



UNIVERSITÀ
DI SIENA
1240

**QUADERNI DEL DIPARTIMENTO
DI ECONOMIA POLITICA E STATISTICA**

Sergio Cesaratto

Heterodox economics and Economic Anthropology:
reflections prompted by two books

n. 807 – Luglio 2019



Heterodox economics and Economic Anthropology: reflections prompted by two books

Sergio Cesaratto

July 2019

(minor revisions July 2022)

Abstract

This paper has been long ago inspired by Jared Diamond (1997) and, in particular, by his extensive use of the concept of economic surplus as the key to the development of civilization. Unfortunately, Diamond does not even mention the origin of the concept in classical and pre-classical economics. Moreover, Diamond does not pay much attention to the long debates in economic anthropology on the role of economic analysis in studying primitive and ancient economic formations. These debates are instead the object of a more recent book by Cedrini & Marchionatti (2017), who dispute the neoclassical “imperialist” attempt to occupy the territory of economic anthropology. They rely, however, upon the frail institutionalist background provided by Karl Polanyi and his school and by other anthropologists of similar inspiration. In so doing, they fail to provide a robust economic basis to institutional change, by firmly anchoring it around the changing modes of generation and distribution of the economic surplus. These notes are explorative, as also shown by a post-scriptum.

JEL code: A12, B51, B52, Z13

Key words: Surplus approach, Economic anthropology, Marx, Sraffa, Polanyi

“Don Quixote long ago paid the penalty for wrongly imagining that knight errantry was compatible with all economic forms of society” (1974 [1967], p. 86).

Introduction¹

Jared Diamond’s *Guns, Germs, and Steel: The Fates of Human Societies* (1997) introduced the general public to the mysteries of the Neolithic revolution, when the human being went from a state of hunters-gatherers “living for the day” to residential agriculture and husbandry.² Later, an important discussion took place between Diamond (2012a, 2012b) and Acemoglu & Robinson (2012a, 2012b) over the respective diverging interpretations of the dawn of civilization – material circumstances versus institutions. Yet, the extensive use that Diamond does in his work of the notion of economic surplus has so far received little consideration. It is the availability of a social surplus, a net product above the material reproductive needs of the economy, that frees a portion of

¹ I should thank Franklin Serrano who firstly suggested to me to look at Jared Diamond’s book in a classical perspective, and for generously commenting a preliminary draft of this paper. In particular, he invited me to return on an important short book by Krishna Bharadwaj (1935–1992), based on conversations with Piero Sraffa, that allowed me to reinforce some insights of the present paper. Notably, Bharadwaj was not only a schooled economist, but also a deep expert and investigator of rural India. Franklin proposed that this paper should be dedicated to her memory. I should also thank the participants to the Storep conference in Siena (June 2019) and to the Centro Sraffa Summer School (July 2019), and in particular Antonella Palumbo, for perceptive insights. I am finally grateful to Stefano di Bucchianico, Giancarlo De Vivo and Attilio Trezzini for advice on specific points of the “post-scriptum”. All responsibility for any errors is obviously my own. This version 14 August 2019.

² The transition from the condition of hunters-gatherers to the “discovery” of agriculture took place in the so-called Neolithic age, circa 10/12 thousand years before present (BP). The “discovery” of agriculture is impressively recent if we think that the appearance of the first humanoids dates over 2 million years BP and that of the homo sapiens about 200 thousand years BP (see Harari 2014, section 1 for a summary). The triggers of the “Neolithic revolution”, an event the importance of which is not secondary to the “industrial revolution”, are still debated. Famously, Gordon Childe (1935) pointed to climate change, the end of the last ice age and the beginning of dryer conditions: “In the Near East, a dry region to begin with, higher temperatures and less precipitation would invite not only humans but also domesticable plants and animals to take refuge in zones that were spared the desiccation, namely oases and river valleys. The only solution to competition for food in these circumstances, the reasoning went, would be for humans to domesticate plants and animals” (Weisdorf 2005, p. 565). This view was later rejected but, after a long detour over competing explanation in “the latter part of the 20th century, more detailed environmental studies have reawakened scholars’ interest in the idea of climatic changes as the impetus to take up farming” (ibid, p. 568). Since the advantages of agriculture were not so obvious – many authors talk of affluent hunters-gatherers societies – the Neolithic revolution was anyway a slow process. The emergence and transmission of the revolution in the various regions, particularly in Europe, is also a widely debated and politically sensible question. Useful reviews are provided by Svizzero (2017), Svizzero and Tisdell (2014a/b), Tisdell and Svizzero (2016), Weisdorf (2005).

the population from the need of participating to the production of the subsistence goods allowing the human being the development of “superior” activities (like government, religion, war, art and science) detached from the mere subsistence and leading, at the same time, to social stratification. The economic surplus is also a prerequisite for investment, both productive (capital accumulation) and “superfluous” (like buildings for the civil and religious elites).

In actual Diamond was not the first successful popular author on primitive and ancient societies to endorse the concept of social surplus (*Ça va sans dire* that the term “primitive” does not carry any moral meaning). Two popular books by Vere Gordon Childe (1892-1957), who many consider the greatest archaeologist of the past century, *Man Makes Himself* (1936) and *What Happened in History* (1942), also pivots on this concept. Childe coined the terms “Neolithic revolution” and “Urban revolution”. The latter precisely refers to the role of the agricultural surplus in the development of the earlier civilizations. While the endorsement by Childe might not be surprising, given Childe’s solid Marxist background, the use of the notion of economic surplus in anthropology has a longer tradition that goes back to the Eighteenth century (Meek 1976), and continues through Lewis Henry Morgan (1818-1881), Melville Jean Herskovits (1895-1963), until Diamond and many current anthropologists and archaeologists.³ From the point of view of economic analysis, the classical economists’ concept of economic surplus has been rediscovered by Piero Sraffa (1951) after having been “submerged and forgotten” by the marginalist revolution in the late Nineteenth century. Heterodox economists should therefore be naturally intrigued by the diffusion of the notion in economic anthropology. This interest should be boosted by the fact that, in the last decades, economic anthropology has somehow become a contending field between economic anthropologists of neoclassical and more heterodox orientation. However, with few exceptions, the concept of economic surplus has remained rather subdued in this debate, when not openly ostracised not just by the marginalists, but also by a part of the heterodox front led by the devotees of Karl Polanyi.⁴

A recent, thoughtful book by two heterodox economists, Roberto Marchionatti and Mario Cedrini (M&C 2017 thereafter)⁵, enters in this debate, but unfortunately fails to re-address the terms of the discussion assigning to the concept of economic surplus the centrality it deserves relying instead on the frail institutional background provided by Karl Polanyi and his school. In actual, this debate

³ The first number of the journal “Economic Anthropology” in 2014 was dedicated to the notion of economic surplus, although in a more microeconomic perspective compared to the approach taken in this paper.

⁴ Among the few exceptions, Gudeman (1978), Gregory (1982 [2015]) and Earle (2015).

⁵ See also Cedrini & Marchionatti (C&M 2017) for a useful synthesis of their book.

risks to end up in an inconclusive controversy over human nature (selfish or altruistic, rational or irrational) or, in economic terms, over exchange versus gift/reciprocity. Although the arguments of the book are skilful and informative, the failure to change the terms of the debate entails a failure to convincingly hold-back the so-called neoclassical scientific imperialism, that the two authors choose as their adversary. The book prompts, therefore, a reflection if the neoclassical (or marginalist, as we shall prefer to say) colonialism should precisely be held-back by lining up behind the notion of economic surplus rather than behind the Polanyian tradition. In short, taking advantage of Marx's (1973 [1857-8]) terminology, we shall argue that while according to the Polanyians institutions concern only the sphere of circulation of the social production (not necessarily regulated by the market), in the surplus approach institutions (the historically given social order), regulate all the spheres of an economic order, production, income distribution, circulation and consumption, with a predominance of the social relations in the production sphere.⁶ In this respect the Polanyi's school is more akin to the marginalist emphasis of the exchange sphere than to the classical tradition. A less negative and more constructive judgment is nevertheless offered in the post-scriptum

1. Economics imperialism in economic anthropology and the substantive reaction

M&C (2017, p. 2) define economic imperialism "as a form of economics expansionism that would allow the application of economic approaches to human behaviour to territories that lie outside the traditional domain of the discipline of economics. In the last fifty years, in effect, neoclassical and mainstream economics have greatly expanded their scope of inquiry as well as their spheres of influence over other social sciences". In particular "when applied to primitive societies, economics imperialism rests on the ideological (not scientific) hypothesis that the primitive man is already, at least in embryo, a *homo oeconomicus*" (ibid, 7). This marginalist view received its systematization

⁶ Another best-selling popular book on the history of humankind (Harari 2014) nicely points out that culture (in the wide German sense) – he does not use the word institutions - is the DNA of human societies: "The large societies found in some other species, such as ants and bees, are stable and resilient because most of the information needed to sustain them is encoded in the genomeSapiens could invent sociopolitical codes that went far beyond the dictates of our DNA and the behaviour patterns of other human and animal species ...Because the Sapiens social order is imagined, humans cannot preserve the critical information for running it simply by making copies of their DNA and passing these on to their progeny. A conscious effort has to be made to sustain laws, customs, procedures and manners, otherwise the social order would quickly collapse" (2014, pp. 119-120). Unfortunately, also Harari fails to relate culture and institutions to the co-evolution of the material base of societies, as this revealing passage suggests: "To understand the rise of Christianity or the French Revolution, it is not enough to comprehend the interaction of genes, hormones and organisms. It is necessary to take into account the interaction of ideas, images and fantasies as well" (ibid, p. 38).

through the well-known Robbins's definition of economics as the science that studies the allocative choices of economic agents of scarce resources among alternative ends (ibid, pp. 53-7). However, the classical economists are found guilty of imperialism, particularly Adam Smith who committed the "original sin" of regarding the "exchange" as a natural inclination of human beings (ibid, p. 36), notoriously motivated by the "propensity, common to all men, and to be found in no other race of animals, a propensity to truck, barter and exchange one thing for another" (Smith, *Early Draft of the Wealth of Nations* (1763), pp. 570–71, quoted by M&C 2017, p. 33).

An alternative economic approach is found by the authors in a tradition in economic anthropology which is based on the "concept of gift and gift exchange, around which primitive societies are structured" (M&C 2017, p. 7). So, while "by tacitly establishing the universality of economics on the hypothesis that the primitive man is already a *homo oeconomicus*, economics has refused to address the complexity of the gift... the reintroduction of the concepts of gift and gift exchange into the economic discourse can encourage an innovating discourse on economics, contributing to laying down the foundations of an anti-imperialist turn" (ibidem). The most well-known antecedent of this critical stance is, of course, Karl Polanyi and his school (Polanyi et al. 1957), which was in turn inspired by some influential anthropological studies conducted in the 1920s particularly by Franz Boas (1858-1942) and Bronisław Malinowski (1884-1942) who developed the notion of reciprocity. In the 1960s the Polanyian tradition, named by Polanyi himself "substantivism", engaged a fierce exchange with the neoclassical-oriented anthropologists labelled "formalists".⁷ Importantly, while Polanyians rejected the classical surplus-approach as a whole, they limited their criticism to marginalism by confining its validity to market economies and excluding its applicability to primitive societies. M&C (2017) take also inspiration from the French anthropologist Marcel Mauss (1872–1950) and refer to the late American anthropologist Marshall Sahlins (1930-2021).

Also Mauss drew "inspiration from Boas and Malinowski" and "identified 'one of the human foundations on which our societies are built' (...) in the gift, which he described as a basic social rule of pre-industrial societies. In these latter, all aspects of individual and social life were involved

⁷ "The substantive meaning of economic derives from man's dependence for his living upon nature and his fellows. It refers to the interchange with his natural and social environment, in so far as this results in supplying him with the means of material want satisfaction. The formal meaning of economic derives from the logical character of the means-ends relationship, as apparent in such words as 'economical' or 'economizing'" (Polanyi 1957, p. 243). While Polanyi's substantive definition echoes Marx's definition of production - "All production is appropriation of nature on the part of an individual within and through a specific form of society" (Marx 1973 [1857-8], p. 87) - the conditions of production, reproduction and income distribution that characterize Marx's socio-economic formations, are lost in Polanyi.

in ‘gift exchange,’ a complex social cycle (...) structured around the three interlocking obligations to give, to receive, and to reciprocate”. In this vision, “which is in many senses the perfect antithesis to Smith’s ‘bartering savage’ as the founding image of the naturality of market exchange, gifts—rather than contract, barter, or market exchange—are the vehicles of social ties” (C&M 2017, p. 638).

Moving along these lines, Sahlins (1972) argues that far to be confined to a strict subsistence level, primitive societies would display an unexploited productive potential which is voluntarily left idle in a sort of “Zen road to affluency”: “According to the archaeological and ethnological information used by Sahlins, primitive technology is adequate and effective, and therefore it is not the cause of the absence of surplus; on the contrary, it is the result of a voluntary limitation, a choice of the savages. ... It follows ... that the economy of primitive societies is not characterized by the neoclassical rationality, that is, by maximum output with minimum efficient effort”. (M&C 2017, p. 120). The “Zen Road to affluency” would thus be an objection both to the surplus approach that regards a surplus potential as the trigger of economic change, and to the marginalist maximising *homo economicus*.⁸ In the word of Sahlins:

There is . . . a Zen Road to affluence, departing from premises somewhat different from our own: that human material wants are finite and few, and technical means unchanging but on the whole adequate. Adopting the Zen strategy, a people can enjoy an unparalleled material plenty with a low standard of living (quoted by M&C 2017, p. 120).

While the consideration of a richer variety of economic and social formations – if the use of the Marxian expression is permitted – based on diverse economic and social institutions is welcome, the main conclusion drawn by M&C in line with the substantivist tradition, that an alternative to the neoclassical economic imperialism should be grounded on the concept of “gift exchange”, is curious. This alternative would both include an analytical side, a new economic paradigm, and a prescriptive side, a new stimulus for social reforms and cohesion (M&C 2017, 180-196; C&M 2017b, pp. 641-2, 645-6). In this last regard, following Sahlins and Mauss, M&C (2017, p. 128) argue that gift exchange (and not the State) was the primitive social contact that permitted the overcoming of the Hobbesian state of nature: “The exchange of gifts... removes the original condition of disorder and realizes the condition of peace: from Hobbes’s state of war of all against all (that is, the state of nature) to peace through the exchange of everything between everybody”, an example that should be presently followed as a program of social change. The argument has a

⁸ To explain those choices within a traditional context of economic rationality, marginal economists would promptly reply by including leisure time and limited wants in the utility function, or possibly some environmental constraint associated to the long-run preservation of resources – as M&C (2017, pp. 122-5) admit.

striking symmetry with the view of the thinkers in the seventeenth and eighteenth centuries who regarded commercial interests as a device to channel human aggressiveness towards a mutual benefit, overcoming the Hobbesian state of war, as famously illustrated by Albert Hirschman (1977).

It seems to me that a serious confusion is made in this regard by M&C (2017) between the normative analysis (which society we wish, e.g. based on gift rather than on the exchange) and the positive analysis (the history of human societies as it is), while the economic debate is led on the uncertain terrains of a discussion over human nature: the substantivist benign view of the human being as corrupted by the market as symmetric to the laissez-faire view that sees the market as a redemption of the human innate selfishness.⁹ The accusation moved to the Polanyians of nostalgia of Rousseau's good savage is not recondite (Cook 1966).¹⁰ A more pragmatic view of the human being as conditioned by the given historical circumstances would be advisable.¹¹

Moreover, M&C and the substantivists give at time the curious impression of regarding Adam Smith as the ex post responsible of the premature abandonment by the human being of a promising path of peaceful (under)development (Sahlins's Zen Road or Mauss' "wisdom and solidarity") (see e.g. M&C 2017, 186-7). One can of course reject Smith's (rather complex) interpretation of the human nature or too mechanics applications of Marx's historical materialism, but it is untenable to blame these concepts (even the marginalist *homo economicus*) not only to have derailed economic science, but to carry the responsibility of the corruption of a presumed original latent altruistic

⁹ In a similar context Gregory (2000, p. 1000), an anthropologist who wrote his Ph.D. thesis in Cambridge (U.K.) under the direction of John Eatwell, questions that "the fundamental question motivating the study of economic anthropology" is "that of the psychological substrate of the aborigine", suggesting that "the sociological substrate, situated comparatively", is "the fundamental concern."

¹⁰ In the midst of the controversy between marginalist and Polanyian anthropologists, Cook (1966) accused "Polanyites" (Cook 1966, p. 349) of a "romantic ideology rooted in an antipathy toward the 'market economy' and [of] an idealization of the 'primitive'" (1966, p. 324).

¹¹ C&M (2017, p. 642) quote approvingly a British sociologist who states that "Mauss 'discovered a mechanism by which individual interests combine to make a social system, without engaging in market exchange'. However, it is doubtful that large and complex societies could survive on the basis of gift or other so simple social mechanisms. A well-known Marxist archaeologist, Bruce Trigger (1937 – 2006) was firmly critical of this simplistic view. He argued that, as reported by McGuire (2006, p. 71): "hunter-gatherer societies do not provide model for the future, but they do demonstrate that social and political egalitarianism is possible in human societies". In actual, however, "high-level decision-making is required in complex political systems", and this explains (although it does not justify) the appropriation of the surplus by the elites. Unfortunately, this appropriation demonstrates "that altruism is not inherent in the human condition and that we cannot create more-just societies simply by removing the corrupting influences of modes of production such as capitalism" (see e.g. Trigger 2003).

human nature. Capitalism is not the result of economic analyses, whatever their ideological responsibilities! The duty of economic anthropology is, anyway, to explain economic history as it actually progressed, including the succumbing economic formations. The question is then to have a good theory for that. In my opinion M&C (2017) by following Polanyi in discarding classical theory throw the baby out with the bathwater, where the baby is the notion of social surplus that can be the fulcrum of the reconstruction of political economy. Luckily, the economic surplus tradition is lively both in economics and in economic anthropology. Let us therefore turn to this tradition and return on the Polanyian tradition later.

2. The surplus approach

The concept of economic surplus descends from the tradition of the Classical economists and Marx, revived by the work of Piero Sraffa, Pierangelo Garegnani, Luigi Pasinetti, Krishna Bharadwaj and the other followers of the surplus approach (or Modern Classical Theory, see Bharadwaj 1994 and Cesaratto 2019 for an introduction). The economic surplus is defined as the excess of output over the reproductive necessities, the subsistence of workers and the renewal of the capital goods destroyed during the production process.

2.1. A simple model

The Classical concept of social surplus is encapsulated by the equation:

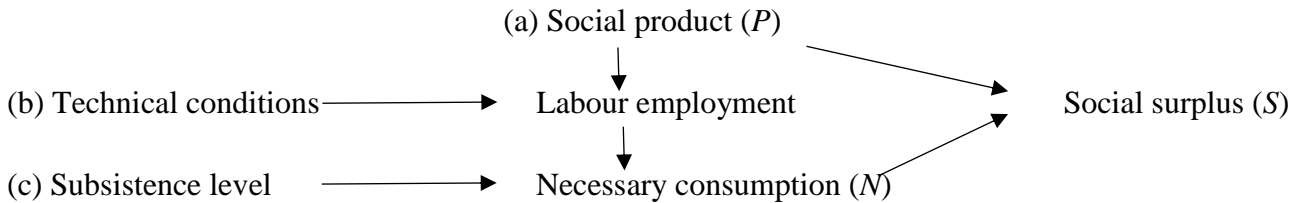
$$S = P - N \quad (1)$$

where S is that part of the physical net social product P (net of the reproduction of the means of production) which is left once workers' "necessary consumption" (or subsistence goods), N , are paid. The social surplus can be defined as the part of the social product that is left once society has put aside what is necessary to reproduce the social output at least at the current level and that can thus safely be used for any other purpose.

