

C. The Life and Times of Karl Polanyi
(Chair: Mária ORMOS, IPH – room 331, in Hungarian)

György LITVÁN: The Young Karl Polanyi
Tibor HAJDU: Karl Polanyi and Emigration Politics during World War Two
G. M. TAMÁS: The Invariances of a Mild Revolutionary
György CSÁKI: The New Hungarian Edition of The Great Transformation

18.00. Evening program

Saturday, November 6

9.00. Workshops at Corvinus University of Budapest

D. Neoliberalism and the Evolution of Capitalism (Chair: Pat DEVINE, CUB – room 2001)

Kunibert RAFFER: Neoliberal Capitalism: A Time Warp Backwards to Capitalism's Origins?
André MOMMEN: The Great Transformation Revisited
Judit BODNAR: Great Expectations or How We Came to Love the Market in Eastern Europe
Laszlo KOVATS: Ships, Seaman and Polanyi
Ferenc MISZLIVETZ and Jody JENSEN: Global Social Movements and the Critique of Neoliberalism

E. Regions of the World System: Core and Periphery
(Chair: György CSÁKI, CUB – room 297)

Arno TAUSCH: Beyond Cultural Warfare: Polanyi, Europe, and the Muslim world
Dic LO: China, the 'East Asian Model' and Late Development
József BÖRÖCZ: How Size Matters: The EU as a Geopolitical Animal
Attila MELEGH: Under Liberal Eyes: East European Societies and the Great Re-transformation
Ravi Arvind PALAT: Empire and Market: American Drive to Imperialism and Asian Regionalism
Miklós LOSONCZ: Economic performance in the EU and the US: a comparative analysis and implications for the world economy (absent)

11.00. Coffee break

11.30. Report back from the Workshops and Closing Plenary Session (Chair: Björn HETTNE, CUB – room 2001)

Stergios BABANASSIS: Small and Medium States in Globalization and Regionalization
József BÖRÖCZ: Redistributing Global Inequality: A Thought Experiment

14.00. End of conference

Organizing committee: László ANDOR, Gábor VIGVÁRI, János MOLNÁR, Szabolcs SZAJP, Gábor KÜRTHY, Alíz McLEAN, Károly KISTELEKI.
Phone: (36- or 06-) 70-3117748. E-mail: vigi@tek.bke.hu Homepage: <http://polanyi.tek.bke.hu>

Report back from the Workshops and Closing Plenary Session

Böröcz, József

REDISTRIBUTING GLOBAL INEQUALITY: A THOUGHT EXPERIMENT

At its 96th plenary meeting (held in 1995), the General Assembly of the United Nations proclaimed the period of 1997 to 2006 as the "First United Nations Decade for the Eradication of Poverty." Yet, so far, no global project of inequality reduction has been implemented. This paper focusses on the fiscal feasibility of a truly Polányian plan for global inequality reduction, a large-scale, historic social process of social change aiming to diminish "oligarchic wealth" in favour of a less extremely unbalanced structure of distribution. Using World Bank data, this paper finds that cutting global state-to-state inequality by half is financially quite possible. Were such measures introduced, most of the endemic ills of the most impoverished societies could be eliminated without seriously endangering the substantive quality of life in the wealthier societies. What makes the idea utopian is the unwillingness of the core societies to give up some of their un-earned, un-deserved, and globally destructive, collectively irrational privileges.

A SHORT GUIDANCE TO

INTERNATIONAL CONFERENCE IN BUDAPEST

**KARL POLANYI'S IDEAS AND THE CONTEMPORARY WORLD
SYSTEM TRANSFORMATION**

2004 November 5-6 (Friday and Saturday)

Venues

Hungarian Academy of Sciences (HAS - Budapest, Roosevelt Square 9)
Institute of Political History (IPH - Budapest, Alkotmány Street 2)
Corvinus University of Budapest (CUB - Budapest, Fovám Square 8)

Organizers

Hungarian Academy of Sciences (sections II. and IX.) - Institute of Political Sciences of HAS
Institute of Political History - College for Social Theory of CUB
Friedrich Ebert Stiftung

Patron: Szilveszter E. Vizi (president of HAS)

Agenda

Friday, November 5

9.00. Registration (HAS – first floor, outside formal hall)

9.30. Plenary session (Chair: **Ádám TÖRÖK**, HAS - formal hall)

Opening address: Szilveszter E. VIZI (President of the Hungarian Academy of Sciences) and **Marguerite MENDELL** (Director of the Karl Polanyi Institute, Montreal)

