman economic history', 'Foreword', in *The ancient economy*, 'updated' edn (Berkeley 1999) ix.

⁴ *AE*, 51, 34.

⁵ Among Finley's close associates or followers, see, for example, Austin and Vidal-Naquet, *Economic and social history*, 3ff.; Millett, *Lending and borrowing*, 9ff., 221; Shaw and Saller, 'Introduction'; I. Morris, 'The Athenian economy twenty years after *The ancient economy*', *Classical Philology*

pronounced in Finley's subsequent writings that it would be difficult to refuse his evident wish of being seen as a Weberian in this last phase of his development.⁶ Yet, as will be seen, Finley's Weber only resembled (the anti-primitivist) half of the genuine article. This is another way of saying that, in *AE*, Finley almost completely retreated from the genuinely Weberian research programme outlined in 'Anthropology and the Classics', and without any direct explanation. The following examination of Finley's final turn and the resulting debate offers some elements of such an explanation.

The problematic unity of the ancient economy

'In very round numbers we shall be dealing with the period between 1000 BC and AD 500... At the beginning that "world" was restricted to a little corner of the Balkans and a few footholds on the Turkish coast of the Aegean Sea ... at the death of the emperor Trajan in AD 117, the Roman Empire extended nearly 3,000 miles from the Atlantic ocean to the edge of Caucasus'.⁷ In so constructing the setting and the question, Finley regressed beyond even Hasebroek and Polanyi back to Bücher's original formulation of ancient economic developments. In 'Classical Greece' Finley had affirmed, *pace* Polanyi and Eduard Will, that the 'principal merit' of Hasebroek was to re-establish economic life within the cadre of the *polis*.⁸ From this proposition, it followed, as Hasebroek himself had insisted, that the rise of the Hellenistic kingdoms and the removal of the straitjacket of the *polis* ushered in a distinctly new stage in Greek economic history. In *AE* this minimal periodization of 'ancient' economic developments is abandoned. In place of *oikos* (or *polis*), Finley now resorted to perhaps the last possible candidate for unifying antiquity or its 'economy' into a single stage:

My justification for speaking of 'the ancient economy' lies ... in the fact that in its final centuries the ancient world was a single political unit, and in the common cultural-psychological framework, the relevance of which to an account of the economy I hope to demonstrate in subsequent chapters.⁹

Some of the problems associated with this conception will be discussed below, but above all it begs the obvious question that, if the political unity of the final centuries had any notable causal role in ensuring the economic homogeneity of the ancient world, then the economy must have been significantly different prior to the achievement of such unity. This leaves the putative common cultural-psychological framework as the sole guarantor of the transhistorical unity of the ancient economy. The rudiments of this approach have already been detailed in

(1994), 351-66, and Morris, 'Foreword'. Among his critics, see Ste Croix, *The class struggle*, 58ff., S. Meikle, 'Aristotle and the political economy of the *polis*', *JHS* 99 (1979) 57ff.; M. Mann, *The sources of social power*, vol. I (Cambridge 1986) 222; E. Cohen, *The Athenian nation* (Princeton 2000) 178, n. 116.

⁶ See, for example, *AE*, 26; 'The ancient city', 9ff., 'How it really was?', 60-61; 'Max Weber', 88-89. ⁷ *AE*, 34.

⁸ 'Classical Greece', 12.

⁹ *AE*, 34. For Finley's subsequent thoughts on, and defence of, the general conception of *AE*, with specific reference to contemporary critics who variously raised points discussed below, see 'The ancient economy and its critics', unpublished, FP.

some of Finley's earlier studies. Its limitations, however, become fully apparent in *AE*, where Finley famously summarized the pertinent economic effects of this cultural system: in the Graeco-Roman world, 'the prevailing mentality was acquisitive, but not productive'.¹⁰ It is difficult to dispute in good faith that this more or less held throughout the period between Dark-Age Greece and the fall of the Western empire. Yet, it does not sustain Finley's argument. That such a mentality was by no means unique to the Greeks and Romans was the important point that he ignored. At the level of generality necessary for such a value system to comprehend all the vicissitudes of the long and not always convergent histories of the Greeks and Romans, it may be equally applied to the ancient Babylonians, Persians, and indeed almost all the pre-bourgeois-capitalist formations that have appeared in history. Thus, it may be useful in explaining, in accordance with the modern-primitive perspective that pervades *AE*, why the Greeks and Romans, but also other peoples in other times and places, failed to achieve a nomological economic theory, industrial revolution and rapid technological progress, a spirit of capitalism, and so forth. However, it cannot explain the specific achievements of the states that together made up the Graeco-Roman world, much less the 'internal' differences between them.

In the chapter on 'Masters and slaves' in *AE*, in the second chapter of *Ancient slavery and modern ideology*, and finally in 'Further thoughts' in the second edition of *AE*, Finley, following his earlier studies on slavery, shows the radical diversity and changing character of labour processes in Graeco-Roman antiquity. Largely on this ground, he concludes in the face of the mounting disquiet of his Marxist colleagues that 'it is essential ... to lay the ghost once for all of the slave mode of production as the hallmark of the ancient economy'.¹¹ But if so, it must be asked whether any single appropriate hallmark exists for the whole time-space between 1000 BC and 500 AD. In his final thoughts on the matter, this circle is rather brazenly squared. Without any trace of embarrassment, the reader is taken back 'to the point with which I closed my first chapter in the original edition, namely, that we may speak of "the ancient economy" *only for reasons which have little or nothing to do with the economy, because of the political and cultural history of Graeco-Roman antiquity*' (emphasis added).¹²

The manifold unviability of this assertion does not require much elaboration. In a changing and heterogeneous economic context, only a reductive privileging of certain economic relations (such as slavery or *oikos*) could engender a unitary concept of the ancient economy. Finley's alternative is less defensible. For he assumes both the static stability and embeddedness of the fundamental economic process, as well as the unchanging role of the over-determining cultural and/or political factors in conceiving and defending his 'ancient economy'. The major centres of the Graeco-Roman world, as Finley's own work showed, did not come anywhere near fulfilling the conditions he demanded. Athens and Rome were 'exceptional' precisely because of the depth and scale of the historical (political, cultural, and economic) transformations they underwent between 1000 BC and 500 AD. Perhaps

¹⁰ *AE* (1985), 144.

¹¹ *AE* (1985), 179; see also, *AS*, 67-93.

¹² *AE* (1985), 181.

unavoidably, the last remaining defence of a unitary ‘ancient economy’ that may be found in *AE* retreats from history to one of the methodological strategies advanced by Bücher:

The title of this volume is precise. Although change and variation are constant preoccupations, and there are many chronological indications, it is not a book one would call an ‘economic history’ ... It is not a serious objection, for example, to evoke in opposition a particular passage in an ancient author or a specific case of economic behaviour unless it can be reasonably argued that the passage or the case represents more than a passing exception. Any analysis of the ancient economy that pretends to be more than a mere antiquarian listing of discrete data has perforce to employ models (Weber’s ideal types).¹³

The first part of this passage is the first sentences of the preface to the first (1973) edition of *AE*. A pre-emptive defence that, however, stops short of stating what one should call the ensuing text. The second part comes from Finley’s ‘Further Thoughts’ in the second edition of *AE* (1985). In between, and as part of his campaign against real or illusory antiquarians (and the increasingly ubiquitous Eduard Meyer), Finley wrote several articles in which Weber and his ideal types were promoted as the ultimate panacea to all the methodological problems faced by historians.¹⁴ The only point to make in this regard is that, as with his reading of Weber’s substantive contributions to the *oikos* debate, here, too, Finley remains at best one-sided: instead of viewing ideal types as a means of uniting theory and specialized ‘antiquarian’ research, Finley deployed them to counterpose the two. A question in any case remains: if not an ‘economic history’, can *AE* be considered an ‘ideal type’? The answer, in short, is that it can only be so considered if whatever is not ‘history’ is automatically considered a Weberian ideal type or model.

Weber, to be sure, deployed ideal types in more than one way. The problem is that none lend themselves to a description of or provide a rationale for describing *AE* as an ideal type. Notwithstanding the historical phenomena which may inspire the construction of ideal types, the latter may be viewed as condensed space-timeless concepts constructed from materials gleaned from existing historical sources which may then be used in producing new causal accounts of the original or other historical formations. The *oikos* theory and the *slave mode of production* are in this sense ideal types. Both can be used in analysis of ancient or other periods, even though their designation as the defining institution of antiquity may be rejected. Now Finley’s *AE* is evidently not what ‘one would call an economic history’, but nor is it what one should call an ‘ideal type’ in the above sense. It lacks the conceptual coherence and specificity or the explanatory nexus of the *oikos* theory or the slave mode, whilst it is explicitly and inextricably bound to a specified time-space: Graeco-Roman antiquity.

Finley, however, also viewed ideal types as ‘models’, and gave Hopkins’s and Pekàry’s apparently conflicting accounts of trade under the Roman Empire as proper examples of such models in ancient history.¹⁵ The problem is that, in this light too, Finley’s *AE* fails to qualify as an ideal type. Both models appear from Finley’s own description of them as first and

¹³ *AE* (1973, 1985) 9, 181-82.

¹⁴ These articles are collected in *Ancient history*.

¹⁵ *AE* (1985) 182. It goes without saying that Finley pointedly favoured Pekàry’s ‘model’ over Hopkins’s more ‘modernist’ account.

foremost causal historical accounts. Certainly both use ideal types and rely on certain nomological regularities between, say, population increase, level of demand, volume of coinage, and economic growth. Indeed it is this conscious use of ideal types and theoretical associations that distinguishes such accounts from the mainstream histories of Weber's day. *AE* does not qualify as an ideal type in this sense either. It falls somewhere between these conceptions of ideal types. Neither is it a construct such as the slave mode or *oikos* theory, although it shares the ambition of their authors in aspiring to capture the essence of Graeco-Roman antiquity in some unitary concept. Nor, by Finley's own admission and intention, does it respect the discipline of historical chronology which must underpin any causal historical 'model'.

Perhaps some kind of incoherence is the inevitable cost of embarking on ambitious historico-sociological projects; the writings of Finley's illustrious precursors provide extensive evidence of this. But the extent to which Finley in *AE* appears to abandon the views strongly stressed in the self-same book perhaps indicates his own unease with the main thrust of his work. Finley's insistence in both editions of *AE* on the embeddedness of the economy and the primacy of cultural and political factors in speaking of the 'ancient economy' as a unitary phenomenon, has already been shown. However, in the same 'Further thoughts' where this view is re-asserted, Finley seems to repudiate the efficacy of these factors for this purpose. In response to a critic who had suggested that the Hellenistic world was ignored in *AE*, perhaps 'because it does not fit the concept so neatly', Finley remarks that there was no Hellenistic economy; that from the outset there were two sectors, 'an ancient sector and an oriental sector', both of which remained unaffected by Macedonian conquests. More specifically, he claims:

the old Greek world, including the 'western' Greeks, underwent no changes in the economy that require special consideration *despite all the cultural and political changes* that undoubtedly did occur. (emphasis added)¹⁶

Whether or not Finley is right here does not alter the radically different view of the determination of ancient economic changes presented therein and that suggested by Hasebroek and Polanyi – as well as Finley himself in the opening pages of *AE*. Here the 'economy' appears as an autonomous (disembedded?) sphere whose nature and boundaries remain intact in the face of all the cultural and political changes brought about by the Macedonian conquests.

The unacknowledged plurality and incompatibility of the concepts of the ancient economy in *AE* do not end here. In another formulation, with which the book indeed ends, Finley undermines the 'Weberian' approach, apparently his 'official' favourite. Again there is no explicit indication of a change of heart or awareness of the problematic implications of the following remark in the concluding (unchanged) page of the first edition of *AE*:

The ancient world was hastened to its end by its social and political structure, its deeply embedded and institutionalized value system, and, *underpinning the whole*, the organization and exploitation of its *productive forces*. (emphases added)¹⁷

¹⁶ *AE*, 183.

¹⁷ *AE*, 176.

In a book renowned for its Weberian break with Marxian historiography, an orthodox Marxist would evidently be hard put to find anything to disagree with in the above summation.¹⁸ Despite such contradictory and/or indefensible conceptions of the general determinants of ancient economic developments, *AE* is not merely an incoherent, if also elegant and insightful, set of observations drawn from various ‘ancient’ periods and places. Its remaining unity, however, is mainly assured negatively. Heedless of his own recent verdict that ‘for comparative study modern industrial society is very limited in its usefulness to the Classicist’, the primitivist unity of *AE* is underwritten by its concentration on showing that the ancients did things differently from modern ‘economic’ men. The extent of this preoccupation is indicated by Momigliano’s reminder that ‘the Italian translator changed the title of *The ancient economy* into *L’Economia degli antichi e dei moderni* – presumably with the author’s consent’.¹⁹ Conversely, there is no real attempt to develop the once-promised third discipline in which the Graeco-Roman states would be studied in comparison with post-primitive, pre-modern historical societies, which Finley had come to recognize as the most useful for the purposes of Classical scholarship.

Finley’s primitivist strategy succeeds, if that is the word, at a high price. Above all, the historical, comparative, and conceptual scope of the book had to be noticeably restricted. In what was clearly intended to be (and is still seen as) Finley’s major contribution to ancient economic history, he hardly goes beyond conclusions already reached in his own as well as those of other primitivist contributions. As one critic noted at the time, Finley’s discussion of “‘the state and economy” scarcely goes beyond Hasebroek’s demonstration that ancient states had no “economic policy” in either the mercantilist or the modern sense’.²⁰ The same applies to much else in the book, except that there Finley largely fails to go beyond his own earlier works. Instead, he gleans from them all that can be used to sustain the anti-modernist case. The result, however, does not necessarily enhance primitivism, much less buttress a unitary conception of the ancient economy. Thus *AE*’s discussion of ‘orders and status’, ‘masters and slaves’, ‘town and country’, and ‘the state and the economy’ cannot but illustrate that the historically uneven and evolving nature of all these constituent parts of the ancient economies undermine the imposed unitary conception of *AE*. Not surprisingly this is most apparent in the chapter on slavery, in part because it largely retains the arguments and orientation of Finley’s earlier studies of the subject, but also because it is aimed at exposing the drawbacks of the Marxian view of its scope and nature. Nevertheless, such inconsistencies are unfortunately not pursued consistently, and the main thrust of the text remains primitivist and underpinned by a curiously unhistorical deployment of the putative Weberian ideal types.

This is most clearly found in the chapter on ‘town and country’, perhaps the only new undertaking in *AE*. It focuses only on those aspects of ‘ancient cities’ that are defined as

18 But, then, as discussed below, such passages did not attract the attention of even *AE*’s Marxist critics, presumably because they remained preoccupied with Finley’s own preferred reading of his work.

19 Momigliano, ‘The use of the Greeks’, 319. See also B. Hindess, ‘Extended review of *The ancient economy* and *Democracy: ancient and modern* (1973) (FP), 678-97 (679) who argues that ‘far from generating a determinate concept of the ancient economy’, Finley ‘merely establishes a series of differences between the ancient world and capitalist society as described in contemporary variants of political economy’.

20 S. Humphreys, *Anthropology*, 74-75.

centres of 'consumption'. This apparently Weberian-primitivist point is scored by ignoring the variety of ancient cities and the breaks in the evolution of the self-same cities – as if the transformations in the relations of domination and subordination between various classes or 'status groups' that Finley had outlined in the chapter on slavery did not have any significant bearing on the (changing) nature of the ancient cities. In any case, were not the ancient and Islamic Near Eastern cities also centres of consumption? The answer is yes, if only more so than many Classical ones.

Fourth-century Athens, late-imperial Rome, and various other cities between and before them are conjoined in *AE* as centres of consumption and as manifestations of the ideal type 'ancient city' for reasons such as the negligible share of their manufacturing in ancient exports.²¹ On the face of it, it appears likely that urban manufacturing output was indeed 'negligible' compared to agricultural production or the manufacturing output of the 'productive' cities of medieval Europe. But does this matter? A salient feature of many ancient city-states was the integration of the urban and rural sectors as a result of which the conflict endemic between 'town and country' in late imperial and also in medieval and modern periods was largely removed. Surplus agricultural products did not belong to feudal or quasi-feudal magnates who then in one form or another exchanged them with manufacturing products of the city guilds. But nor were they 'parasitic' in the style of top-heavy Near Eastern princely or imperial cities, which housed, in addition to an extensive bureaucracy, 'absentee landlords' whose conspicuous consumption justified the designation of such cities as centres of consumption. The *polis*, integrated and non-bureaucratic, could not fit into this model, even when, as in the case of imperial Athens, its consumption was augmented by tributes, taxes, and the gifts of subject peoples. Imperial Rome (and various centres of the Hellenistic kingdoms), however, increasingly came to resemble such a model. This is why, among other reasons, the insistence on treating all Graeco-Roman cities as if they were the species of some universal invariant essence must be questioned.

Evidently, had Finley heeded his own earlier call for a broader comparative perspective encompassing non-European historical civilizations, a less glib view of the character of ancient urban life would have followed. Yet, the point here is not that Finley was unaware of the questions just raised. On the contrary, had these reservations been mentioned to him, they would probably have been dismissed for the platitudes they indeed are. The question rather is why he chose to ignore them and present an account of 'town and country' in the ancient world that is at best muddled.²² This is a question which may well be asked of *AE* as a whole. Notwithstanding its (anti-modernist) insights, this most influential of all Finley's writings also exhibits all the signs of a degenerating research programme.²³ A core vision of a unitary 'primitive' ancient economy is kept afloat with a series of not always consistent auxiliary

21 *AE*, 139. On Finley's underestimation of the extent of both commercial agriculture and urban manufacturing, see R. Osborne, 'Pride and prejudice, sense and subsistence: exchange and society in the Greek city', in *City and country in the ancient world*, ed. J. Rich and A. Wallace-Hadrill (London 1991).

22 For a critique of Finley's views and an explanation of how he may have come to form them, see R. Osborne, 'Pride and prejudice'.

23 For a sharply different assessment of *AE*, see, in particular, Morris, 'The Athenian economy twenty years after'.

theories, and by resurrecting old targets and hitting them with old arguments. Such a fate had been anticipated by Finley himself, when he decided to return to the ‘paradigm’ that he had previously discarded for apparently good reasons.

