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**A Fortuitous Invitation and an Opportunity that Influenced a Lifetime of Research:  
My Assistanceship in the Seminar on The Economic Aspects of Institutional Growth At  
Columbia University\***

(Draft. Please do not quote without permission.)

It was the spring of 1954. I was a new graduate student in the Department of Anthropology at Columbia University. One afternoon at the end of my first semester Conrad Arensberg stopped me on campus. When he questioned if, and I confirmed that I had an undergraduate major in economics, he matter-of-factly asked if I would be interested in joining him and Karl Polanyi in a seminar the coming semester. To be honest, at the time I did not know who Karl Polanyi was. Furthermore, I did not realize that professor Arensberg was offering me an assistance-ship until a check from Columbia University arrived in the mail. From that fall until I left to do field research I literally sat at Karl Polanyi’s knees – in his apartment – learning new and different ways to think about the social and economic worlds I was about to devote my life to studying.

Polanyi was a mature and sophisticated 68 years of age. He had already made major contributions to social and economic theory. Now, entering what was to be the last decade of his life, he turned to comparative anthropology and explored what might be learned from “other” peoples and their cultures about the ways they organized the production and distribution of resources -- their substantive economies. His hope was to find alternatives to the destructive way the West had organized social and economic life. I was a naïve 22 just beginning my intellectual journey.

I had planned to do as my doctoral dissertation a study of peasant marketing in Jamaica, oriented by several conversations with Polanyi, and with Sidney Mintz, a fellow Columbia PhD a few years ahead of me. Before we were to leave for Jamaica in the fall of 1956 we spent the summer as part of a group that today would be called a field-school, in Barbados. I was so fascinated by what I was learning that, with the permission of my committee and the Social Science Research Council, I remained in Barbados and studied the family for my dissertation topic.\* I never did study in Jamaica because from my first semester at Columbia my passion was to do research in Brazil. I had my opportunity in 1959 when I undertook my first full time academic appointment at Purdue University. Purdue University had a USAID funded program in the Brazilian state of Minas Gerais. At the suggestion of the campus director of the project I

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\* I did spend time studying Barbadian market women.

applied for, received funding and Eleanor and I (and our first child) were off for a summer to Viçosa where I was to study and advise on the incipient agricultural extension program.

Shortly after arriving I had the good luck to meet Edgar Vasconcellos Barros who taught rural sociology. Edgar was an attorney with a full time practice. He also was a politician. When I discussed agricultural extension with him and explained how it worked in the United States, Edgar was quick to tell me that there were no family farms in this part of Brazil. The region, [geographically an extension of the Paraíba valley,] contained small (for Brazil) family owned plantations (*fazendas*) lived on and worked mostly by sharecroppers who were not paid monetary wages. The relationship between landowner and laborer, Edgar explained, differed from, and was more complicated than, the simple market one in which workers received monetary wages for their labor. People without land in this part of the world were virtually destitute. There was no market that paid wages for their labor. The owners of the land, who seemingly had no other source of earnings and no liquid capital, provided access to their properties, along with seeds to plant. They made available a separate parcel and materials on which the laborer could construct a dwelling, all in exchange for a share of what their tenants sowed and harvested. The North Americans from Indiana, Edgar emphasized, were mistaking these sharecroppers for wage-earning agricultural workers. There was, however, more to the relationship between landowners and their “laborers.” In times of need, for example, each party could turn to the other to provide them with what they lacked. Should a laborer, or a member of his household take sick, and traditional remedies or a vow to a favorite saint not result in a cure, the dependent party could request help from the landowner. Reluctantly, but consistently, the landowner arranged for the sick person to visit a doctor in a nearby town. He would provide the transportation along with a note. The distraught individual would be received, treated and given medicines. No money would be asked for, nor any paid. Anthropologist George Foster (1961, 1963) would later call non-market transactions like these “dyadic contracts” in which the party with the higher socio-economic status was called a patron and the other a client.