Inaugural lecture: Kari POLANYI-LEVITT

(Honorary Member of Hungarian Academy of Sciences, Professor Emeritus, McGill University, Montreal)

Panel discussion: Development and the Contemporary World System

Speakers: Samir AMIN, Mihály SIMAI, Tamás SZENTES, and Stuart HOLLAND

13.00. Lunch

15.00. Panel sessions at HAS or IPH

A. Development Studies in Higher Education (Chair: Tamás SZENTES, HAS - chamber, in English) Speaker: Louk de la RIVE BOX

B. The Intellectual Legacy of Karl Polanyi (Chair: Ayse BUGRA, IPH – room 133, in English)

Berkeley FLEMING: Polanyi Meets America

Peadar KIRBY: Karl Polanyi and Human Livelihood: Timely Contributions to some very Contemporary Debates

Andrea SZEGO: Contradictions and Cacophony: Karl Polanyi's Reception in Hungary

James PUTZEL: Karl Polanyi and Today's Debates on "Failed States"

M. CANGIANI and C. THOMASBERGER: "The Conflict between Capitalism and Democracy in the Age of Globalization"

Duncan CAMERON: The Next Great Transformation

Holland, Stuart

REGIONALISM AS A RESPONSE TO GLOBALISATION

Faculty of Economics, University of Coimbra, sholland@fe.uc.pt

Regionalism is not new. Nor is it simply geographic. Nor does it have simply economic motivation. The US as an economic region developed behind prohibitive tariffs designed to foster infant industries. The Zollverein was a drive to create an internal market within Germany which both could give her economic independence from English domination of international trade, and thereby political independence as an autonomous world power. The Coal and Steel Community and then European Community were designed to avoid a fourth war since 1871 between France and Germany. The drive for Latin American integration embodied in UNECLA was to achieve economic and political independence from the United States. ASEAN had a similar motivation, and aimed at its own monetary fund, which could have avoided the Asian monetary crisis. The 1985 Brandt-Manley Global Challenge report stressed that liberalisation would result in the dominance of the weak by the strong and that regional cooperation and preferential agreements were not an obstacle to a new international economic order, or trade blocs denying international comparative advantage, but regional building blocs for plural global governance. This paper analyses the potential for such regionalism as a response to neo-liberal globalisation while recognising that the end of classical or neoclassical comparative advantage based on specialisation in international trade is not challenged by the combination of low cost labour combined with high technology and post modern methods of work organisation in mega-regions such as China.

A. Development Studies in Higher Education

Louk Box

DEVELOPMENT IN COOPERATION?

Tendencies and consequences for research and teaching in European development studies

Is development cooperation a serious sector in Europe? This is the question that I pose you, and that I pose myself in this lecture. There is no way of escaping the question after the Director General for Development and Humanitarian Aid in the European Commission has said:

Development cooperation is not a serious sector.

The point is not new. Indeed, it has been raised in one way or another ever since the start of our discipline. In his seminal study *World Economics: Comparative Theories and Methods of International and Development Economics*¹, professor Tamás Szentes (2002: 12) has argued that such doubts regarding the value of development economics may “induce some scholars to announce its “requiem” while others [...] celebrate its renaissance.” Following Todaro and Meier, Szentes (Id. 43) defines development as

a multidimensional process extending over the entire society [...] involving not only the economy but also the institutional and political system, improving the techniques and skill of production, the cultural and educational level as well as social attitudes and the quality of life, the conditions of freedom and free choice, eradicating poverty and inequalities, meeting the environmental challenge and ensuring “sustainability”, too.....

¹ Budapest (Akadémiai Kiadó) 2002

Kovats, Laszlo Capt.

SHIPS, SEAMEN AND POLANYI

A brief reflection on how to protect the world's seamen from the self-regulating market of capitalism

Society, not unlike the imaginary Empire of the film, is fighting back. In our real time scenario societies are the good guys and the enemy is the global oppression of capitalism that is to be defeated by the freedom loving peoples of the earth. Polanyi's assessment of *The Great Transformation* is based on, mostly European, societies fighting back against the artificial construct of the transnational self-regulated market forced on the world's peoples by political and economic institutions of the 19th century. According to Polanyi, once the economic base of the gold standard collapsed, there was nothing to stop political societies' attempts to smash the institutions upon which that standard was based. The liberal state, the balance of power systems and the self-regulated markets came tumbling down in the search for a real world to replace the utopia of self-regulated markets. Polanyi wrote that in 1944 when the transformation appeared to fructify in society's direction and prospects for further progress looked encouraging. 60 years on, in 2004 and beyond, we have to renew the effort to show up the self-regulating market for the utopia as it is but we are obliged to do it in a much altered political and technological environment.