Any theory moves from some "data" in order to avoid an infinite regression in the explanation chain. In approaching distribution, the classical surplus approach consider as "given knowns" (a) the level and composition of the net social product P , (b) the technical condition of production, and (c) workers' subsistence level intended as the historically defined physical necessities indispensable for the reproduction of the labour population. The explanation of these data is deferred to a different

theoretical stage in which a larger set of historical and institutional circumstances are considered.¹²

Figure 1 presents a simple determination of the surplus (based on Garegnani 1984)



- Figure 1 -

Given (a) and (b), labour employment is determined and, given (c), also necessary consumption N . Equation (1) permits next the determination of the social surplus S .

The simplest example is that of an agricultural society. In this case, we may assume that P and N have the same physical composition, say corn. Using equation (1) we can easily calculate S . Since Ricardo, classical theory has met major measurement problems that emerge when an heterogenous composition of the aggregates P and N is allowed. This elaboration has culminated in Sraffa (1960) (see e.g. Garegnani 1984, 2018; Pasinetti 1975; Gehrke & Kurz 2018).

To provide some further suggestions, let me refer to an extremely simple formulation of the surplus approach provided by Tony Aspromourgos (2005) in a paper on the origin of the concept of surplus in William Petty (1623-1687). Let us consider a two-commodities economy with no joint production, no fixed-capital and abundance of fertile land; the production process can be represented as follows:

$$A_a + c_a L_a \rightarrow A$$

$$c_a L_b \rightarrow B$$

where A_a is the quantity of commodity a employed in the production of commodity a (of itself); L_a and L_b are the labour inputs in the production of the two commodities (a and b), while c_a is the amount of commodity a necessary for the reproduction of the labour force. In this simple model commodity a , say corn, is used as means of production in its own production and as subsistence good. As long as industry a just reproduce itself, that is $A = A_a + c_a L_a$, production of commodity b is zero. If, however, $A > A_a + c_a L_a$, the surplus can be utilised to activate industry b , that is:

¹² On these methodological aspects see Garegnani (2002; 1984); on the classical theory of wages consult Stirati (1994); on output theory see Cesaratto & Mongiovi (2015); on technical change Cesaratto (1999).

$$S_a = A - (A_a + c_a L_a) = c_a L_b \quad (2)$$

Industry a is a self-contained subsystem able to reproduce itself with a possible surplus. The surplus of commodity a allows the production of commodity b . More interestingly, L_a can be defined as *necessary labour* and L_b as *surplus labour*: the existence of a surplus in the production of the necessary commodity (corn) allows the maintenance of a surplus labour producing a material surplus, e.g., superfluous commodities (say, silk):¹³

The key for the existence of a surplus lays in the fact that in industry a workers have a per-capita productivity which is higher than their own necessary consumption. Given the homogeneity of inputs and outputs in industry a (e.g. corn) we can express this as:

$$(A - A_a)/L_a > c_a \quad (3)$$

That is, net output per worker of commodity a is higher than her subsistence.

In a more complex economy with heterogenous means of production and subsistence goods industry a could be defined as the integrated subsistence-good sector, the vertically integrated sector that produces the subsistence goods for the whole economy and its own means of production. In the terminology of Sraffa (1960) these means of production and subsistence goods are *basic commodities*, that is commodities that are used, directly and indirectly, in the production of *all* other commodities. In our simple system, commodity a is a basic commodity, while commodity b is non-basic. As well known, Sraffa concedes that in advanced capitalist economies workers may participate to the distribution of the social surplus, leaving therefore the role of basic commodities to the means of production, although he reluctantly renounces to the nature of wage-goods as basic commodities, insofar as these goods enter “a far parte del sistema sulla stessa base del combustibile per le macchine o il foraggio del bestiame” (§ 8).¹⁴ Be this as it may, what is relevant here is to remark the flexibility of the classical conception of subsistence as determined by historical material and social circumstances.

¹³ Superfluous with respect of the reproduction of the system.

¹⁴ “Nell’uso normale” (as commonly understood), as Sraffa expresses himself, net national income or produit net, what is produced net of the reintegration of the means of production, is distributed among wages, profits and rent. However, Sraffa argues, wages always contain an insuppressible subsistence core, that can of course vary in a Marshallian secular time (see Pivetti 1999 for a thoughtful exposition of these issues).

2.2. The concept of surplus: some pointers

Some simple pointers about the concept of surplus can also be useful to economic anthropology readers (we comment some examples from Gordon Childe). The social surplus should not be confounded with a surplus in the production of single commodities (or group of commodities, say food). In an economy in which division of labour prevails, single industries will produce a surplus that is exchanged with surplus of other industries. This does not imply, however, the existence of a *social* surplus, once all industries are considered. Sraffa's (1960) initial equations, for instance, provide an example of a "subsistence economy" in which the surplus that each single industry exchange with the other is just sufficient to guarantee the reproduction of the system on the same scale (with no superfluous consumption or net capital accumulation). It is therefore inaccurate to identify the social surplus with the agricultural food surplus, as often done in economic anthropology. For instance, if manufacturing goods are used as an input in agriculture (both as necessities and means of production), then the respective surpluses of the two sectors might be exchanged in a measure just enough to assure the reproduction of the system. However, if the social output basically consist of agricultural products, and this sector self produces the simple tools it uses, the identification of the social surplus with the agricultural food surplus is approximately correct.¹⁵

Similarly, while the existence of a surplus in some industries is a necessary condition for foreign trade, these individual surpluses do not imply the existence of a social surplus. Suppose for instance that countries X and Y produce respectively the two basic commodities *a* and *b*, each country producing a surplus (respectively of *a* and *b*) just enough to satisfy the reproductive needs of the other economy. In practice, we have just taken a two-commodities subsistence economy, drawn a national board between the two industries and called the exchange of the respective commodity surpluses "foreign trade". This might be the case of Neolithic miners in some regions, "highly skilled specialists" that "certainly lived by bartering their products for the surplus corn and meat produced by farmers" located in foreign regions (Childe, 1942, p. 33).

Foreign trade would be associated to a social surplus in case of our simple example if industry *b* is a non-basic industry located in a foreign country. In this case country X will exchange its surplus of

¹⁵ This case should not be confused with that Ricardo's *Essay on Profits* (1815) in which a primary and a secondary sector exist, but the rate of profits is determined in the agricultural sector in the presumption that in this sector wages, capital inputs and gross output approximately consist of a same commodity (corn).

commodity *a* in exchange of the luxury commodity *b*.¹⁶ According to Childe (1936, p. 74), trade in luxuries (“non essentials”) during the Neolithic between self-sufficient communities was the earlier form of trade. Childe (1958a, p. 71) observed also that: “metal was the first indispensable [basic] article of commerce (as contrasted with luxuries [non basic] which, at a pinch, society could do without and had admittedly been traded even in the Old Stone Age) and that metal workers were always professionals, who did not grow their own food”.

Finally, a surplus can be defined also in seasonal terms. As Childe (1936, p. 71) put it, with the Neolithic revolution, “food production, even in its simplest form, provides an opportunity and a motive for the accumulation of a surplus. A crop must not be consumed as soon as it is reaped. The grains must be conserved and eked out so as to last till the next harvest, for a whole year. And a proportion of every crop must be set aside for seed”. This seasonal transfer of a surplus is consistent with both a subsistence economy and with an economy with a proper surplus defined over the whole production cycle, from one harvest to the next.

Recently, economic anthropologists have also pointed out that agricultural subsistence communities, and even the hunters-gatherers, might produce and store a surplus for precautionary motives (e.g. in view of a draught). It would be this decision that gives occasion for an elite to emerge and divert the surplus to support its needs (Halstead 1989, p. 80; Groot and Lentjes 2013, p. 9).

2.3. The surplus approach in the Classical economists and their antecedents

While we owe to Piero Sraffa (1960) a more general formulation of the simple equations shown in section 2.1, we fully agree with Aspromourgos (2005, p. 4) that, since Petty, such “a concept of surplus (or parallel formulations in labour terms) and the associated circular or input-output treatment of production, formed the framework for analysing and binding the structure of distribution and prices, and capital accumulation and consumption – in classical economics and beyond”. That the concept of surplus was widespread among the most important economic writers of the classical and pre-classical period, including “Petty, Cantillon, Hutcheson, Hume Steuart, Mirabeau, Smith and others” (Brewer 2011, p. 488), is not much disputable. No doubt that, given the immaturity of the capitalist system, in pre-Smithian authors the concept was not associated to a fully-fledged theory of distribution between wages, profits and rent, as in the proper classical

¹⁶ If country Y produces an excess of commodity *b* over the necessities of its labouring class, it will also enjoy a social surplus.

period.¹⁷ Related, but not less interesting questions were, however, posed by the pre-classical authors. As Brewer (*ibid*, pp. 503-4) illustrates:

The notion of a marketable surplus of food originating in agriculture, or of a surplus of output over bare necessities (usually identified with the produce of the agricultural sector), played an important part in late seventeenth- and eighteenth-century economics. In itself, the idea that such a surplus exists is trivial, but the questions it points to are not. Will the surplus be produced at all? How is it transferred to those who consume it? What are the “superfluous hands” (in Hume’s terms) to do? It is impossible to pose these questions without thinking about the economy as a whole, and the way different sectors hang together. The common thread that runs through seventeenth- and eighteenth-century discussions of surplus is a concern with the relation between industry and agriculture, between the urban world of commerce and luxury production and the traditional world of the countryside, and with the potential for development arising from their interplay.

If, following the classic book by Meek (1976), we look closely to the pre-classical views, we see that the “mode of subsistence” (what Marx named later “social formation”), namely the social order (institutions) that preside over the production and distribution of the social surplus, shapes the stages of economic and institutional evolution. As a pre-classical author quoted by Meek put it: “In every inquire concerning the operations of men when united together in society, the first object of attention should be their mode of subsistence. Accordingly as that varies, their laws and policy must be different” (William Robertson [1721-1793], quoted by Meek, 1976, p. 2).¹⁸ In the pre-classical authors, Meek shows, the idea is very clear “that societies undergo *development* through successive *stages* based on different *modes of subsistence*” (*ibid*, p. 6, italics in the original). Four stages emerged as prevalent, as also finally ratified by Smith (probably already in the *Lectures on Jurisprudence* in the early 1760s, *ibid* p. 68): hunting, pasturage, agriculture and commerce. Based as they were on inference from the early reports from the newly discovered lands, in particular from the Americas (*ibid* p. 67; M&C 2017, pp. 11-4), this classification does not disfigure in view of modern research (e.g., Svizzero & Tisdell 2014a, Tisdell & Svizzero 2016). Preceded by various authors, Turgot and Smith were the champions of the four stages theory. Passages in Turgot evoke

¹⁷ The origin and legitimacy of inequality, however, was a central question for the European intelligentsia since the query posed by the Academy of Dijon to which famously Rousseau intended to respond (Meek 1976 pp. 76-91). Meek (*ibid*, pp. 70-1) reports that Turgot, contrary to Rousseau regarded positively the emergence of inequality that accompanied that of an economic surplus. Reactions to Rousseau’s quixotic idea of the “noble savage” were possibly not extraneous to the advent of a materialist view of the evolution of social institutions as captured by the four stages theory (*ibid* p. 224). It is generally acknowledged that the hunters-gatherers communities were tendentially more equalitarian (also from a gender point of view) than the subsequent agricultural societies (e.g., Tisdell & Svizzero 2014b, 2017).

¹⁸ The relation between modes of subsistence and institutions begun to emerge in Montesquieu’s *De l’esprit des lois* (1748) (*ibid* p. 33). M&C (2017, pp. 14-28) present a useful review of the early debates complementary to Meek (1976).

later results reported by Diamond about the role of the local availability (or lack) of domesticable animal species on the emergence of a surplus and of more complex institutions (Meek, 1976, pp. 74-5). Economic anthropologist Marvin Harris (1968, p. 29) reports that Turgot

embraced a fairly modern notion of the relationship between economic surplus and social stratification: ‘Pastoral people, with their subsistence more abundant and secure, are more populous. They become more familiar with the spirit of property’ (...). This tendency is increased in the agricultural stage: ‘The hearth was able to sustain many more men than were required to till it. Hence, to a greater extent than among pastoral peoples, men were free for other work: hence towns, commerce...a greater ability in war; the division of labor, the inequality of men, domestic slavery and precise ideas of government’ (...) (quotations from Turgot, *Universal History*, 1844)

Although traceable, the diffusion of the four stages theory among French writers should not be exaggerated given its absence, for instance, in the contributes of Turgot, Rousseau and Quesnay to the *Encyclopedia* (Meek, 1976, p. 97).¹⁹ Be this as it may, in Smith the evolution of the modes of subsistence (the four stages theory) played a central, albeit non-exclusive role in the explanation of the evolution of institutions (ibid, p. 120). A student of Smith recalled, for instance, that on the subject of *Justice* in Glasgow in 1751 Smith

followed the plan that seems of be suggested by Montesquieu; endeavouring to trace the gradual progress of jurisprudence, both public and private, from the rudest to the most refined ages, and to point out the effects of those arts which contribute to subsistence, and to the accumulation of property, in producing correspondent improvements or alterations in law and government” (John Miller, quoted by Meek (1976) p. 109).

Another student’s account of the *Lectures on Jurisprudence* given in 1762-3 reports Smith arguing that

Laws and government may be considered in this and indeed in every case as a combination of the rich to oppress the poor, and preserve to themselves the inequality of the goods which would otherwise be soon destroyed by the attacks of the poor, who if not hindered by the government would soon reduce the others to an equality with themselves by open violence... Settled laws therefore, or agreements concerning property, will soon be made after the commencement of the age of shepherds... (quoted by Meek, 1976 p. 123).

¹⁹ M&C (2017, pp. 23-8) report that Denis Diderot (1713–84) advanced a view of savage populations alternative to that of the four stages theory. While the latter tended to present the savage stage in derogatory terms as the negative of the fourth civilised commercial stage, Diderot revived the *cultural relativist* view anticipated by Michel de Montaigne (1533-1592) two centuries earlier, opening the way to a more sympathetic and appreciative view of the early standard of living and customs compared to that proposed by Adam Smith. Moreover, Marchionatti (2012, p.534) blames the latter of deliberately omitting available evidence about the ability of primitive communities of producing, in principle, a surplus, showing therefore a certain degree of technical sophistication.

Conveniently Meek (*ibid*, p. 125) labels as “materialistic” the approach undertaken by Smith. Presumably, rather than the four stages theory, dominant during the Enlightenment was the idea that it is the progress of human mind and of ratiocination that directs the economic evolution (Harris 1968 pp. 38-41). In this regard, Meek (1976, p. 6) contrasts the solid base of the four stages theory in the “different modes of subsistence” to earlier or coeval theories that refers to “different modes of political organization, or different phases of some kind of ‘life cycle’ based on the analogy of human life” - e.g. the primitive life as the infancy of the human being that would slowly acquires more rational habits. Harris (1968 p. 51) notes that as long as “the Enlightenment theoreticians stressed the factor of conscious rational choice as the key to the explanation of sociocultural differences, they remained cut off from genuine understanding of the systemic and adaptive nature of social organization. They could only see a collection of individuals more or less successfully controlling their passions under a halting influence of reason. They could not see a superorganic system interacting with the natural environment and responding with adaptive evolutionary transformations, which were neither comprehended nor consciously selected by the individual members of the society”. Meek (1976 p. 1 and *passim*) defines this the “law of the unintended consequences”. Both Meek and Harris cite approvingly the views of the Scottish philosopher Adam Ferguson (1723-1818) in this regard.²⁰

2.4. The economic surplus: a fact explained by the social order or else?

The existence of a social surplus above the subsistence given to the working class (considered in a loose sense including slavery or serfdom) can be taken as an empirical fact. A delicate question is then to what extent are we legitimate to talk of labour exploitation. The existence of exploitation might appear as self-evident in pre-modern economies where, for instance, slavery or serfdom were pervasive. It is less evident in a market economy in which the decision about the portion of the social product (or of the social labour time) that is devoted to the subsistence of the labouring class is not institutionally delegated to, say a feudal lord, but it is left to the market. Not surprisingly, the existence of exploitation is matter of controversy, e.g., between the dominant marginalist school and the classical-Sraffian school. If the results of modern debates can and should be applied to pre-modern societies is also matter of controversy, a question notably elicited by Karl Polanyi. While we shall come back on this, I endorse here what Polanyi might have called (with a tone of repulsion) “the economist’s vice”, that is the utilization of modern concepts to shed light on former

²⁰ A more dynamic (dialectic) version of the decisive role of the progressive self-awareness of the human mind (the Spirit) in the progress of humanity was notoriously provided by Hegel. The materialist stage theory and Hegelian idealist views found a synthesis in Marx.

economic formations. This is the method famously suggested with extreme prudence (“with a grain of salt”) by Marx, in the work more concerned with pre-capitalist economic societies:

Bourgeois society is the most developed and the most complex historic organization of production. The categories which express its relations, the comprehension of its structure, thereby also allows insights into the structure and the relations of production of all the vanished social formations out of whose ruins and elements it built itself up, whose partly still unconquered remnants are carried along within it, whose mere nuances have developed explicit significance within it, etc. Human anatomy contains a key to the anatomy of the ape. The intimations of higher development among the subordinate animal species, however, can be understood only after the higher development is already known. The bourgeois economy thus supplies the key to the ancient, etc. But not at all in the manner of those economists who smudge over all historical differences and see bourgeois relations in all forms of society. One can understand tribute, tithes, etc., if one is acquainted with ground rent. But one must not identify them. Further, since bourgeois society is itself only a contradictory form of development, relations derived from earlier forms will often be found within it only in an entirely stunted form, or even travestied. For example, communal property. Although it is true, therefore, that the categories of bourgeois economics possess a truth for all other forms of society, this is to be taken only with a grain of salt. They can contain them in a developed, or stunted, or caricatured form etc., but always with an essential difference (Marx 1973 [1857-8], pp. 105-6).²¹

Let us therefore move from a modern economy. In a sense, the existence of an economic surplus is recognised also by the dominant, marginalist school of thought. Take the conventional factors’ marginal productivity curves, labour and capital. In figures 1a/b we draw these curves for a single firm - but we may well assume, for the sake of the argument, that the economy consists of one firm only.²² The decreasing portion of the functions represents the factors’ demand function. Given the

²¹ According to Marx (1973 [1857-8], p. 85) while production unifies all social formations, it has both general and historically determined features: “Whenever we speak of production, then, what is meant is always production at a definite stage of social development – production by social individuals. It might seem, therefore, that in order to talk about production at all we must either pursue the process of historic development through its different phases, or declare beforehand that we are dealing with a specific historic epoch such as e.g. modern bourgeois production, which is indeed our particular theme. However, all epochs of production have certain common traits, common characteristics. *Production in general* is an abstraction, but a rational abstraction in so far as it really brings out and fixes the common element and thus saves us repetition. Still, this *general* category, this common element sifted out by comparison, is itself segmented many times over and splits into different determinations. Some determinations belong to all epochs, others only to a few. [Some] determinations will be shared by the most modern epoch and the most ancient” (squared commas in the text).

²² In drawing the curves, we follow the rigorous indications by Piero Sraffa (1925). He suggested that from the very beginning the firm will adopt the technique (the capital/labour ratio) that maximises the average product, so it is incorrect to draw a camel-shaped curve of the marginal product as usually done in conventional textbooks. Looking at figure 1a, along the segment OC the firm produces the average product OA. However, at point C, given the limited endowment of capital (of labour in figure 1b), the firm cannot continue to produce with the average product maximizing technique. Therefore, both the average (the dashed curve) and the marginal product begin to fall.