Individuals in the region participated in multiple dyadic exchanges simultaneously. Some were with people above them in the socio-economic hierarchy and others were with people below them. Each person would offer and then exchange his own goods or services and others he obtained from dyadic partners. Sharecroppers, who were at the bottom of the system and in need of most everything, gained access not only to land to cultivate and medical services as an extension of their dyadic relationship with the landowner, but to items ranging from legal services to paid employment (mostly on construction projects) during slack periods in the annual agricultural cycle. Landowners, in addition to a share of the crops his lower status client-workers harvested, obtained medical and legal services without charge through dyadic relationships with partners above them. They also procured access to bank loans and construction contracts.

The lubricant in the system, that integrated networks of dyadic exchanges, was the political-electoral system.\* Winners of periodic electoral campaigns gained control over the public funds that, at the time, were the largest source of income for most of those in the small municipalities across the region. Legislators at the state and federal levels allocated constitutionally proscribed monies to pay for basic services including the salaries of the mayor, members of the municipal council, policemen, judges, teachers, staffs at hospitals, etc. They also appropriated funds to build schools, hospitals, police stations, jails and public squares. Those who were active in successfully winning elections had dyadic contractual relationships with people who were parts of networks in which other partners had exchanges with office holders at various levels of government. They used what those relationships made available to them in transactions with those below them, especially those who had contributed to their victories. The most financially lucrative aspects of the process that brought in much of the money that was in circulation were the construction projects. Local elites often had construction companies managed by clients in their network, or in those of a patron. That person then “hired” his client dependents and/or those of their many patrons. All connected took as “wages” from the construction contract the monies they used to make purchases in the market. People at the upper reaches of the network received, as earnings, more substantial shares of the monies from the contract. The mayor and his team administered the contracts at the local level and controlled the distribution of the funds. None of these “benefits” were available to those who lost the election. During a later research project in Portugal\* I encountered a book by a 15<sup>th</sup> century Portuguese prince that presented in outline the redistributive patron-client system I found operational centuries later in Minas Gerais.#

I already had learned from Karl Polanyi that the institutions of the modern economy and society, and formal economic theory, first appeared in Western Europe in the 18<sup>th</sup> and 19<sup>th</sup> centuries. I quickly grasped that they were not universal as their proponents claimed them to be. Moreover, there were cultures that organized the production and distribution of goods and

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\* That provided legitimacy for holding public office.

\* That project was to reconstruct the origins of slavery and slave plantations in the western world.

# The *Livro do Virtuoso Bemfeitoria* was Dom Pedro, the assumed heir to the Portuguese throne and later regent’s attempt to solve the problem of poverty. He incorporated Seneca’s theory of the gift and applied it to the hierarchically ordered, late medieval society in which he lived. Those at the top, the kings and princes who ruled, Pedro implored, should give gifts (benefits) to those immediately below them who, in turn, should give as gifts items fitting their needs to those below them. The *cadeia de bemfeitorias*, or chain of benefits he describes would eventually distribute goods and services to everyone including the poorest and most humble who would receive as benefits what they needed for their survival. In exchange, gratitude (and loyalty) would be owed up the system. Pedro’s book can be read, in Clifford Geertz’ (1973:93) terms, as a model of, and a model for societies like those of Brazil, which did not yet exist at the time. In them, goods and services would be distributed through networks of patronage and clientage. The *Livro do Virtuosa Bemfeitoria* may be understood for patron-client ordered societies in the way Adam Smith’s *Wealth of Nations* is read for capitalist market ones.

services -- their substantive economies -- in ways other than private property, entrepreneurship and price-making markets. I thought that the dyadic contracts and networks of patronage exchanges I had encountered in Brazil were a form of redistribution and one more example of the many alternative ways people had developed to order the distribution of resources. Those working in economic development quickly reminded me that such "traditional" behaviors *would* disappear with modernization. My colleagues from Purdue did not wish to hear about a "traditional" system that would thwart modernization and economic progress. They wanted me to tell them how to make it go away so that it could be replaced, as they were convinced it would be, inevitably, with wage labor and market exchanges.\*