The resilience of Modernism

The pedigree of Finley’s account of the ancient economy is underlined in yet another implicit retraction of the critical appraisal of the primitivist project in ‘Anthropology and the Classics’: ‘More recently the inapplicability to the ancient world of a market-centred analysis was powerfully argued by Max Weber and by his most important disciple among ancient historians, Johannes Hasebroek; in our own day by Karl Polanyi’.²⁴ Whatever doubts there may be about Weber’s primitivism, there is none concerning Hasebroek and Polanyi. By thus placing himself as the latest addition to this ‘school’ (now called the ‘Finley school’), Finley took his position as a partisan for a cause that apparently required full and unwavering commitment. This is why there is no mention whatsoever of his own earlier recognition of the failure of Polanyi’s alternative or the fact that his own development of Hasebroek-Polanyi’s view of Greek trade had reached a dead end. Nor is there any explicit attempt to square the total rejection of ‘market-centred analysis’ with the earlier conclusions that conceded the widespread presence of the market allocation of economic resources.

Indeed, *AE* manages to avoid the whole question and its manifold implications by a disingenuous moving of the goal posts designed to allow the primitivist side to score again. In ‘Aristotle and economic analysis’, Finley had sought to show the absence of proper ‘economic analysis’ in antiquity, including in Aristotle’s celebrated ‘economic’ discussions. Yet, *contra* Polanyi’s empiricist epistemology, Finley had recognized the possible disjunction between economic *reality* and economic *analysis*. *AE* effectively reverses this view and resurrects an enhanced variant of Polanyi’s position. The ‘economic system’ is now defined as ‘an enormous conglomeration of interdependent markets ... without which a concept of “the economy” is unlikely to develop, economic analysis impossible’ (emphasis added).²⁵ Without its fundamental ambiguity, this definition could not serve its intended purpose. However otherwise indeterminate, is it not obvious that an enormous conglomeration of interdependent markets arose only in nineteenth-century capitalism? Robin Osborne pointedly concludes that ‘not only the ancient economy of Classical Greek and later times but already the archaic Greek economy was marked by a “conglomeration of interdependent markets” in which production and prices and in producing and consuming cities were linked’.²⁶ The exponents of the Finley-Polanyi position may still maintain it by, for example, pointing to the insufficient scale of these markets or finding some other basis for insisting on their

²⁴ *AE*, 26.

²⁵ Finley purports to rely on Eric Roll’s definition of the economic system, but his interpretation of the latter is questionable. See E. Roll, *A history of economic thought* (London 1945) 373. In any case, the argument here does not depend on the ‘correct’ reading of Roll.

²⁶ ‘Pots, trade and the archaic Greek economy’ (1996) 42.

'embeddedness'.²⁷ *AE*, however, does not directly dispute the existence of commercial markets as such; it simply ignores them.

The sceptics in need of further proof need only recall that the Greeks lacked a 'developed' concept of 'the economy', and certainly Aristotle, that most economically engaged of Classical thinkers, never wrote an ancient version of *The wealth of nations*. Accordingly, Finley asks his readers to avoid the mistake of thinking that 'any specific instance of non-interference in the economy [can] be explained by a theory of *laissez-faire*. Neither that doctrine nor any other can exist without the prior concept of "the economy", on the absence of which surely I need not repeat myself at this late stage'.²⁸ *AE* is therefore excused from treating the function and nature of (the not so enormous) markets that in the absence of a large bureaucracy played such a major role in ancient Greece. It also avoids explaining why, or even whether, Finley's earlier view of the role and importance of such markets was now withdrawn. Thereafter, in a major treatise about the ancient economy, the subject is hardly broached, except where a difference from modern economies could be shown.

The disingenuousness of this move was at the time considered too much by H. W. Pleket who as a rather close associate of Finley was able to pinpoint it with sympathetic precision. Whilst praising *AE* as a 'beautiful synthesis' and a 'necessary shock' to all those who tend to use uncritically 'modern concepts', he called its definition of the economic system 'rather grand... very pompous and very modern'. He described how it represented a reversal of Finley's earlier criticism of 'Polanyi's rigid views', and the recognition that 'the absence of a theoretical notion does not mean that the economic process implied by that notion was non-existent'.²⁹ What Pleket does not recognize is that Finley's curious turn was in fact entailed by the primitivist underpinnings of his attractive synthesis.

Hitherto I have focused on the conceptual inconsistencies within *AE* itself, and between its claim and the results of the studies leading to 'Anthropology and the Classics'. But the problem is equally glaring when we turn to other major works that Finley published in his last period, that is between the publication of *AE* and his death in 1986, or roughly between the two editions of *AE* (1973 & 1985). Indeed it is in some of these works, most notably in *Ancient slavery and modern ideology* (henceforth *AS*), 'The ancient city', and the methodological essays collected in *Ancient history: models and evidence*, as well as in his books on

²⁷ See D. Tandy, *Warriors into traders* (Berkeley 1997) who, following Polanyi, goes as far as claiming that 'until the late fourth century BC, there is no evidence for a supply-demand-price mechanism in international exchanges', 125. Osborne's own conclusion about 'inter-dependent markets' has evolved. See, 'Pride and prejudice', where he shows, *contra* Finley, the significance of both commercial agriculture and manufacturing in Classical Athens and offers an account of why Finley attributed to large landowners a "peasant like" passion for self sufficiency', 136ff. Nevertheless, in this work, he still shares Finley's view 'that to all intents and purposes even Athens was not bound into any "system of markets"', 142.

²⁸ *AE*, 155.

²⁹ H. Pleket, 'Review of *The ancient economy* (1973)', *Mnemosyne* xxix (1976) 209, 216, n. 1. A similar point is made more recently by two writers otherwise very sympathetic to Finley's position: 'In his classic book, *The ancient economy*, Moses Finley has stressed the absence of a set of terms for economic concepts is due to the lack of economic thinking. Were we to transfer this principle to agriculture, we might be tempted to doubt that it was the main industry of the Greeks', S. Isager and J. Skydsgaard, *Ancient Greek agriculture* (London 1992) 4.

ancient (and modern) politics, that the normative and other dimensions of Finley's revival of primitivism become evident. It is in these writings that other historians, especially the ghost of Meyer and his conscious or unconscious followers, are invoked to rejoin the battle of the ancient economy, to help unfreeze the Classics and make it the exciting field it once may have been.

AS begins with a lengthy polemical scrutiny of the 'ideological' underpinnings of the modernist and/or mainstream historians' accounts of slavery. Rostovtzeff, the once-praised Joseph Vogt, and even Finley's own former teacher and mentor, Westermann, among many others, are criticized rather severely.³⁰ The harshest treatment, however, is reserved for the 'imperious' Eduard Meyer. Introduced without a trace of irony as 'a political being to a unusual degree of intensity', and the 'most prestigious ancient historian in the Germanic university world in the generation after Mommsen', Meyer is found responsible for the largely misguided or ideologically distorted mainstream studies of ancient slavery in the twentieth century.³¹ The *oikos* controversy is seen to have resulted from Meyer's 'savage' reaction to the kind of historical periodization suggested by Bücher and other political economists, which posed a 'threat to Meyer's social and political beliefs, to his world and his world-view, not just to his conception of the ancient world'. Having thus set the stage, Finley proceeded to dismiss Meyer's 'absurd cyclical conception', and questioned his widely admired (once by Finley himself) scholarship: Meyer's influential 'lecture on ancient slavery is not only as close to nonsense as anything I can remember written by a historian of such eminence, but violates the basic canons of historical scholarship in general and of German historical scholarship in particular'.³²

Notwithstanding the 'violent' intensity of Finley's portrait of Meyer, it is at one with his decision to advance an uncompromising variant of primitivism in *AE*, with its savage shades, a sharp reminder of 'the central role of confrontation' and 'the conscious role assigned to polemicism' in his discourse.³³ But is this all? Not in my view. There are further layers to the bitter Finley/ghost-of-Meyer confrontation in the complex discourse of *AS*. Momigliano alluded to this when, shortly after Finley's death, he noticed that the latter's 'attack on Eduard Meyer's "nonsense" about slavery misses the point that as early as 1898 Meyer had tried to solve the same problem which Finley put to himself in his book of 1980'.³⁴ What Momigliano might have added was that Finley's answer, too, resembled the one provided by Meyer a century earlier.

This should not be totally unexpected, as in his earlier studies Finley moved gradually from viewing slavery as both the hallmark of antiquity and evidence of its primitive economy, to seeing it as an evolved characteristic of the peak periods in certain areas of the ancient world, periods which were preceded and followed by the prevalence of *quasi*-feudal forms of labour. *AS* repeats all this in no uncertain terms. In fact it moves closer to Meyer's stand in the conditions it sets as the minimum necessary for the emergence of slave societies in the ancient

30 *AS*, especially 53ff.

31 *Ibid.*, 48, 44ff.

32 *AS*, 48.

33 Shaw and Saller, 'Introduction', xxv.

34 Momigliano, 'A personal note', 4.

world: growth of relatively large private holdings and thus regular demand for extra-familial labour, expansion of commodity production and commercial markets in both rural and urban sectors, and the limited internal labour supply.³⁵ All these are pivotal elements in Meyer's 'modernizing' account. Indeed, the modernist thrust of *AS*'s account of the rise of slavery becomes so pronounced in places that Finley is compelled more than once to warn the reader against the illusion of mistaking it for Meyer's views (summarized and dismissed as nonsense in an early part of the book): 'None of this requires a revival of the Beloch-Meyer "modernism" ... My model, I need hardly add, diverges radically from Eduard Meyer's, despite certain apparent similarities'.³⁶ In any case, it should be clear by now that the battle of the ancient economy was being fought not just between Finley and his primitivist contingent and assorted others. The battle-lines were also drawn within and between the texts that carry Finley's own signature. The stubborn presence of modernism in their midst is evident; in the following it will be seen that Marxism, too, refused to leave the Finleyan stage. Indeed, its more 'subtle' variants were invited to stay.³⁷

Primitivism, Modernism, and the Marxian conundrum

AE caused an uproar in the Marxian wing of the primitivist-sociological camp, which hitherto had considered Finley as one of their own, despite his daring eclecticism. This is understandable. Finley's past association with the American Communist Party, his subsequent persecution and exile, the primacy accorded to socio-economic or 'structural' factors in his writings, the focus on slavery, the radical interrogation of the conservative (conceptually as well as politically) mainstream ancient historiography, among still other factors, made him a Marxist to many, albeit a maverick one. Even after his early more unambiguously Marxist period, Finley continued to display his Marxian associations and credentials.³⁸ Indeed just before departure for the US to deliver the lectures that became *AE*, Finley described his intellectual and political posture to the *Washington Post* as 'Marxisant', meaning that 'he no longer takes Marx and dialectical materialism as gospel, but is Marxist oriented'.³⁹ This was a reasonable description that was not dissonant with favourable references to Weber that could be found in Finley's writings. The Weber in whom Finley had been primarily interested was not so much Marx's putative rival as the latter's ally in the social-scientific (and anti-modernist) battle against the political historiography of the empiricist mainstream. The same point applies to Polanyi, with the addition that as a committed socialist, he had shared Marxism's objections to market capitalism.

³⁵ *AS*, 86.

³⁶ *AS*, 88, 90. As already shown, Meyer's account could not be maintained wholesale. After all, even Momigliano noted that Meyer 'obviously had ideas about ancient industry and proletariat which nobody would repeat eighty years later', 'A personal note', 4. But Bücher's views were, in many respects, even more outdated, yet his contributions were invariably singled out by Finley in *AS* and elsewhere at the same time as Meyer's are dismissed as absurd and nonsense. See, for example, *AS*, 42ff.; 'Ancient city', 12ff.

³⁷ See 'Review of P. Anderson, *Passages from antiquity to feudalism* and *Lineages of the absolutist state* (1974)', *The Guardian* (6 February 1975) 14.

³⁸ For example, in 'Class struggles'; 'Unfreezing the Classics'; *AS*, 40ff., 69-70; 'Ancient city', 19.

³⁹ 'Interview with Alfred Friendly' ([1971?]), in *FP*.

By appearing to oppose the central tenets of historical materialism, *AE*, however, brought this long-enduring alliance to a close. First, as has already been seen, the unity of the ‘ancient economy’ in *AE* was underwritten by cultural and political factors. The ‘superstructure’, in other words, not only had ‘primacy’, a fact not disputed by Marx and other Marxists, but it was seen to determine the embedded ‘base’. Secondly, and more provocatively, *AE* explicitly favoured Weber’s ‘admirably vague’ concept of ‘status’ over the Marxian concept of ‘class’ for understanding ancient societies.⁴⁰ The response of Marxist historians was rather swift and sharp.⁴¹ Thus the otherwise internally divided Marxist contingent entered the widening battle of the ancient economy.

Class and the unit of analysis

In approaching the Marxian position, the unit of analysis has to be clearly defined. If the slave mode of production is rejected on the grounds of the multiplicity of the labour processes and organizations of production in Antiquity, then by the same token it is illicit, except for certain specific comparative purposes, to attempt to elaborate any other unitary ‘model’ of the ancient society or economy, including that offered by Finley in *AE*. But if the slave mode of production is treated as an ideal type, then it cannot and does not have to be so easily discarded. Ideal types, such as the Marxian modes of production, are generally constructed on the basis of empirical accounts of one or more historical situations. The problem arises when an ideal type such as the slave mode is then considered to be the defining characteristic of the given time span – the ‘epoch’ – within which it appears to have occurred most persistently or extensively. Once a definition of an over-loaded term such as ‘defining characteristic’ is mutually agreed upon, the matter can be settled, in principle, by historical investigation.

In the case of Graeco-Roman Antiquity, Finley, among others, has shown that slavery and the slave mode (setting aside the internal Marxian differences over definition and articulation of modes of production) became predominant only in certain places in ancient Greece and Italy and then only in certain ‘classical’ periods. Evidently this does away with any literal identification of the whole of Western antiquity with slavery and hence with its consideration as an economically unitary stage in ‘world history’. The fact remains, however, that, despite the impression given in Finley’s response to his Marxist critics, the point is recognized and its implications incorporated, if only tacitly, in serious Marxist accounts of antiquity. Thus, Ste Croix talks of the dominance of slavery in ‘the highest periods of antiquity’ and acknowledges the widespread existence of other forms of labour even during these periods. Slavery is seen as the central institution, mainly because of its role in providing the Graeco-Roman ruling classes with the bulk of the ‘surplus’ which allowed them to avoid direct economic activity themselves.⁴² Again, this is hardly different from (at least one of) Finley’s

⁴⁰ *AE*, 51.

⁴¹ See, for example, *Arethusa* 8 (1975); Hindess, ‘Review’; E. Meiksins Wood and N. Wood, *Class ideology and ancient political theory* (Oxford 1978) 53-64; and Ste Croix, *The class struggle*, 58-59. For Finley’s direct response in addition to his ‘Afterthoughts’ in *AE* (1985) and ‘The ancient city’, see his contribution to *Opus 1* (1982) where he attempts to distance himself from Weber as well as from Marx and Polanyi, and also addresses some of his continental critics.

⁴² *Class struggle*, 52ff.; see also ‘Karl Marx and the interpretation of ancient and modern history’ in B. Chavance, *Marx en perspective* (Paris 1985) 169ff.

own account(s), not only in the earlier less polemical studies, but also in *AE*: 'Slaves were fundamental to the ancient economy in what I have been calling the "classical period", Greek and Roman ... both in their employment (where they worked) and in the social structure (the reliance placed on them and their labour by the highest strata, the ruling classes)'.⁴³

This raises Finley's (related) rejection of the concept of class. Here, a fundamental weakness in conventional Marxist theory is exposed by the ancient evidence that it purports to explain. On the one hand, Marxism is quintessentially primitivist in viewing Greece, Rome, and slavery as the lowest stage of universal, or at any rate Western, evolutionary history. On the other hand, it generalizes a particular (production/exploitation-based) concept of class and class conflict derived from the experience of nineteenth-century northwest Europe to all earlier historical periods. It therefore insists on the centrality of class conflict between slaves and slave-owners in the ancient world. Having shown that slavery, in the significant 'productive' sense meant by Marxism, only arose in specific periods and places in Antiquity, Finley noticed the apparently decisive point that (apart from brief periods in Roman history) no major instance of conflict between slaves and slave-owners has been recorded or could be inferred from the available evidence. Certain oppressed groups, helots for example, may have been in a state of continuous resistance and revolt, but they were not slaves. At the same time, the struggle between 'the rich' and 'the poor' was certainly intense in many Greek states in much of their recorded history. Then again, Finley claimed, not unjustifiably, that this did not constitute exploitation-based class conflict in what he called the 'technical' sense of the term.⁴⁴

By the time of writing *AE*, some notable Marxian scholars had already begun searching for a more adequate approach. Jean-Pierre Vernant, for example, deployed certain Maoist additions to the Marxist arsenal. The relationship between slave-owners and slaves was described as the 'fundamental contradiction' in ancient Greece, which was said to have 'blocked or markedly held back ... overall technical progress'. At the same time, in view of the fact that 'throughout this period the slaves' opposition to their masters was never directly expressed in terms of social and political struggle', and that 'they never acted as a class playing its own role in the succession of conflicts which were a permanent feature of the city-states', Vernant defined the conflict between the 'rich' and 'poor' over the 'redistribution of the surplus' as their 'principal contradiction'.⁴⁵ Another close associate of Finley, Pierre Vidal-Naquet, went further. He examined the question that directly interested Finley: 'Were Greek slaves a class?', and came up with an unabashedly negative answer.⁴⁶

Finley's problem with class analysis becomes even more understandable, when the position of the main exponent of the Marxian orthodoxy is examined. *Contra* not only Finley, Vernant, and Vidal-Naquet, but also the more *bona fide* Marxists, Ste Croix insisted on a universal, objectivist concept of class. Eric Hobsbawm and E. P. Thompson's advocacy of 'class for itself' as the only historically useful concept of class was rejected since it would significantly

⁴³ *AE*, 81.

⁴⁴ *AE*, 49ff., 183ff.; see also *Politics in the ancient world* (London 1983) 10ff.

⁴⁵ J.-P. Vernant, 'The class struggle' in *Myth and society in ancient Greece* (London 1965/1980) 13.