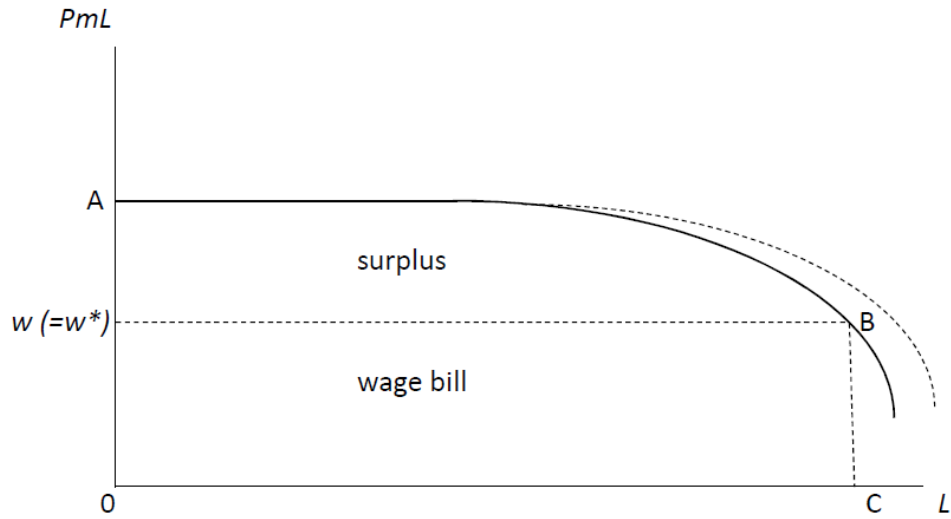
factors' supply (not drawn), competition will lead the economy to a natural income distribution with an equilibrium real wage equal to w^* and a rate of return on capital (call it profit or interest rate) equal to r^* .

Take figure 1a. The trapezoid ABC0 represents the total product, while the area wBC0 represents the wage bill. The area ABw might well be called economic surplus, what each worker produces above her wage. If it was a capitalist who hired the workers, in the terminology of Wicksell (1934, 113) he would be defined “residual claimants” of this surplus. But would this claim be the result of exploitation? Symmetrically to figure 1a, in figure 1b the trapezoid ABr also represents an economic surplus, what each unit of capital produces above its remuneration r . If, following Wicksell, we assume that it is a cooperative of workers that is renting capital then, by analogy, we might conclude that the residual claimant cooperative is exploiting capital. As shown by Wicksell (ibid, p. 126), however, the hypothesis of constant returns to scale is enough to show that each “production factor” will receive its full contribution to production calculated correspondingly to its marginal return. In terms of figure 1, the area ABw corresponds to the area iBC0, that is that the economic surplus in figure 1a is not the result of capital abusing labour, but of the contribution of capital to the value of net output calculated at the marginal product of capital; symmetrically the economic surplus in figure 1b is not the result of labour exiting capital, but of the contribution of labour to the value of net output calculated at the marginal product of labour (the area ABr corresponds to the area OwBC)²³

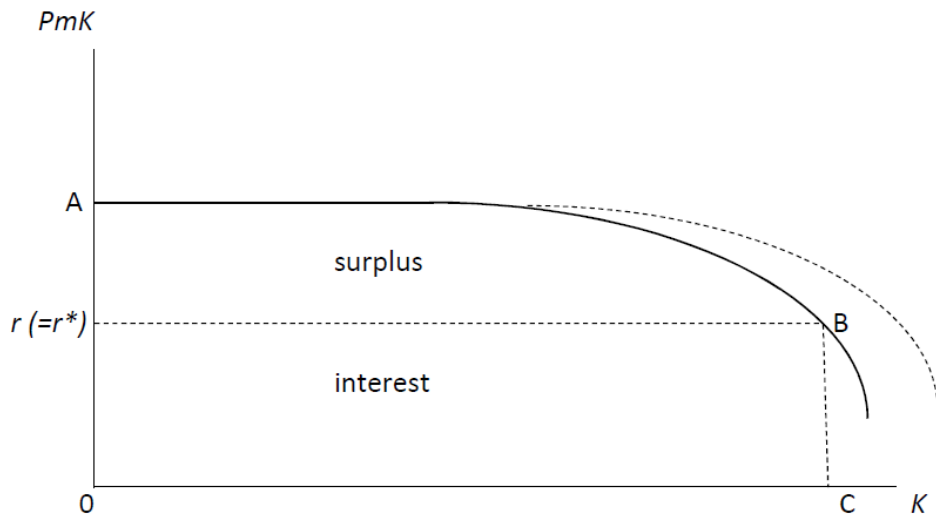
Although these arguments have been advanced with a market economy in mind, adopting the “economist’s vice”, they can be extended to more ancient economic formations - possibly with some embarrassment. Not conditioned by moral *pruderie*, Wicksell suggested in this regard: “the owner of land under a system of private ownership of land must be rewarded for its contribution to production just as the owner of slave labour would be paid if slave labour were hired in the market” (1934, p. 132).²⁴

²³ More rigorous of his modern followers, Wicksell (1934) draws the marginal productivity curves taking labour and land as “factors of production”, aware of the difficulties of measurement of “capital”, the special treatment of which he defers to subsequent chapters.

²⁴ Some embarrassment would of course derive by the justification, at least partial, implicitly given to slavery and serfdom by a straightforward application of the marginal theory to these forms of labour employment. Alternatively, neoclassical economists might regard slavery and serfdom in terms of a “theory of distortions”, that is of deviations from a market ideal (Gregory, 1982 [2015], p. 22). In this regard, one may wonder if the recent theory by Acemoglu and Robinson (2012a), with its emphasis on inclusive and extractive institutions, is a way to mask this discomfiture by diverting the attention towards the much more vague theme of institutions - so that slavery and serfdom appear as institutional failures (named extractive institutions) in the long way towards the



(a)



(b)

Figure 1

To talk of surplus and exploitation in a proper Classical (and Marxian) sense we must therefore have tools available to dispose of the conventional explanation of the economic surplus as that part

(allegedly) more inclusive market economy. Notably, the surplus approach does not suffer of a similar embarrassment since it explains income distribution on the basis of the historically determined relations of production – the institutions that regulate the property rights, the social hierarchy, output distribution and so on. In this respect, it constitutes a general approach adaptable to economic distribution and related institutions in all societies (from subsistence economies to socialism), in fact it is the historically determined key to understand the economic and institutional evolution. Notwithstanding his healthy reaction against the dominant view of looking at earlier economic formations as institutionally imperfect versions of the market economy, Polanyi failed to see the difference between the surplus and the marginal approaches in this regard.

of the net social product that does not go to labour inasmuch as corresponds to the contribution of “capital”.

The question is not left unanswered by Garegnani (2018 p. 23). He proceeds by regarding exploitation in slavery or feudalism as self-evident and founded (in the case of serfdom) on “the (feudal) social order [that] does not allow serfs to appropriate the entire product”. Garegnani likely took inspiration from Marx (1865, p. 132-3) who clearly opposed the open evidence of exploitation in slavery and serfdom to its hidden nature in capitalism:

This false appearance distinguishes *wages labour* from other *historical* forms of labour. On the basis of the wages system even the *unpaid* labour seems to be *paid* labour. With the *slave*, on the contrary, even that part of his labour which is paid appears to be unpaid. Of course, in order to work the slave must live, and one part of his working day goes to replace the value of his own maintenance. But since no bargain is struck between him and his master, and no acts of selling and buying are going on between the two parties, all his labour seems to be given away for nothing.

Take, on the other hand, the peasant serf This peasant worked, for example, three days for himself on his own field or the field allotted to him, and the three subsequent days he performed compulsory and gratuitous labour on the estate of his lord. Here, then, the paid and unpaid parts of labour were sensibly separated, separated in time and space; and our Liberals overflowed with moral indignation at the preposterous notion of making a man work for nothing.

In point of fact, however, whether a man works three days of the week for himself on his own field and three days for nothing on the estate of his lord, or whether he works in the factory or the workshop six hours daily for himself and six for his employer, comes to the same, although in the latter case the paid and unpaid portions of labour are inseparably mixed up with each other, and the nature of the whole transaction is completely masked by the *intervention of a contract* and the *pay* received at the end of the week. The gratuitous labour appears to be voluntarily given in the one instance, and to be compulsory in the other. That makes all the difference.

Marginalist might, however, reject any evidence of exploitation, both in pre-capitalist and in market economies, to the extent that the “residual claim” of the landlord or of the capitalist consists of the remuneration of the “production factor” land or “capital”.²⁵

Echoing Marx, Garegnani points out that any immediate evidence of labour exploitation certainly vanishes when we consider a capitalistic society in which on the one hand “you certainly need no theory of value to ascertain that the worker does not receive the entire product” but, on the other

²⁵ M&C (2017, p. 62) quote for instance an eminent “formalist”, Raymond Firth, who advocates a cautious application of the marginal calculus in a primitive society: “[A]n implicit concept of margin in the use of various factor of production’ exists, ‘as in the transference of labour from one area of land to another according to variations in its productive capacity’ (...); therefore ‘in certain fields of the Tikopia economy there is . . . some realization of the operation of the law of diminishing returns’”. Marchionatti (2008, p. 113) also reports of an eminent formalist, Harold K. Schneider, who defended the direct application of marginalism to any economic system.

hand, “the mere fact that the social order does not allow the workers to appropriate the entire social product, is a question the answer to which can only be inferred from the entire body of economic theory” (Garegnani 2018, p. 24). According to Garegnani, economic analysis has provided two alternative answers: the surplus approach that “confirm[s] that profits owe their origin merely to the social order” (ibid); but also a well different answer, based on the marginal theory, that would show

that the explanation of surplus product (surplus value) in terms of exploitation is only – to use Marx’s own phrase – a ‘popular’ or ‘vulgar’ explanation, pertaining to ‘appearances’, with which common sense rests content, though they may contrast with the results of systematic observation. Indeed, there are strong reasons, which we need not enter into here, to believe that *a foundation other than the mere fact of the existing social order could be shown to exist if modern marginalist theories were correct* and the rate of profit were ultimately the price of a ‘scarce’ factor of production. (ibid, p. 24 my italics)

Fortunately, concludes Garegnani, the modern surplus approach includes an analytical criticism of the marginal theory of distribution – the rightly famous critique to the marginal notion of “capital” –

from which it emerges that profits have no systematic explanation other than the fact that the existing social order does not allow workers to appropriate the entire product. If, then, this approach holds and it is legitimate to describe the revenue of a feudal lord as the result of labour exploitation, it will seem to be no less legitimate to describe profits in the same terms” (ibid).²⁶

We may therefore conclude that the modern surplus approach allows us to safely confide in the notion of surplus as a unifying interpretative key to all the series of historical economic forms (modes of subsistence or social formations). The approach is consistent with a dynamic vision of the evolution of economic formations, based on the co-evolution of the modes of subsistence and of the institutions (the “social order”) that preside over income distribution - including formations in which the social order entails that the surplus potential is not exploited, or is directly or indirectly redistributed to the community at large.

Exploitation takes therefore different forms in different social orders or social formations, each formation being associated to different political institutions.²⁷ As noted by Patterson (2005, pp. 195-6, my additions) who follows Marx:

²⁶ “On what, then, is one’s view of the serf’s exploitation founded?” Garegnani (2018 p. 23) wonders. “The only general answer which seems possible– he responds - is that the feudal lord gets his revenue simply because the (feudal) social order does not allow serfs to appropriate the entire product”.

²⁷ For the sake of the argument, we stick to the standard but simple definition of “social formation” as composed by a material “mode of production” and by a “political, cultural, and ideological superstructure” (Olsen 2009, p. 181), a definition that does not undermine a flexible view of the concept, as we will shortly find in Marx. Vernengo (2013) would nicely articulate the mode of production into two components: “Broadly speaking, what Marx referred to as a mode of production is comprised of two elements, the material conditions of production or the forces of production, which include the means of production that incorporate a certain technology, and the

what distinguishes societies manifesting different modes of production is ‘the specific economic form in which unpaid labour [or goods] is pumped out of direct producers’. What distinguishes direct producers in capitalist states from those in tributary and tribal (kin-organised) [and in feudal] societies is that they have been separated from the means of production, whereas the latter retain possession or control over them as well as over portions of the goods they produce and their labour time. While the appropriation of surplus value during the production process is typical of capitalist production relations, it is not characteristic of either tributary states or the various kinds of tribal [or of feudal] societies that were forged on the margin of states.

Patterson underlines a point repeatedly made also by Krishna Bharadwaj (1994) about the primacy of production over circulation (e.g., over the sphere of both gift and markets) in classical economics. Both Patterson and Bharadwaj refer to an exemplary clear paragraph by Marx (*Capital* III, CH. 47, II)²⁸:

The specific economic form, in which unpaid surplus-labour is pumped out of direct producers, determines the relationship of rulers and ruled, as it grows directly out of production itself and, in turn, reacts upon it as a determining element. Upon this, however, is founded the entire formation of the economic community which grows up out of the production relations themselves, thereby simultaneously its specific political form. It is always the direct relationship of the owners of the conditions of production to the direct producers — a relation always naturally corresponding to a definite stage in the development of the methods of labour and thereby its social productivity — which reveals the innermost secret, the hidden basis of the entire social structure and with it the political form of the relation of sovereignty and dependence, in short, the corresponding specific form of the state. This does not prevent the same economic basis — the same from the standpoint of its main conditions — due to innumerable different empirical circumstances, natural environment, racial relations, external historical influences, etc. from showing infinite variations and gradations in appearance, which can be ascertained only by analysis of the empirically given circumstances.

These passages contain a terse definition of “social formation” as based on a historically determined “relationship of the owners of the conditions of production to the direct producers ...the innermost secret... of the entire social structure and with it the political form”. Although that relationship corresponds to a “definite stage in the development of the methods of labour”, this “does not prevent the same economic basis ... from showing infinite variations and gradations in appearance”. Often accused of mechanicism, this shows that Marx’s notion of mode of social formation as based over its material “mode of production” admits a great degree of sensitivity to the variety of “empirically given circumstances”.

In the seventies the impact of Sraffa and of the Cambridge controversy on the marginal theory of capital was at its apex. A perceptive paper by Gudeman (1978, p. 349, 365) identifies in Sraffa what

social relations of production, which include the organization of production and the customs, laws and rules that guarantee the property of the means of production.”

²⁸ Quotation from the PDF available at Marxists.org.

Economic Anthropology needs to go beyond the inconclusive formalists versus substantivists debate opened by Polanyi, and to structure itself around an alternative economic approach:

if Sraffa and the other neo-Ricardians are correct, the bulwark of the formalist approach may now be severely damaged, in so far as formalist methods are based upon neoclassical theory... In sum, Sraffa presents anthropologists with that which they lack - a way of conceptualizing and calculating production and distribution - but that which they may accept only upon condition of placing it within a set of historically and culturally determined social relationships. To paraphrase the philosopher, this is a method in search of a society.

And referring to authors like Mary Douglas, who moves in the tradition of Polanyi's rejection of the homo economicus, he argues

The difference between the distribution patterns is not a consequence of rational calculations about marginal products and expenditures nor a result of practices internal to a separate sector called "the economy" but a function of the encompassing social and cultural matrices. The explication by Douglas seems to me to be quite in line with both the classical and neo-Ricardian perspectives on distribution. (ibid, p. 368)

On a similar vein, Gregory notes (2000, p. 1003) that although Sraffa's (1960) book "has, so far at least, failed to rehabilitate political economy as the dominant paradigm; however, his contribution ... serves to remind us that *Homo economicus* is a *neoclassical* form of *Homo sapiens*" (my italics).

In this respect, the exchange between economic anthropologists and the classical economics is bidirectional since if "anthropologists have been able to illuminate different economic mechanisms - gift-giving, reciprocity, marketing behavior, forms of agriculture", however "so far they have been less successful at conveying the concept that different total or systemic economic configurations exist" (Gudeman, 1978, p. 373), so that the classical approach can provide a better structure to their analysis. On the other hand, those "different economic mechanisms" might enhance the classical distribution theory as "the Marxian notion of exploitation provides a foreshortened view of the variability of distributive patterns" in so far as "exploitation as explanation of distribution is posited on a unidimensional view of human nature" (ibid, p.374) (neglecting altruism and reciprocity).

Analogously, Gregory [1982 [2015], p. 17] refers to Polanyi and, more specifically, to Sahlins, and points out that the "the distinction between gift exchange and commodity exchange should not be seen as a bipolar opposition but rather as the extreme points of a continuum. The key variable in the movement from one extreme to the other is 'kinship distance' (...): gift exchange tends to be between people who are relatives; as the kinship distance lengthens, and the transactors become strangers, commodity exchange emerges." The distinction would recall that by Marx of social formations based, respectively, on commodity exchange and non-commodity exchange:

In a class-based society the objects of exchange tend to assume the alienated form of a commodity and, as a consequence, reproduction in general assumes the particular form of commodity reproduction. In a clan-based society the objects of exchange tend to assume the nonalienated form of a gift; reproduction assumes the particular form of gift reproduction. This comes about because the objectification process predominates in a commodity economy, while the personification process predominates in a gift economy: that is, things and people assume the social form of objects in a commodity economy while they assume the social form of persons in a gift economy. (ibid, p. 38)²⁹

We shall return on the consistency of the surplus approach and the Polanyian emphasis on gift and reciprocity.

3. Economic Anthropology between economic surplus and garden magic

As well known, Marx and Engels wrote on economic anthropology referring in particular to the pioneering American anthropologist Lewis Henry Morgan (1818 – 1881). I defer to M&C (2017, pp. 36-48) for a review. In this section I rather indulge over two outstanding scholars that made extensive use of the notion of economic surplus, Melville Jean Herskovits (1895 – 1963) and the already mentioned V. Gordon Childe. The political and intellectual atmosphere of their respective country of operation, the U.S. and the U.K., marks their perspective: openly Marxist the second; compromising, at least epidermically, with the conventional wisdom the former.