As I discussed my research findings with colleagues in my own and other academic disciplines and in the growing world of development workers, I found myself, and what I had encountered on the ground, being dismissed by what I was to come to understand as the dominant mythological socio-economic narrative of the modern era: that societies, organized as nations, driven by their economies, which is to say price-making markets, private property, entrepreneurship, etc., evolve in a unilineal (single line), ascending direction and that what are taken to be the more advanced forms replace earlier ones that will disappear and cease to exist. This dominant cultural imagery was expressed most explicitly in macro-economic theory, from which policies to help bring about what was taken to be unavoidable could be deduced. By accepting and acting on these policies, governments of nations could aid their citizens by facilitating the development and progress of their nation. Both the left and the right shared this belief in socio-economic evolution and progress, though the specifics of their respective imageries differed. Not only was the micro-economic model of market exchange, and the value of maximization, taken to be universal and imputed to all people but the macro-economic vision of evolutionary transformation and progress was believed to be the only way to understand what was to happen to peoples throughout the world and their cultures. Any attempt on my part to explain that evolutionary theory, since its extension to the human social domain from its Darwinian biological foundations, was based on the ethnocentric imposition, by the proponents of the theory, of their own social, economic, religious and cultural beliefs and practices as the most advanced stage was quickly and emphatically rejected. I was caught up by the same cultural blinders, derived from Enlightenment thought that led to Polanyi's critique of the market and his warnings about its implications being marginalized for so long. That anything other than what were considered the modern, advanced social and cultural arrangements of Western Europe and North America might continue to exist and be of value was heresy. "We too have a culture," Arensberg consoled me when I discussed the reactions to my research findings with him. As much as it flies in the face of empirical reality, shared cultural beliefs often override and lead to even the best research and its implications being marginalized.

Substantive economic behaviors, those other than market ones, often were deemed to be corrupt. Their practice was viewed as immoral – as defined in terms of the dominant belief system -- if not illegal and to be punished under the law. Eventually, of course, these behaviors

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\* Which, for the most part, has happened in the region.

would disappear, to be pushed aside by modernization leaving only the more advanced institutional forms in their wake, forms that had become hegemonic in Western Europe and North America only after the 18<sup>th</sup> century. They were then imposed on the rest of the world by means of colonialism and imperialism, although this aspect of history is not included in the official narrative. The entire range of social, economic and cultural diversity that had existed previously, with its many different substantive economic and other institutional arrangements, by which humanity had lived in a variety of social groups since time immemorial, was to be replaced by the single set of behavioral patterns given birth to by the European Enlightenment. The social unit with which the modern economy developed was the nation. Prior to the European expansion very few societies were organized in this way. Colonialism and imperialism changed this by incorporating peoples across the globe organized in diverse ways into the expanding nations of Europe. Then, after World War II, former colonized peoples were granted their independence, not to revert to their previous organizational (and cultural) ways, or to other patterns better fitting their distinctive cultural beliefs and practices, but to become nations in the image of their former overlords. In this way their governments could implement policies, formulated most often by students of formal economics and government that would enable them to develop and grow. The primary reason for their not doing so, according to most critics, were the still present alternative organizational forms that undermine the proper working of their (now modern) society and its economy. With time, and occasional outside intervention, the conviction reached, believed in and which forms the basis for governmental action is that the traditional or alternative forms will disappear and the new nations, their economies and societies will develop and grow to become like those of the West.

Having learned from Polanyi, Arensberg and the data of Anthropology and early history, and consequently skeptical of the scientific and humanitarian validity of the narrative of evolutionary growth and progress, and its implications for what was being done in the name of helping the “less developed” (or “less advantaged”) peoples of the world I turned my attention to studying how new social and cultural forms come into being. In the 1970s I undertook a project exploring the beginnings of plantation slavery and the plantation system, the cultural practices that dominated the economies and societies of the tropical and sub-tropical Western Hemisphere for centuries after the European conquest. The diverse elements of the cultural complex were first brought together in the Portuguese Island of Madeira at the beginning of the 15<sup>th</sup> century. From there, this new and distinctive way of producing commodities to be sold on the elite markets of Western Europe was brought, after the Pope divided the world between the Kingdoms of Portugal and Spain, to Brazil by its first settlers. From there, two centuries later, it was carried to Barbados and then to other islands in the Caribbean Sea and North America. To my surprise there was not much interest in how this diabolical system, that combined great profits for the European plantation owners and human degradation for the African slaves who performed the labor, came into being but much more concern with how it was brought to an end and the former slaves transformed into free wageworkers in the modern economy. Glossed over was the fact that in Brazil, the largest slave economy, many of the freedmen and women became not wageworkers but the sharecroppers, at the lowest echelons of the networks of patron-client exchanges that I had encountered in Minas Gerais. Their

descendants were participants in the alternative economy that was to “disappear” with modernization.