⁴⁶ P. Vidal-Naquet, in *Black hunter* (Baltimore 1986). However, he, too, retains the spirit of the Marxian stance by describing the master-slave relationship as the fundamental contradiction of the ancient world. See Ste Croix's response in *Class struggle*, 63-64.

limit the universality of Marxist claims and theory. Ste Croix is characteristically open about the nature of his anxiety: to require an articulated identity of interests would, he suggests, ‘make it seldom possible for us to speak of “class” in the ancient world at all, except in relation to ruling classes’.⁴⁷ But, as Finley asked, what difference would it make if that is what the evidence dictates? Indeed, notwithstanding his protestations, even Ste Croix cannot avoid making the distinction that brings him almost full circle back to the starting point of the revisionists: ‘Class in the *full sense*’, he concedes to Hobsbawm, ‘only comes into existence at the historical moment when classes begin to acquire consciousness of themselves as such’ (emphasis added).⁴⁸

There is another related difficulty with Ste Croix’s position: his recognition, with Vernant and Finley, that class struggle in the ‘full sense’ only took place between citizens or citizens and ‘citizens to be’ sits uneasily with his claim that once ‘exploitation’ is brought back ‘as the hallmark of class ... at once class struggle is in the forefront as it should be’.⁴⁹ Here the problem is more serious and neither Ste Croix nor Michael Mann faces up to it. The citizens engaged in recorded or theorized forms of struggle in post-Solonic and Classical Athens for the most part did not stand in relations of exploitation to each other and hence did not qualify as classes in the sense demanded by Ste Croix.⁵⁰ Mann recognizes that the particularity of Greece has something to do with class:

it might seem that in the middle of a discussion of Classical Greece, I have converted to Marxism. I did not emphasize class struggle in previous societies ... I have been able to describe this period, but not preceding ones, in Marxian terminology because this became appropriate to this historical setting.⁵¹

He thus not only concedes that ‘the dialectic of Greece was in large part – as Marx said it was – a class struggle’, he also unreservedly embraces Ste Croix’s ‘effective’ critique of ‘Weber’s and Finley’s use of status ... in place of class’.⁵² Mann’s all too easy dismissal of Finley and his enthusiasm for Marxism and class is misplaced. Most obviously because the Marx Mann has in mind not only saw Greece in terms of the dialectic of ‘class struggle’, but also all other formations. More specifically in the case of ancient Greece, the same Marx thought that the said dialectic was enacted above all between slaves and slave masters. But, as Mann himself

⁴⁷ *Ibid.*, 63.

⁴⁸ *Ibid.* Cf. E. Hobsbawm, ‘Class consciousness in history’, in *Aspects of history and class consciousness*, ed. I. Mészáros (London 1971) 6.

⁴⁹ *Class struggle*, 57.

⁵⁰ See M. Mann, *Sources of social power*, vol. 1 (Cambridge 1986) 216–28.

⁵¹ Mann, *Sources*, 221.

⁵² *Ibid.*, 226, 222. That even Michael Mann takes Finley’s Weber as the historical Weber further attests to the depth of Finley’s influence. Chase-Dunn and Hall follow in the same vein by considering Weber and Finley as primitivists who argue ‘that the dynamics of ancient society were not importantly affected by market forces’, *Rise and demise*, 90. Instead of Finley being a Weberian, the operative Weber must thus be considered a Finleyan. Ober also assumes that Finley’s studies are ‘based in part on Max Weber’s studies of status and hierarchy’, *Mass and elite*, 12. Ober’s own valuable contribution to the debate between Finley and Ste Croix over class and status, in his ‘Aristotle’s political sociology: class, status, and order in the *Politics*’ in *Essays on the foundations of Aristotelian political science*, ed. C. Lord and D. O’Connor (Berkeley 1991), generally bypasses the issues problematized here.

admits, 'Slaves were not an active force in history, indispensable as their labour was to those who were. Their *praxis* did not count. By contrast, even the lowest citizenry possessed class *praxis*'.⁵³ Ironically, this conclusion points to the starting point of Finley's doubts concerning the applicability of Marxian class analysis to ancient Greece and other pre-capitalist formations. Put differently, Mann's own operative concept of class is essentially Weberian, according to which rather than exploitation as such, "property" and "lack of property" are ... the basic categories of all class situations'.⁵⁴

Finley's decision to discard class analysis has the added advantage of removing the 'modernizing' implications of viewing ancient developments in rigorous class terms. The various Marxist, neo-Marxist, Weberian, and neo-Weberian concepts of class all converge in assuming a common economic situation as a defining characteristic of class, which in turn presupposes a disembedded economy. The different concepts of class, in other words, presuppose, albeit often inconsistently, the disembedding of the economy. Polanyi saw this as the outcome of a particular process that was only completed in and by nineteenth-century capitalism.⁵⁵ Disembedded economy and the associated rise of classes and class struggle are thus the very hallmarks of capitalist modernity. Conversely, status is seen as the main form of social stratification in economically embedded or 'status' societies. Polanyi is especially singled out here, because his approach most clearly explains the anti-modernist context of Finley's turn to status. In retracing the intellectual roots of his own project, Polanyi explicitly remarked on the link between status and embeddedness when he commented that this

empirical discovery in terms of history was made by Sir Henry Sumner Maine in the Roman law categories of status and contractus in the 1860s ... Maine undertook to prove that modern society was built on contractus, while ancient society rested on status ... Not before Malinowski's fundamental stand on the nature of primitive society was that antithesis applied to the economy. It is now possible to say that status or [Tonnie's] *Gemeinschaft* dominated where the economy is embedded in non-economic institutions; *contractus* or *Gesellschaft* is characteristic of the existence of a motivationally distinct economy in society.⁵⁶

Polanyi recognized that (Marxism's) class and class struggle and (liberalism's) individual and individualist competition were dialectically associated with the disembedding of the economy and the disappearance of status society. Finley's rejection of class is grounded in this problematic. Status, from this angle, overcomes both the difficulties of reconciling class

53 Mann, *Sources*, 219; cf. Y. Garlan's ultimately inconclusive examination of the question, in *Slavery in ancient Greece* (Ithaca 1988) 203ff.

54 Weber, 'Class', 182. Some Marxists may object to this, but no consistent version of the orthodox position has appeared. In his examination of literary and other classical texts, David Konstan finds clear evidence of class and class conflict in an explicit or 'altered register'. But his conception, too, rests on the division between rich and poor, 'The Classics and class conflict', *Arethusa* 27 (1994) 47-70 (50). Wood and Wood directly question Finley's rejection of class and in the process move between apparently different concepts of class, but do not resolve the difficulties identified by Finley and his followers; see their *Class ideology and ancient political theory* (Oxford 1978) 60ff.

55 *GT* (London 1945) 50-51.

56 K. Polanyi, 'Aristotle discovers the economy', in *Trade and market in the early empires*, ed. Polanyi et al (Glencoe, IL 1957) 68-70.

analysis and ancient historical evidence and removes the modernist associations of considering the Greek city-states as class or capitalist societies. In *AE*, Finley restates Polanyi's position but through Lukács:

Half a century ago Georg Lukács, a most orthodox Marxist, made the correct observation that in pre-capitalist societies 'status-consciousness... masks class consciousness'. By that he meant, in his own words, that 'the structuring of society into castes and estates means that economic elements are *inextricably* joined to political and religious factors'; that 'economic and legal categories are objectively and *substantively so interwoven* as to be *inseparable*. (emphases in the original)⁵⁷

What is at issue is not so much the fact and extent of Lukács's orthodoxy or indeed his concise anticipation of Polanyi's views, as Finley's open display of the amicable nature of his apparently drastic revisionism to his Marxist colleagues. The question of class or status was not, he in effect reminds them, a narrow theoretical or empirical question. It implied a choice between viewing ancient Greece and Rome as a sub-species of either (primitive) 'status' or (modern) 'contractus' types of society. The discarding of class, in other words, meant expelling modernism rather than rejecting Marxism, whose class analysis remained applicable to the one case that really mattered: the contemporary world. Subsequent to the publication of *AE*, this is further emphasized by the contrast between the rather mild, essentially conciliatory and highly nuanced response to his Marxist critics with the brutal treatment of Meyer and those suspected of following his modernizing vision. Returning to Bücher and Meyer, absent in name if not in spirit from the first edition of *AE*, 'The ancient city' reminded the Marxists of how much Marx and Engels had in common with Bücher as against Meyer, his allies Beloch and Rostovtzeff and their descendants, the mainstream historians.⁵⁸ After all, Sombart, Bücher's close ally and 'the first man to insist on, and to formulate, an "economic" theory of town formation' was still a Marxist of sorts at the time of writing his major study of capitalism in 1902.⁵⁹ And Bücher himself had borne the brunt of Meyer's contempt for 'political economists as a group'.⁶⁰ Finley evidently thought it was the overriding task of Marxists to remain united with other 'structural historians' and reverse the victory which the ancient historians had assumed, 'to their own satisfaction', they had won in the dispute 'now commonly referred to as the Bücher-Meyer controversy'.⁶¹

In the affable context thus established, Finley was able to admit that Weber had not been 'unqualified' in his 'powerful defence' of Bücher. Moreover, Finley conceded that even Weber's views might need some revision, a point that was being pressed home by Ste Croix, his own increasingly vociferous critic:

Weber's knowledge of the Greek world was very much less extensive and accurate than that of the Roman ... Weber can now be shown to be wrong when he called the Roman

⁵⁷ *AE*, 50.

⁵⁸ 'Ancient city', 7ff.

⁵⁹ *Ibid.*, 11.

⁶⁰ *AS*, 45-46.

⁶¹ 'Classical Greece', 11.

equites a 'pure national capitalist class'. One can (legitimately) challenge Weber's conception of the feudal and capitalist elements of antiquity, or his political definition of the city.⁶²

Marxists, however, were warned not to take comfort from Weber's troubles, because of the ultimate question that should be asked by any careful strategist: 'if Weber does not offer satisfactory explanations, even partial ones, to whom do we turn?' Marx, after all, had 'never made a systematic inquiry into the ancient world in general or the ancient city in particular'.⁶³ Moreover, Finley pointed to significant areas of agreement between Marx and Weber concerning ancient developments, an agreement that, Finley noted, was particularly reflected in Perry Anderson's 'recent, subtle, Marxist account'.⁶⁴ Realizing the unlikely eventuality of convincing all his Marxist critics, Finley persisted in distinguishing between the dogmatic, or 'Engelsian' or 'linear', and other such varieties of non-subtle Marxists, and the sophisticated ones, in or alongside whose ranks he located himself in what he termed in an enthusiastic review of Anderson's work, the 'Great Schism'.⁶⁵ In this case, however, Finley's claim was untenable. For however subtle, Anderson's account, too, remained wedded to a class-divided Athens shaped decisively by the slave mode of production.⁶⁶

Substantivist Primitivism: a viable alternative?

So what about Finley's alternative? It, too, was not as stable as has been widely assumed. Shaw and Saller, for example, are mistaken in maintaining that 'Finley throughout all his work clearly rejected the Marxist conception of "class" as the only or even the most profitable way of analysing social relations in ancient society'.⁶⁷ Six years before the publication of *AE*, a commentator who had objected to Finley's reference to the 'ferocious class bias' of Josephus as 'ill applied Marxism' received the following response:

To a historian of antiquity this is a most remarkable posture, since ancient authors analysed society in terms of classes having divergent and conflicting interests. The whole of Aristotle's *Politics*, for example, the most systematic and most profound political analysis to have been produced in antiquity, rests on the existence of classes, as does Plato's very different kind of discourse in the *Republic* ... Examples can be multiplied but to do so is unnecessary: it is all very familiar and commonplace. Marx was neither so ignorant nor so arrogant as to claim that he had discovered the existence of classes and class struggle.⁶⁸

62 'Ancient city', 13.

63 *Ibid.*, 18.

64 *Ibid.*, 19.

65 'Review of P. Anderson: *Passages from antiquity to feudalism* and *Lineages of the absolutist state* (1975)', *The Guardian* (6 February 1975), 14.

66 P. Anderson, *Passages from antiquity to feudalism* (London 1975) 37. Throughout his discussion of Greece, Anderson employs the term and concept of class with the emphasis on slavery as the key to 'the sudden florescence of Greek urban civilisation', 36.

67 Shaw and Saller, 'Introduction', xvii.

68 'Class struggles', 201.

It remains true, however, that as early as his first major article on slavery in 1959, Finley was already thinking of ‘ancient society as made up of a *spectrum of statuses*’, and soon after he was expressing his dissatisfaction with the fact that ‘we are in thrall to a very primitive sociology which assumes that there are only three kinds of labour-status: the free, contractual wage-earner, the serf, and the slave’.⁶⁹ Is it the case that after a long period of scholarly doubt and scrutiny, Finley at last had made up his mind in *AE* in favour of status over class? The matter cannot be settled so easily, for class, class conflict, and class consciousness make a noticeable comeback in Finley’s last major study, *Politics in the ancient world*. This time, however, an explanation is provided:

My return in the present work to ‘class’ (in the sense intended in ordinary discourse, not in a technical sense, Marxist or other) does not imply a change of view. I merely find the conventional terminology more convenient, and harmless, in an account of ancient politics.⁷⁰

Why is it any more convenient and harmless to use class in this possibly self-evident sense in an account of ancient politics rather than an account of ancient economics? Whatever the precise answer to this and other similar questions, Finley’s return to class analysis expresses genuine bewilderment on his part. For in *Politics in the ancient world*, Finley not only finds convincing the description in Aristotle of *poleis* as above all divided between rich and poor, but acknowledges that it ‘exemplifies class, class consciousness and class conflict sufficiently for my purposes’.⁷¹ Aristotle could hardly have been expected to be clearer about the wide reach and efficacy of class division in Classical Greece:

What really differentiates oligarchy and democracy is wealth or the lack of it. It inevitably follows that where men rule because of the possession of wealth, whether their number be large or small, that is oligarchy and when the poor rule, that is democracy ... But the same people cannot be both rich and poor, and that is why the prime division of a state into parts seems to be into poor and the well-to-do. Further owing to the fact that the one group is for the most part numerically small, the other large, these two parts appear as opposites among the parts of the state. So the constitutions are accordingly constructed to reflect the predominance of one or the other of these and there seem to be two constitutions – democracy and oligarchy.⁷²

⁶⁹ Finley, ‘Was Greek civilization based on slave labour?’ (1959/1981) 98; ‘The servile statuses’ (1960/1981) 142.

⁷⁰ Finley, *Politics*, 10, n. 29.

⁷¹ *Ibid.*, 11.

⁷² *Politics*, 1279b26 ff.; 1291a40 ff.; see also Plato, *Republic*, 557a. J. Ober, in ‘Aristotle’s political sociology’, variously emphasizes Aristotle’s reference to ‘non-economic’ factors such as education but then as he himself, following Stanley Wilcox, points out in an earlier work, ‘only the rich could afford higher education’, see *Mass and elite in democratic Athens* (Princeton 1989) 113, n. 24, 191ff. The same point is underlined by N. Loraux in *The invention of Athens: the funeral oration in the Classical city* (Cambridge, MA 1986) 177-78; see also Ste Croix, *Class struggle*, 71-80; M. H. Hansen, *The Athenian democracy in the age of Demosthenes* (Oxford 1991) 109-24.

Whether Aristotle's consciously opposed rich and poor constituted classes may be doubtful, but it should not be in dispute that his account demands a retreat from considering Athens a 'status society' in any historically significant sense of the term. If correct, this conclusion should prevent Austin and Vidal-Naquet, as well as Finley, from having both the Polanyian and Aristotelian cakes and ostentatiously eating them, too. In their highly informative *Economic and social history of ancient Greece*, they, even more boldly than Finley, declare that **'THE ECONOMY IN GREECE IS EMBEDDED IN SOCIETY'** (bold capitals in the original). For them, it is emphasized more than once that 'the distinction drawn by Polanyi between economies which are more or less embedded in society is a fundamental one'.⁷³ To prove the point, *pace* especially Finley, they round up the usual suspects – the distinction between the Greek word *oikonomia* and its modern derivatives; the failure of Greek writers to produce any genuine economic analysis; the denigration of productive occupations and the high esteem of politics and warfare, and so on.⁷⁴ But these and other features of ancient Athens rather than proving the embeddedness of its economy, may show only the distinctiveness of its own variant of disembeddedness.

This also raises questions about Ian Morris's influential review, 'The Athenian economy twenty years after *The ancient economy*'. Morris concedes that subsequent work such as Edward Cohen's study of Athenian banking has undermined the primitivism of *AE* by showing that the Athenian economy, and in particular its banking sector, was more commercialized than perceived in Finley's seminal book. He insists on decoupling the debate between the substantivists (inspired by Polanyi and his concept of embeddedness) and the formalists (the universalizers of instrumental rationality), which he considers central to explaining Athenian developments, and the primitivist-modernist dispute which he thinks has become rather 'stale and unproductive'.⁷⁵ According to Morris,

Reducing substantivism to primitivism misses its political programme, and with it everything that made Polanyi and Finley's work – and ancient Greece – interesting to a wider audience. Cohen does indeed show that banks were grander operations than Finley

⁷³ *Economic and social history*, 8. Unlike Finley in *AE*, however, they stop short of taking the next step of replacing class with status and therefore appear to leave unresolved the matter of the nature of the overall social stratification in Classical Athens.

⁷⁴ *Ibid.*, 8ff.