3.1. Herskovits, the old institutionalist and mild Marxist

Herskovits' (1940) manual in *Economic Anthropology*, considered the first in this field, met ferocious criticism from Frank Knight (1941), a marginalist purist, to which the anthropologist replied with some retraction in a second edition of the textbook (1952). The extent of this retraction has been object of different opinions. M&C (2017, p. 67) and C&M (2017, p. 637), for instance, include him among the neoclassical “formalists”. Indeed, in both editions Herskovits argues along Robbinsonian lines that “in any society, the adaptation of means to ends and the ‘economizing’ of means in order to maximum ends’ is a fundamental problem to be considered” (1940, p. 140; 1952, p. 62). Yet, Herskovits is adamant to take distance from extreme methodological individualism as “society ... is more than an aggregate of Robinson Crusoes; and ...social interaction in terms of cultural tradition dictates reconsideration of the earlier starting-point” (1952, p. 7). The individual

²⁹ Elsewhere Gregory (2000, pp. 1005, 1007) notes that: “The history of anthropological economics can be seen as a continuation of the comparative and historical method of the political economist, and of Marx’s method in particular (...).The new theory of value developed by anthropological economists centred around the concept of the gift. ...Marshall Sahlins’s (1972) classic analysis of gift exchange too has kinship, or more precisely ‘kinship distance’, at the core; he shows that reciprocity varies with kinship distance. This theory, I have argued (...), ‘is a sophisticated restatement of Marx’s distinction between commodity exchange and non-commodity exchange.’”

must therefore be seen as “operating as a member of his society, in terms of the culture of his group” (ibid, p. 8).³⁰

Herskovits also attributes to the dissatisfaction with standard economics the double retreat of anthropologists, initially to a mere technological characterization of successive economic formations (reduced to a list of invention), and later to purely cultural aspects: “The early anthropologists, finding but little to stimulate their research in the highly specialized problems considered by the economists, retreated into technology. Reacting against this and other aspects of earlier work, these more recent writers have brought into the fore-conscious the cultural setting of the economic data in societies other than our own. Tersely stated, it may be observed that if for the earlier students economics was technology, for these later ones it is garden magic and gift exchange” (1940, p. 138; 1952, p. 58).³¹

Rather than marginalism, Herskovits’s reference point is the old American institutionalism, and in particular Thorstein Veblen’s concept of “conspicuous consumption”:

to understand the possible range of variation in these institutions, to analyze the dynamic forces they exemplify for a comprehension of growth and change in culture, or merely to describe them adequately as they occur in a culture with which [the anthropologist] happens to be concerned. What, for example, can we learn from primitive societies of the processes by means of which the unequal distribution of the economic surplus makes for the formation of social and economic classes? What is the economic role of the drive for prestige as this is exemplified in patterns of

³⁰ On this basis, Heat Pearson (2010, p. 170) defends Herskovits from the accusations of recantation. He argues, for instance, that: “Whereas the first edition had spoken somewhat vaguely about the ‘maximization’ of ‘satisfactions,’ it was now stated more precisely that members of all societies ‘economize’ in the sense of choosing rationally when faced with scarce means and competing ends. This change in phrasing did not denote a major theoretical departure, however. Far from vindicating the stereotypical *homo economicus* of vulgar theory, Herskovits (1952, p. 5) reiterated that ‘choices are dictated not only by the alternatives between available items, but by the patterns of the culture of the individual who, in the final analysis, must do the choosing Economizing, that is, is carried on in a cultural matrix.’ If the new chapter was a gift to economists, it was also intended as something of a Trojan horse.”

In this respect Herskovits (1952, p. 6) specifies: “Social conventions, religious beliefs, aesthetic conceptions, and ethical prescriptions all function in shaping the wants of peoples and the times and places and circumstances in which they can be satisfied.”

³¹ Herskovits refers ironically to the influential book by Malinowski *Coral Gardens and Their Magic*. As reported by Pearson (2010, p. 175), two well-known formalists, Schneider and LeClair, former students of Herskovits, presented him “as part of a reaction against Bronislaw Malinowski’s denigration of economic theory, one that managed ‘to establish the respectability of economic theory in the minds of most anthropologists.’” There is a *granum salis* in this interpretation.

the conspicuous consumption of valuable goods and services in order to bolster social position? (1940, pp. 140-1; 1952, p. 63).³²

As noted in the quotation, Herskovits adopts and extensively uses the concept of economic surplus (while there is no trace whatsoever in his work of the marginal distribution theory).

In this regard, after having noticed that “surplus becomes proportionately greater as populations are more numerous” (1952, p. 413), Herskovits asks himself why this is so:

Is there some bio-statistical reason which brings it about that by chance more persons of an inventive turn may make their appearance in larger groups than in smaller ones, and thus create the means whereby the labor of their fellows and their descendants is rendered more efficient? ... Or does the process of directing the surplus goods produced into the hands of a few members of the community, as noted even among groups living only slightly above the subsistence level, create a condition that encourages the thought and reflection which can only come with the leisure enjoyed by some persons? (ibid).³³

Whatever the case, Herskovits notes the connection between the emergence of a social surplus and of inequalities, and introduces one leit motive of his book, the association between the political and religious powers, “those who govern, and those who command techniques for placating and manipulating the supernatural forces of the universe” (ibid, p. 414). After Veblen, both groups are included in the leisure class sustained out of the social surplus (ibid, pp. 416 and p. 459 and passim). Defined as a “social and psychic insurance” (ibid, p. 440), the service of the supernatural and what, after Veblen, is defined as “conspicuous consumption”, are both seen as functional to the political power. In particular, the “position of those in power is established, continued, and constantly strengthened by the prestige that derives from elaborate display and consumption of economically valuable goods” (ibid, p. 461). Display would include “that those who have a vested

³² In the early 1920s Herskovits was in touch with Veblen in New York (Pearson 2010, p. 168). Wisman (2019) sees a continuity between Adam Smith, Veblen, and even Polanyi, on conspicuous consumption and prestige (e.g., p. 22).

³³ According to neoclassical Endogenous Growth Theory, some relationship seems to emerge between the size of local populations in the Neolithic and their respective technological rank measured at the year 1000/1500 or so (before European explorations ended the isolation of various areas). The rationale of this correlation would lie in the following virtuous circle: at the beginning a small population could only generate ideas over long periods of time. Low productivity and subsistence levels kept the population constant. However, once one idea was produced subsistence levels and fertility rose, leading to a larger population. This in turn facilitated the production of new ideas over shorter lapses of time, and so on and so forth (e.g., Jones (2004, pp. 48-56; Jones and Romer, 2009, pp. 10, 14, 24-25). In a surplus approach perspective, Turgot (2011, p. 378) pointed out that, given two populations of the same size, it is education and the degree of division of labour that makes the difference. Diamond’s (1997, p. 185) answer to the “protracted chicken-or-egg debate about the causal relations between food production, population variables, and societal complexity” is that “Intensified food production and societal complexity stimulate each other, by autocatalysis. That is, population growth leads to societal complexity, ... while societal complexity in turn leads to intensified food production and thereby to population growth.”

interest in the surplus goods produced by others have obligations of generosity that take as their form ceremonial lavishness, display and the ritual destruction of property” (ibid, p. 482). On the other hand, Herskovits does not deny that “in regulating the political order, keeping affairs attuned to the supernatural world, contributing to the store of knowledge, or elaborating the setting of government or religion, those so occupied make contributions which, in the end, have resulted in a higher standard of living and a greater enjoyment of life to the people as a whole” (ibid).

Anticipating the neo-Marxist critical theory of the 1960s about the subtle ways to produce social consensus, Herskovits concludes that from “such research... fresh light will be shed on some of the perplexing problems which arise out of the unequal distribution of wealth in our own society” (ibid, p. 483). It is in this deep sense that Herskovits sees a continuity between what he defines “literate and nonliterate economies”:

the institutional aspects of these economic systems are comparable to those of our own, as where the control of wealth, resulting in socioeconomic class differences, interacts with other non-economic institutions to influence their form and affect their role in everyday life. The distinctions to be drawn between literate and nonliterate economies are consequently those of degree rather than of kind. (1952, pp. 488).

In this regard, Herskovits does not disguise his sympathies for historical materialism which he carefully distinguishes from economic determinism. The economic element would anyway influence the institutions that protect vested interests:

In the hands of its originator and his colleague [Marx and Engels], stress is laid almost entirely on the influence exerted by economic elements in culture on those mechanisms and institutions which, based on economic inequalities, are most responsive to the modes of exploitation and the vested interests of special privilege (1952, pp. 494-5).

Polanyians and the formalists are somehow convergent in their criticism to Herskovits. They both reject the concept of economic surplus, that Knight (1941, p. 258) defines “treacherous” (without discussing it), arguing that in Herskovits “politics and religion, as well as art and recreation are practically viewed in Veblenian terms, as non-utilitarian and ‘invidious’ activities” (ibid, pp. 266-7). *Mutatis mutandis*, George Dalton, the principal post-Polanyi substantivist, as reported by Heat Pearson (2010, p. 184), blames Herskovits of neglecting the more altruistic motivations of human behaviour, perhaps in favour of

material acquisitiveness... not seen as historically contingent on people’s social structure but ‘as an expression of their inner being; individualism is regarded as a norm, and society remains invisible as a cluster of individual persons who happen to live together without responsibility for anyone other than kin; economic improvement is assumed to be more important than any social dislocations that accompany it; *man* is seen as a utilitarian atom having an innate propensity to truck, barter, and exchange; material maximization and the primacy of material self-interest are assumed to be constants in all human societies’ (Italics in the original).

It is admissible that institutions in certain primitive societies might be interpreted in more sympathetic (as Polanyians do) or in more malevolent ways (as Herskovits does), but the substantivist accusation to Herskovits of methodological individualism and lack of sensitiveness to the social fabric is unfair and, let me say, rather deceitful. Pearson (2010, p. 189) talks of a list of “indignities to which Herskovits has been subject in the anthropological literature of recent decades”.³⁴ The continuity Herskovits sees in economic history has little to do with “homo economicus” and much with “the generalized nature of the mechanisms and institutions that mark the economies of all the nonliterate, non-machine societies” (ibid, p. 11). I dare to say that this “generalised nature” has to do with the concept of social surplus and the social institutions that preside over its production and distribution, institutions that would of course change in history in a dialectical interaction with the material conditions of production of the surplus. According to Herskovits, the study of the emergence and distribution of the social surplus in ancient societies could be illuminating on our, more complicated, societies, particularly with reference to social consensus over economic inequality (1952, p. 395-7).³⁵ Lamentably, M&C (2017a, p. 67; 2017b p.637), neglect the wide use that Herskovits does of the notion of surplus and institutionalism, include him among the formalist (marginalist) economists, and falsify his image presenting him as an opponent of the classical school (Marchionatti 2008, pp. 81, 99).

3.2. Childe, Keynesian minded and Marxist

V. Gordon Childe, “the most influential archaeologist of the twentieth Century” (Smith, 2009, p.1) was, as a Marxist and a communist, a critical but firm believer in human progress through history

³⁴ The most frequent accusation to Herskovits, both from some Marxists and substantivists like Sahlins (an author much quoted by M&C, 2017) refers to the continuity the former saw among economic formations, likely influenced “by his Veblenian insistence on ‘the desire for prestige’ as a universal personality trait that determined economic institutions in all societies and thus ran counter to the Boasian tradition of psychological and cultural pluralism”, as an historian of Economic Anthropology quoted by Pearson (2010, p. 188) put it. Pearson (2010, p. 188) also quotes a “methodology piece” that accuses Herskovits of posing “fatuous questions about the nature of rent in societies that do not recognize property in land”: “Only by viewing the primitive world through the eyes of a market economist”, the methodological piece concludes, “is one led to ask such meaningless questions!”. This is, of course, the opposite of Marx’s suggestion that “Human anatomy contains a key to the anatomy of the ape”. Some Marxist “cultural anthropologists” have also been critical of Herskovits (see again Pearson 2010, pp. 187-8). They also fail to appreciate the centrality of the concept of surplus in Herskovits. On Sahlins’ accusations to Herskovits see Pearson (2010, pp. 185-6).

³⁵ The Polanyian “manifesto” devotes few pages to criticize Herskovits (Polanyi et al 1957, pp. 348-51). The accusation is to have provided an unbalanced view of primitive societies in favour of the economic elements, typically trade, neglecting dominant non-market features. Economic anthropologists can judge. I can only register that the surplus approach adopted by the American anthropologist is not considered.

“against sentimentalists and mystics” (1936, p.19).³⁶ He explained his Marxism - and that of many of his fellow archaeologists - by referring to the fact that means of production were a typical archaeological record, naturally leading the collectors to wonder first and foremost about the material organization of the society that produced them:

Since ' means of production ' figure so conspicuously in the archaeological record, I suppose most prehistorians are inclined to be so far Marxists as to wish to assign them a determining role among the behaviour patterns that have fossilized. They can do so even in the U. S.A. without invoking the 5th Amendment, since it was to- the 'mode of production' (' means ' plus ' relations ') that Marx attributed such a dominating influence (Childe 1958a, p. 72).

His great frescos of the early evolution of human being are still suggestive and “very broadly correct” (Sherratt 1989), although they need an updating, not least because they were mostly based on documentation available before the diffusion of the carbon dating technique during the 1950s. While taking note of this, in what follows I am not interested in the literal validity of Childe’s arguments, but rather in his method.

Childe regarded the transitions from hunting to farming, and from farming to urban life, as two "revolutions", which he named the Neolithic and Urban Revolutions dividing, respectively, savagery from barbarism and barbarism from civilization. The terms he used he picked up from Morgan:

I ... took over the Marxist terms, actually borrowed from L. H. Morgan, ' savagery ', ' barbarism ' and 'civilization ' and applied them to the archaeological ages or stages separated by my two revolutions: Palaeolithic and Mesolithic can be identified with savagery; all Neolithic is barbarian; the Bronze Age coincides with civilization, but only in the Ancient East. (1958a, p. 72)

³⁶ On the eccentric and unconventional figure of Childe see e.g., Sherratt (1989, 1997-98) and Tringham (1983) and, of course, his short autobiographical note (Childe 1958a). Childe’s personality included puritanism, eurocentrism, anti-clericalism, a “studied neglect” of Far-East civilizations; disdain for primitive societies, for ostentatious consumption and for subjective (as opposite to objective) motivations. In actual Childe had words of great gratitude for the innovations of primitive wo/men, but perhaps not great interest for the surviving primitive formations. His scientific perspective, devoted to the structure, history and evolution of societies, was likely opposite to that by Malinowski, fully immersed in the mentality of primitive populations. “I suggest in the first place – he wrote – that no one after two or three years of residence and observation can decide how an institution functions in a society and evaluate its role. To do that you have to compare the institution and the society as they are today with what it was in the past” (Childe 1946, p. 247). Famously, Malinowski spent two full immersion years in the Trobriand islands where he conducted the study that made him celebre. Childe (1936) and (1942) are wider illustration of the Neolithic and Urban revolutions. The six editions of the *Dawn of the European Civilization* (1st edition 1925) is likely his central work (see Meheux 2017). Childe (1957) is the eventual summing up of his central concern on the origin of the European civilization in relation to the Middle East earlier Urban revolution. Sadly, Childe committed suicide in 1957.

“In this way”, Sherratt (1989, p. 1979) points out, “he returned to nineteenth-century and Enlightenment ideas [the stage theory]: but with the addition for the first time of archaeological evidence for these events”.³⁷

The Old Stone Age (or Palaeolithic) was the era of the hunters-gatherers, while the New Stone Age (or Neolithic) was characterised by farming and animal husbandry.³⁸ In the more “favourable circumstances [of Neolithic]”, Childe argues, “a community can now produce more food than it needs to consume, and can increase its production to meet the requirements of an expanding population” as shown by the increase in the number of burials (*ibid*), a biological success for our species.³⁹ In the Near East a second “urban revolution” (Childe 1950) took place after the Neolithic revolution. This saw the emergence of cities and states in proximity to fertile land in alluvial basins or oases amenable to improvement by irrigation that needed a central power to be coordinated. In this way: “A regular army of craftsmen, merchants, transport workers and also officials, clerks, soldiers, and priests is supported by the surplus foodstuffs produced by cultivators, herdsman, and hunters. The cities are incomparably larger and more populous than Neolithic villages” with a further “multiplication of our species” (Childe, 1936, p. 35). The availability of a sufficient and constant surplus also permitted the development of the bronze industry: “To secure bronze tools a community must produce a surplus of foodstuffs to support bodies of specialist miners, smelters, and smiths withdrawn from direct food production” (1936, p. 35). The mines, moreover, were often far away, so that

It would never have been worth while for such specialists to search out Aegean ore deposits and initiate mining operations but for the reliable markets constituted by the accumulated surpluses

³⁷ Of a similar opinion Smith (2009, p. 5) who argues that although “the resultant three broad evolutionary stages (Palaeolithic, Neolithic and Urban) could be matched with Morgan’s speculative scheme of savagery, barbarism and civilisation, Childe’s formulation was based on actual evidence”. The four-stage theory, linking technological and institutional transformations, was anyway vindicated against what Smith calls “the interlude of Boasian particularism” (*ibidem*), the particularistic analysis of disappearing local cultures.

³⁸ According to Childe the Neolithic Revolution was due to a climatic change (1942, p. 26). See above footnote 1.

³⁹ The possibility to store agricultural products like cereals permitted the intertemporal transfer of consumption, while the sedentary regime allowed an increase of women fertility rate. By contrast, in a nomadic regime the accumulation of a surplus or an excess of offspring were an obstacle to mobility. This also helps to explain why the hunters-gatherers did not fully exploit their surplus potential, without the necessity of “Zen strategies” explanations advocated by the substantivists. Childe (1936, p. 53) freely admitted that “prosperity” among food gatherers should not be underrated contra the image transmitted by Polanyians that earlier anthropologists identified the hunters-gatherers with a strict subsistence economy – see e.g., M&C (2017, pp. 112-3) on Sahilins. The communitarian institutions of Neolithic societies were also amply acknowledged by Childe (e.g. 1935, p. 81-2).

of Egypt and Mesopotamia; these alone guaranteed a livelihood to the specialists engaged. ... Finally Aegean peoples did not have to rely entirely on the surplus food they themselves produced to recompense the original operators of the metallurgical industry and to support the full-time specialists who eventually settled among them and produced for them. They could draw upon the vast surplus accumulated in the Orient both by trade and piracy. (Childe 1957, p. 10).

Production and distribution of the surplus, religious representation and political power were deeply intertwined (Childe 1936, p. 124), even physically, since granaries and magazines were attached to the temples so that “[t]ruly monumental public buildings not only distinguish each known city from any village but also symbolize the concentration of the social surplus” (Childe, 1950, p. 12).⁴⁰

Social stratification emerged – in contrast with former economic formations in which sentiments of solidarity and kinship prevailed (Childe, 1950, p. 7):⁴¹

naturally priests, civil and military leaders and officials absorbed a major share of the concentrated surplus and thus formed a ‘ruling class.’ Unlike a palaeolithic magician or a neolithic chief, they were, as an Egyptian scribe actually put it, ‘exempt from all manual tasks.’ On the other hand, the lower classes were not only guaranteed peace and security, but were relieved from intellectual tasks which many find more irksome than any physical labour. Besides reassuring the masses that the sun was going to rise next day and the river would flood again next year (...), the ruling classes did confer substantial benefits upon their subjects in the way of planning and organization (1936, p. 13).

A role of the State emerged for regulating social relations and eventual antagonism and, with unwritten common laws substituted by formal legislation, and for implementing public works (1936, p. 125). Material needs like the administration of magazines, the management of irrigation and agricultural cycles, and monumental architecture all required the development of writing, counting and of scientific observation (e.g. necessary to create a calendar). Foreign trade of both luxuries and of basic-commodities developed. Unfortunately, a fracture arose between the high culture of the scribes and the ordinary people, including the craftsmen and their practical knowledge.

Childe’s approach is therefore well grounded in the classical surplus approach and in historical materialism (Childe 1979 [1949]). What is most impressive is the necessity felt by Childe to provide an organic exposition of the events, what led him to integrate his grand fresco with Keynesian elements of the theory of effective demand (as influenced by income distribution) and,

⁴⁰ “Conquest was not the sole road to a throne - economic success, but most of all magico-religious prestige, might lead to that glory. The magician may have been the first independent craftsman, the first member of any community to have a claim on the surplus product of the collective food-quest without contributing thereto by physical activity. But the magician's wand is an embryo sceptre, and historical kings still retain many trappings from their magic office” (Childe 1936, p. 110).

⁴¹ Harris (1959, p. 185) quotes Childe as the most consistent representative of the “surplus theory of social stratification”.

on a similar spirit, of the Smithian theory of division of labour as determined by the size of the market. Rather than on individual choices or social sentiments, in a Classical-Keynesian fashion Childe focuses upon the working of a socio-economic formation as a whole. The classical idea of the economy as a circular flow is dominant.⁴² The distance from the subjectivism and particularism of the “garden magic” cannot be wider. Here some examples.