In collaboration with Arnold Strickon I turned my attention to entrepreneurship that we re-conceptualized from its exclusive application in Euro-American economic terms as the means of acquiring private property in a market to seeing it as a cross-cultural mechanism for cultural innovation and change. By adding the empirical cultural beliefs and values of people in specific social contexts we expanded micro-economic decision-making to develop a model that would explain the behaviors of actors in other times and places.

I examined the alternative ways by means of which material goods and services are distributed in Brazil. Many items continue to move up and down the social hierarchy through networks of asymmetrical dyadic exchanges, mostly in the rural areas but also in inner-city slum (*favela*) communities where I am presently engaged in research. Moreover, the Brazilian political system facilitates, if not necessitates patronage exchanges by office seekers (and office holders) in order to function. Given the Brazilian multi-party presidential system and the large number of political parties, executives, once elected, must exchange patronage to pass legislation and to make the government operational. These alternative behaviors in the political arena – alternative to the dominant image of liberal democracy that is an integral part of the evolutionary economic narrative -- are often viewed as corrupt and referred to as graft or theft. For the past three decades I have been studying what in Brazil are called popular religions. They are alternative to still numerically dominant Roman Catholicism. The appeal of the diverse Afro-Brazilian, Spiritist, folk Catholic, Evangelical Protestant and others is that each offers therapy by members of its supernatural pantheon for a variety of physical, mental and spiritual conditions. Like its economic counterpart, modern medicine also treats these alternative treatments as vestiges of the past, as superstition and quackery that will disappear with modernization and progress. At times the medical establishment also turns to the criminal justice system to shut down these practices. The public is more supportive of alternative therapies than they are of the alternative economic and political arrangements. In the paper I will be presenting tomorrow I show that many Brazilians experiencing somatic and/or emotional symptoms enter into what may be thought of as a marketplace in which religious groups, competing for followers, each offers its own variety of supernaturally oriented alternative healing in exchange for affiliation.

Precipitated by the most recent global economic crisis it appears that the pendulum is swinging back. Scholars and public intellectuals are beginning to heed the warnings Polanyi (and others) made explicit more than seven decades ago. What he taught me, and others willing to listen about the dangers inherent in the market system and the worldview in which society is embedded in the economy, is being used as the basis for much of the growing critique. Realizing that Polanyi was right, but that others won the day with what proved to be questionable and at times destructive beliefs, is a good first step. Like all of us here I am pleased that my teacher is finally getting the recognition he justly deserves. But I am waiting for those following his lead to take the next step and see that what remains to be taken from Polanyi's late in life venture into anthropology is his, and anthropology's rejection of the

evolutionary assumptions inherent in the formal economic theory that still serves as the guiding principle in public thinking and debate. This would be to acknowledge and valorize diversity, economic, social, religious, and other that does not fall into the cognitive categories familiar to us. One unacknowledged problem is that the thinking we use in attempting to find solutions to problems like today's economic and political crises derives almost exclusively from the European Enlightenment of the 17<sup>th</sup>, 18<sup>th</sup> and 19<sup>th</sup> centuries. As Albert Einstein observed, in one of his most prescient and oft-quoted observations: "We cannot solve our problems with the same thinking we used when we created them." To do so, he emphasized, would be the insanity of "doing the same thing over and over again and expecting different results."

When I was invited to share with you my experiences as an assistant on the project at Columbia University directed by Karl Polanyi and Conrad Arensberg in the 1950s I told the organizers that I would speak more about the impact Polanyi had on me and my research as an anthropologist than provide reminiscences. I will be forever grateful for the invitation Conrad Arensberg extended to me on that spring afternoon six decades ago to join him and to meet and study with Karl Polanyi. This exposed me to an innovative and creative, but deviant (for the time) way of thinking that led me in unconventional directions that I believe have proven insightful and rewarding.

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