⁷⁵ I. Morris, 351; see also 354. Cartledge, too, emphasizes the substantivism of Finley's primitivism in 'Political economy', 158. For Polanyi's contributions to the substantivist paradigm see his *Primitive, archaic and modern economies*, ed. G. Dalton (Boston 1968) and Dalton's 'Introduction'; 'Carl Menger's two meanings of "economic"', in *Studies in economic anthropology* (1971); G. Dalton, 'Writings that clarify theoretical disputes over Karl Polanyi's work', in K. Polanyi-Levitt, *The life and work of Karl Polanyi* (Montreal 1990); cf. S. Cook, 'The obsolete "anti-market" mentality: a critique of the substantive approach to economic anthropology', *American Anthropologist* 2 (1966) 323-45; 'Review: K. Polanyi, *Primitive, archaic and modern economies*', *American Anthropologist* 5 (1968), 966-69; S. Humphreys, 'History, economics and anthropology: the work of Karl Polanyi', in *Anthropology and the Greeks* (London 1978). Mark Granovetter's notable development of the concept of embeddedness, 'Economic action in a social structure: the problem of embeddedness', *AJS* 91 (1985) does not address the issues of concern here, although his classification of the responses to Polanyi's formulation is usefully employed by Morris ('Foreword', xxvii ff.).

realised, but not that this quantitative revision affects qualitatively Finley's understanding of their functions, and still less that it affects his vision of western history.⁷⁶

The 'politics' of Polanyi's research programme has already been discussed, and this chapter will conclude by reviewing the particular combination of ideological, theoretical, and empirical factors that formed the basis of Finley's views. But, it should be noted that substantivism, if not reducible, is intimately related to primitivism, at least in the context of the debates over the ancient economy. Cohen, for his part, indicates this when he marshalls extensive evidence to refute the claim made by Finley and other primitivists that 'the undeniable ubiquity of credit at Athens arose from social values embedded in Athenian culture that mandated the profuse extension of loans on a "friendly" basis, free of interest and other monetary considerations'.⁷⁷ Osborne does the same when he demonstrates the existence of 'interdependent markets' in archaic Greece, as does Loomis when he finds market wages in Athens.⁷⁸ The developments represented by these findings recall the conclusions reached by Ste Croix when he eliminated 'reciprocity' and 'redistribution' as dominant modes of socio-economic integration in Classical Athens, and invited Polanyi to accept the predominance of market exchange.⁷⁹

In Finley's attempt to overcome the limitations of class analysis, status is assigned the same role that class occupied in the much criticized Marxist discourse, namely that of a master-concept that discloses the ultimate driving force and meaning of all significant historical developments in Antiquity. To perform this monumental task, status must be emptied of all positive determination, therefore retaining limited, negative, operational utility. This is entailed by the inclusion of pre-Solonic and Classical Athens, archaic Sparta, and imperial Rome as different manifestations of 'status society', along with the feudal formations of the Middle Ages, and indeed all other 'pre-capitalist' states. Will it, then, not become necessary to resort to class, among other concepts, to distinguish between such formations and account for their interesting differences and developments? Perhaps not. But Finley's own return to class analysis indicates a different answer, a fact not missed by Ste Croix who noticed, incidentally, that *Politics in the ancient world* 'contains many references to class, but none to status'.⁸⁰

The contentious point here is not about the use of status in the analysis of prestige-based social stratification, or motives for social action in 'class societies' (characterised, for example, by the differentiation and rise in 'status' of wealth-seeking activities). Rather, it is about the comparative characterization of societies. In other words, in the choice between 'status', traditional or embedded, and 'class', modern or disembedded types, it would be difficult to dispute Ste Croix's claim that Athens sits in the latter. But this, *contra* the view of reductionist modernists, should be treated as the first rather than the ultimate step in outlining the distinctiveness of Athenian history.

⁷⁶ Morris, 'Athenian economy', 354.

⁷⁷ E. E. Cohen, *Athenian economy*, 190ff.; see also chapter 1.

⁷⁸ *Wages*, 253.

⁷⁹ See above, p. 189, chapter 7.

⁸⁰ G. E. M. de Ste Croix, 'Karl Marx and the interpretation of ancient and modern history', in *Marx en perspective*, ed. B. Chavance (Paris 1985)185, n. 39.

In this light, Finley's widely accepted presentation of status as the hallmark of the Weberian approach to Classical Antiquity does not appear to represent fully Weber's multi-level analysis.⁸¹ It is true that, in his famous discussion of 'Class, status and party', Weber says that 'where stratification by status permeates a community as strongly as was the case in all political communities of Antiquity and of the Middle Ages, one can never speak of a genuinely free market competition as we understand it today'. But once these and other similar general statements – usually made in passing – about Antiquity (or the Middle Ages) are placed in their relevant context, they will be seen for what they are: static, comparative ideal typifications meant to underline certain features of the ideal type of modernity, rather than exhaustive conclusions about the nature of ancient states as historical entities in their own right. Weber's treatment of Classical Athens as a highly evolved polity with a 'capitalist' economy is found in *AG*. But even in the theoretical, highly condensed, and wide-ranging discussion of 'Class, status, party', Weber makes it clear that class and status are not mutually exclusive alternatives for describing and analysing ancient developments:

The 'class struggles' of antiquity – to the extent that they were genuine class struggles and not struggles between status groups – were initially carried out by indebted peasants, and perhaps also by artisans threatened by debt bondage and struggling against debt creditors. For debt bondage is the normal result of differentiation of wealth in commercial cities, especially in seaport cities.⁸²

This is a crucial passage, not only because it indicates Weber's continued deployment of class in the self-same text that refers to the status-ridden nature of ancient states, but also because it emphasizes a different form of class opposition from that between slave and slave-owner, at the centre of the dispute over class and status. What is equally interesting is that this approach is fully anticipated in a rather neglected passage in *Capital*:

The class-struggles of the ancient world took the form chiefly of a contest between debtors and creditors, which in Rome ended in the ruin of the plebeian debtors. They were displaced by slaves.⁸³

Ste Croix does not ignore this comment, but considers it 'not one of Marx's best statements' on the subject. Carried to its logical conclusion, this approach, as Ste Croix realizes, would threaten his own favoured interpretation. This is also why he finds Marx's elaboration of the question in the 'Preface' to the second edition of *The eighteenth Brumaire* 'even more peculiar': 'in ancient Rome the class struggle took place only within a privileged minority, between the free rich and the free poor'.⁸⁴ This conclusion is similar to Finley's, except that Marx, supported by Weber, considers the conflicts between the rich and poor in class terms. In any case, this limited convergence between Marx and Weber provides a felicitous point for presenting the conclusions of this chapter and indeed of this study as a whole.

81 For a different approach to Weber's account of status in the context of examining Finley's work see I. Morris, 'Foreword' to the 'updated' edition of *AE* (Berkeley 1999).

82 Weber, *AG*, 185.

83 Marx, *Capital*, vol. 1 (London 1974) 135.

84 Cited in Ste Croix, 'Karl Marx', 177-78.

Conclusion 1: the modernity of ancient Athens

Among other factors that may have engendered the seventh-century crisis of Athens (population pressure, soil exhaustion, growth of trade, crop specialization, manufacturing and markets, and so on) and as an expression of them, social stratification in Athens approximated to the ‘for themselves’ variant of class formations; what Ste Croix calls ‘classes in the full sense’, Finley calls ‘classes in the technical sense’, and Michael Mann ‘extensive, symmetrical, political classes’.⁸⁵ Productive exploitation, polarized consciousness, and mobilization all appear as ingredients of the prolonged struggles that finally give rise to the democratic *polis* in the closing years of the sixth century. Finley himself recognized the importance of this fact – or something very close to it – in no uncertain terms in an earlier study:

Unless the sources have misled us completely, in Greece and Rome there came a time when, as the ancient writers themselves phrased it, *one whole class* was ‘enslaved’ to another. In the Near East, debt-bondage, for all its importance, never reached such proportions and often it seems to have been narrowed down to the employment of dependent members of the family as pawns ... Then came the *break* in Greece and Rome, and it too was complete and drastic. That break did not just happen, nor was it merely the result of a long accumulation of misery and grumbling – it never is. Something new had entered the situation in seventh-century Attica and fifth-century Rome ... The effect ... was that debt-bondage was abolished *tout court*, by political action, and its return was prevented by the growing political power of the *emancipated class* as they became part of a self-governing community, in which they could use their position for both political and economic ends. (emphases added)⁸⁶

This description clearly points to the formation of classes and the eruption of intense class conflict which set the immediate context within which Solon and his successors made their appearance. When writing this, Finley could not have dissented from Wood’s summary of the Solonic period which draws on the common thrust of the otherwise distinct accounts of, among others, Andrewes, Murray, Osborne, and perhaps himself:

Lords and peasants ... increasingly confronted one another not as two opposed communities, but as individuals and as classes. The resulting balance of forces was inevitably unstable: on the one hand, a propertied class with economic and juridical superiority sufficient to squeeze the peasantry but lacking the unifying force, the check on intra-class competition and conflict, and the coercive support provided by a strongly centralized state; on the other hand, an increasingly restive peasantry chafing at the bonds of personal dependence, the economic vulnerability of the smallholder aggravated by juridical restrictions.⁸⁷

85 M. Mann, *Social power*, 216ff.

86 Finley, ‘Debt bondage and the problem of slavery’, in *Economy and society* (1965/1981) 165, 166; see also ‘Between slavery and freedom’, 128.

87 Wood, *Peasant-citizen*, 98-99.

At least in respect of the ‘snapshot’ of the Solonic period (which is basically all that the evidence allows), the concept of class remains useful – and in that rare way that satisfies Finley’s and Ste Croix’s strict criteria and overcomes the divide among Marxist writers themselves. This refers to the ‘class in itself – class for itself’ debate which invariably looks back to the celebrated passage in Marx’s *Eighteenth Brumaire* where the mass of small-holding peasants, isolated from each other and with ‘no community, national bond and political organisation’ were found ‘incapable of enforcing their class interests in their own name’.⁸⁸

In Athens, notwithstanding the paucity of evidence, the peasantry achieved this. In the reduced ideal/typical terms employed below to clarify what is of interest here, the Athenian peasants (or sections thereof and their urban or indeed aristocratic allies) were represented as a class (or a coalition of oppressed classes) ‘objectively’ bound together as an exploited stratum (class in itself), and as a collective actor with the capacity to construct and pursue its ‘interests’ (class for itself) and set a process in train that culminated in an advanced form of democracy. In so doing, they secured and expanded a zone of economic interaction free from political coercion and dependence, and turned wealth into the key standard of social stratification. *Contra* Finley, the Athens that emerged was not a status society in any usual sense of the term. Neither was it, *contra* Ste Croix, a class society, at least in the sense that it had become by the time of the Solonic crisis at the turn of the sixth century BC. This allows a possibility precluded as a consequence of the static context of the debate, namely that the nature of class formation underwent significant changes as a result of the struggles which engendered it in the first place.

Imagine three scenarios. First, had the aristocrats succeeded in uniting and crushing the peasant opposition to debt bondage and other forms of dependent, ‘embedded’ labour, the outcome would have been *serfdom* of sorts and an embedded quasi-feudal or warrior regime. In the second scenario, the struggle of Athenian peasants results in the expropriation of the aristocracy, and the elimination of large holdings, and a *polis of petty producers* that presides over common affairs and safeguards its egalitarian foundations.⁸⁹ Although the first case is characterized by exploitation and the second by its absence, neither would have been marked by class conflict. In the third case, we have a bourgeois trajectory set in motion by the dispossession of the peasantry and its transformation into a class of ‘doubly free’ wage labourers, where exploitation and conflict are aligned and inequality is systemic.

The complexity of the Athenian case lies in the way it combines elements of all these situations and thus fits into none. Starting with the first, aristocracy’s loss of much of its political and economic power between Solon and Pericles or Demosthenes is evidenced by the many scions of aristocratic families who became leaders of democratic Athens and of the democratic factions. Despite, or because of this, aristocratic holdings remained largely intact, particularly during the Classical period when, in contrast to many other *poleis*, in Athens land

⁸⁸ Marx, *The eighteenth Brumaire of Louis Bonaparte*, Marx and Engels Collected Works, vol. 11 (London 1979) 187-88.

⁸⁹ Both these options were, according to the author of *The Athenian constitution* (chapter 11), in fact pursued in the period leading to Solon’s reforms, which took the ‘middle way’ of abolishing debt bondage as well as safeguarding the property of the oligarchs.

redistribution ceased to be a subject of political debate and conflict.⁹⁰ Notwithstanding conservative fears, the democratic state persistently refrained from eliminating the old or new sources of economic inequality, even as it pursued the project of political equality in ever finer detail.⁹¹ The formal and discursive ease with which inequality was accommodated may be gauged by the fact that during the period of radical democracy and even in the period following the oligarchic coup ‘the citizens of fourth-century Athens were still divided into the four Solonian property classes’, although by then these had lost their practical import and ‘the alternative division into rich and poor on purely economic criteria [had come] to have greater importance’.⁹²

Most importantly, by replacing, externalizing and radicalizing various forms of dependent labour, slavery helped sustain an aristocratic lifestyle for the rich, old and new, and a quasi-aristocratic ethos for the citizens as a whole. More broadly, politics and martial qualities as the core values of the ‘good life’ in a society permanently at war, or in fear of or in preparation for war, remained dominant, whether or not these values are taken as signs of the persistence of an aristocratic worldview or the consolidation of a new democratic hegemony.⁹³ It is this (non-bourgeois) hegemony, alongside the obvious differences with modern capitalism, that is mistaken for status society.

In the second and third scenarios, it is clear that in many respects Classical Athens came as close as any other historical formation to several distinctly non-aristocratic utopias, including and going beyond the peasant utopia of ‘the free village, untrammelled by tax collectors, labour recruiters, large landowners, officials’.⁹⁴ Overcoming the divisions between the state and civil society, town and country, and producers and owners, and doing so without impinging on individual liberty or solidarity or converting the citizen-actors into citizen-electors, appeals to all three rival modern utopias: liberal, Marxist, and communitarian.⁹⁵ But, for the purposes of

90 Hansen, *Athenian Democracy*, 81. For a valuable discussion of the surprising stability of Athenian democracy, see J. Ober, *Mass and elite in democratic Athens* (Princeton 1989) 17ff., and 198ff.

91 J. Davies, *Wealth and power of wealth in Classical Athens* (New York 1981); R. Osborne, ‘Pride’; L. Foxhall, ‘The control of the Attic landscape’, and R. Osborne, ‘Is it a farm? The definition of agricultural sites and settlements in ancient Greece’, both in *Agriculture in ancient Greece*, ed. B. Wells (Stockholm 1992).

92 Hansen, *Athenian Democracy*, 116.

93 For the view that in ancient Greece ‘as a whole the aristocratic values were not challenged’, see Austin and Vidal-Naquet, *Economic and social history*, 16, and N. Loraux, *The invention of Athens*, who supports it with particular force and at great length. Ober, in *Mass and elite*, challenges this view with equal force through finding a radical ideological transformation in the period leading to the consolidation of a democratic ‘political society and culture in which the most basic and elemental human power – the power to assign meanings to symbols – belonged to the people’, 339. See also Finley, *Democracy ancient and modern* (London 1973). For a Marxian account of the ideological struggles in the Classical period, see E. Meiksins Wood and N. Wood who, however, emphasize that the Athenian *polis* should first and foremost be seen ‘not as an association against a subject producing class, but as an association for the liberation of a producing class in the process of being subjugated’, *Class ideology*, 29. For an alternative neo-Weberian reading of the conservative philosophers, see J. Ober, *Political dissent in democratic Athens* (Princeton 1998).

94 E. Wolf, ‘On peasant rebellions’, 272, cited in Wood, *Peasant-citizen*, 126.

95 Relevant literature goes back to Marx, Mill, and earlier. Finley himself approached the critical utopian appeal of Athenian democracy in *Democracy ancient and modern* (London 1973). Among the more recent contributions from these perspectives, see the contributions in *Dēmokratia – a conversation*

the present discussion, the intrinsically pluralistic social democratic agenda may offer a more telling parallel.

The last centuries of archaic Greece gave rise to movements that extended citizenship rights to all native male Athenians, and in the process consolidated a regime of small producers (urban as well as rural) not generally coercively exploited either by a class of overlords or by a bureaucratic tribute state. Although unequal, 'landholding', as Morris suggests, 'was unusually egalitarian in fourth-century Athens'.⁹⁶ It also stood in sharp economic as well as political contrast with the pre-Solonic situation, at least as that was understood in the Classical period itself, where 'all the land was in the hands of a few and if the poor failed to pay their rents both they and their children were liable to seizure'.⁹⁷ As in the ideal and idealized competitive market model of Classical and neo-classical economics, equality is approached with relatively little state intervention and a bureaucratically minimized state. Bureaucratic minimization, however, did not mean either the absence of public intervention in the form of redistributive taxation, direct or indirect supply of essential goods, provision of social security, or state ownership of strategic assets such as the Laureion mines.⁹⁸

The quasi-social democratic character of the Athenian state underlies Cohen's reminder that 'because fiscal obligations were exclusively placed on the wealthy, the term "taxpayers"... became in popular usage interchangeable with "the rich" or "the well off"'.⁹⁹ Conversely, Burke highlights as a unique feature of Classical Athens, and the key to what may be called its ethical disembedding, 'the widespread and long-term cash subsidies provided by the state to its citizens, notably those of the thetic class'.¹⁰⁰ All this helps explain the otherwise surprisingly limited forms of class struggle in the Classical period with the most dramatic

on democracies, ancient and modern, ed. J. Ober and C. Hedrick (Princeton 1996). See also M. Hansen, 'The tradition of the Athenian democracy, AD 1750-1990', *Greece and Rome* 1 (1992).

⁹⁶ *Archaeology as cultural history* (Oxford 2000) 141; *The constitution of Athens*, 2.2. Morris makes the point *contra* Osborne ('Is it a farm?') and Foxhall ('Control') whose conclusions, he finds, exaggerate the extent of inequalities in Athens. In response to Morris and others, Lin Foxhall has forcefully and perhaps somewhat forcedly questioned the reality, causes, and consequences of egalitarianism in ancient Greece. However, she does not seem to go as far as denying the comparatively greater equality in Athenian landholdings. Indeed she concedes, for example, that the 'richest were richer in Rome than in Athens or Corinth', but then suggests that 'one could argue that it was the exclusivity of the *polis*, not its egalitarianism, that limited the acquisitiveness of the wealthy'. Similarly she recognizes the prevalence of the ideal of equality, but again undermines it by saying that 'one could argue that the principle of equality in partible inheritance is more negative than positive. That is, it was (and is) less a matter of delight in the principle of equality and justice than fear of getting less than another or being done out of one's due'. 'Access to resources in Classical Athens', in *Money, labour, and land*, ed. P. Cartledge, E. Cohen, L. Foxhall (London 2002) 215, 212. One could argue that the question of achieving equality is different from delighting (psychologically, ideologically?) in it. Robin Osborne, in correspondence with the author, has remarked that his findings 'are more striking for egalitarianism than inequality'.

⁹⁷ *The Athenian constitution*, 2.2.

⁹⁸ Hansen, *Athenian democracy*, 97-101.

⁹⁹ Cohen, *Economy*, 195; see also R. Osborne, 'Pride', 129ff. on the fiscal obligations of the rich and their modernizing significance.