The urban revolution, to begin with, was in Childe’s view accompanied by a transition to a monetary economy in which wealth

can now be estimated not in foodstuffs, slaves, and commodities, which can themselves be consumed, used, and enjoyed, but in terms of the ‘commodity of commodities’, the general abstract medium which cannot itself be consumed but can be exchanged for any consumable commodity or useful service. As a consequence ‘production for the market’ of objects to be sold for silver can begin to replace production for use of commodities desired by the maker himself or ordered by somebody who desires them and promises the maker an immediate and chosen recompense (Childe, 1942, pp. 61-2).⁴³

In the transition from the Old Neolithic and the urban revolution, metallurgy had to be sustained out of a social surplus, but the superiority of bronze tools and weapons over stone artefacts was not enough to sustain their adoption, until “the urban revolution in the alluvial valleys” generated “a new economic order” necessary “to made the demand effective” (Childe 1942, p. 44). Public works in magnificent buildings created consensus and jobs: “erection and adornment involved the expenditure of a surplus that would nourish a prolific, if servile, proletariat” (Childe 1936, p. 140). Childe (1942, p. 55) also points out how concentration of the surplus in few hands limited the expansion of industry in so far as “only ‘gods’ [the priest-kings] and their favourite servants were in a position to purchase the products of the new industries” so that “the effective demand for such products would remain small” and only “a few craftsmen could be sure of a livelihood in supplying them”. As Childe put it in his last popular book (Childe 1958b, p. 132) innovations and new needs go in parallel since innovations necessitates an actual demand (Childe 1958b, p. 132). Effective demand was, however, mortified by income inequality, while the inventive spirit of craftsmen was humiliated by the social distance with the dominant classes disinterested in technology (ibid).

⁴² See the fresco in Childe (1957) where the concept of classical circular flow is impressively present.

⁴³ As pointed out to me by Serrano, a monetary economics is a prerequisite for the role of effective demand. In a “natural”, barter economy, producers would limit supply to the satisfaction of their own needs (and not to satisfy demand) since wealth cannot be accumulated in a “general abstract medium”, as Marx defined money. While this is true, one may think that during the urban revolution a process of structural change and economic growth were taking place, in which new specialization were born that generated new inter-sectoral demand and supplies mediated by money or not.

Nonetheless, although the social structure of the Middle East cities hindered further technological developments, the constitution of a bronze industry was a necessary passage since the related knowledge passed to the European metal craftsmen who, in Childe's view, lived in a less despotic environment that promoted further applications of their technology.⁴⁴ Also in the rich (and less despotic) Athens of the fifth century BC "slavery did impede the expansion of industry" and "restricted the home market, since slave producers, receiving little more than their bare keep, could not purchase their own products" (Childe 1942, p. 113).

Childe (1936, p. 126) talks also of ancient Egypt's import demand of "primarily luxury articles and magic necessities", about 2300 BC, that "become effective only through the rise of a class that set an extravagant value on the exotic material for magical purposes, and at the same time disposed of the surplus wealth needed to gratify their desires", of course preceded by necessary gross investment in "genuinely reproductive undertakings" (Childe 1936, p. 129). Commerce, in turn, "offered a livelihood for new class of merchants, sailors, porters, soldiers, artisans, and clerks supported from the surplus revenues collected by the pharaoh" (Childe 1936, p. 129, pp. 135-7).

To be sure, one should not be led to read too much in ancient economies and take them as an anticipation of modern market economies in which, as Polanyi put it, "trade, money and market form an indivisible whole" (Polanyi 1957, p. 257). In this sense we welcome Polanyi's warnings about the special characters that trade (and money) may have taken in the ancient economies, for instance through forms of "administered trade" (what he called "ports of trade") (Polanyi 1957, p. 262). On the other hand, it is important to isolate also the economic causes of trade, as Childe did.

Childe asks himself also big questions about the diffusion, success and failure of civilizations. His work was deeply involved in the controversial issue - that, for perceivable motives, was particularly lively in the thirties - about the ultimate origin of the European civilization, from the Middle East or from a so-called Indo-European route (McNairn 1979, pp. 10, 55-56 and *passim*; Sherratt 1989, 165-8). In this regard Childe talks of the "arrested growth" of the Middle East, the fact that "the second [urban] revolution seems to mark not the dawn of a new era of accelerated advance, but the culmination and arrest of an earlier period of growth." (Childe 1936, p. 181). The fact is that, Childe argues, this growth led, on the one hand, to the "economic degradation" of the majority of the population, and within it of those practical competencies associated to the inventions that preceded the urban revolution, and to the rise of conservative "superstitious" forces on the other. The result is that "the actual producers, formerly so fertile in invention, were reduced to the position of 'lower

⁴⁴ In actual we know that the European bronze industry developed independently from the Middle East Sherratt (1989 p. 181), as Childe (1958a, p. 74) lately acknowledge.

classes.’ The ruling classes who now emerged owed their power largely to the exploitation of just those hampering superstitions” (Childe 1936, p. 182). In addition, territorial conquests and slavery, lessened the necessity of labour-saving innovations, while the learned class “of scribes and learned men was firmly attached to the ruling class” (Childe 1936, p. 183).⁴⁵ The result was that abstract and practical knowledge split, with the first often acquiescent to “superstition”: “The urban revolution, made possible by science, was exploited by superstition. The principal beneficiaries from the achievements of farmers and artisans were priests and kings. Magic rather than science was thereby enthroned and invested with the authority of temporal power” (Childe 1936, p. 187).

While these were inner contradiction, an external contradiction, namely the necessity to ensure a robust flux of necessary imports led to imperial wars (Childe 1936, pp. 183-5). If, on the one hand, they led to technological diffusion (especially of arts associated to warfare), they “mostly ... meant transferring wealth from poorer societies to courts already glutted with a superfluity. Thereafter the victor's main concern was to exact a regular tribute from the vanquished peoples. In a general way the empires thus established were mere tribute-collecting machines” (Childe 1936, p.185).

Subjugated population often reacted, typically after having served as mercenaries under the empires that they finally crashed (Childe 1936, p.185): “Oriental monarchies were created by war, maintained by continual war, and eventually destroyed by war” (Childe 1936, p.185).

If handicrafts men had a subordinate destiny in the Oriental civilizations, a different destiny they had in Continental Europe.⁴⁶ According to Childe, presumably, from the Neolithic metal craftsmen were itinerant workers (“perambulating smiths”), since local European communities did not produce surplus enough to maintain them (Childe 1942, p. 43; 1950, p. 7).⁴⁷ Instead, they found a permanent collocation in the Middle East cities, yet “relegated to the lower classes” (Childe 1950, p. 16) with the result that abstract sciences, like mathematics or astronomy, practiced in the temples,

⁴⁵ In unconventional terms Childe (1936, p. 109) argues that “war helped to a great discovery - that men as well as animals can be domesticated. Instead of killing a defeated enemy, he might be enslaved; in return for his life he could be made to work. This discovery has been compared in importance to that of the taming of animals. In any case, the early historic times slavery was a foundation of ancient industry and a potent instrument in the accumulation of capital”. Later he adds that, however, “slavery, the institution continued to obstruct the progress of science by making labour-saving machinery unprofitable, and contributed to the impoverishment of all producers by keeping down the purchasing powers of the internal market” (Childe 1942, p. 146).

⁴⁶ According to Childe (1942, p. 43), metallurgic workers were the first social class, after the magicians, to withdraw from direct food-production. Later, since “craft lore is liable to be secret”, in barbarian societies, craftsmen tended “to form guilds or clans”.

⁴⁷ Childe (1958b, pp. 247-8) points out that no graves of metal workers, presumably identified by the professional tools, have been found in proximity of European villages.

and the practical science experimented by craftsmen remained separated. It was not so for itinerant specialists in continental and especially northern Europe where a continuity in their independence and prestige permitted, in the Middle Age, their transformation in much more respected guilds contributing to an innovation-oriented mentality absent in the oriental culture.

As said, we are not interested here in the arguments per se – suggestive or controversial as they might be⁴⁸ - but rather in the method based on the consideration of an economic and institutional formation as a whole, paying particular attention to the circular flows, that includes production, the distribution of social surplus and effective demand, with associated social stratification and institutions. This proves Marx’s suggestion that sound modern analytical tools can be precious, if carefully employed, to provide a holistic image of the inner dynamics and alternative trajectories of ancient economic formations, contrary to the “particularism” of the Polanyians supported by M&C (2017), let alone the micro-oriented obsession of marginalists with individual rational choices. The concept of economic surplus is general and relevant for all economic formations, it can be donated, destroyed, distributed, consumed or invested, or not produced at all.

Moreover, this method is also important in view of the by now popular distinction put forward by Acemoglu and Robinson (2012) between inclusive or exclusive institutions.⁴⁹ While Acemoglu and Robinson are generally elusive about the circumstances that may give place to one or another institutional outcome, Childe’s account of inclusive or extractive institution, as exemplified by the diverging destiny of the metal craftsmen in the near-east and in Europe, respectively, provides more solid explanations, fundamentally based on Marx’s concept of economic formation (or on

⁴⁸ Childe’s thesis about the different destiny of metal workers in the Near East and in Europe is discussed in a centennial volume in honour of Childe (Wailes 1996). A reviewer (Benco 1997, p. 742) thus sums up the results of the book: “Although specific features of his model are outdated, Childe’s fundamental ideas about craft production have withstood the test of time: the close association between specialized craft production and sociopolitical complexity; the important distinctions between part-time and full-time, and independent and attached, craft producers; and finally, the uncontested primacy of the relations of production in understanding craft specialization and social evolution”.

⁴⁹ Acemoglu and Robinson (2012a) definition of extractive and inclusive economic institutions is clearly (but also confusingly) related to social classes power relations. As Alesina and Giuliano (2015, p. 902) sum it, “political institutions ...are mechanisms for the distribution of political power across different socioeconomic groups. Political power, in turn, determines economic institutions”. The simplistic mantra repeated by Acemoglu and Robinson (2012a) is that inclusive economic and political institutions encourage economic growth and technological change, while extractive institutions deter them. Institutional change would vaguely take place after a “confluence of factors” called “critical junctures” (ibid, p. 427), generally after periods of conflict “over income and power” (ibid, p. 431). The deep dynamics of socio-political power and economic conflict are left unexplored.

Montesquieu modes of subsistence).⁵⁰ All in all, Childe vindicates the materialist approach to history purported by the Four Stages Theory.

We may turn now to the criticism that Polanyi and his followers addressed both to the marginalist theory and, more importantly for the present paper, to the notion of surplus.

3.3. The Polanyians on marginalism and the economic surplus

3.3.1. Polanyi on economic theory

Polanyi's analysis is well-known, but it is useful to recap its basic message here taking our perspective of the existence of two basic approaches in economics, the surplus approach (integrated by the lesson of Keynes and Kalecki) and marginalism, into account.

The starting point of Polanyi and his fellows in the seminal book (Polanyi et al. 1957, p. xvii), a sort of manifesto of their approach, is that in economic history distinct "economies have operated on altogether different [institutional] principles", the main distinction being that between market and non-market economies. Polanyians do not question the validity of "economic analysis" as far as market economies are concerned - where "economic analysis" is mainly identified with marginalism and subordinately with classical economics, although a clear distinction between the two is omitted. So, Polanyians do not challenge the dominant theory, they only wish to restrict its validity to market economies: "the substantive definition of the economy... is not necessary to the understanding of the market economy which is analysed far more conveniently in the formal way", as the Marxist French anthropologists Dupré and Rey (1978, p. 183) wrote long ago.

It would be wrong, Polanyi and his fellows argue, to look at former economic sets up as "miniatures or early specimens of our own" (xviii). In particular, the Smithian image of "man as an entity with an innate propensity to truck, barter and exchange one thing for another" would be only appropriate to an exchange economy. Economic history should be a study of changing economic institutions and not of a "unilineal evolution to our own day" (xviii). In non-market economies institutions preside over the organization of "man's livelihood" (xvii). In non-market economies the economic

⁵⁰ To give a further example. One problem of Neolithic communities was the efficient storage of food to compensate future unfortunate crops. According to Childe, this problem was efficiently managed by the emerging elites. While sympathetic to Childe, more recent research turns over the sequence arguing that once the primitive communities begun to store a surplus, this very event offered a chance to a rapacious elite to rise: "Normal surplus probably did, eventually, support new economic classes, but it was first wrung from the soil as a strictly domestic initiative. And the growth of large settlements and centralised economic institutions did not so much solve, as reformulate, the problems facing early farmers" (Halstead, 1989, p. 80).

life is “embedded” in institutions, while in market economies the social texture is represented by the price system - so the society is “disembedded”.

Two meanings of the adjective “economic” are then distinguished, substantive and formal. As seen, the former has to do with activities addressed to supply human beings “with the means of material want satisfaction” (Polanyi 1957, p. 243). The second meaning refers to the cited definition of economics provided by Lionel Robbins as the rational allocation of scarce resources among alternative ends (*ibid.*). While the former meaning would be applicable to “all empirical economies of the past and present”, the latter would be appropriate only to the capitalist economy (*ibid.*, pp. 244, 246-7).

I do not intend to enter here in a discussion of the Robinsonian definition of economics. Even if one might freely admit that under certain circumstances and in any economic formation economic single or collective subjects may face a rational allocation choice of given resources, that definition would be a poor research program for economics inasmuch as the interesting questions concern the growth, distribution and degree of utilization of the social resources that define the economic and social matrix in which the microeconomic choices are undertaken.⁵¹ What must be underlined here is that Polanyians not only miss the *essential* meaning of marginalism – a theory of output alternative to the surplus approach of Ricardo and Marx – but even endorse that theory, that is the existence of a natural income distribution determined by “factors’ endowments”, techniques and preferences, at least as far as capitalism is concerned. This is a pity, since Polanyi’s definition of economics as an “instituted process” (Polanyi, 1957, p. 248) is relevant and fully consistent with the modern classical and Marxian notions of social order and social formation. While the Marxian imprint on Polanyi is evident (Halperin 1984), what is missing in him is the intimate connection between the material and immaterial bases of the economy, that is between the production and distribution of the surplus and the institutions (the social order) that regulate the system. In this respect, the surplus approach would endorse “the transcending importance of the institutional aspect of the economy” (Polanyi, 1957, p. 249), that is that the “human economy, then, is embedded and enmeshed in institutions, economic and noneconomic.” (Polanyi, 1957, pp. 249-50)

⁵¹ In the Robinsonian framework there is an important fallacy of composition. Although single subjects may take their decisions under a condition of limited resources, the Keynesian and Kaleckian critiques of the natural tendency of a market economy to the full employment of resources shows that this is not necessarily true in the aggregate. Economic history suggests that the underutilization of the social resources, rather than scarcity, is the dominant feature of capitalism. Research in economic anthropology shows that this is also true in primitive societies (Sahlins 1972).

Polanyi's emphasis on the institutional aspects of society is, in this regard, a refreshing warning against extreme technological determinism - a role that reminds us of Gramsci's idea that the ruling class does not merely prevail by economic factors or force, but through cultural and political hegemony. Unfortunately, Polanyi fails to regard institutions as the set of formal and informal rules that preside over the production and distribution of the social output, Marx's "innermost secret" of economic formations. He also fails to see that the absence in the Classical surplus theory of a natural income distribution, makes this theory his natural reference point.⁵² He plays the Hamlet without the prince.

Interestingly, Polanyi orders economic institutions, "forms of integration" he calls them, in three classes according if they are based on reciprocity, redistribution or exchange:

reciprocity may be attained through a sharing of the burden of labor according to definite rules of redistribution as when taking things 'in turn'. ... *Redistribution* obtains within a group to the extent to which the allocation of goods is collected in one hand and takes place by virtue of custom, law or ad hoc central decision. ... *Exchange* in order to serve as a form of integration requires the support of a system of price-making markets (Polanyi, 1957, pp. 253-4, my italics).

He also points out that:

forms of integration do not represent 'stages' of development. No sequence in time is implied. Several subordinate forms may be present alongside of the dominant one, which may itself recur after a temporary eclipse. Tribal societies practice reciprocity and redistribution, while archaic societies are predominantly redistributive, though to some extent they may allow room for exchange. Redistribution, the ruling method in tribal and archaic society beside which exchange plays only a minor part... is actually gaining ground today in some modern industrial states. The Soviet Union is an extreme instance. Conversely, more than once before in the course of human history markets have played a part in the economy, although never on a territorial scale, or with an institutional comprehensiveness comparable to that of the nineteenth century. (Polanyi, 1957, p. 256)

Polanyi's "forms of integration" sound an institutional classification of distributional modes fully consistent with Marx's sequence of social formations and Garegnani's notion of social order. It is then surprising that he opposes his theory to that of Marx (from which he has clearly been inspired) talking of:

historically untenable stages theory of slavery, serfdom and wage labor that is traditional with Marxism— a grouping which flowed from the conviction that the character of the economy was set by the status of labor (Polanyi, 1957, p. 256).

⁵² In a well-known passage in a letter to Garegnani, Sraffa writes that: "I have no intention whatever to put forward another mechanical theory which, in one form or other, reposes the idea that distribution is determined by natural, or technical, or possibly accidental circumstances⁶ but in any case such as to render futile any action, by one party or the other, aimed at changing it" (quoted by Pivetti 1999, p. 287).

The “status of labour” (Marx’s “innermost secret”) represents here the social relations of production to which Polanyi stubbornly refuses to look at.

That after Adam Smith the market “shaped ...the perspectives from which we were allegedly enabled to grasp all forms of social organization” (Polanyi et al., pp. 373-4) is a good objection to a linear view of economic history, in which the free market is the ultimate economic formation. That the “market envelopment of our own economy and society” is “seen as the major obstacle to understanding the economy in early societies”, so that “[o]nly by a radical separation of the economic process from the market complex was it possible to proceed” (ibid, p. 374) – in short that the economy should not be identified with the market - can also, in principle, be shared as long as we stop shortly of separating the economic element from institutions, with the risk of leaving the latter suspended in the air.

Polanyians miss that the surplus approach as an instrument to analyse the production and reproduction of the material base of economic life as regulated by a specific social order. How humans get their historically determined subsistence is consistent in principle with all the institutional “forms of integration” proposed by Polanyi, in fact giving a material skeleton to them.⁵³ Incidentally, the market is also a particular social construct, as the German Ordoliberalismus has understood better than the Anglo-Saxon liberismus that regards the market as a natural institution.

Polanyi also talks of embodied and disembodied economy. His famous thesis, already expressed in *The Great Transformation* (1944), is that in pre-capitalist societies the economic aspect could not be distinguished from the whole complex of social feelings, motivations and institutions that move human behaviour. The *differentia specifica* of capitalism is that market choices are separated from that social grid. As Humphreys (1969, p. 168) sums up:

⁵³ The American Marxist archaeologist Tim Earle describes “redistribution” in terms of the surplus approach: “Redistribution encompasses the political economies of archaic societies, broadly grouped as chiefdoms and early states. Surpluses in staples and wealth objects were mobilized and distributed centrally to finance institutional apparatuses of power (e.g., warriors, managers, and craftsmen of wealth items and weapons) with the goal to expand political reach. The economy of any archaic society can best be thought of as divided into various intertwined sectors, including its political economy, religious economy, community economy, and trading economy. Each sector has some degree of independence in terms of logic and motivation, and all are interconnected within constantly changing resource flows. ... Surpluses were used (1) to build and maintain irrigation systems, fishponds, and dry-field complexes; (2) to support an enforcing and expansive warrior elite; and (3) to support priests, their elaborate ceremonies, and monument construction ... redistribution ... was a new tributary mode of production, an archaic form of political economy. Redistribution is thus best seen as a system of controlled mobilization of surplus for institutional finance” (Earle 2011a, pp. 237-9).