E. Regions of the World System: Core and Periphery

Tausch, Arno

Beyond cultural warfare: Polanyi, Europe, and the Muslim world

Associate Visiting Professor of Political Science, Innsbruck University

This article summarizes research results on a world system perspective on the contemporary crisis. It starts from the assumption that both Europe and the Muslim world are facing the same tendency of a basic and underlying shift in global economic activity away from the West of the Euro/Asian/African landmass towards the countries of the Pacific, and that the United States Government's main interest today is in preserving and intensifying the US global hegemony after the end of the Cold War, and to maximize access to global wealth and energy resources in a world that looks more and more like the late 19th Century. The conditions of this political economy of the 21st Century were spelled out by the world system theory school of thought in the social sciences, pioneered by Karl Polanyi. Non-Muslim Europeans and non-European Muslims, so to speak, sit in the same world economic boat. Several European countries, but also in Japan and even in the US, inequality and globalization are on the increase since 1980. Saudi Arabia, from 1975 to 1998, lost 18 out of possible 23 valuable years of development; while most capitalist western democracies lost no year in that period. About a third of the world's entire land surface suffered from such dramatic development turn-arounds since 1975.

Lo, Dic

CHINA, THE 'EAST ASIAN MODEL' AND LATE DEVELOPMENT

Department of Economics, School of Oriental and African Studies, University of London, diclo@soas.ac.uk

There is an influential, neo-liberal proposition in the scholarly literature on China's economic transformation since the late 1970s. It states that China's reformed economic institutions are a mix of market-conforming and market-supplanting elements, that its developmental achievements so far have been ascribable to the conforming elements whereas the accumulated problems being ascribable to the supplanting elements, and that the problems have tended to

outweigh the achievements as the country's economic transition progresses from the allegedly easy phase to the difficult phase. This paper offers an alternative interpretation of the Chinese experience. The central proposition is that China's economic institutions could be seen in favourable light both theoretically and with reference to the East Asian development experience. Specifically, the developmental implications of the market-conforming and market-supplanting elements should not be understood in any absolute sense, but rather depend on the appropriate match or otherwise between the institutions and the external environment. The developmental achievements to date indicate that China's economic reform has managed to achieve a basically appropriate match between the two aspects, although enormous uncertainties still cloud over the future prospects owing to changes both in the external environment and the reform strategies of the state leadership.

Böröcz, József

HOW SIZE MATTERS: THE EU AS A GEOPOLITICAL ANIMAL

The EU is not a state. It is, instead, a very cost-effective, large public organisation that helps redistribute protection services, and various other executive functions of public authority, in the service of west European capital and white west European societies, organised as a global force. This paper analyses the implications of this interpretation with respect to the geopolitical behaviour of west European actors, and the impact of the EU's emergence and solidification on the structure of global inequalities.

Palat, Ravi Arvind

EMPIRE AND MARKET: AMERICAN DRIVE TO IMPERIALISM AND ASIAN REGIONALISM
State University of New York at Binghamton Department of Sociology

The overwhelming military dominance established by the United States over all other powers obscures the fact that for the first time in the history of the capitalist world-system, the leading military power is also the leading debtor state. This bifurcation of military power from financial power is paralleled by the fact that also for the first time in the capitalist world-economy, financial power is concentrated in non-Western economies, strung along the Pacific coasts of Asia. This paper locates the American drive for empire in the wake of the attacks on the World Trade Center and the Pentagon on September 11, 2001 and the growing regional integration of economies in Pacific-Asia within a longer historical trajectory to examine the implications for the future. It will first compare the trajectories of American hegemony with previous hegemonic trajectories to underline the distinctive features of the contemporary era, notably the fact that the US faces no military challenges from its rivals while it plunges more deeply into debt. It will also examine how patterns of financial flows "hollows" out US industry and undermines the US economy while strengthening Asian economies in the context of the emergence of the euro as an alternate to the US dollar as world money. Finally, it will examine the implications of the rise of Asian economies for the future.