¹⁰⁰ E. M. Burke, 'The economy of Athens in the Classical era: some adjustments to the primitivist model', *TAPA*, 122 (1992) 199-226 (201, 216, 218-25).

episode, the *coup d'état*, instigated by the oligarchs and even then eliciting a moderate response rather than confiscation and elimination of the rich as a class. As if having approximated to the Rawlsian condition of minimum inequality compatible with maximum welfare for the poorest citizens, the 'poor' and their allies and leaders were content with restoring (social) democracy.¹⁰¹

The power of the *polis* 'legitimately' to 'intervene' went beyond modern social democracy and was, according to Finley, theoretically limitless, but, as Hansen argues, this 'correct observation ought not to be invoked to establish a difference between ancient and modern democratic ideology, because precisely the same observation applies, for example, to modern Britain'.¹⁰² Indeed, private property and the private sphere were respected to a degree rare among Greek and other states, either in antiquity or later. The distinct autonomy of this sphere is evidenced by mobility, variety, and, on the whole, growing commercialization this side of 'the wall normally dividing [disembedded?] economics from politics'.¹⁰³ The *metics* are, of course, there in the first place precisely to do business and, despite the special tax directed at them, clearly favoured Athens as a cosmopolis of sorts. But the inclusiveness of the Athenian social economy variously extended to women, prostitutes and slaves. Athenian women, in Foxhall's account, with their 'veto power' over disposal of the assets they brought to the *oikos* or the right to exit with their dowry, achieved greater social and economic autonomy than their counterparts in, say, Victorian England.¹⁰⁴ Slaves also increasingly appeared along an economically differentiated spectrum that included some of the richest and most of the poorest, with many of the well-off setting up their own *oikoi*.¹⁰⁵ At the same time, at least towards the end of the fifth century, the labour market appears to determine wages regardless of political status. Accordingly, there is clear evidence of *metics*, slaves, and citizens being paid in line with fluctuations in supply and demand,¹⁰⁶ and, more generally, *metics* and slaves enjoying 'exceptional degrees of freedom and equality in the economic and social life of Athens'.¹⁰⁷ Athens thus displays two levels of economic disembedding: first, from the polity, which in turn allows the formation and representation of citizen and class interests over redistribution of wealth; secondly, within the economy where there is growing 'economic rationality' in the form of differentiation and commercialization of economic activities.

However, a third level of disembeddedness or re-embeddedness of the market sphere characteristic of medieval European towns and modern capitalism through a 'civil society' of

101 The outcome was a quasi- or perhaps hyper-form of social democracy inasmuch as in Athens, political ideals and institutions achieved primacy in the way that modern social democracy never has.

102 Hansen, *Athenian democracy*, 80, where reference is also made to Finley, *Democracy* (1973b), 78. There were other major differences and Hansen has been accused of ignoring them. See Wood, 'Demos versus "We, the people": freedom and democracy ancient and modern', and Hansen, 'The ancient Athenian and modern liberal view of liberty as a democratic ideal', in *Dēmokratia*, ed. J. Ober and C. Hedrick.

103 P. Cartledge, 'Political economy', 164.

104 Foxhall, 'Household, gender, and property in Classical Athens', *Classical Quarterly* 39 (1989).

105 Cohen, *The Athenian nation* (Princeton 2000) chapter 5.

106 Loomis, *Wages*, 253-54.

107 K. Raaflaub, 'Equalities and inequalities in Athenian democracy', in *Dēmokratia*, ed. Ober and Hedrick, 154.

differentiated economic enterprises, guilds, and other associations is marginalized in Athens, under the changing but continuously dominant presence of both the *polis* and the *oikos*. Athenian modernization was shaped by a particular process of atomization that ensured the primacy and independence of the male citizens rather than allowing the formation of collective actors among the politically disenfranchised. Mobility and the widest possible differentiation of slaves reinforced their socio-political non-being rather than generating a new social identity. Although Foxhall must be right that women were far more powerful than allowed for in the bulk of surviving evidence – produced in and for the public sphere inhabited only by male citizens¹⁰⁸ – the legal and political documents in question reflected reality insofar as whatever power women had was bounded by the *oikos*, in which only the male heads had space for collective, non-traditionalizing, action. The same applies with even greater force to slaves and *metics*. The disembedding and internal differentiation of the Athenian economy thus did not threaten the democratic *polis* or the primacy of politics. On the contrary, it consolidated it precisely by reserving the possibility of collective, ‘class’, action for citizens. That the Athenians could generally happily witness, at one and the same time, the rise of a slave to become the richest resident of Athens, and the wretched conditions under which thousands laboured in silver mines, attests both to their appreciation of wealth and its subordinate status.

In summary, in the Classical Athens that emerges from the conflicts of the seventh and sixth centuries, the economically exploited and politically oppressed are liberated yet exploitation does not disappear.¹⁰⁹ With the consolidation of slavery, the stratification map of Athens was radically redrawn. Exploitation and conflict (potential or actual) persisted, but along two diverging axes: slave-slave master, and rich-poor. The former, the main locus of exploitation (augmented by limited tenancy, generally irregular free wage labour and, for a period, by imperial transfers), no longer sustained the causal relationship between direct exploitation and significant resistance. As Finley and others point out, there is not a single reported case of slave revolt or collective action in Classical Greece (apart from the desertion of a group of slaves from the Laureion mines). Instead, conflict over the distribution of economic and political resources and privileges variously persisted until the end of the democratic *polis* and beyond. The ‘predictions’ of the class theory, generalized from the experience of a particular period in modern history, were thus falsified by the very outcome of the struggles in the ‘archaic’ phase of Greek history, which had initially confirmed it.¹¹⁰

108 Foxhall, ‘Household’, 42-43.

109 In Finley’s words, ‘little as we are able to grasp the situation concretely, we can be confident that in the archaic periods in both Greek and Roman history, slavery was unimportant, clientage, debt-bondage and the like the prevalent forms of dependent labour’, *AE*, 69.

110 On the developments in archaic Greece, see Wood, *Peasant-citizen*, 81-98; cf. Ober, *Mass and elite*, 53-75; A. Snodgrass, *Archaic Greece: the age of experiment*; I. Morris, ‘Archaeology and archaic Greek history’, in *Archaic Greece*, ed. N. Fisher and H. van Wees (London 1998), and Chapter 4 above.

Conclusion 2: Slavery and the primitivism of ancient Athens

Following Aristotle, the primitivists' original source of inspiration, Athenian slavery is best understood as an element of the *oikos*. The slave was a fixture of many actual households and a universal fixture of the ideal household,¹¹¹ even though there were slaves, most notably those in the silver mines and the 'public slaves' that were not traceable to particular *oikoi*.¹¹² By extending the dependence of the dependent labourer to its logical extreme, the turn to slavery reversed or blocked the course of economic differentiation (*oikos*-workshop-firm) and socialization (guilds and trade associations). The use of foreign slaves was a key factor in the 'external' environment that favoured the survival of peasant holdings, which largely relied on the labour of family members.¹¹³ As such, slavery served the consolidation of the peasant-aristocrat settlement which had brought it into being in the first place, and which sustained most of the 'primitive' aspects of the Classical period: the persistence of non-commercial, aristocratic/peasant values; limitations on the sale and commodification of land and labour power; stagnating or (relative to modern capitalism) static technology as well as ethical retardation.¹¹⁴

It was these and similar considerations that compelled Weber, in *SC*, to join the primitivist camp and insist that the onset of medieval 'slavery' and serfdom, amidst poverty and urban decline, represented an evolutionary advance inasmuch as it rested on the separation of the slave/serf's *oikos* from that of his master's: now the labourers could again begin to be considered as a status-group proper.

However, as with much else in Athenian development, this account is mediated by its apparent opposite. The radical embeddedness of the labour process in slave households must thus be distinguished from the embeddedness associated with the ideal type of 'traditional' or 'status' societies. In Athens wealth and its production had become separated from religion, (extended) kinship, and political institutions. Slaves themselves were marketable goods and slave establishments generally rated among the more dynamic sectors of the economy – as Weber and Finley, as well as Meyer, came variously to notice. The Athenian slave society, in other words, arose at the culmination of a cultural and politico-economic evolutionary transformation. Whilst, from the vantage point of post-Christian modernity, an evolutionary trajectory moving with the unfree slave, the semi-free serf, the formally free wage-labourer, substantively free (or Bücher's household, town, national economy, or paganism, monotheism, science) may make sense, for the Athenians themselves (and their modernist advocates) the mytho-historical distance between 'ancient' and Classical Athens was considerable. It involved the displacement of different forms of dependent labour by slavery

111 Finley, *AS*, 90; Cartledge, 'Political economy' 163.

112 Hansen, *Athenian Democracy*, 120ff.

113 See Wood, *Peasant-citizens*, chapter 2; Garlan, *Slavery*, chapter 1 and 201ff. For the dispute over the relative significance of slaves rekindled by Wood, see M. Jameson, 'Agriculture and slavery in Classical Athens', *Classical Journal* 73 (1977/8); T. Gallant, *Risk and survival in ancient Greece* (Cambridge 1991) 30ff.; P. Cartledge, 'Political economy' and M. Jameson's response, 'On Paul Cartledge, the political economy of Greek slavery', in *Money*, ed. Cartledge, Cohen, and Foxhall. The outcome of the debate over the number of slaves does not substantially affect the present discussion.

114 Cartledge, 'Political economy', 158; cf. Wood, *Peasant-citizen*.

in both Classical Greece and Rome, a process which, as we know and the Athenians could not have known, was reversed in late antiquity. Thus there is Meyer's insistence that the course of history has been cyclical rather than linear, with Classical Greece and Rome being peaks of the ancient cycle, a view that Finley rather embarrassingly found consonant with his own account of the Graeco-Roman evidence.¹¹⁵

Notwithstanding the disputes about the number and impact of slaves, Finley's claim that by Classical times Greece had been transformed from a society with slaves into a slave society is generally accepted.¹¹⁶ But the categorization of the slaves themselves is more problematic. Radically atomized and denied the possibility of participating in public life, their unity can only be negatively determined, as indicated by their legal status as animated property. Sociologically, this was reinforced by their diverse origins, languages, occupations, and presumably aspirations, as well as through their commodification. Slaves were brought to the market from areas with no tradition of political action and free association and often belonged to an amorphous continuum of servile statuses.¹¹⁷ Moreover, in contrast to the conditions of black slaves in the US, the external environment did not provide any contradictory reference point (such as the US Constitution and Christianity, with their promises of universal equality, or the thriving capitalism of the North and Europe) in relation to which they could begin forging a collective identity, language of protest, or external support. The Greek slaves even lacked the common distinguishing racial characteristics that may have served as the basis of a collective endeavour – notwithstanding Aristotle's feeble attempt to provide slavery with a 'natural' basis.¹¹⁸ As a social process their mobility reinforced their atomization rather than generating group identity or aspiration. How are the slaves to be classified then? Weber has a ready, 'Finleyan', answer:

Those men whose fate is not determined by the chance of using goods or services for themselves on the market, e.g. slaves, are not... a 'class' in the technical sense of the term. They are, rather, a 'status group'.¹¹⁹

This is fine as long as status is used in the negative, low explanatory sense of standing for non-class social divisions. The difficulty arises when it is defined positively, as in Weber's central claim that, as hierarchies of social esteem and valuation, status groups are 'in contrast to classes ... normally communities'.¹²⁰ Clearly slaves do not constitute a social class insofar as ownership of property (including their own labour power) and hence the legally sanctioned capacity to own is considered 'basic' to all 'class situations'. But did they constitute a community? For all the reasons given above, and more, a community is clearly what the Athenian slaves were not. In this crucial respect, the contrast with, for example, the generally more savagely treated helots, or indeed the vast range of examples of status groups that Weber

115 Meyer, 'Die wirtschaftliche'; AS, 88, 90, 42ff.; Finley, 'Between slavery and freedom', 132; cf. Momigliano, 'Personal note', 4.

116 Cartledge, 'Political economy'; cf. Wood, *Peasant-citizen*, chapter 2.

117 Finley, 'Greek civilisation', 109-10; *Ancient slavery*, chapter 2; Ste Croix, *Class struggle*, 133ff.

118 Aristotle, *Politics*, I.v.

119 Weber, 'Class', 183.

120 *Ibid.*, 186.

himself provides in 'Class', is telling. The lowest Indian caste, however rigorously segregated, oppressed and devalued, may be considered a status group along with 'American gentlemen' or residents of a certain 'street' on the basis that all are allocated a socially sanctioned sphere of communal interaction.¹²¹ This was what was denied to slaves *qua* slaves, even in societies segregated along caste lines.¹²² In short, the question has no consistent or universal answer, except the one Patterson finds in 'almost all slaveholding societies' themselves: slavery as the condition of social non-being, and slaves as the class of 'social dead'. Any positive determination of the group is thus strictly absent in the general category itself but will have to be found in particular slaves and their particular functions as bankers, domestics, miners, and so on.¹²³

Although Patterson finds common understanding of slavery as social death across societies and the ages, each names and describes it differently. This points to a possible next step. Ste Croix, who was convinced that slaves constituted a class, and Vogt who, although critical of Marxism and an admirer of Meyer, is not concerned with the question of class, both remark in passing on the machine-like character of ancient slavery, with an evident nod towards Aristotle's 'speaking tools'. In attempting to explain and extenuate what Finley called the embarrassment of slavery, Vogt asks the reader 'not to lose sight of the fact that in industrialised countries today every productive person is in charge of a machine, which means that he is in charge of two or three dozen invisible technological slaves'.¹²⁴ This functional conception avoids the inconsistencies of Aristotle's other, essentialist, conception of slavery as natural. It also accords with the comparative absence of racism and universalism in Greece, resulting from the shared racial features of slaves and masters and the particularistic primacy of *polis* and *oikos* in the public and private spheres. Where Vogt is misguided is not over the modernization of Aristotle, but in his understanding of the modern world: he does not recognize that, in contrast to antiquity, the masters in the modern world are the machines (and their owners), not the productive persons that work with them.¹²⁵

Ste Croix approaches the same question, but with reference to the following passage in the *Politics*, which he considers Aristotle's 'one alternative to slavery':¹²⁶

A slave is a sort of living property; and like any other servant is a tool in charge of other tools. For suppose that every tool we had could perform its tasks, either at our bidding or

121 See O. Patterson, *Slavery and social death* (Cambridge, MA 1981) 50-51, for the near universality of the exclusion of slaves from 'outcastes'.

122 In this context both status and order stand not as alternatives to class but as embodiments of different principles of social classification. See, for example, Runciman's attempt rigorously to distinguish and use them, along with class, in his comparative sociology, *A Treatise on social theory* (vol. 2): *Substantive social theory* (Cambridge 1989) 23ff.

123 Thus Foxhall observed that 'slaves or freedmen may be household members in an economic but not in a religious or political sense', 'Household', 24.

124 Joseph Vogt, *Ancient slavery and the ideal of man*, translated by Thomas Wiedemann (Cambridge MA, 1975) 25.

125 Herein lies a key to the many contrasts between the two eras, from the dominance of the political or the economic, to the different nature and use of science and technology, as well as the utopian appeal of Classical Athens.

126 'Class struggles', 113.

itself perceiving the need, and if – like the statues made by Daedalus or the tripods of Hephaestus ... – shuttles in loom could fly to and fro and a plucker play a lyre and all self-moved, then master-craftsmen would have no need of servants nor masters of slaves.¹²⁷

In this early and rather poetic vision of a robotic world, Aristotle anticipates modern utopias of ‘Athens without slavery’, life without labour, aesthetics, or politics. A comparison of Aristotle’s utopia with Marx’s reality suggests why the Athenians may seem, from this end of history, justified to have opted for the evolutionary ‘dead end’ of the *polis*¹²⁸ rather than to have pursued the course of evolution to its modern capitalist culmination:

The science which compels the inanimate limbs of the machinery, by their construction, to act purposefully, as an automaton, does not exist in the worker’s consciousness, but rather acts upon him through the machine as an alien power, as the power of the machine itself.¹²⁹

The Greek other in this world is matched by the otherness of the agents of *chrematistike* and unnatural economic activities in ancient Greece. The final irony is that during Aristotle’s own lifetime, Pasion, a one-time speaking tool and a banker, rose to become both a citizen and the richest man in Athens.¹³⁰ No combination could have been more dystopian for the conservative onlooker or indeed many of his twentieth-century communitarian and state socialist followers. Then, as now, banking was the most invisible, liquid, mobile, and therefore profitable, type of commercial activity. It was also the one most subversive of the *polis* due to its tax-avoiding secretiveness, reliance on slaves, and intangible generation of profit. In this ancient encounter of the two modernities, the hitherto exclusive alternatives of the liberation of the slave and the dethronement of the citizen-warriors can be found.

Conclusion 3: Complexity and historicity

Exactly thirty years after the publication of *AE* and seventeen years after Finley’s death, his work remains, if not the ultimate destination, then the inevitable ‘point of departure’ for most new scholarly battalions.¹³¹ In sum, Finley continues to ‘excite’ ancient historians (and others) to debate, even those who readily agree with Richard Saller that the ‘Finley/anti-Finley debate has become increasingly sterile’. But if so, this has come about at least in part because, as Saller adds, ‘it is less easy to figure out how to break out of it’.¹³² This study has attempted to do so

127 Aristotle, *Politics*, I. iv 1253-b23 ff.

128 W. Runciman, *Treatise*, vol. 2, 336.

129 Marx, *Grundrisse*, 693.

130 Although, as Cartledge notes, Pasion and Phormion, another banker, ‘are the only slaves at Athens known to have achieved not just personal freedom but eventually citizenship’, ‘Political economy’, 164.

131 D. J. Mattingly and J. Salmon, ‘The productive past: economies beyond agriculture’, in *Economies beyond agriculture in the Classical world*, eds. Mattingly and Salmon (London 2001) 3; see also P. Cartledge, ‘The economy (economies) of ancient Greece’ in *The ancient economy*, ed. W. Scheidel and S. von Reden (Edinburgh 2002). In selecting this title and in naming the first part of their volume, ‘After Finley’, Scheidel and von Reden, too, clearly consider Finley’s work as the point of departure for modern discussions of the subject.

132 R. Saller, ‘Framing the debate over growth in the ancient economy’, in *The ancient economy*, ed. Scheidel and von Reden, 257. If Saller represents what Scott Meikle describes in the same volume as

not just by following Saller's sound advice of 'dispensing with misleading polarities'¹³³ between the opposed camps but by finding unresolved (and unresolvable) tensions within each and above all in the writings of Finley himself. Put differently, the escape route from the Finley/anti-Finley trap pursued here has been through finding the anti-Finley in Finley and thus showing the Finleyists (or the Marxists and the modernists) that, at least in some respects, by accommodating other traditions they may also consolidate their own.

Most key concepts employed or examined here – class, embeddedness, and modernity, too – are multifaceted. This allows for misuse and overuse, conflation and confusion. In the foregoing and in the relevant literature at least four different notions of embeddedness and three different uses of class may be found. These are now briefly reviewed, and the conception of 'modernity' developed as well as assumed in this study, reconsidered. Again, the suggested distinctions are not exhaustive or immune to the problems already outlined. But they should at least raise the issue that the prolongation of the debate may have resulted from conceptual ambiguity as much as from substantive differences among the parties involved.