Polanyi's thesis, briefly stated, was that economic theory applies only to the modern market economy and cannot serve the needs of the economic anthropologist or the historian of pre-market civilizations. Nineteenth-century Europe "disembedded" the economy from the social structure, freed economic motives from social control and set in motion a process by which economic considerations came to dominate society. 'Once the economic system is organized in separate institutions, based on specific motives and conferring a special status, society must be shaped in such a manner as to allow that system to function according to its own laws' (*The Great Transformation*, 1944, pp. 63-64). To understand earlier or less developed societies, in which economic relations are still "embedded" in the social system (or in Mauss's terminology, economic transactions cannot be separated from the "faits sociaux totaux" in which they are incorporated), we need a new theory of comparative economics. In non-market societies the economy cannot be distinguished by reference to an interrelated flow of rational calculations.

Now, this *detachment* of the economic life from other human motivations in capitalism is somehow fascinating. In this regard, the present writer has recently coined the term "Polanyi moment" to define the populist reaction to neo-liberal capitalism. At a closer inspection, however, Polanyi's criticism of capitalism (i) appears a vaguer expression of Marx's theory of alienation (the human relations reduced to relation among commodities; the alienation of work, false consciousness, etc.).

⁵⁴ More importantly, he neglects that (ii) the dominance of market relations in capitalism is itself a reflection of deeper social relations of production that take place in the production sphere. While Bharadwaj (1994, p. 66) agrees that the "perfectly 'competitive' market process ... cannot be generalized to all economies in history or in the present", she also explains that:

The relations of exchange are not autonomous, nor are the extent and the specific form of exchange. They are primarily, and to a considerable extent, a manifestation of the relations in production, which, as it were, provide a basis for supporting the sphere of exchange (or circulation). The type of exchange signifies the existence of a certain institutional, organizational form within which production takes place. For example, a private exchange economy connotes a notion of private property and production based thereupon.

Finally, (iii) the presumed rational economic behaviour in capitalism that, according to Polanyi and his followers, would be adequately described by marginal theory, is in actual influenced by a network of sentiments and motivations induced by capitalism itself (see Bharadwaj, 1994, p. 57). The influence of Veblen on Herskovits in this regard has already been recalled. The American anthropologist, moreover, did not limit the instrumental nature of social values to capitalism, seeing here a continuity between primitive and modern economic formations.⁵⁵

⁵⁴ It is well-known that the concept of the alienation of work in capitalism was present in Adam Smith (Rosenberg 1965).

⁵⁵ For Marx capitalism is the ultimate "pre-historic" social formation in so far as the alienation of humanity from its subsistence mode (from the means of production) reaches its apex, opening the way to history, the full human control of its choices. Contrary to Polanyi, however, in Marx there is no nostalgia of former economic formation, although "primitive communism" indicated the possibility of a sharing society: "The subordination of economic organization to social ends, which for Marx existed only in primitive communism and the communist Utopia of the future, was for

Putting some order, a central tenet of the classical-surplus approach is that income distribution, as a reflection of the historical class relations that take place in production, is the central “intimate” nexus of all economic formations.⁵⁶ In all formations (included capitalism) there is embeddedness, an interpenetration of income distribution, social values, political institutions. In each social formation some aspects of human nature are promoted and other demoted, where presumably the most equalitarian societies are associated to an orientation towards social sharing (that would receive the sympathy of many of us, although not of the conservatives). The question is to break with the substantivists generic separation between capitalism (bad) and former formations (good), moreover without any sound foundation in the theory of income distribution and social order. Without a solid anchor in income distribution (as described by the classical surplus approach), the object of social order, institutions are left in the air. What do they regulate, from an economic point of view, if not income distribution?⁵⁷ Marx, conveniently quoted by Bharadwaj (1994, p. 86), is again the clearest (and sarcastic) critic of the idea, supported by the Polanyians, that only in capitalism the economic factor conditions institutions while in pre-capitalistic formation it can be neglected:

Truly comical is M. Bastiat, who imagines that the ancient Greeks and Romans lived by plunder alone. But when people live by plunder for centuries, there must always be something at hand for them to seize; the objects of plunder must be continually reproduced. It would thus appear that even Greeks and Romans had some process of production, consequently, an economy, which just as much constituted the material basis of their world, as bourgeois economy constitutes that of our modern world. ...I seize this opportunity of shortly answering an objection taken by a German paper in America, to my work, “Zur Kritik der Pol. Oekonomie, 1859.” In the estimation of that paper, my view that each special mode of production and the social relations corresponding to it, in short, “that the economic structure of society, is the real basis on which

Polanyi a feature of all societies except that dominated by the modern market system“ (Humphreys 1969, p. 203).

⁵⁶ Some Marxist critic of the modern classical approach accuses Ricardo (and the “neo-Ricardians”) focus upon distribution as a neglect of the more fundamental class relations as defined on the production side (e.g., Rowthorn 1974). This was not the opinion of Marx: “The structure [*Gliederung*] of distribution is completely determined by the structure of production. Distribution is itself a product of production, not only in its object, in that only the results of production can be distributed, but also in its form, in that the specific kind of participation in production determines the specific forms of distribution... Thus, economists such as Ricardo... have defined distribution as the exclusive object of economics, because they instinctively conceived the forms of distribution as the most specific expression into which the agents of production of a given society are cast.” (Marx (1973 [1857-8]) pp. 95-6). See also De Vivo (1990, pp. 47-8).

⁵⁷ Formal (and informal) institutions regulate the social civil rights and market competition; they also regulate individual private rights, but these largely irrelevant to income distribution. Institutions, particularly the informal, do also define the social relationships (what in modern terms we define as civil society).

the juridical and political superstructure is raised and to which definite social forms of thought correspond...” all this is very true for our own times, in which material interests preponderate, but not for the middle ages, in which Catholicism, nor for Athens and Rome, where politics, reigned supreme... This much... is clear, that the middle ages could not live on Catholicism, nor the ancient world on Politics. On the contrary, it is the mode in which they gained a livelihood that explains why in one case Politics, and in the other Catholicism, played the chief part. For the rest, it requires but a slight acquaintance with the history of the Roman republic, for example, to be aware that its secret history is the history of its landed property. ... Don Quixote long ago paid the penalty for wrongly imagining that knight errantry was compatible with all economic forms of society (Marx, K. (1974 [1967], pp. 85-86).

The final, ironic sentence is clearly directed to those who do not ground their analysis on the material basis of societies.

3.3.2. The Polanyians on the surplus

An antecedent of the Polanyian criticism to the classical concept of economic surplus is Malinwsky who in 1922 criticised historical materialism for sharing the concept of *homo economicus* with marginalism:

In the previous chapters, a somewhat detailed digression was made in order to criticise the view about the economic nature of primitive man, as it survives in our mental habits as well as in some text books – the conception of a rational being who wants nothing but to satisfy his simple needs and does it according to the economic principles of least effort. ... At the bottom of the *so-called materialistic conception of history* lies a somewhat analogous idea of human being, who, in everything he devised and pursues, has nothing but his material advantage of a purely utilitarian type at the heart. (quoted by Harris, 1968, p. 565, italics in the original).

As Harris (1968, pp. 565-6) correctly commented,

No informed critic of the historical-materialistic position could confuse the utilitarian doctrines of the classical economic theory with the research strategy associated with Marx. ... Historical materialism as proposed by Marx did not consist of attempts to explain particular sociocultural systems by reference to individual economic motivations. Nothing could be more contrary to Marx’ position”.

Moving from a Malinowskian background, two Polanyian authors were later particularly concerned with the concept of economic surplus, Harry Pearson (1957) and George Dalton (1960). Pearson’s seminal paper appeared in the collective book (Polanyi et al. 1957).

As seen above, Polanyians do not discard marginalism, they only limit its cogency to market economies. The same criterium seems sometimes applied to the notion of surplus, somehow seen as symmetric to that of “scarcity”: “Questa o quella *per me pari sono* a quant’altre d’intorno mi vedo”.⁵⁸ Let aside a good number of confusing arguments, more interesting is the point made by

⁵⁸ This symmetry is thus described by Pearson (1957 p. 321): “Thus an oversufficiency of means is said to bring on the development of economic institutions just as an insufficiency of means is said to enforce the utilitarian management of resources...It has been said that under a market system the

Pearson that both the notions of scarcity and surplus cannot be isolated from the institutional context that define whether they apply or not. Focusing on surplus, what Pearson rejects is the mechanic view that regards the economic surplus and the related institutional change as mechanically generated by technical progress.⁵⁹

On the one hand, the argument that the concept of surplus “is useful only where the conditions of a specific surplus are institutionally defined” (Pearson 1957, p. 321; similarly, Dalton, 1963, pp. 391-2) is acceptable, in fact it can represent a healthy warning against any mechanic application of the surplus approach. Therefore, we agree with Pearson’s advice of not separating “technological development from institutional complex of which it is but a part” (Pearson 1957, p. 326).

On the other, the danger in Pearson and in the Polanyians is to fall to the other extreme that see autonomous institutional changes as the driver of economic change, refusing that, at least from an economic point of view, the surplus is “the key variable in the emergence of more complex social and economic institutions” (Pearson 1957, p. 322). The risk is, as in Acemoglu and Robinson (2011a), that institutional change is left in a vacuum.

Unfortunately, Pearson attributes a mechanic view of the surplus approach to the classical economists. More specifically, a notion of *biological subsistence* associated to that of *absolute surplus* is fundamentally imputed to the classical tradition that, according to Pearson, would establish an automatism between the possibility of a surplus and the emergence of a new social setting:

[the] absolute surplus would be a quantity appearing with no socially defined purpose over and above that which is biologically necessary, thus available and in a distinctive sense *having a casual effect of its own*. The *sequence* moves from the availability of a quantity of goods and services to the decision that these may now be used to support the emergence of new economic and social institutions such as trade, markets, or a leisure class (ibid, p. 323, italics added).

economic process is organized through scarcity situations. It might be added that of necessity market behaviour is directed towards the creation of surpluses. A mistake is made, however, when it is assumed that these institutional characteristics of a market economy are a natural feature of economic life”.

⁵⁹ What Pearson (ibid, p. 321) defines the “surplus theorem” is composed by two steps: “a surplus ...is taken to represent that quantity of material resources which exists over and above the subsistence requirement of the society in question. Such surpluses are supposed to appear with advancing technology and productivity, and serve to distinguish one level of social and economic organization from another. The second part of the surplus theorem is the expectation that the surplus has an enabling effect which allows typical social and economic developments of prime importance to take place. Trade and markets, money, cities, differentiation in social classes, indeed civilization itself, are thus said to follow upon the emergence of a surplus”.

No one in the classical tradition, however, would recognize herself in this view. In particular, the notion of biological subsistence is foreign to this tradition that regards subsistence as an historically defined cultural concept (Stirati 1994); nor it establishes a mechanical transmission from the *potential* existence of the surplus and a new social order (see above Marx stating that “the same economic basis” can produce itself in “infinite variations”). No doubt that the strong materialism of this approach leads it to regard the evolution of the economic and technical material base of society, as one trigger of the social and institutional evolution. However, a new social order might also change the level and destination of the surplus without any change in the material or technical base of the economy.⁶⁰ The theory of the four stages and Marx’s concept of social formation encapsulates the inner association between technological and institutional determinants of human society (which in Marx does not imply simple techno-economic determinism). The transition between the surfacing of a potential surplus, and its materialisation with the coeval appearance of a new social order has of course to be explained. As Pearson (1957, p. 339) correctly put it: “There are always and everywhere potential surpluses available. What counts is the institutional means for bringing them to life”.⁶¹

The Classical view is in actual much closer to a second notion proposed by Pearson of *socially determined subsistence* associated to that of *relative surplus*. These notions suggest that the emergence of a surplus is not a mere technological, but a political or institutional event, likely led

⁶⁰As Pearson (ibid, p. 323) put it: “It is true that such surpluses may be made to appear along with a windfall increase of material means, or a more permanent rise in productive capacity; but they may also be created with no change whatever in the quantity of subsistence means by re-allocating goods or services from one use to another”. This argument is in line with that by Marx (1857-8 [1973]) p. 96) that: “conquering people divides the land among the conquerors, thus imposes a certain distribution and form of property in land, and thus determines production. Or it enslaves the conquered and so makes slave labour the foundation of production. Or a people rise in revolution and smashes the great landed estates into small parcels, and hence, by this new distribution, gives production a new character. Or a system of laws assigns property in land to certain families in perpetuity, or distributes labour [as] a hereditary privilege and thus confines it within certain castes. In all these cases, and they are all historical, it seems that distribution is not structured and determined by production, but rather the opposite, production by distribution.”

⁶¹ See in this regard the theory mentioned above in footnote 48. The Marxist archaeologist Tim Earle, a former student of Sahlins, advances another theory according to which “chiefdoms evolved to solve emergent problems in society” (2011a, p. 239). These problems are defined as “bottlenecks”: “constriction points in commodity chains that offer an aspiring leader the opportunity to limit access, thus creating ownership over resources, technologies, or knowledge” (Earle & Spriggs 2015, p. 517; see also Earle 2011b). Elsewhere Earle (2015, p. 311) points out that “Communal ownership and action often created conditions that resulted in social hierarchy and inequality”.

by an emerging élite that acquires control over the destination of the resources.⁶² A new social order might also, as seen, change the level and destination of the surplus without any change in the material base of the economy. The classical view that surplus potential and the social order shape each other with no technological determinism is therefore in line with the argument that:

To emphasize the complexity of the casual nexus in any given situation is not to deny that there may be important social consequences of increases in subsistence means. Changing technology and productivity play their role in the course of institutional developments. The argument here is simply that they do not create generally available surpluses, for this implies a separation of technological development from the institutional complex of which it is but a part (Pearson 1957, p. 326)

Finally, Pearson also attacks the surplus tradition by defending the marginal theory of distribution. He thus subscribes the idea that in capitalism wages are determined by “the forces of supply and demand”, while the other “factors of production playing their respective roles (of which one may morally approve or disapprove) also receive market sanctioned returns” (ibid p. 333). He concludes with a Salomonic: “To the functioning of the market system, one [production factor] is as important as the other” (ibid p. 333). Any idea of exploitation is thus rejected by the Polanyians, and marginalism accepted, while the criticism to capitalism is left to the idea that, at a Neolithic stage, an alternative non-market economy existed based on gift and reciprocity.

3.3.3. The subsequent debate

In his criticism to Pearson, the American anthropologist Marvin Harris (1959, p. 185) retorted that “[f]ew anthropologists would subscribe to the view that the growth of socially stratified and economically specialized societies is possible without at least the production of ‘surplus’ food”. Nonetheless, Harris (1959, p. 188) points out, he would not object to Pearson’s rejection of “simplistic economic determinism”. Yet, he would oppose the “renunciation of the search for order among cross-cultural phenomena”, what “inevitably leads to the conclusion that cultural phenomena are essentially the result of whimsical and capricious processes” (1959, p. 188).

Considered the most prominent Polanyian of the 1960s and 1970s, in his intervention over the controversy between Pearson and Harris,⁶³ George Dalton (1960, p. 486) argues that the classical notion of subsistence does not cover items related to “social survival”, which include, for instance,

⁶² As Pearson put it: “If the concept of surplus is to be employed here at all, it must be in a relative or constructive sense. In brief: A given quantity of goods or services would be a surplus only if society in some manner set these quantities aside and declared them to be available for a specific purpose. The essential point is that such surpluses are initiated by the society in question” (1957, p. 323).

⁶³ Polanyi is thanked in this paper.

religion: “The social importance attached to a good or service (...) may have little to do with its need for physical survival. Indeed, an outstanding characteristic of primitive prestige economy is the all-abiding concern for goods necessary, so to speak, for social survival”. Once “spiritual subsistence” is included in material subsistence, the way is open to deny that social groups like priests, are maintained out of a surplus produced by the working lot:

if only the material goods necessary for biological survival are important, then the services of priests and political heads are, by definition, of lesser importance. The question then is raised, how does the rank and file become seduced into accepting this scheme of things in which they surrender material goods (by definition) of primary importance, to receive back (by definition) only less important services? (Dalton 1960, p. 486)

Herskovits would reply, Dalton continues, that the producers of “spiritual subsistence” basically cheat the working-lot selling what the former scholar defined as “social and psychic insurance”. However, Dalton objects: “Surely” this is “the definitions and values of the analyst, not those of the society being analyzed, which make the posed questions seem important” (1960, p. 487). In other words, the concept of exploitation is subjective and not objective.⁶⁴

In this regard, a quite effective criticism to Dalton is moved by anthropologist William W. Stein (1984). He recalls the frequent accusations of propaganda that Dalton moves to the concept of “exploitation” (Stein 1984, p. 274) while, elsewhere, Dalton refers to a Marxist “set of crucial concepts - surplus, exploitation, mode of production – which are never defined for us, and which convey no clear meaning outside of industrial capitalism in nineteenth-century Europe, the system for which Marx invented these concepts” (quoted by *ibid*, p. 274). As seen Dalton defends a subjective concept of exploitation, which “only exists when people *feel* it” (*ibid*, p. 275 italics in the original). This would be a sort of sensationism in which “reality lies in sensations rather than material things” (*ibid*, p. 275). Moreover, Dalton opposes the concept of reciprocity to that of exploitation (*ibid*, p. 277), arguing that if there is a feeling of reciprocity in the relation between surplus producers and beneficiaries, then we cannot talk of exploitation. This view is just the opposite of Herzkovits’ denunciation of the deceiving happiness of the lower classes when the riches display their wealth. In this respect Stein (*ibid*, p. 282) quotes the Marxist anthropologist Maurice Godelier who wrote that “Dalton and Pearson allege that the idea of surplus is a mental

⁶⁴ The disputable analytical standard of Dalton’s scientific method (but, one would add, of Harry Pearson too) is revealed by this curious passage: “For our purposes it is sufficient to point out that Marx’s definition [of surplus], like that implicitly used by Childe and Herskovits, is not empirically derived. It proves or disproves nothing; it merely defines from the point of view of the definer, not from the point of view of the social participants” (1960, p.487). By definition a theory reflects the point of view and observations of the “definer” – that would include, where relevant, the subjective perceptions of the subjects under investigation. How could it reflect that of the object of study?

construction that lacks any practical implications”. Stein (*ibid*, p. 284) concludes in support of the objectivity of exploitation: “It will also be useful to emphasize the objective nature of exploitation, both as economic process and social relationship. Sensation is not a necessary feature of exploitation; for exploitation to exist, it makes no difference whether exploited persons feel they are exploited, or whether or not exploiters feel they are exploiting others”. We are also reminded of Herskovits’s emphasis on the subtle ways used by the exploiters to raise by displaying conspicuous consumption the respect and admiration of the exploited. Contrary to the expectations of M&C (2017), uncritical support to substantivism may lead to the denial of the high tradition of critical theory, the aim of which is precisely to break the false consciousness particularly of the exploited social classes.⁶⁵

The criticism to the concept of surplus moved by the formalist (marginalist) tradition is even more hasty. In an important book of readings on the substantivists versus formalists controversy, LeClair & Schneider (1968, pp. 469-70), dismiss Childe, Herskovits and the concept of surplus in a couple of pages where the notion is defined “an analytical dead end” (*ibid*, p. 469). The only generic argument provided is that the

right question to ask is as follows: As the average productivity of a society rises, what forms will the increased product take?... Granting that some people have solved the problem of feeding themselves, what do they do with their time. ... What happens is that as food production becomes easier, people begin to devote less of their energy to food production and start doing other things. ... So we should forget surplus and focus our attention on productivity (*ibid*, p. 470).