ABSTRACTS IN THE ORDER OF APPEARANCE

Szentes, Tamás

DEVELOPMENT AND TRANSFORMATION IN THE CONTEMPORARY WORLD ECONOMY
HAS, Budapest

Like all the famous scholars of social science in history, Karl Polányi was also dreaming about a better world, a more egalitarian, just and democratic social order of the world. He rejected both economic determinism and economic liberalism as well as the system in which market forces predominate over human relations or which is governed by a dictatorial power. He could not witness the new “Great Transformation”, which has taken place in Eastern Europe and in the world order since the collapse of the Soviet-type “socialist” system and Soviet bloc. But in view of the rapid growth of marked inequalities, of a sudden birth of a new, mostly parasite type, squandering bourgeoisie, parallel with the appearance of a great number of homeless, unemployed, and poor people within these societies, and also in the light of still deepening international development gap, the growing income inequalities and dominance relations in the world economy, providing the real background for globalised terrorism, we must say, that this new “Great Transformation” has hardly created yet or even promised the kind of society he was dreaming about.

Although the various theoretical schools in development studies gave different explanations on the international development gap, emphasising either the internal or the external causes of underdevelopment, the lessons drawn from their debate and particularly from history point to the interaction of internal and external factors.

Under the conditions, however, of the recently accelerating process of globalisation, fuelled by technological revolutions, extended activities of transnational companies and neo-liberal policies, resulting increasingly intensive and non-symmetrical interdependencies between unequal partners, no single country can de-link from the outside world any more and be able to develop individually a social system diverging from and better than the prevailing world order. Thus, there is an urgent need for peacefully changing the world system as a whole by appropriate reforms, (at least) similar to those already applied within several Western countries, or those introduced within the European Union. Such as the measures redistributing incomes or development resources in favour of the poor and the less developed regions, developing a “Welfare State” with a “social safety net” and a “social market economy”, opening more room for NGOs as “countervailing forces” vis-à-vis both the market and the State, applying an anti-cyclical economic policy, etc.. On the world level they require, of course, the rise of an appropriate global institutional system adequate for the globalised world economy, based on the principle of proportionate representation, ensuring equal voting power for equal number of people, protecting the human rights of all the members of human society, involving a responsible global governance with a mechanism for reconciling opposite interests and ensuring peaceful cooperation among partners, coupled with a global public sector, global system of taxation and an enforcing power, too, i.e. far-reaching transformation of the UNU system. Moreover, a “New Enlightenment” is also needed, which would free social science from ideologies, apologetic misuse and politically manipulated distortion, and also detach religions from politics, making impossible to use them for justifying hostility and “sacred wars”.

SZEGÓ, Andrea dr

CONTRADICTIONS AND CACOPHONY IN POLÁNYI'S RECEPTION IN HUNGARY

andrea.szego@next.hu

The concept of redistribution has arrived primarily by two different channels at the social sciences in Hungary. In the seventies sociologists took this concept from economic sociological writings of Karl Polányi, however, it was only in the middle of the eighties that the economists began to utilize Polányi's concept of redistribution for describing the functioning of the Hungarian economy, basically due to the influence of sociologists.

For the economists the issue of redistribution arose in connection with centralized redistribution in case of non-socialist economies, strongly overlapped by an analysis of state intervention through the expansion of the economic function of the state as well as by the issues of modernization i.e. by "catch up" strategies of the state in backward countries. It can be stated, however, that the problem of redistribution in the economic literature dates back to the very beginning. We can find e.g. the income redistribution activity of the state through taxation, the problems of state indebtedness and of the value of money, the problem of income redistribution via state indebtedness, etc. already in the agenda of the classical political economics. However, the problem of redistribution came to the forefront for the economists by way of the economic policy of modern welfare states. (In order to characterize state intervention and the role of the state as an organizer agent in the economy one can find in addition to redistribution also the use of the concept of paternalism in the economic literature.)

Putzel, James

KARL POLANYI AND TODAY'S DEBATES ON "FAILED STATES"

London School of Economics, England

One of Polanyi's important insights concerned the role the state played in creating the parameters for market society. This paper reviews Polanyi's thinking about the state in light of some of his unpublished notes and relates his thinking to debates about "failing states" at the outset of the 21st Century.