First, embeddedness at the broadest level is used as a concept in a long-evolving paradigm developed as an 'institutionalist' alternative to theorization in classical and neo-classical economics of the optimizing actions of atomized individuals.¹³⁴ Embeddedness here is not just a feature of pre-capitalist societies, but is intrinsic to all social orders. For, as Oakeshott observed, 'a genuinely *laissez-faire* society has never existed anywhere on earth at any time'.¹³⁵

In his 'Foreword' to the latest edition of *GT*, Stiglitz reinforces Oakeshott's observation by referring to the 'myth of the free market' and emphasizing that 'self regulating markets never work', as does Block in his 'Introduction' when he takes Polanyi to be saying that, although the classical economists wanted to, they '*did not* and *could not* achieve' a disembedded economy (emphases in the original).¹³⁶ But to insist further, as Block also does, that this is the only conception of embeddedness to be found in Polanyi, universalizes the latter's other, more determinate and analytically, historically and politically significant, conceptions out of

'moderate modernism' ('Modernism, economics and the ancient economy', 248), a decade earlier Paul Millett expressed a similar frustration as a perhaps radical anti-modernist when he said 'The so-called "primitivist-modernist" controversy ought to have died a natural death long ago, but it still refuses to lie down', *Lending and borrowing in ancient Athens* (Cambridge 1991) 9; cf. Meikle, *ibid.*, 235-36.

133 Saller himself attempts to do so in the case of economic growth in the Roman economy by 'dispensing with misleading polarities' between the modernist followers of Rostovotzeff and the primitivist followers of Finley and examining the remaining areas of contention with greater conceptual sophistication. From a position much closer to Finley, Paul Cartledge, too, makes a similar call in 'The economy', 14, n. 8; see also H. Parkins and C. Smith, 'Time for change? Shaping the future of ancient economy', in *Trade, traders and the ancient city*, ed. Parkins and Smith (London 1998) 4ff.

134 See G. Hodgson, 'The return of institutional economics'; cf. J. Coleman, 'A rational choice perspective on economic sociology', in *The handbook of economic sociology*, ed. N. Smelser and R. Swedberg (Princeton 1994).

135 Quoted in I. Gilmour, 'Review: *Ideologies of Conservatism* by E. H. H. Green and *Statecraft: strategies for a changing world* by Margaret Thatcher', *LRB* 11 (6 June 2002) 16-17 (16). Like other utopias, *laissez-faire* capitalism exists discursively and shapes policy and political action, and in its hegemonic rise in the nineteenth century lies an important difference between ancient and modern modernities.

136 J. Stiglitz, 'Foreword', in *GT* (2001) xiii and vii; F. Block, 'Introduction', in *GT* (2001) xxvi.

existence.¹³⁷ The very title of his great book referred to the ‘unnatural’ upheaval that was the rise of the disembedded market economy in nineteenth-century England. According to Polanyi, this led to resistance as well as ‘counter-movements’ for social re-embedding, from the trade unions to Fascism, which blocked the differentiation of the economy (or the elimination of the polity) in any absolute sense. But this should not obscure the main focus of Polanyi’s perspective which was the historically unique and, in his view, calamitous consequences of the realization of the ‘market utopia’ in the relative sense that any political project is realized in history.¹³⁸

In any case, the question becomes historically and comparatively significant only at the next level, when different types of embeddedness are distinguished. For Polanyi, one of these is set apart as disembedded precisely because it is instituted along the lines prefigured in the work of Adam Smith. Here the research programme offered is straightforward. Are the livelihoods of Classical Athenians organized mainly by and through a ‘redistributionist’ centre (as variously found in Sparta, Crete, certain Mesopotamian states, or indeed in Polanyi’s own contemporary ideal of the Soviet five-year plans), or through combinations of autarchic and generalized reciprocal arrangements, or some variant of a market order? Posed in this way, Ste Croix’s aforementioned (market) answer seems unavoidable. Interestingly, this conclusion is supported by Finley when, in explicit contrast with the Near East, he finds that the ‘Graeco-Roman world was essentially and precisely one of private ownership’, even though, at the same time, he denies its modernist import by, for example, claiming that its markets were not ‘interdependent’, or that ‘to speak of a “labour market” or a “money market” is immediately to falsify the situation’, and so on.¹³⁹ It is at this level that the contributions of Osborne, Cohen, or Loomis about commercial trade, banking, or labour markets and inflation, in Archaic and/or Classical Athens undermine Polanyi’s position and check Finley’s manoeuvres to defend it. Not only did these and other markets exist at various degrees of maturity, but the evidence is even more extensive and decisive concerning the differentiation of the polity and the economy, and the distribution of wealth as the basis for taxation and collective ‘class’ action.

Even explicit norms and policies, such as discouraging or banning the sale of land to those outside the *oikos* or *polis*, must be taken as legal and cultural expressions and responses to economic disembeddedness as an historical and discursive actuality and as a process that could be shaped politically. In other words, the disembeddedness of the economy should not automatically be associated with the dominance of economic values or the instrumentalization of politics in the interest of the wealthy, as demanded by reductionist holism. Such arguments require reliance on a master concept – slave mode, embeddedness, market – as the integrating

¹³⁷ *Ibid.*, xxv-xxvii.

¹³⁸ This point is underlined by Polanyi in a letter to his brother in January 1941 when he was writing the book that became *GT*: ‘The main thesis is that the cataclysm was due to the matters of an economic order, the last 150 years having been eminently an age of economic determination. This again was due to the manner in which our industrial society was organised, entailing as it did, the separation of the economic and political spheres’. He reiterates the point, *contra* Michael Polanyi’s objections, after the publication of *GT*: ‘The separation of politics and economics is not the charge levelled by “Marxian” socialism against a market economy, but it is mainly my non-Marxian formulation of the characteristic of 19th century society. I call this the institutional separation of the political and the economic spheres’. Cited in Congdon, *Seeing red*, 79, 82-83.

¹³⁹ *AE*, 28-29; 22; 23, 147-48, 197-98.

key to understanding complex and unevenly evolving societies. A disembedded economy may be dominated by politically determined conceptions of public good or non-economistic values and norms. Although not employing the same terms, Christian Meier points towards this conclusion in his study of Athens:

Political equality could in fact become effective only when wide sections of the citizenry ... had so far *detached* themselves from the social order as to be able to build up, in opposition to it, a political sphere in which different power relationships prevailed ... Insofar as the citizens pursued *economic interests* in politics, these arose from their desire, as partners in the city, to assure themselves of the necessities of life, of remuneration for their political activity, and of a share in the city's revenues; they did *not* derive from any economic position or activity that might have been of prime concern to them. (emphases added)¹⁴⁰

This formulation accommodates the contrasts drawn by Marx and Weber between Western antiquity and modernity on the basis of the dominance of politics or economics and political or economic man, but sets them in a disembedded context. It is also compatible with Scott Meikle's re-presentation of the debate around the opposition between use values and exchange value as the 'primary end' of economic activity, but it does not necessarily associate the former with 'non-market' societies and the latter with 'market ones'.¹⁴¹ The Greeks' discovery or invention of politics is an outcome of the same complex process that leads to their invention of economics, whatever the outcome of the dispute about the value and meaning of Aristotle's economic thought. The economy cannot be embedded in the polity without the polity being enmeshed in the economy. Conversely, politics cannot dominate the economy without a prior differentiation of the two.

The distinction between embeddedness and dominance still allows retention of the spirit of Polanyi's insistence on the distinctiveness of nineteenth-century capitalism and in particular the role of intellectuals and the state in constructing and consolidating it. This can be shown by reformulating Oakeshott's observation to say that the liberal *laissez-faire* economy has existed as a dominant utopia and vision of good society and, therefore, as a guide to public policy, only in this period. Seen from this vantage point, the Athenians, far from embedding the private in the public, or the economy in the polity, displayed notable rigour in maintaining the boundaries between them.

This leads to a third conception of embeddedness as referring to the institutions that frame economic activity and the extent of their specialized differentiation. The central question here concerns the predominance of the *oikos* as the site of economic activity. From this angle, the Athenian economy was by definition embedded and, from the medieval and modern

140 Meier, *Discovery*, 168, 166. See also Burke, who rejects the equation of the onset of the disembedding of the Athenian economy with simple 'increase in the volume of trade' and in particular emphasizes the 'long term cash subsidies provided by the state to its citizens, notably those of the thetic class', 'The economy of Athens', 201.

141 'Modernism, economics and the ancient economy', in *The ancient economy*, ed. Scheidel and von Reden. Although generally sympathetic to the primitivist cause, Meikle notes the 'lamentable' and other exaggerations of Polanyi and other primitivists (238ff.). The point here, however, refers to the often neglected 'market socialist' insight that markets as such are not, and should not be seen as, the exclusive preserve of capitalism and bourgeois hegemony.

perspectives, primitive. But this requires the proviso that the *oikos* of Classical (or archaic) Athens was no longer, if it ever was, the autarkic *oikos* of the original *oikos* debate. For the *oikos* remained the main provider, whether its economic activities were aimed at immediate use or the market, and whether it was engaged in the most 'natural' agricultural production or in the least natural types of money lending. Thus, in the Athenian case, the rise of market exchange did not entail either the hegemony of 'economic values' or the spread of economically differentiated organizations. This vantage point distinguishes between what Polanyi called 'market exchange' as the aim (or one aim) of economic activity (and the mechanism for its allocation) and its institutionalization in households, firms, and so on. It is the lack of necessary correspondence between these that allows Cohen, a forceful 'modernist' critic of Finley, to argue the case for the disembeddedness of the Athenian economy whilst still fully concurring with Foxhall, a self-proclaimed 'irredentist substantivist', that materially the *oikos* dominated 'the economy of the Greek city-states, since economic enterprises largely existed and were managed within the structure of households'.¹⁴²

The persistence of the *oikos* reinforces and extends the point made above about reductionist holism. The differentiation of economy and polity does not necessarily lead to the dominance of the former, as in modern capitalism, but nor does it homogenize the institutional forms of economic activity. As with the Athenian polity, the Athenian economy presents a mixture of institutions and values similar, different, and similar and different, to those of modern capitalism. Even the *oikos* refuses the comfort demanded by the modern followers of ancient philosophers that it only serves its own needs or those of the *polis* or, conversely, that it functions as the perfect substitute for the modern firm.

The fourth and final conception of embeddedness coincides with the first and broadest use of the concept of class and designates a particular type of 'modern' society. It may be represented here by way of recent assessments of Polanyi's paradigm, which show that even in Mesopotamia, market trading and commercial production were much more extensive than he (or Finley) assumed. These findings are somewhat perverse as they reinforce the general modernist position by suggesting a strong convergent tendency in complex societies towards market allocation of resources. But by thus identifying Babylonia, Athens, and modern Europe all as variants of 'market economy', they tend to underplay the distinctiveness of Graeco-Roman – and indeed modern Western – developmental paths. The opposition to barbarians and the barbarian ideal type and the cosmopolitan *metics* was central to the consolidation of the Athenian citizens' collective identity and historical consciousness, and it was the force of a similar opposition in the European Enlightenment that eventually compelled Marx to contemplate abandoning the universality of class conflict and turn to the 'Asiatic mode of production' to account for the societies whose 'stagnating' trajectories were not shaped by class conflict.

The resolution of this dilemma points to a conception of disembeddedness capacious enough to address consistently the differences between Athenian and bourgeois modernity as well as the common 'modern' features that set both apart from other formations. It is this conception that coincides with the notion of 'class' or 'modern' society and includes 'market society' or capitalist disembeddedness, but is not reducible to it. It rests on the historical claim

¹⁴² Cohen, *Athenian nation*, 37; Foxhall, 'Access', 219.

that the class struggles of archaic Greece presupposed (*i.e.* were embedded in) a process of disembedding of Athenians as autonomous agents with the capacity (discursive as much as coercive) for the collective construction and pursuit of ideal and material interests. No other peasantry (or representatives thereof) ever achieved this capacity or found itself in conditions to use it to extend legitimate political power and agency to itself and to do so without denying it to other autonomous actors. This internalization of the others' autonomy within an emergent sphere that legitimizes difference (and, therefore, conflict, dialogue, demagogy, reflection, compromise) and thus posits public (third person) justice as constructed rather than given, and necessarily 'compromised' rather than absolute, is personified in the remembered Solon.

According to Castoriadis, 'the interest in the other starts with the Greeks. This interest is but another side of the critical examination of and interrogation of their own institutions'.¹⁴³ In terms discussed here, this twin claim can be put differently by saying that the interest in the Persian, Trojan or Egyptian other was underpinned by the interest in the Greek other and indeed the Athenian other, who became sociologically and politically irremovable through the struggles of the Solonic period. This in turn can be translated into the claim that the period marked the disembedding of the Athenian other, or the constitution of a multi-actor society with its intrinsic pluralist, pluralizing, and modernizing dynamics. Ancient Athens thus became modern in this sense long before Cohen's commercial bankers and Loomis's labour markets. Athens' modernity, from this vantage point, is not negated, even if Meikle's claim is accepted that its economy was never dominated by exchange value or that, in Tandy's words, it never became a 'market dominant' economy.¹⁴⁴

This type of disembedding is broader than and logically and historically prior to the other types. It focuses on what, at the most general level, makes Athens and modern Europe modern, but it also has room to accommodate their differences, including the extent of the profit-making sectors, the dynamic integration of science and production, or the dominance of the *oikos* or aristocratic or bourgeois values. Moreover, it frees the concept from the association with profit-making economic activity and chimes more with the spirit of Polanyi's agenda, namely to counter the claim that the pursuit of self-interest and 'the tendency to truck and barter' were inextricably and overwhelmingly embedded in human nature and thus universal.

Modern society, in the sense just described, is a class society inasmuch as it is characterized by the mutually recognized, though variously disputed, capacity and rights of its citizens to engage in collective action. As understood by the Athenians, too, class actions on behalf of or against the 'poor' or the 'rich', or for the *polis* and against other Greek states, the Persians and so on, are sub-species of collective action in the sense that Xerxes's massive expedition against the Athenians was not. This is why the opposition between liberal and Marxist traditions over the nature of Athenian democracy – one emphasizing individual freedom and popular sovereignty in the funeral oration, Euripides's tragedies, and orators, the other Aristotle's politics and equality and class rule of the majority – is not sustainable at this level of analysis. The Solonic episode points to both perspectives as conditions of possibility and as consequences of each other. The autonomous, disembedded, individual, able and willing

143 C. Castoriadis, 'The Greek *polis* and the creation of democracy' in *The Castoriadis reader*, ed. and trans. David Ames Curtis (Oxford 1997) 268.

144 D. Tandy, *Warriors into traders: the power of the market in early Greece* (Berkeley 1997) 122ff.

to join others in the construction and pursuit of collective interests is an emergent condition of possibility as well as the (extended and institutionalized) legacy of Solon. That Solon did not favour class rule is evinced by his middle way (whether this was a myth of his own or later generations, or indeed historical), but his reforms were demanded and shaped by class conflict and served to institutionalize class conflict, consciousness, and discourse.¹⁴⁵ These changes and the broader process of modernity that framed them, however, were not immunized against history. On the contrary, the pluralism and freedom of Athens and Athenians internalized change as a permanent feature and possibility, and this in turn requires (a) a concept of class capacious enough to accommodate historical change in disembedded contexts and (b) the recognition that such a change could alter class divisions and their 'modern' foundations or engender other types of modernity.

Seen in this light, no single undifferentiated concept can comprehend the classical fissure between the central processes of exploitation and social conflicts, or their convergence during the Solonic crisis. The disembedded, and at times conflictual, pursuit of collectively constructed aims cannot be represented by status in any reasonable sense of the term. Modern class theory can deal with both cases, but on condition that direct exploitation as an essential feature of class relations is discarded. By insisting on the historically meaningful and contingent nature of class formation, and on a broad conception that does not necessarily depend on direct exploitation, these conclusions tend to favour what Lee and Turner call the 'weak' neo-Weberian side of the debate.¹⁴⁶ This in turn undermines the consideration of slaves as a class. To split class into pairs – such as the in-itself/objective/minimal or for-itself/political/active sense – will not help, precisely because slaves *qua* slaves were denied in principle even the minimum potential to become the second of the above pairs; thus they cannot be represented by the first either.

The conflicts of the Athenian citizens in the Classical period could be given a new name, saving class for exploitative relations only. The preference here for retaining it, however, is not a matter of harmless convenience, but closely approximates to Weber's and Polanyi's views of class formation as a *modern process* associated with the combination of individuals in the same 'market situation' to improve their life chances. This approach is at once both broader and narrower than the one defended by Ste Croix and shared in a key respect by Finley in *AE*. It is broader insofar as it sets aside exploitation as an intrinsic element of class. It is narrower because it limits class formation, following Finley himself, to only certain periods in history, when the conditions of its possibility are available or emergent, conditions such as individualization, differentiation of economically grounded actors, and the means of collective construction and realization of common aims.¹⁴⁷ Two assumptions are involved here. First, that 'property' is socially differentiated and recognized as the basis of stratification and political action and discourse. This makes the concepts of class and class society historically specific and analytically non-trivial. The second assumption is that a distinction is made between class

¹⁴⁵ See Morris, 'Hard surfaces', 33-44.

¹⁴⁶ D. J. Lee and B. S. Turner, *Conflicts about class: debating inequality in late industrialism* (London 1996) 10ff.; cf. *ibid*, part 1, and E. O. Wright, *Class counts: comparative studies in class analysis* (Cambridge 1997) 29-37; 'The shadow of exploitation in Weber's class analysis', *American Sociological Review*, 67 (2002) 832-53.

¹⁴⁷ This conclusion is in effect recognized by Marx himself when he began to grapple with 'Asiatic' societies, although he did not publish his reflections or pursue them systematically.

societies and the classes therein. Both categories are, by definition, dynamic and subject to change. Even when Athens functioned as a class society, there were significant changes in its class map which in turn necessitate employing the broadest possible conception of class so as to accommodate change. But, however capacious, the concept remains historical and as such subject to redundancy. This is in fact what took place following the collapse of the *polis* and the removal of those conditions that had demanded and engendered it. This means that contrary to the reception of general ideal types such the slave mode of production, or the ‘embeddedness’ assumed by Finley’s ‘model’ of the ‘ancient economy’, encompassing the whole of the Graeco-Roman world during ‘in very round numbers ... the period between 1000 BC and AD 500’,¹⁴⁸ ‘class society’ stands for a dynamic trajectory that is not foreclosed by the concept itself.