However, what it is intended by productivity is not clarified: the overall economy labour-productivity or, more likely, labour productivity in the (vertically integrated) subsistence goods sector? In the second case per-capita output over subsistence would just measure the per-capita surplus in the subsistence goods sector (see equation 3 above). While talking in terms of labour productivity may please the individualist palate of the two authors, looking at the surplus in aggregate (in the vertically integrated subsistence sector, equation 2 above) as Childe does, permits to associate its historical emergence and utilisation to social and institutional change, namely the emergence of a social stratification, what LeClair & Schneider probably repel in the name of a prejudiced anti-Marxism (talking generically of “people”). Contrary to Childe that provides us with a dynamic macro-vision of commodity circulation, income distribution, social stratification and related institutions in ancient societies, formalist economist are likely restricted to the particularistic

⁶⁵ The objective nature of social classes and exploitation was firmly defended by the Roman historian Geoffrey de Ste Croix (1910-2000) against the subjective views of another famous British Marxist Edward Thompson (1924-1993). See de Ste. Croix (1981, p. 36) and Cesaratto (2022).

description of micro-behaviours, although in more “selfish” terms compared to those, more “altruistic”, of the substantivists.

3.4. The limits of Polanyi’s challenge to the dominant theory

The limits of the Polanyian criticism to the dominant theory are also evident in the formalist/substantivist controversy of the 1960s and 1970s (see e.g. LeClair and Schneider 1968).⁶⁶ The principal Polanyian exponent in the debate was George Dalton who openly acknowledged “the success [that] formal economic theory has had in analysing Western economy” (1961, p. 143). Reiterating Polanyi’s stance,⁶⁷ Dalton in fact reaffirms the analytical appropriateness of the “economic man” for market economies. The idea is that since in these economies wo/men have lost any other institutional tie, they are “atomistic units” that acquire their “livelihood through market sales” (ibid, p. 145). Contradictorily, while this argument is a clear echo of Marx’s view of labour commodification in capitalism, Polanyi and Dalton do not follow him in the analysis of labour as a commodity, but support the neoclassical theory in which labour is remunerated according to its marginal contribution to production. To be clear, Polanyi and Dalton are perfectly correct in pointing out that in capitalism labour is institutionally related to society through a market exchange, while in former societies different institutional ties may prevail (e.g. kinship or serfdom). As Dalton (ibid, pp. 164-5) put it:

For any primitive community, one can only assume the existence some kind of institutional apparatus through which material goods acquired and distributed. One cannot assume as a universal the presence any special economizing institutions such as those which distinguish market economies....

A matter of general theoretical significance to economic anthropology concerns the dominance and frequency of reciprocative and redistributive forms of economic integration. A distinguishing characteristic of primitive life is the fusion of social and economic institutions. Indeed, even the word "fusion" is distorting because it implies the bringing together of separate elements. It would be better to say that there is no awareness of the "economy" as a distinct set of practices apart from social institutions.

⁶⁶ The controversy reminds in a minor key the well-known dispute between the German historical school and the then emerging analytical marginalism. Polanyi and his disciples, however, do not mention the (old) American institutional tradition, heir of the German historical school, while Herskovits relies widely upon it. See Heat Pearson (2000) for the pre-1945 debate with a particular focus on German anthropologists. Pearson classifies the literature according to three views of the primitive man: those who view him (or her) as merely irrational or superstitious (*homo erroneus*); those who see him as pursuing specific ends (*homo gustibus*), albeit different from those of *homo economicus* supported by the third view. The classification is based on rather subjective elements (Gregory 2000, p. 1000).

⁶⁷ Karl Polanyi is thanked in a footnote.

The reader will have noticed, in the last passage, how Dalton falls again in a naïve sensationism, something exists or not according to whether subjects are “aware” of it. But taking it for granted that an economic structure must be there even in primitive societies – where after all goods and services are produced and circulated although, one may concede, not prevalently regulated by market exchanges – the question is the adequacy of the economic analysis that complements the institutional analysis. Marx classification of economic formations in primitive (reciprocate), Asian despotism (redistributive), feudal (serfdom) and capitalism (exchange), which is broadly consistent with Polanyi’s taxonomy, shows that the surplus approach is that theory. Looking at Marx’s social formations or to the four-stage theory, Dalton’s allegation that in the classical economy “the derivation of distinct economic laws ... seemed to operate independently of social institutions” (ibid, p. 146) is definitively unfair. In fact, the pre-classical economists and Marx were precisely interested in that nexus. True, the proper classical bourgeois economists, like Smith and Ricardo, emphasised economic individualism. However, in so doing they played their historical role of defending the autonomy of the free market from the feudal or State interferences. They did that, Dalton correctly points out, after having repealed “mercantilist economic controls” once State intervention completed “the consequent formation of nationwide markets” (ibid).

We also share the argument about

the existence of two rather different ways of perceiving an economy: one is to concentrate on economic "behavior" of individual persons and the motives that impel the individual behaviors, so that the economy is seen as a cluster of individual actors and their motives....The other approach is to perceive the economy as a set of rules of social organization (analogous to polity and political rules), so that each of us is born into a ‘system’ whose rules we learn. (Dalton 1969, p. 66)

We simply do not understand why the former approach would perfectly suit capitalism while the second is limited to primitive societies, as argued by Dalton (1969, pp. 67). We believe that the second more holistic approach (integrated by the surplus approach) suits all economic formations. The formalist point of view is, of course, that the former, individualist approach is suitable for both modern and primitive economies.

To take one of founders of modern (formal) economic anthropology (and former student of Malinowski):

The basic concept of economics is the allocation of scarce, available resources between realizable human wants, with the recognition that alternatives are possible in each sphere. However defined, economics thus deals with the implications of human choice, with the result of decisions. Choices, wants, and their implications in action involve personal relations, social relations. If social anthropology examines form of social relations in the more primitive societies, economics examines certain types of social relations – for example production and

exchange relations – in all societies. ... the science of economics can be said to put forward principles that are truly universal (...) (Firth, 1968, p. 67).

Another formalist, argues that “the initial assumption of economics about scarcity of means and unlimited wants ... are still useful assumptions even in the absence of markets and prices” (Burling, 1968, p. 179):

Primitives are presumably neither more or less rational than any of us, although they may use different institutions through which they express their rationality. Of course, the system of market regulated prices cannot be studied in the absence of market regulated prices, but it may still be useful to study rational calculations. Furthermore, certain characteristics of price-regulating markets may be readily seen even in societies very different from our own and in very different institutional settings.

The argument is that shadow or administrated prices might rule in non-market economies.

Moreover, formalist also argue that the concepts of unlimited wants and limited resources, if taken *cum grano salis*, can be a useful hypothesis also for primitive societies (Burling, 1968, pp. 183-4). Cook (1969, p. 380) adds that, in this sense, formalists were applying Marx’s careful method (“the anatomy of the ape”). On a similar vein, another formalist (Salisbury, 1968, pp. 480-1) places some doubts over the *sancta sanctorum* of Polanyians, the distinction between the reciprocity world of gift and the conflictual one of exchange, when everybody knows how much a gift can create a fastidious dependence or debt.⁶⁸

Finally, to reduce Marginalism, after Robbins, to a theory of rational choices between limited resources and unlimited ends is, moreover, at least misleading.⁶⁹ Marginalism was born as a reaction to the Marxian development of the Ricardian distribution theory and aimed to oppose a harmonic view of distribution to the Ricardian conflict view (Pivetti 1999, p. 291). Having said so, the surplus approach does also contemplate rational choices for economic subjects. These choices do not regard so much consumption, but rather production. On the consumption side, classical economists did not introduce demand curves for single commodities (Garegnani 1983). In this respect they followed Smith’s analysis of effectual demand, the demand for a commodity which is

⁶⁸ The substantivists seem to admit this. For instance, what the reader infers from the pages by M&C (2017, pp.100-2) on “Mauss’s critique of the *homo oeconomicus*” is that, after all, the economy of gift is not really based on truly generosity but on ulterior motives. As seen above, also Sahlins admits that altruism is an inverse function of ‘kinship distance’.

⁶⁹ As noted by Matias Vernengo (2019), “it is also clear that [Polanyi] adhered to some vulgar version of the marginalist supply and demand story for value. Again in his words, from his classic book, *The Great Transformation*: ‘Economic value ensures the usefulness of the goods produced; it must exist prior to the decision to produce them; it is a seal set on the division of labor. *Its source is human wants and scarcity.*” ‘ (italics added by Vernengo).

forthcoming at its natural price.⁷⁰ Effectual demand depends in turn on income distribution, and on habits and customs (including Veblenian and Duesenberrian effects) as influenced by commercial campaigns, product innovations etc.⁷¹ In this respect, the classical approach is totally open to regard consumption choices in primitive societies as the result of a variety of social choices as suggested by the substantivist tradition. On the production side, the choice of techniques famously played a central role in the Sraffian criticism of marginalist capital theory. The criticism is fundamental in so far as it singles out logical faults in the marginalist building. A part of that, in a classical framework choices on the production side, the choice of techniques and technical progress, can be influenced by a plethora of social and political circumstances.⁷² One example concerning the ancient world that we met in Childe, is that of the negative influence of slavery on labour saving innovations and technical progress (e.g. Childe 1942, p. 146).

Conclusions

In this paper I took the opportunity of a recent book by Marchionatti and Cedrini (2017) to develop some reflections over economic anthropology in the light of the surplus approach. Let me sum up some results. I began from the critical points I envisaged in what I call, for the sake of the argument, the Polanyian tradition.

1. The Polanyian “substantivist” tradition (including M&C 2017) identifies economic analysis with the dominant marginalist approach neglecting the break between the classical economists and marginalism. In view of Marx and Sraffa, it is wrong to assimilate Smith and Ricardo to the marginalist methodological individualism. To put it simply, the surplus approach clearly entails a class-based analysis of society.

⁷⁰ The natural price is in turn that at which wages, profits and rent are remunerated at their natural or long-period level.

⁷¹ “As noted above, the modern analysis of demand is in fact mainly concerned with some formal properties of consumer tastes, specifically with the determinateness, persistence, and slope of the demand curves, and not with the actual content of these tastes (which is generally left to the sociologist or psychologist). This content, jointly with the levels of activity, distribution and techniques, is however, what determines the position of the demand curve and is thus the main influence on the levels of output. Now, those formal properties, basic as they are for the modern supply-and-demand analysis of distribution, were largely irrelevant for the classical economists with their different theory. It was therefore natural that these authors should, so to speak, face the content of consumer tastes directly, without the intermediate screen of any formal properties, whether in order to take it as given (as is generally done in modern theory) or in order to examine it, as they generally did (for example, in connection with workers' "necessaries")” (Garegnani 1983, pp. 311-2)

⁷² Admittedly, also mainstream economists may admit these influences, perhaps not with the same richness of the classical approach.

2. The substantive tradition accepts the validity of marginal theory as a correct interpretation of a market economy, where *homo economicus* is supposedly dominant, only refuses its applicability to former economic formations, where *homo moralis* would prevail (Adelman 2019). The danger is, on the one hand, an inconclusive controversy over the innate nature of the human being, selfish or altruistic; on the other hand, to legitimize (undeservingly) conventional theory at least for market economies.
3. The opposition between institutional embedded and market disembedded economic formations goes much too far. As Adelman (2019) noted: “On the one hand, Polanyi argues that the liberal age had disembedded the economy from wider social systems. On the other, Polanyi implies that the market always rests on legal, intellectual, and political conditions — that supply and demand never operate freely. Polanyi wants it both ways. Close readers will find themselves chasing the tail of his argument.” In the modern classical view, all economic formations (capitalism included) are enshrined in an institutional crown (a social order) that regulate the production, reproduction and distribution of the social surplus. The free market, moreover, is itself an institution.
4. In the substantive tradition economic institutions emerge and operate in an economic vacuum, similarly to the extractive and inclusive institution by Acemoglu and Robinson (2012a). In the surplus approach the lowest common denominator of all economic formations (even of the hunters-gatherers) is the idea of a circular economy, “the idea of economic activity as a circular process that, in addition to [possibly] producing a surplus, reproduces all the material goods consumed in the production process so that the production process itself can continue in the next period” (Pasinetti 1975, p. 8, my translation).⁷³ Social and political institutions regulate the production, distribution and circulation of the social product.
5. The substantive tradition deals with the surplus tradition in economic anthropology and archaeology with some contempt and inaccuracy, neglecting both the past great contributors, in particular that by Vere Gordon Childe, and its modern followers. In so doing, it misses the interconnection between income distribution and institutions characteristic of this

⁷³ See also Sraffa (1960, p 121 ed.it.), and Ravagnani (2001) for some qualifications. Vernengo (2019) notes that Polanyi’s “bias in favor of neoclassical economics is also evident in his insistence that the beginning of capitalism can be associated with the organization of the three markets that correspond to the factors of production, namely: labor, land and money (capital), and the implicit notion that the production is a linear process that goes from the factors to final output, in contrast with the classical view of a circular process, in which commodities were produced by means of commodities”.

approach. In the latter, the analysis of distribution cannot be distinguished from the historical socio-political and cultural institutions that regulate the production of the social surplus.

6. The surplus approach does not imply any hypothesis about the human nature (good or bad). The interest of the surplus tradition is on the history and evolution of economic formations, without mythologizing particular social formations or even economic progress, and distinguishing carefully between positive and normative analysis.
7. The main analytical point this paper conveys is the following: the application of the classical surplus approach to economic history shows that the analysis of the social surplus and that of institutions are one and the same thing. Economic history coincides with the analysis of the economic institutions (social orders) that preside over the production and distribution of the social surplus. The surplus approach opposes to the methodological individualism/homo economicus (called formalism in economic anthropology) the study of the social formations as a whole of production, distribution and institutions. (As a subspecies, institutions can, of course, also regulate gift and reciprocity, as the substantialists would like). Unlike in Acemoglu & Robinson, in the surplus approach, institutions are not left in the air, but have the definite role of regulating production and income distribution.

All in all, the Polanyian tradition commits the original sin of focusing, as much as marginalism, on the circulation sphere (that includes exchange, gift and redistribution), as opposed to the production side privileged by classical economics. As pointed out by Bharadwaj (1994, p. 85), deprived of a basis in the production sphere, “Polanyi and his associates ... do not, however, apart from giving a typology, tell us why certain economies changed qualitatively in their trade relations, why certain systems vanished and why some systems got transformed. They offer no clue to the transition” (cf. Dupré & Rey 1978, p. 184, for a similar criticism). Once the circulation sphere is deprived of its material basis, it is then easy to fall in subjectivism. Dupré & Rey (1978, p. 187) talks of an “intrusion of the psycho-sociological”: “Polanyi opposes the exchanges at a set rate of the systems based on redistribution and reciprocity to exchanges at bargained rates in the market system. This opposition is developed, not in terms of structures but atomistically by the mediation of psycho-sociological attributes bestowed on each of its terms. The solidarity of the societies which practise exchange at a set rate is contrasted with the antagonism, the individualism and the desire for profit which necessarily accompany exchange at bargained rates”. Bharadwaj (and Sraffa) would have also much sympathised with this critic of subjectivism. A final quotation from Marx, appropriately reported by Bharadwaj (1994, p. 75), underlines these limits of Polanyi’s taxonomy of circulation modes:

we may notice two methods characteristics of the apologetic economy. ...the second is, the attempt to explain away the contradictions of capitalist production, by reducing the relations between the persons engaged in that mode of production, to the simple relations arising out of the circulation of commodities. The production and circulation of commodities are however, phenomena that occur to a greater or less extent in modes of production the most diverse. If we are acquainted with nothing but the abstract categories of circulation, which are common to all these modes of production, we cannot possibly know anything of the specific points of difference of those modes, nor pronounce any judgment upon them. (*Capital*, vol. 1, Chapter 3)⁷⁴

We take this quotation as the best conclusion of this paper.

POST-SCRIPTUM

This paper has taken a rather critical stance towards Polanyi and his school. This position was motivated by his rejection of the classical notion of economic surplus and of the material approach of the classical economists and Marx to the analysis of economic formations, and by his acceptance of marginalism - provided it stays away from pre-capitalist societies. However, the emphasis of Polanyi and Harry Pearson on the need to introduce institutions *ab ovo* when we speak of surplus is to be taken into due consideration (incidentally, it testifies that their rejection of the concept of more is not absolute). Also Polanyi's taxonomy of pre-capitalist institutions is relevant – provided that the capitalist market is also included among such institutions (and not left to the sphere of marginalism). A passage by Pearson (1957, p. 339) is particularly revealing about the need to introduce institution from the beginning: "There are always and everywhere potential surpluses available. What counts is the institutional means for bringing them to life". While this passage perhaps goes a little too far, the role of technical progress in changing the material bases of modes of subsistence cannot be neglected, the social-institutional nature of the surplus and of technical change itself cannot be referred to a separate stage of economic analysis.

This is quite similar to what the late Andrea Ginzburg (2014, p. 22), inspired by Sraffa, suggested a few years ago: "The crucial element that distinguishes the two theories [classical and marginalist] is not the reproduction of the production cycle nor the existence of the surplus, but the circumstances surrounding its formation and distribution, and hence what is taken as given in the measurement of the net product by means of the theory of value." Later in the paper Ginzburg (*ibid*, p. 34) quotes a note from the manuscripts by Sraffa dated 1931, few years after the rediscovery of the surplus approach, where the latter writes: "The study of the 'surplus product' is the true object of economics; the great difficulty of the matter is that this object either vanishes or remains unexplained. It is a typical problem to be handled dialectically." And the solution envisaged by Sraffa could not be other than a reference the non-economic circumstances that cause it: "When we

⁷⁴ Redistribution can be typical, for instance, of both despotic regimes and of welfare capitalism.

have defined our 'economic field' there are still outside causes which operate in it, and its effects go beyond the boundary. This must happen in any concrete case...The surplus may be the effect of the outside causes; and the effects of the distribution of the surplus may lie outside" (ibid, p. 35). These "outside causes" we call history and institutions.⁷⁵

What we may derive from this is that, from the very beginning, the concept of economic surplus should not be considered in an historical or institutional vacuum – and vice versa, of course, institutions should not be examined in an economic vacuum, since they mainly exist to regulate the existence, production and distribution of the economic surplus.

How much this leads us to review or integrate the methodological description of the surplus approach proposed by Garegnani and based on different analytical stages (evoked above in section 2.1), I mostly leave to further research. I limit myself here to few remarks.

The starting point is that the existence and circulation of the surplus, and institutions are a specific and perfect symbiosis in each given historical formation - a classic example is the *Tableau économique* of Quesnay. What can be referred to a further phase of the analysis is the in-depth analysis, on the one hand of the more properly economic aspects and, on the other hand, of the historical-institutional aspects of the specific economic formation. In actual, Garegnani's concept of "core" of the surplus approach, the set of necessary relations between prices and distribution that constitutes the economic nucleus of the analysis (see above figure 1), is defined for a particular institutional context (the capitalist one), no less than the *Tableau économique* immersed in the institutional context of his time. Each historical epoch will therefore have, in a certain sense, its own specific "core", through a particular adaptation of the theory of the surplus to the specific political-social institutions.

That said, the modern core of classical economics set up in view of a capitalist society is an essential guide also to the study the economic cores of former economic formations, having taken

⁷⁵ Institutions is a word that Sraffa explicitly uses in his manuscripts commenting a first version of the equations which later became the opening equations of *Production of Commodities*. This simple two sectors model concerns a subsistence economy where production allows to just reproduce the means of production. In order for the system to reproduce on an unchanged scale, the two sectors must exchange their respective surpluses at a given rate. Sraffa comments on this fact by writing: "It is not contended that they are actual exchange values (this depends on institutions) (...)" (quoted by De Vivo 2019, p. 98). Suggestively, Sraffa seems to allude that the exchange between the two industries can be mediated, and the exchange rate affected, by institutions other than the market. Albeit evocative, this is, of course, an isolated remark written in the complex context of the painful rediscovery by Sraffa of the surplus approach that should be duly considered in further research (see Garegnani 2003).

into due account the warnings of Marx that accompanied his suggestion that "Human anatomy contains a key to the anatomy of the ape".