Prof. M Cangiani and C. Thomasberger

THE CONFLICT BETWEEN CAPITALISM AND DEMOCRACY IN THE AGE OF GLOBALIZATION'

University of Venice and University of Applied Sciences (FHTW), Berlin

In the paper we discuss some of the new forms in which the contradictions between Capitalism and Democracy became evident during the last decades - both, on the national and international level. We will focus on recent developments from a 'Polanyian' point of view, starting from Polanyi's distinction of three phases of the conflict (the struggle against Chartism, universal suffrage, fascism) which he describes in the manuscript 'The Fascist Virus' (around 1940). We will also take into account some other writings such as for example 'England und die Wahlen' (1924), 'Demokratie und Währung in England' (1931), 'Wirtschaft und Demokratie' (1932) and 'Jean Jaques Rousseau, or is a free Society Possible?' (1943).

Cameron, Duncan

THE NEXT GREAT TRANSFORMATION

Karl Polanyi Institute of Political Economy

Karl Polanyi explains the first and second world wars as the consequence of the collapse of the three great social mechanisms that governed relations among nations and within societies in Europe: first, the balance of power, and the model of great power diplomacy established by the victors in the Napoleonic wars at the Congress of Vienna in 1815; second, the "self-regulating" market that emerged out of European feudalism, and was championed by English industrialists, and by political economists Adam Smith and David Ricardo; and third, the international gold standard which regulated international trade and finance, notably by imposing deflationary policies on nations experiencing persistent balance of payments deficits.

After 1945 this old order was repaired. It is that repair job that is falling apart today. U.S. unilateralism undermines the UN security council. The welfare state makes no progress in Western Europe and recedes in North America. The rise of the Euro poses the first real threat to the dollar standard implicit in Bretton Woods and after. The post war world order is being pulled apart by neoliberalism and naked U.S. imperialism. This has deadly consequences for the rest of the world, which, it hardly bears mentioning, were not envisaged as the beneficiaries of the post 1945 structure.

This paper looks forward to the next great transformation, the move ahead to peaceful co-existence. How could a new international order be established that would promote, justice, freedom, and equality for all the citizens of the world? The paper looks at how such an order would work and how it could be brought into being.

D. Neoliberalism and the Evolution of Capitalism

Raffer, Kunibert

NEOLIBERAL CAPITALISM: A TIME WARP BACKWARDS TO CAPITALISM'S ORIGINS?

Department of Economics, University of Vienna

The neoliberal transformation of the world economy shows many parallels with Karl Polanyi's analysis of the great transformation. Present economic policies of reducing social services, destroying the welfare state, breaking resistance to substantial real wage reductions, and fighting unbalanced budgets strongly recall the 1930s, Speenhamland and Vienna succumbing to the attack of political forces powerfully sustained by economic arguments. "Globalisation" is the preferred tool to promote neoliberal policies. It is the result of deliberate policies and treaties. Deregulation, reducing public influence in the economy, the WTO system and multilateral treaties, such as NAFTA or Maastricht, lock-in present policies, reducing future governments' options to change them and preventing the return of Keynesianism. Privatisation opens huge new private profit opportunities, as the example of the British railway system or boosting private pension funds illustrate. Profit increases are often obtained at substantial costs to individuals or social costs. While state intervention is condemned in general, bail-outs of speculators have always been welcome. The conviction that democracy is a danger to capitalism has gained currency again. Neoliberal policies thus roll-back democracy. Combined with economic crisis these developments have again given rise to right-wing movements, not yet as strongly as in the 1930s because the social safety net is not yet as thoroughly destroyed. The attack on Keynesian welfare policies occurred as predicted by Kalecki in 1943.

After drawing parallels to Polanyi's analysis of transformation this paper discusses the effects of neoliberalism in more detail at the example of trade policy, the liberalisation of capital accounts (promoted by the IMF in open breach of its own constitution), and the attack on the public pension system, which opens a riskless bonanza to private investors.

Mommen, André

THE GREAT TRANSFORMATION REVISITED

University of Amsterdam

In this paper some political and institutional aspects affecting states and regimes will be discussed. Special attention will be paid to the globalization drive as an engine of change transforming public and private arrangements having been made during the post-1945 years. In that period of reconstruction of international capitalism under American hegemony, state-led capital accumulation and import-substituting regimes were, paradoxically enough, setting the development agenda and paving the way out of backwardness and poverty. This happened in an institutional pattern the self-regulating market was subjected to political control and the separate economic institutions had become political levers of regulation. Land, labour, and money were made available to industry by accumulation regimes defending the primacy of state interference in the economic sphere. In the communist world state interventionism encompassed all forms of societal and economic life, excluding market mechanisms or profits from economic life.