As a variant of modern society, democratic Athens was characterized by the uneven historicity of its various components and thus the open-endedness of its overall trajectory. Although, as with contemporary bourgeois society, there was a sense in which it had reached its end of history long before it was overrun by the Macedonians. In Athens’s case, however, this was not due to a lack of feasible alternatives, but rather that these were seen as more or less ‘barbaric’ evolutionary reversals, and, therefore, not worthy of pursuit.

Conclusion 4: Value, theory and evidence in the making of Moses Finley

By the time of his death in 1986, Finley had managed to heat up the Classics that he had found ‘frozen’ in 1966. ‘What excites us to debate now?’ the question that had vexed him earlier, no longer had to be asked. The battle of the ancient economy was raging and everyone who was anyone in the field was forced to take a stand, even those who found the whole thing both ‘absolutely meaningless’ and ‘dangerous’.¹⁴⁹ All this and more had been achieved at a price. Finley’s own position had become frozen in the process. Having reached the limits of primitivism in general, and its Polanyian variant in particular, in the 1970s, the exhaustion ensuing from the decision to persist with both inevitably showed in contradictory formulations, *ad hoc* hypotheses, re-description of rival accounts in the categories of his own discourse, and so on: the symptoms of a research programme in crisis. At the same time, such symptoms indicated the continued vitality of Finley’s work: Marxist, modernist, and even romantic tendencies and insights survived and provided suggestive sources for criticizing his own official stance. Finley may have thus thrived in crisis, but what was lacking was a new research programme so constructed as to overcome the crisis by providing an inclusive framework within which the valuable contributions of all these traditions could be acknowledged and developed further. The problem, its solution, and the failure to pursue the solution can be condensed in one question: why did Finley retreat from the Weberian perspective and programme announced in ‘Anthropology and the Classics’?

In the last essay of the last book that Finley published during his lifetime, this question is rejected as meaningless. Finley claims that precisely the works that were singled out in the preceding pages as representing the retreat from the Weberian approach, in fact represent its faithful pursuit:

¹⁴⁸ *AE*, 29.

¹⁴⁹ C. Starr, *The economic and social growth of early Greece, 800-500* (New York 1977) 16-17; cf. Finley, ‘Max Weber’, 89.

I suppose it is not unreasonable to suggest that my own work has more than any other in recent decades provoked the discussion of Weber among ancient historians, first around my *Ancient Economy* and more recently around my more overtly Weberian article on the consumer-city. Some of that discussion has been dismissive, but some has been serious and that is a new phenomenon ... today there is a genuine attempt to come to grips with Weber's image of the Graeco-Roman world and its development, even though that remains a minority interest in the profession.¹⁵⁰

At this stage readers can judge for themselves. A proviso, however, is in order: as long as the existence of not one but two Webers is recognized, then both positions may be right. In any case, the original question remains, because whether Weberian or not, the conclusions of 'Anthropology' were not pursued in the works singled out by Finley himself. The elements of the answer already given can now be drawn together by turning to the tripartite notion of ideology gleaned from Finley's own writings and introduced earlier as the underlying strategic orientation of the present examination of his work. Ideology as value, as theory, and as professional specialization and use of evidence, corresponds to the value-based construction of the object of historical investigation, the theoretical approach and concepts employed, and the causal historical account itself that constitute my understanding of the key moments of Weber's methodology. For 'ordinary' historians the first two moments are embedded in the more or less routinized research programmes which frame their particular contributions. As a master-historian, a 'scholarch', or an 'author', in Barthesian terms, that attempted to lead his profession, the normative and theoretical traditions with which Finley identified are especially important for understanding his work and its influence.

Ideology as value

Finley's advocacy of partisan historiography must be taken seriously. It is not enough to note the 'central role of confrontation or polemic' in his writing, or his emphasis on the 'historian's duty to take sides' and move on to other aspects of his work as if the whole issue was in fact external to his substantive historiographical interests.¹⁵¹ Which was his 'side', which 'belief' and 'pre-judice' did he value and reinforce? And how did his 'value standpoint' influence his approach to history? Socialism and – other things being equal – primitivism, are the, perhaps obvious, answers.

Converted in the heady days of the 1930s under the double auspices of native American and exiled Frankfurt Marxism, and steeled subsequently by the anti-communist persecutions that drove him into exile in the 1950s, Finley remained a socialist till the end. Albeit his was a socialism of the more accommodating variety that could be reconciled with both Polanyian and Weberian paradigms as well as becoming a knight of the British empire. In any case this and other trappings associated with the more traditional corners of Oxbridge which Finley reportedly embraced warmly, certainly did not diminish the polemical edge or urgency of his writings. What he regarded as the established orthodoxy continued to be targeted with great zeal, even in his last years when it seemed that he himself had become the paragon of the new

¹⁵⁰ *Ibid.*, 88-89.

¹⁵¹ See Shaw and Saller, 'Introduction', xxv.

orthodoxy in ancient history. In other words, his inclusive approach to matters practical and intellectual seemed to have clear limits drawn by an underlying radical exclusivism.

The interview with Alfred Friendly referred to earlier (p. 246) displays the continuity of Finley's ideological orientation and his view of the central political question of his time:

He describes his political and intellectual posture as '*Marxisant*' rather than 'Marxist', meaning he no longer takes Marx and dialectical materialism as gospel, but is Marxist-oriented. Marx's historical analysis has had a profound and continuing effect on his own studies ... He has doubts about the Soviet Union – he confesses ingeniously that he has rejected opportunities to go there lest what he finds disillusion him to an unbearable degree. But he clings to the belief that the evils there, such as they are, were man-made – a falling off, so to speak – and not intrinsic in the system ... But isn't communism inherently, inescapably totalitarian, with the bureaucratic control he sees as the root of the evil actually built into the system? 'No, I don't think it's inherently totalitarian. If I'm wrong? Then disaster. Then I would find no hope. Anywhere'.¹⁵²

The above can be taken as a faithful summary of Finley's general ideological stance throughout his career, except for one understandable but nevertheless mistaken deduction on the part of the interviewer. There is no evidence in Finley's published writings, including the reviews written for *Zeitschrift* in the 1930s, that he ever treated 'Marx and dialectical materialism as gospel'. This does not preclude the possibility that Finley in his youthful years did indeed uphold Marxism more dogmatically than thereafter. He most probably did, and it would be surprising if he had not. But the point is that his commitment to Marxian socialism never appeared in the form of treating Marxist theory as gospel. Whatever his personal and party political views on the matter, his professionalism (and the constraints imposed by the profession) excluded such treatment in his output as an ancient historian. What he felt he had to stress in one of his last methodological essays, despite or perhaps because of his repeated insistence on the importance of 'values and beliefs' in historical writing, was never contravened in his own work:

I do not equate the ideology of professional historians, at least not most of them, with the crude, politically motivated distortions, falsifications and suppressions that marked what passed for Italian history throughout the Mussolini era or that converted Trotsky into a non-person in Soviet historiography.¹⁵³

Such declarations – which no doubt would have been followed by most of the above unnamed Russian and Italian historians in other circumstances – do not settle the question of more subtle or even not fully conscious ideological influences or 'distortions'. Elimination of such distortions provides 'positivism' with its aim: an aim and a tradition which Finley rejected with particular vehemence. Thus it may be asked if and how Finley managed, at one and the same time, to 'reinforce' his favoured values and prejudices – socialism in brief – whilst avoiding politically motivated distortions and falsifications. The answer cannot be straightforward, if only because a subject matter such as the Classical Athenian economy does

152 A. Friendly, 'Interview'.

153 Finley, "'Progress" in historiography', in *Ancient history*, 5.

not directly lend itself to reinforcing socialist values. Nor did Finley's restricted brief as a professional ancient historian, allow or adequately equip him, in contrast to Weber and Polanyi, to make a direct connection between the questions pertaining to the ancient economy and contemporary struggles of pro- and anti-socialist forces.

The abiding attraction of the 'primitivist' cause in Finley's writings on the ancient economy must be understood in relation to this radical limitation on the ancient historian's room for direct political manoeuvre. As was seen earlier, Finley came to appreciate the ideological import and theoretical complexities of the *oikos* controversy following his encounter with Polanyi at Columbia. Ever since, along with direct democracy (about which Finley began publishing extensively and lucidly in the later years), primitivism provided Finley with a cause to demonstrate in legitimate academic parlance the contemporary relevance and 'seriousness' of ancient history. The glory that was democratic Athens was too significant, historically as well as politically and ideologically, to be simply handed over to modernizing historians and market capitalism. If planning could not lay claim to the Classical legacy (as direct democracy could),¹⁵⁴ then the least, and perhaps the most, that could have been done was to deny it to its marketist opponents as well. In this way, Finley was able to advance his values and prejudices, albeit negatively, in an important academic debate without thereby violating the canons of modern scholarship.

The 'marketist' implications of 'Anthropology' could not be contemplated. To have to recognize the mutual links between representative democracy and market economy was one thing, to admit that the most developed form of direct democracy, the concrete model on which was based the liberated society of the future, was associated with disembedded commercial relations was quite another. Such an intersection of modernism and marketism, to put it simply, would have reinforced the wrong kind of belief and prejudice. Popper's *Open society and its enemies*, which drew extensively on Meyer's work, is an especially significant example of this danger.¹⁵⁵ Considering the available evidence, Finley could not deny the conclusions of his own earlier studies. However, he could not pursue them, or continue to expose the limitations of modernist accounts, or define the market economy in such a way as to limit it to modern capitalism. As was seen in *AE*, all this and more is done. For instance by rejecting the applicability of 'market centred analysis' to ancient economic developments, the impression is clearly given that market relations were at best negligible in ancient societies. Finley may seem to have been particularly artful in this regard. If so, this may be taken as an indication of his heightened sensitivity in an era where the prevailing progressive discourse and the general ideological climate precluded serious contemplation, let alone an acceptable resolution, of the problem he faced by testing Polanyi's paradigm to breaking point.

In any case, it cannot be overemphasized that conscious deliberation is not at issue here. The anti-marketist strategies embedded in the radical and mainstream socialist discourses

154 See, however, Robin Osborne's caveat that 'through the *demos*, what was in theory a direct democracy was in practice a subtle representative one', *Demos: the discovery of Classical Attica* (Cambridge 1985) 92; cf. E. Meiksins Wood, 'Demos versus "We, the People": freedom and democracy ancient and modern', in *Dēmokratia*, ed. Ober and Hedrick (1996).

155 In fact, Popper notes the conservative anti-democratic overtones of Meyer's account, but nevertheless is able to use it in his argument, *The open society and its enemies*, vol. 1 (London 1966) 296-97, n. 15.2, 304, n. 48.

precluded certain approaches and allowed the acknowledgment, but not the pursuit, of certain others. At the time, and not just for a steadfast man of the 1930s, there was no happy option of reconciling radical socialist values with available modernist/marketist accounts. Fully consciously or not, Finley remained true to his values as he understood them, but without thereby being able to completely discard the apparently contradictory pull of modernism. *AE* and Finley's subsequent contributions reflect the unhappy nature of this predicament. Precisely for these reasons, it is off the mark to imply that these contributions essentially arose from or were fully consonant with 'Weber's image of the Graeco-Roman world and its development'.

Weber's view of antiquity and his liberal marketism were dialectically related. In contrast to Finley, Weber's equally strong critical stance towards the prevailing institutions of his society did not appear to contradict the result of his historical investigations. Both, moreover, underpinned his somewhat prophetic view of central planning even before the establishment of such a system. Weber's despair was not because of modern capitalism's promotion of individualism, but because of the bureaucratic tendencies it increasingly displayed. Weber was an arch-individualist, and, for that reason, a marketist, as Polanyi lamented. This was nowhere more clearly expressed than in the conclusion to *AG*, the work that, as Finley insisted, best represents 'Weber's image of the Graeco-Roman world'. But, Weber's desperate cry that 'whereas in Antiquity the policies of the *polis* necessarily set the pace for capitalism, today capitalism itself sets the pace for bureaucratization of the economy', did not reflect the kind of values that Finley as a 'serious' historian wished to promote.

The uneasy co-habitation of economic primitivism and political modernism was another source of the incoherence of Finley's work in his last period. The problem here is essentially identical to Marx's conundrum which introduced this study, namely the apparent contradiction between the primitivism of the economic institutions of Greece and its advanced art which 'still sets the standards today'. For Finley it was Athenian politics that set the standard according to which modern representative politics was to be critically assessed and judged. *Democracy, ancient and modern*, published in the same year as *AE*, is a powerful presentation of such a judgment, wherein various features of the most advanced contemporary political regimes are shown to compare, for the most part unfavourably, with Athenian democracy. For a pluralist such as Weber, this kind of radical dissociation between political and economic relations may be explained without insurmountable difficulty. (Although, as it turns out, such recourse to pluralism may not have been necessary in this case.) For an insistent holist like Finley, the problem was a cause of serious tension. There is, in any case, no need to be a holist or necessarily agree with Gouldner's claim that the Greeks were 'in a way the first "modern" people' with lessons for 'understanding the emergence of the new nations today among contemporary "underdeveloped" peoples', to recognize the close, even if delayed, association between political democracy and economic modernization.¹⁵⁶

Finley's apparent refusal to contemplate this question or indeed to remain true to holism was not a reflection of the fractured nature of Athenian reality, but of the cost of celebrating direct democracy, whilst ignoring, downplaying, or denying the possibility that it may have been, among other things, associated with market allocation and a particular form of

156 A. Gouldner, *Enter Plato* (London 1965) 5.

separation of the polity and the economy. A fundamental assumption at the heart of socialism precluded such a possibility: market capitalism at best can promote formal democracy; therefore participatory democracy can flourish only on a radically different basis. We can thus see why Finley's acceptance that Soviet Socialism was intrinsically 'totalitarian' was doubly hard, the end of hope everywhere. Not only would all the struggles, sacrifices, and hopes of his own formative years and of those of countless others, be judged consequently to have been in vain. Worse, the chief legacy of his beloved ancient Athens – participatory democracy – would also, in such an eventuality, have to be buried, or unearthed as an antique – and how he despised antiquarians – rather than as a concrete lived, and living, source of hope.

Ideology as theory

Finley's methodological reflections are not always clear about the distinction between theoretical concepts and models, and evaluative positions and orientations. Nevertheless, his commitment to what he himself called structural or sociological historiography is both clear and, as a form of 'ideology', clearly distinguishable from the one we just discussed. In referring to the common, 'structuralist' characteristic of a collection of essays by the otherwise differently distinguished authors which he had edited, Finley explained:

I mean none of the different, and often incompatible, schools which have adopted that identification in recent decades, but something simpler and more elementary, namely, the view that neither institutions nor their transformations (past or present) can be understood except in their role within the social structure of their day, in the network of inter-relationships that make up any complex society ... Structuralism is not to be confused with 'vulgar sociology' or 'vulgar Marxism' ... Structuralism throws up questions to be answered, often new questions about old and even well-worn topics; it does not provide the answers.¹⁵⁷

Notwithstanding a debatable point or two about structuralism's affinity with non-vulgar variants of sociology and Marxism, Finley presents here a concise summary of the second distinguishing element of his historiography. In contrast with the first, overtly normative and hence buried, the latter was openly proclaimed, propagated and developed throughout his career: programmatically in his early reviews of the 1930s, substantively in what he published from the 1950s onwards, and methodologically in the reviews of the 1960s and 70s and the essays that were mostly published in the 1980s.

Already at the turn of the century, even Bury, the doyen of British ancient historians, had recognized that modern questions and conceptual tools were compelling historians to go beyond political history, or indeed to explain political events by also examining socio-economic conditions.¹⁵⁸ Yet, by the time Finley appeared on the scene, few had managed to actually write such histories with any degree of theoretical sophistication. In Momigliano's words, 'there is no need to go into biography to understand why even in the early 1950s Finley should appear so superior to any contemporary who was writing on the social history

¹⁵⁷ *Studies*, ix-x.

¹⁵⁸ J. Bury, *The idea of progress* (Dover 1955) 19-20; cf. F. M. Cornford, *Thucydides mythistoricus* (London 1907) chapter 5.

of Greece'.¹⁵⁹ Although not as conceptually innovative as the founders of the *Annales* school, Finley placed, initially almost single-handedly, an equally ambitious social-scientific approach on the Classical historians' agenda. Meanwhile, what may be called a school, composed of Finley's own students, but also colleagues in Britain and abroad, evolved around the kinds of questions he pursued. Its identity was most forcefully established by Finley himself in systematic contrast with the prevailing orthodoxy.

We are already familiar with the way he questioned the 'positivist' orthodoxy's disinterested objectivity and value neutrality, without clearly specifying the value foundations and implications of his own variant of primitivism. However, no such inhibitions blocked the contrast between his approach and those of the orthodoxy at other levels. Whereas Finley focused on theoretically mediated socio-economic questions and placed other questions within their socio-economic or 'structural' context, the more traditional ancient historians either concentrated on political events and philological questions or dealt with socio-economic and cultural matters with the descriptive, unmediated common sense categories that floated in their own historically specific social milieu. To this extent and in this context, the orthodoxy could not but be inherently modernizing in its treatment of ancient societies.

In contrast, Finley's holistic/structural periodization was inherently biased towards the opposite 'primitivist' position. Simply put, if indeed Classical civilization represented a distinct 'totality', then to characterize its economic foundations as capitalist – a hallmark of the modern era – or even to emphasize the features it may have in common with modern capitalism was immediately suspect. Especially if the carriers of such confusion generally stood on the wrong side of the barricades in the 1930s and later, or indeed earlier at the inception of the *oikos* controversy too, as Finley bitterly recalled at the height of his career:

Eduard Meyer ... was a political being to an unusual degree ... Socialism was the worst symptom of everything that was going wrong with his world, not only of socialist politics but any kind of socialist thinking. In that respect his views were generally shared in the conservative German academic world. But he was also, in his lights, a methodologist and philosopher of history. That concern kindled the fury against Bücher and the *Nationalökonomien*: their kind of historical periodization was a threat to Meyer's social and political beliefs, to his world and his world-view, not just to his conception of the ancient world. And here he parted company with most of his admirers, who both fled from philosophy of history or theory and clung to their dogged positivism, their scholarship for its own sake, and also largely isolated themselves from their colleagues in economics, social science, economic history and even modern history.¹⁶⁰

The manifold irony of this passage is inescapable. Suffice it to say that, whether or not it is an accurate portrait of Meyer, it is revealing if seen also as a self-portrait. As such, it helps explain both Finley's initial admiration and subsequent hostility towards Meyer as well as the depth of his commitment to primitivism. Substantivist primitivism happily conjoined the two notions of ideology, as values and beliefs and as theory, that shaped Finley's historiography. History, in the sociological sense of marking off historical periods according to socio-

¹⁵⁹ Momigliano, 'The use of the Greeks', 314.