References

- Acemoğlu, D. & Robinson, J. A. (2012a) *Why Nations Fail: The Origins of Power, Prosperity and Poverty*, Profile, New York: Crown.
- Acemoğlu, D. and Robinson J.A. (2012b) *Why Nations Fail*, *The New York Review of Books*, 16 August.
- Adelman, J. (2019) Polanyi, the Failed Prophet of Moral Economics, *Boston Review*, <http://bostonreview.net/class-inequality/jeremy-adelman-polanyi-failed-prophet-moral-economics>
- Alesina, A. & Giuliano, P. (2015) Culture and Institutions, *Journal of Economic Literature*, 53 (4), pp. 898-944.
- Aspromourgos, T. (2005) The invention of the concept of social surplus: Petty in the Hartlib Circle, *The European Journal of the History of Economic Thought*, 12(1), pp. 1-24
- Bharadwaj, K. (1994) *Classical Political Economy and Rise of Dominance of Supply and Demand Theories*, University Press (India), 3rd ed.
- Benco, N.L. (1997) Review of Craft "Specialization and Social Evolution: In Memory of V. Gordon Childe", *American Antiquity*, V62 (4), pp. 741-742
- Brewer, A. (2011). The concept of an agricultural surplus, from Petty To Smith. *Journal of the History of Economic Thought*, 33(4), 487-505
- Burling, R. (1968) Maximization Theories and the Study of Economic Anthropology, in LeClair, E. E., Jr., and H. K. Schneider (eds), pp. 168-187.
- Cedrini M.A and Marchionatti, R. (2017) On the Theoretical and Practical Relevance of the Concept of Gift to the Development of a Non imperialist Economics, *Review of Radical Political Economics*, 49(4), pp. 633 –649.
- Cesaratto, S. (1999) Notes on division of labour and economic growth: Smith, Schumpeter, Marshall, *Studi economici*, 54(67), pp. 95-121.
- Cesaratto, S. (2019) The modern revival of the Classical surplus approach: implications for the analysis of growth and crises, in T. Gabellini, S. Gasperin, A. Moneta (eds.) *Economic Crisis and Economic Thought – Alternative theoretical perspectives on the economic crisis*, Routledge, Abingdon & New York, pp. 111-134. WP version: <https://ideas.repec.org/p/usi/wpaper/735.html>
- Cesaratto, S. (2022) Issues in the economic analysis of the Greek-Roman economies in a surplus approach perspective, forthcoming WP-DEPS.
- Cesaratto, S. & Mongiovi, G. (2015) Pierangelo Garegnani, the Classical Surplus Approach and Demand-led Growth: Introduction to the Symposium, *Review of Political Economy*, 27(2), pp. 103-110.
- Childe, V.G. (1925) *The Dawn of the European Civilization*, Kegan Paul, London.
- Childe, V.G. (1936) *Man makes himself*, Watt, London.
- Childe, V.G. (1942) *What Happened in History*, Pelican Book

- Childe, V.G. (1946) Archaeology and Anthropology, *Southwestern Journal of Anthropology*, 2 (3), pp. 243-251
- Childe, V.G. (1979 [1949]) Prehistory and Marxism, *Antiquity*, 53 (208) , pp. 93-95
- Childe, V.G. (1950) The Urban Revolution, *The Town Planning Review*, 21 (1), pp. 3-17
- Childe, V.G. (1957) The Bronze Age, *Past & Present*, No. 12 (Nov.), pp. 2-15
- Childe, V.G. (1958a) Retrospect, *Antiquity*, 32 (126), pp. 69-74
- Childe, V.G. (1958b) *La preistoria della società europea*, Sansoni, Firenze, 1979 (*The Prehistory of European Society*, Penguin Books).
- Cook, S. (1966) The Obsolete "Anti-Market" Mentality: A Critique of the Substantive Approach to Economic Anthropology, *American Anthropologist*, New Series, Vol. 68, No. 2, Part 1, pp. 323-345.
- Cook, S. (1969, The "anti-market" mentality re-examined: a further critique of the substantive approach to economic anthropology, *Southwestern Journal of Anthropology* 25 (4), pp. 378-406
- Diamond, J. 2005 [1997] *Guns, Germs and Steel: A short history of everybody for the last 13,000 years*, London: Vintage.
- Diamond, J. (2012a, What Makes Countries Rich or Poor? *The New York Review of Books*, June 7:
- Diamond, J. (2012b), Reply by Jared Diamond, *The New York Review of Books*, 16 August.
- Dalton, G. (1960) A note of clarification on economic surplus, *American Anthropologist*, Vol.62, pp. 483-490
- Dalton, G. (1961) Economic Theory and Primitive Society, in LeClair & Schneider (1968), pp. 143-167) (original in *American Anthropologist*, 1961, 63, 1-25).
- Dalton, G. (1963) Economic Surplus, Once Again. *American Anthropologist*, 65, pp. 389-394.
- Dalton, G. (1969) Theoretical Issues in Economic Anthropology, *Current Anthropology*, 10 (1), pp. 63-102.
- de Ste. Croix, G.E.M (1981) *The Class Struggle in the Ancient Greek World: From the Archaic Age to the Arab Conquests*. London, Duckworth.
- De Vivo, G. (1990) On Marxist and political economy, in Bharadwaj, K. & Schefold B. (eds.) *Essays on Piero Sraffa: Critical Perspectives on the Revival of Classical Theory*, London Unwin Hyman, pp. 42-50.
- De Vivo, G. (2019) Marx and Sraffa: A Comment on Gehrke and Kurz, *Review of Political Economy* 31(1), pp. 95-99.
- Dupré, G. & Rey Pierre Philippe (1978) Reflections on the Relevance of a Theory of the History of Exchange, in Seddon, D, (ed) *Relations of production –Marxist approaches to economic anthropology*, London, Cass (originally published in *Cahiers internationaux de sociologie*, vol. 46, 1968), pp. 171-208.
- Earle, T. (2011a) Redistribution in Aegean Palatial Societies. Redistribution and the Political Economy: The Evolution of an Idea, *American Journal of Archaeology*, 115 (2), pp. 237-24.
- Earle, T. (2011b) Chiefs, Chieftaincies, Chiefdoms, and Chiefly Confederacies: Power in the Evolution of Political Systems, *Social Evolution & History*, 10 (1), pp. 27–54

- Earle, T. (2015) Surplus and the Political Economy in Prehistory, in Christopher T. M. and Kristin De Lucia (eds.), *Surplus: The Politics of Production and the Strategies of Everyday Life*, University Press of Colorado, pp. 307-326.
- Earle, T. and Matthew Spriggs (2015) Political Economy in Prehistory: A Marxist Approach to Pacific, *Current Anthropology*, 56 (4), pp. 515-544
- Firth, R. The social framework of economic organization, in LeClair, E. E., Jr., and H. K. Schneider (eds). 1968, pp. 65-87.
- Garegnani, P. (1983). The Classical Theory of Wages and the Role of Demand Schedules in the Determination of Relative Prices. *The American Economic Review*, 73(2), 309-313.
- Garegnani, P. (1984) Value and Distribution in the Classical Economists and Marx, *Oxford Economic Papers*, 36 (2): 291–325.
- Garegnani, P. (2002) Misunderstanding Classical Economics? A Reply to Blaug, *History of Political Economy* 34 (1): 241–254.
- Garegnani, P. (2003) On a turning point in Sraffa's theoretical and interpretative position in the late 1920s, *The European Journal of the History of Economic Thought*, (12) 3, pp. 453-92.
- Garegnani, P. (2018) On the Labour Theory of Value in Marx and in the Marxist Tradition, *Review of Political Economy*, 30 (4), pp. 618-642.
- Gehrke, C. & Kurz, H. (2018) Sraffa's Constrictive and Interpretative Work, and Marx, *Review of Political Economy*, 30 (3), pp. 428-442.
- Ginzburg, A. (2014) Two translators: Gramsci and Sraffa, *Centro Sraffa Working Papers*, n. 1.
- Gregory, C. A. (1982 [2015]), *Gifts and Commodities*, Second Edition, HAU Books (First Edition, 1982 Academic Press, London.)
- Gregory, C. A. (2000) Anthropology, Economics, and Political Economy: A Critique of Pearson. *History of Political Economy*, 32 (4), pp. 999–1010
- Groot, M. and Lentjes, D. (2013) Studying subsistence and surplus production, in Groot, M., D. Lentjes & J. Zeiler (eds.), *Barely Surviving or More than Enough? The environmental archaeology of subsistence, specialisation and surplus food production*, Leiden: Sidestone Press.
- Gudeman, S. (1978) Anthropological economics: The question of distribution. *Annual Review of Anthropology* 7, pp. 347–77.
- Halperin, R.H. (1984) Polanyi, Marx, and the institutional paradigm in economic anthropology, *Research in economic anthropology*. vol. 6 (1984), S. 245-272.
- Halstead, P. (1989) The economy has a normal surplus: economic stability and social change among early farming communities of Thessaly, Greece, in Halstead, P. & O'Shea, J. (eds.) *Bad Year Economics: Cultural Responses to Risk and Uncertainty*, CUP Cambridge 1989.
- Harari, Y. N. (2014) *Sapiens: A Brief History of Humankind*, Harvill Secker, London.
- Harris, M. (1959) The Economy Has No Surplus, *American Anthropologist*, New Series, 61 (2), pp. 185-199
- Harris, M. (1968) *The rise of anthropological theory: a history of theories of culture*, New York: Thomas Y. Crowell
- Herskovits, M.J. (1940) Anthropology and Economics, *Journal of Social Philosophy*, 5 (2), pp. 127-42

- Herskovits, M.J. (1952) *Economic anthropology: A Study in Comparative Economics*, New York: Alfred A. Knopf (originally published in 1940 as *The Economic Life of Primitive Peoples*)
- Hirschman, A.O. (1977) *The Passions and the Interests: Political Arguments for Capitalism Before Its Triumph*. Princeton, NJ: Princeton University Press
- Humphreys, S. C. (1969) History, Economics, and Anthropology: The Work of Karl Polanyi, *History and Theory*, 8 (2), pp. 165-212
- Jones, C.I. (2004) Growth and Ideas, NBER Working Papers: no. 10767.
- Jones, C.I. and Romer P.M. (2009) The New Kaldor Facts: Idea, Institutions, Population, and Human Capital, NBER Working Papers: n. 15094.
- Knight, F.H. (1941) Anthropology and Economics, *Journal of Political Economy*, 49 (2), pp. 247-268
- LeClair, E. E., Jr., and H. K. Schneider (eds) (1968) *Economic anthropology: Readings in theory and analysis*, New York: Holt, Rinehart & Winston.
- Marchionatti, R. (2008) *Gli economisti e i selvaggi. L'imperialismo della scienza economica e i suoi limiti*, Bruno Mondadori, Milano
- Marchionatti, R. and Cedrini, M. (2017) *Economics as Social Science: Economics imperialism and the challenge of interdisciplinarity*, Routledge Abingdon, Oxon
- Marx, K. (1974 [1967]) *Capital*, I, London: Lawrence & Wishart.
- Marx, K. (1973 [1857-8]) *Grundrisse. Foundations of the Critique of Political Economy*, Penguin Books, New York
- Marx, K. (1865) *Value, Price and Profit.*, in *Karl Marx and Frederick Engels Collected Works 1964-68*, vol. 20, Lawrence & Wishart
- Mcguire, R. H. (2006) Marx, Childe, and Trigger, in Ronald Williamson and Michael S. Bisson (eds.), *The Archaeology of Bruce Trigger: Theoretical Empiricism*, Montreal: McGill-Queens University Press
- McNairn, B. (1978) The Method and Theory of V. Gordon Childe, Ph.D. Degree, University of Edinburgh (available at <https://www.era.lib.ed.ac.uk/handle/1842/18438>), published as *The method and theory of V. Gordon Childe: economic, social and cultural interpretations of prehistory*, Edinburgh University Press, Edinburgh, 1980
- Meek, R.L. (1976) *Social Science and the Ignoble Savage*, London: Cambridge University Press.
- Meheux, K (2017) Digitising and Re-examining Vere Gordon Childe's 'Dawn of European Civilization': a celebration of the UCL Institute of Archaeology's 80th Anniversary. *Archaeology International*, No. 20, pp. 91–105.
- Olsen, E. K. (2009) Social Ontology and the Origins of Mode of Production Theory, *Rethinking Marxism*, 21(2), pp. 177-195.
- Pasinetti, L.L. (1975) *Lezioni di teoria della produzione*, Il mulino, Bologna (English translation New York, Columbia University Press, 1977.
- Pearson, H. (1957) The economy has no surplus: critique of a theory of development, in Trade and market in the early empires, in Polanyi et al. (1957), pp. 320-41.
- Pearson, H. (2000) Homo Economicus Goes Native. 1859-1945: The Rise and Fall of Primitive Economics, *History of Political Economy*, 32 (4), pp. 933-989.
- Pearson H. (2010) Ground between Two Stones: Melville Herskovits and the Fate of Economic Anthropology, *History of Political Economy* 42 (annual suppl.), pp. 165-95).

- Patterson, T.H. (2005) Distribution and Redistribution, in Carrier J.G. (ed) *Handbook of Economic Anthropology*. Cheltenham: Edward Elgar, pp.194-209.
- Pivetti, M. (1999) On Sraffa's "Cost & Surplus" Concept of Wages and its Policy Implications, *Rivista italiana degli economisti*, issue 2, pp. 279-300
- Polanyi, K. (1944). *The Great Transformation - Economic and Political Origins of Our Time*. New York Rinehart.
- Polanyi, K. (1957), The economy as an instituted process, in Polanyi et al. (1957), pp. 243-70.
- Polanyi, K., Arensberg, C. and Pearson, H. (eds) (1957) *Trade and market in the early empires*, The Free Press, Glencoe, Illinois.
- Ravagnani, F. (2001) On a current characterization of the classical theory of value, *Review of political economy*, 13 (3), pp. 355-363
- Ricardo, D. (1815) *An Essay on Profits*, in *The Works and Correspondence of David Ricardo*, Vol. IV, edited by P. Sraffa, Cambridge: Cambridge University Press [1951–73].
- Rosenberg, N 1965, Adam Smith on the division of labour: two views or one? *Economica*, 32(126), p.127-39.
- Rowthorn, R. (1974) Neo-Classicism, Neo-Ricardianism & Marxism, *New Left Review*, No.86, July-August
- Sahlins, M. (1972) *Stone Age Economics*, Aldine, Chicago.
- Salisbury, R.F. Anthropology and Economics, in LeClair, E. E., Jr., and H. K. Schneider (eds) (1968), pp.478-85.
- Sherratt, A. (1989) V. Gordon Childe: Archaeology and Intellectual History, *Past & Present*, No. 125 (Nov.), pp. 151-185
- Sherratt, A. (1997-98) Gordon Childe: right or wrong? *Archaeologia Polona*, vol. 35-36, pp. 363–78.
- Smith, M. E. (2009) V. Gordon Childe and the Urban Revolution: a historical perspective on a revolution in urban studies, *Town Planning Review*, 80 (1), pp. 3-29.
- Sraffa, P. (1925) Sulle relazioni fra costo e quantità prodotta, *Annali di economia*, II, 1925, pp. 277–328 (English translation by A. Roncaglia e J. Eatwell available at: <https://www.hetwebsite.net/het/texts/sraffa/sraffa25.pdf>)
- Sraffa, P. 1951. 'Introduction.' In *The Works and Correspondence of David Ricardo*, Vol. I, edited by P. Sraffa. Cambridge: Cambridge University Press [1951–73].
- Sraffa, P. 1960. *Production of Commodities by Means of Commodities*. Cambridge: Cambridge University Press.
- Stein, W. 1984. How are peasants exploited? The extraction of unpaid labor in rural Peru. *Research in Economic Anthropology*, 6, pp.273-308
- Stirati, A. (1994) *The Theory of Wages in Classical Economics*, Edward Elgar Publishing, Aldershot.
- Svizzero S. (2017) Persistent controversies about the Neolithic revolution. *J His Arch & Anthropol Sci.*, 1(2):53–61.
- Svizzero, S. & Tisdell, C., 2014a. Theories about the Commencement of Agriculture in Prehistoric Societies: A Critical Evaluation, WP School of Economics, the University of Queensland, no. 68.

- Svizzero, S., Tisdell, C. (2014b), Inequality and Wealth Creation in Ancient. History: Malthus' Theory Reconsidered, *Economics and Sociology*, 7 (3), pp. 222-239.
- Tisdell, C. and Svizzero, S. (2017) The Ability in Antiquity of Some Agrarian Societies to Avoid the Malthusian Trap and Develop. *Forum for Social Economics*, available on line at <https://doi.org/10.1080/07360932.2017.1356344>
- Tisdell, C. and Svizzero, S. (2016) Economic evolution, diversity of societies and stages of economic development: A critique of theories applied to hunters and gatherers and their successors, *Cogent Economics & Finance* 4 (1).
- Tringham, R. (1983) V. Gordon Childe 25 Years after: His Relevance for the Archaeology of the Eighties, *Journal of Field Archaeology*, 10 (1), pp. 85-100.
- Trigger B.G. (2003) All People Are [Not] Good, *Anthropologica*, 45, pp. 39–44
- Turgot (2011), *The Turgot Collection, Writings, Speeches, and Letters of Anne Robert Jacques Turgot, Baron de Laune*, Edited by David Gordon, Mises Institute.
- Vernengo, M. (2013) What makes capitalism capitalism? *Naked Keynesianism*, available at: <http://nakedkeynesianism.blogspot.com/2013/01/what-makes-capitalism-capitalism.html>
- Vernengo, M. (2019), On Karl Polanyi and the labor theory of value, *Naked Keynesianism*, available at: <http://nakedkeynesianism.blogspot.com/2019/05/on-karl-polanyi-and-labor-theory-of.html>
- Wailes, B. (ed) (1996) *Craft Specialization and Social Evolution: In Memory of V. Gordon Childe*. Monograph No. 93, University Museum of Archaeology, University of Pennsylvania, Philadelphia,
- Weisdorf, J. L. (2005) From Foraging to Farming: Explaining the Neolithic Revolution, *Journal of Economic Surveys*, 19 (4), pp. 561-586.
- Wicksell, K. (1934) *Lectures on Political Economy*. 2 vols. London: Routledge; New York: Macmillan. 2nd Swedish ed 1911. A reprint by KELLEY Fairfield, New Jersey is available at <https://mises.org/library/lectures-political-economy-volume-i-general-theory>
- Wisman, J. D. (2019) Adam Smith and Thorstein Veblen on the Pursuit of Status Through Consumption versus Work, *Cambridge Journal of Economics*, 43 (1), pp. 17–36.

Successive publications of Sergio Cesaratto on the same topic:

- Cesaratto, S. (with the collaboration of) Di Bucchianico, S. (2021a) The Surplus Approach, Institutions, And Economic Formations, *Contributions to Political Economy*, 40 (1), pp. 26–52. <https://doi.org/10.1093/cpe/bzab002>
- Cesaratto, S. (with the collaboration of) Di Bucchianico, S. (2021b) The surplus approach, Polanyi and institutions in economic anthropology and archaeology, *Annals of the Fondazione Luigi Einaudi*, 55 (1), pp. 185-216 (special issue “Marshall Sahlins’s Stone Age Economics, a Semacentenary Estimate”).
- Cesaratto, S. (2022) Issues in the economic analysis of the Greek-Roman economies in a surplus approach perspective, forthcoming WP-DEPS.
- Cesaratto, S. (2022) Issues in the Marxist debates on “historical forms of social production” in a surplus approach perspective, forthcoming WP-DEPS.