Bodnar, Judit:

GREAT EXPECTATIONS, OR HOW WE CAME TO LOVE THE MARKET IN EASTERN EUROPE

Dept. of History/Sociology and Anthropology, Central European University, Budapest, bodnarj@ceu.hu

Why did east Europeans come to embrace the market with what seemed little resistance? The paper argues that it happened because the experience of late state socialism induced great expectations concerning the post-socialist transformation and the market economy—expectations that remained unfulfilled. The argument then moves to critically revisit an original and influential strategy of comparing capitalism and state socialism that builds on Polanyi's forms of economic integration suggesting that the two can be analyzed in a framework of 'mirrored comparison.' Both state socialism and capitalism mix redistributive and market elements but their logic of integration is different. The implications of this, however, were somewhat lost on both eastern European scholars and lay citizens, and it was also forgotten that the elegant logic of mirrored comparison rested on the developmental differential of the socialist and the idealized parts of the capitalist world. It is partly for the embedded market of state socialism and partly for the comparative slips caused by the emergence of socialism in the less developed parts of the world that east Europeans came to love the market. The paper examines how the mirage of the subordinate market of the second economy cracked with the postsocialist transformation.

B. The Intellectual Legacy of Karl Polanyi

Fleming, Berkeley

POLANYI MEETS AMERICA

Department of Sociology/Anthropology at Mount Allison University, Canada

I propose to present a paper on Karl Polanyi's encounters with America and Americans through a number of lecture tours that he took in 1935, 1936, and 1940-'41. These lectures were often given under the auspices of or with the assistance of the Institute of International Education, and were occasionally arranged through the Institute of International Relations, the Des Moines Public Forums, various English Speaking Unions, and many universities. These forays into the world of the American general public, young people, academics, and intellectuals began early in Polanyi's second period of exile, by which time England had become considered "home".

I am currently exploring certain detailed archival materials, so as to develop a more comprehensive understanding of this critical period in Polanyi's life and work. Of particular interest are the sponsorship of many of Polanyi's lectures by the Institute of International Education (in 1935 and 1936); his various itineraries and actual travel arrangements; the titles and syllabi for, as well as the contents of, his lectures; his encounters with students in small, impecunious, liberal arts, women's, and/or black colleges; newspaper coverage and personal reviews of his visits and lectures; Polanyi's reports to contacts within the sponsoring groups; and his formal reflections on the 1935 IIE experience and on the differences between university students in America and in England. I am also considering the significance of this period in Polanyi's life for the extension of his intellectual network, its impact on his teaching, and its import for the development of his ideas

Kirby, Peadar

KARL POLANYI AND HUMAN LIVELIHOOD:TIMELY CONTRIBUTIONS TO SOME VERY CONTEMPORARY DEBATES

Centre for International Studies, School of Law and Government, Dublin City University, Peadar.Kirby@dcu.ie

The posthumous publication in 1977 of a book by Karl Polanyi entitled *The Livelihood of Man*, indicates his interest in a concept that has come to be widely used in debates on poverty. In the light of these debates, especially those on the meaning of poverty and of livelihood approaches towards combating it, this paper interrogates Polanyi's understanding of livelihood. It begins by establishing that Polanyi's detailed interest lay more in the threats to human livelihood from the unregulated market and in the means by which livelihoods could be protected, rather than in the substance of what constitutes human livelihood. Despite this, the paper argues that there are sufficient hints in his *œuvre* to allow one draw out what Polanyi implicitly understood to constitute human livelihood and the nature of the damage caused to it by the unregulated market. It then outlines Polanyi's understanding of the human person as a social being, of the cultural nature of poverty, and of the institutional mechanisms required to embed the economy in society. The paper goes on to distinguish some of the principal approaches towards understanding and combating poverty evident in contemporary development debates and compares and contrasts these understandings with those drawn from Polanyi. It also critically discusses livelihood approaches towards poverty reduction in the light of Polanyi's insights. The paper concludes by identifying two emerging approaches in the poverty literature (poverty as vulnerability, and cultural approaches to well-being), arguing that these serve to vindicate the important and timely contribution that Polanyi has to make to these key debates about development.