¹⁶⁰ Finley, *Slavery*, 48-49.

economic structures, is directly traceable to Rodbertus and Marx, whose synthesis of German historicism and British classical political economy enabled them at once to deploy and criticize the universal, 'ahistorical' claims made by or on behalf of Smith and Ricardo, whilst grounding their own case for the advent of socialism. Within the narrower confines of Finley's field and the *oikos* debate, the historical focus had been reversed. Marx and Rodbertus, in turning to the historical past, were mainly interested in opening the present to the socialist future. Finley shared their aim, and advanced it through his 'structuralism' which, for all its genuine and in many respects successful refusal to follow 'vulgar Marxism', was framed by a quasi-stages theory of history.

Sociological or structural historiography thus provided the theoretical context within which Classical Athens could be immunized against (consciously or inadvertently) pro-capitalist positivist historians. The effective obliteration of the 'science-value' distinction in Marxian scientific socialism, therefore, was retained at a certain level in Finley's contribution to the *oikos* debate, not because of the reduction of one to the other, as some of his more polemical pronouncements indicate, but because of their fortunate convergence in the so-called primitivist view of the ancient economy. This convergence was sealed by the fact that Finley's theoretical mentors, historical political economists/sociologists to a man, Marx, Bücher, Weber, Sombart, and Polanyi, despite their political differences, all appeared to advocate one or other version of primitivism. As the self-appointed and increasingly recognized champion of sociological (ancient) history, Finley's task in respect of the debate over the ancient economy was therefore clear: to revise and update the work of his illustrious predecessors for the still uncomprehending or unconvinced ancient historians.

In doing so, Finley not only produced a Finleyan primitivism and a Finleyan Athens, but also a Finleyan Weber, a Finleyan Polanyi, and above all a Finleyan Finley. However limiting for understanding all the Finleys found here, the extent of self-reflective effort that went into this enterprise was outstanding. It is in this context and with this 'official' Finley in mind that Ian Morris's otherwise puzzling conclusion may be constructively understood:

Contrary to what his critics often say, the model Finley advanced in *The Ancient Economy* has never commanded a majority support among Classicists, but it is the only theoretically coherent vision of ancient economics to have emerged since the great German debates of the 1890s.¹⁶¹

The first part of the statement goes against the judgement of many followers as well as critics of Finley. But Morris may still be right, once the position of the numerical majority is distinguished from the position that dominates and sets the terms of debate. Finley dominated the debate about the ancient economy – indeed created the debate itself – but probably would have lost, had his position been put to a vote of ancient historians and, at least in part because, unlike Morris or others focused on the official Finley, they saw or sensed that Finley's views did not always cohere or consistently match the available evidence. Nevertheless, Morris is on to something important when he points to Finley's theoretical credentials. In view of the foregoing, Finley could be judged probably the least theoretically coherent Anglo-American

¹⁶¹ 'Hard surfaces' (2002) 27; see also, 'The Athenian economy' (1994); 'Foreword' (1999). These works demonstrate that, since Finley's death, Morris has been the most loyal custodian of his own favoured legacy.

ancient historian of his generation; but, then, he was also the most theoretically informed and engaged and, as an advocate of primitivism, the most persistent. Finley exhausted just about every avenue to advance the cause of primitivism/substantivism, including abandoning it. The fact that after his death the pendulum has swung in the direction of the modernists is as much a tribute to his having taken primitivism to its limits as to the limitations of his efforts.

In contrast to the widespread ‘positivism’ he attacked, Finley’s project was built around a complex analytical apparatus exuding explanatory power, continuity, and credibility, through both confident use (and/or abuse) of theorists and theoretical concepts and traditions. Identifiable and suggestive theoretical agendas and polemical anchorage, rather than theoretical coherence or empirical corroboration, are necessary conditions of hegemonic paradigms in the historical sciences. Finley’s substantivist primitivism satisfied these conditions, whereas the potential, future, closet- and semi-modernists were constrained by the absence of a theoretically grounded, ‘modernist’, discourse. Thus, the fact that Finley’s own – at times desperate – search for a full blooded polemical target rarely yielded anybody closer to his own life and times than Eduard Meyer. Marxism could and, as was seen, did represent, during Finley’s lifetime, such an opposition, but, then, it was compromised by its own internal divisions and flaws as well as by the fact that it shared much of the territory occupied by Finley. Moreover, although reassuringly situated in a long continuous tradition, the camp that Finley put together was first and foremost Finleyan. By this I mean that Finley had far greater room to pick and mix and learn and manoeuvre than his Marxist rivals.¹⁶² Finley’s charismatic authority was self-generated before its debatable reinforcement through the appropriation of Weber and Polanyi.

Yet Finley was a great sociological historian, not a historical sociologist. Although exceptionally versatile in employing theoretical concepts, he was a discerning consumer rather than a producer of these concepts. All his lasting mentors, from Marx to Polanyi, were theorists; he was content critically to follow them and showed no ambition to replace them. Finley’s retreat or confused response in the face of situations not ‘predicted’ by his interpretations of their theories may be better understood in this context. By the time *AE* was conceived, Finley’s own studies clearly pointed to the need for a new theoretical framework that would bring together their modernist as well as primitivist and other insights. *AE*’s interesting incoherence, instead, showed the theoretical limitations of Finley’s sociological history.

Ideology as professional historiography

Finley’s sociological primitivism, in addition to its submerged macro-political/ideological implications for the cause of socialism, had a more direct and indeed more effective, micro-political dimension. It provided him with a substantive weapon as well as an effective battle-

¹⁶² As he once noted in his reflections on the responses to *AE*, ‘an astonishing proportion of current Marxist writing about antiquity (including, but by no means only, the Marxist criticism of *The ancient economy*) consists of quotation and exegesis of the writings of Marx, of Engels with some uncertainty, and occasionally of Lenin. There is a realm of discourse in which these efforts are legitimate, but not, I will insist, in the study we are all supposed to be engaged in, one or another aspect of the Graeco-Roman world, a historical study, not a theological or metaphysical one.’ *The ancient economy and its critics*, unpublished, FP.

cry to organize the campaign to conquer his professional field, a campaign that loomed ever larger in Finley's life, especially as in the West socialism itself became increasingly an academic (or vicarious) affair. Notwithstanding his pronouncements to the contrary, it was specifically the historian's concern with collection and verification of detailed evidence, that distinguished Finley's work from both mere polemic and second-rate applied sociology. Finley's reputation among ancient historians was first made with the publication of his doctoral thesis and the technical virtuosity and mastery of detail it displayed. In his last years, Finley recalled that it was the thesis, rather than *The world of Odysseus* (the book that brought him to the attention of the social scientists and the wider public), that got him the offers from Cambridge (and Oxford) and paved the way to his future success.¹⁶³ At the same time it is true that socialism and sociology in turn insured Finley against antiquarian reductionism:

Professionalism for its own sake, the cult of Research, is an *ideological* stance, too. If no ingredient, no 'theory' is added, no serious concern with broad canvas of the past is advanced, nor is fundamental change illuminated. Everything becomes mere contingency. The tone might be called a modified Panglossianism: all change is for the worse in the best of all possible worlds, except change in the historians' own technique – progress in 'simple description without method'. (emphasis added)¹⁶⁴

Two questions, however, remain. Without professionalism for its own sake, and indeed without its institutional and political recognition, would Finley's own aforementioned warnings against 'crude, politically motivated distortions, falsifications and suppressions' have been effectively heeded? How else could the problem of theoreticist self-enclosure be resolved without some recourse to 'reality' (however delimited and reconstructed), which, in Weber's view, speaks through the necessarily provisional verdicts of the community of specialist historians? Finley's own brief consideration of this problem assumes the existence of an autonomous sphere in which explanations (whether nomological or ideographic) are treated as testable hypothesis:

The familiar fear of *apriorism* is misplaced: any hypothesis can be modified, adjusted or discarded when necessary. Without one, however, there can be no explanation; there can be only reportage and crude taxonomy, antiquarianism in its narrowest sense.¹⁶⁵

The point needs to be put somewhat differently to convey the submerged side of its meaning: without 'antiquarianism in its narrowest sense' there could be no proper testing, and therefore no suitable modification, adjustment, or discarding, as the case may be. Elsewhere in the same essay, 'How it really was', his last and longest methodological study, Finley indeed concedes the partial case for 'positivism' in more direct, if equally grudging terms: 'complete honesty, respect for and critical evaluation of evidence, are only necessary conditions for history-writing as for science; they are not sufficient conditions for either. Accuracy, Housman once wrote about textual criticism, is a duty not a virtue'.¹⁶⁶

163 K. Hopkins, 'Interview with Finley'.

164 Finley, "Progress", 5.

165 Finley, 'How it really was', 66.

166 *Ibid.*, 55.

It was this enduring institutionalization of ‘truth’ as the inter-subjective consensus (itself a disputed and dynamic process) of the community of specialists that shaped Finley’s work into the layered complex of texts and sub-texts that has been explored here. Finley parted company with those he called modernists and antiquarians in large part because of the dissonance of their implicit or explicit claims with the evidence as he found it. And he exited from Polanyi’s paradigm because, as a professional historian, he participated in its critical and more or less disinterested dissection. Subsequently, he re-entered it at other levels and for other reasons, but also by extending as well as revising it in order to make it fit the corroborated evidence. In his selection and interpretation of evidence strong traces of normative and theoretical influences or ‘distortions’ may be found. But strong or weak, deliberate or inadvertent, that is part of the open-ended dialogue in a community whose language is only ideally a translucent vessel of truth. Finley’s uneasy but ultimately firm membership of this community underpinned the tension between the three aspects of his historiography which made it exceptionally suggestive and exciting.

EPILOGUE

'In important ways, we are, in our ethical situation more like human beings in antiquity than any western people have been in the meantime... And if we find things of special beauty and power in what has survived from that world, it is encouraging to think that we might move beyond marvelling at them, to putting them, or bits of them to modern uses.'

Bernard Williams¹

Marx's paradox dissolves under the modern gaze of the Athenians: the normative quality of Greek art or politics correlates with the highly evolved character of the Classical *polis*. The strength of the anti-modernist case from Bücher through to Weber, Polanyi, and Finley, thus comes not so much from denying the modernity of the Greeks and among them the Athenians, as from probing the specificity of this modernity. Without this conclusion as the guiding thread, it is impossible to make consistent and coherent sense of the historical evidence or the various often contradictory reflections of modern writers on that evidence.

The intense dialogue with the ancient Athenians would have long ceased if their modernity was identical with ours: interest could not have been sustained over the three centuries since Winckelmann started in earnest the 'modern' conversation with and about the Greeks. Certain minimum conditions may be adduced from the longevity, breadth and intensity of this conversation. First, that the conversants have recourse to a common language which develops through the conversation itself. Secondly, that the ancient offerings retain their freshness in the face of the ever accelerating pace of change in the nature and interests of the moderns.

What we may call '*historical utopia*' meets these conditions exactly. The historicity of such a utopia engenders a lived-in concreteness lacking even in the most imaginative futuristic visions; their normative, 'utopian' quality offers that which can never be obtained from the merely historical. Put differently, the coincidence of historicity and futurity gives the reflections on historical utopias a unique, puzzling urgency. The substance of reflection may change, but the underlying sense of the special significance of its object remains intact, that is as long as the historic-utopian character of such objects is preserved. The point is nicely illustrated in Oswyn Murray's update of Marx's question a hundred and thirty years after it was first raised:

What is it that fascinates us about the *polis*, the Greek city, as a form of social organization? Why, in this generation, is Athens in particular held up as a model? It has not always been so. Although the historians of the nineteenth century idealized the art and culture of ancient Greece to a far greater extent than we today, they usually regarded the Greek city as a primitive form of organization, and Athens in particular as an undesirable aberration, exhibiting all the worst features of popular tyranny. Yet today, behind a

¹ *Shame and necessity* (Berkeley 1993) 166, 167.

smoke-screen of careful distancing and qualifications, the general feeling is that Athens is ultimately an ideal city, which we moderns must admire even if we can no longer aspire to such simplicity and perfection.²

Athens is the historical utopia *par excellence*. Its historicity itself is of a unique, trans-historical kind: the 'Western', now universal, civilization was founded in Athens and by Athenians, at least insofar as such things can be said to have been founded by or through the acts of any particular body. In this context, the Athenians live in their offspring as well as in the city's historical memory. Marx and the Romantics were wrong: the Greeks did not represent the forever receding childhood of contemporary European man, they were his progenitors. This allows the restatement of the fascination with the Greeks in terms of the recurrent pursuit of the forever elusive power and glory of the father.

What evolutionism hid from Marx and other political economists' purview was this: to represent the first stage of a historical, evolving civilization is also to give birth to it. Birth is of course a bloody, passionate and painful process denied to children, whether the perfect creatures of the romantic imagination or those full of sin or guilt as imagined in the Christian and Freudian traditions. The Greeks, in other words, had a history, even though to us that must necessarily appear as pre-history in as much as we choose to see them as our founding fathers. They were exceptionally versatile, setting unattainable standards for politics and the good life, for arts and culture. Seen from this perspective, the Greeks, not unlike parents, dominate the horizons of their creations.

But Marx and his fellow Romantics were also right. If we have not created the Greeks as such, we have created the changing role they have played in what is, after all, our history. The separateness implied by the parent-child metaphor precludes the interiority of our relationship to the Greeks in this history. We are at one with them in the way that we look back and recognize, vaguely or clearly, ourselves in the children we once were. We can see and understand their flaws and strengths and the intended and unintended consequences of their actions. We can thus celebrate – or lament – the battle of Marathon, or wonder about the Greeks' share in the rise of modern rationality, in ways they never could. We can see them as a completed stage, though only insofar as any stage in a still unfolding life-history will have been completed.

Although located in the past, Greece thus shares with the Marxian utopia an engulfing reach. It claims our future through our past. But the nostalgia and hope that it offers do not suffer from the abstract emptiness of advanced communism or the muteness of its primitive counterpart. Ancient Athens remains inviting even for present-day *metics* because, as a historical regime, its flaws as much as its merits are on display and open to scrutiny. This makes for an all the more interesting and many-sided engagement. Slavery or the oppression of women may be discussed along with the assumed advantages of direct democracy and active citizenship. On these and other questions, the Greeks do not await modern scholarship to translate their deep silences with speculative or comparative generalizations, as it does when it turns to peoples without history. The multiplicity of voices speaking directly through and within histories, poems, plays, orations, and philosophical reflections present another

2 O. Murray, 'Animals of the polis', *TLS* (April 15 1994) 3; cf. M. Hansen, 'The tradition of the Athenian democracy', *Greece and Rome* xxxix: 1 (1992).

peculiar facade of the Athenian utopia. They invite modern students to join the Athenian forum not just in nostalgia or hope, but also as equal and equally, if differently, flawed partners in debate.

The unique, unrepeatable historical circumstances of the rise of Athens and its achievements safeguard its irreducible and irremovable otherness which distinguishes utopias, in the sense meant here, from the more or less interesting, but invariably ephemeral, blueprints that periodically appear. This otherness, however, is absolutized in Weber's work, which variously announces the radical futility of all utopian motives in modern thought. This is why, although as mesmerized as any nineteenth-century German thinker by the romantic celebration of the Greeks, Weber remains curiously unmoved by their example. The point can be put more precisely: Weber was intensely moved by the idealized picture of the ancient *polis*, but it only served to reinforce the horrors of the modern bureaucratic dystopia, whose homogenizing power removed the sociological basis of engaging with otherness, contemporary or historical. Weber's widely recognized failure to examine seriously Athens's direct democracy may thus be seen as an outcome of his desperate impotence to conceive any project of liberation from or reconciliation with the emerging world of instrumental rationality.

Polanyi, however, had such a project and, what is more, he had a historical utopia in the Soviet Union of the 1930s. It was deeply flawed and he knew it. Ultimately, however, it was not Stalin's Soviet Union that moved him, but the overriding need to overcome the dystopia of liberal civilization and its market economy. Against this civilization, all others, classical Athens, but also Tudor England, Hammurabi's Babylonia, the Argonauts of the Western Pacific, and even Hitler's Germany, could be considered utopian in the sense used here. In their otherwise often distasteful ways, they displayed the different faces of the unalienated man temporarily eclipsed by the alienated economic man of the 'utopian' liberal project. Athens and its direct democracy or culture thus did not unduly concentrate Polanyi's attention, except to protect its legacy from appropriation by the exponents of market capitalism.

Momigliano once referred to the Greeks as 'our nearest neighbours'. The 'our', however, stood specifically for Finley, for in Momigliano's own dissenting view, 'classicism, when it is more than academic triviality... is by definition a confrontation with Rome and [Judeo]-Christianity even before it involves the Greeks'.³ At any rate, of all the writers studied or mentioned here, Finley was the one most intensely involved with the Greeks and what they may have had to offer for understanding and changing his world. It is significant that Finley's only explicit and extensive criticism of Weber arose from realizing that his 'scheme of legitimate domination cannot cope with the Greek *polis*' and is therefore 'fatally defective'.⁴ This verdict issued at the conclusion to his last book looks beyond the confines of the *oikos* debate as set by Weber and Polanyi to the possible contemporary political relevance of the Athenian model.

Despite appreciating this, and sharing some of Finley's polemical and political aims, this study may understandably be seen as bad news for Finley. His own work has been used relentlessly to question his preferred conclusions. If it is indeed true that the inconsistencies in Finley's account of ancient developments are rooted in his commitment to socialism, then

³ Momigliano, 'The use of the Greeks', 317, 322.

⁴ Finley, 'Max Weber', 103.

the massive setbacks of socialism in recent years would have doubly compounded his woes, had he lived to witness them.

Yet, if it is true that markets are here to stay, then there must be considerable consolation in the recognition that direct democracy is not irreconcilable with a variously constrained but flourishing market economy, such as existed in Athens in its classical age. That this extends rather than diminishes the utopian appeal of Athens by bringing to the fore the socio-economic institutions and mechanisms that helped ensure the primacy of political ends and values as well as establish perhaps one of the most egalitarian distributions of income and wealth among the citizens of any market democracy, is surely the kind of ironic twist in the continuing 'battle of the ancient economy' that Finley would have appreciated.

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