

Debt vs. great transformation assignment

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The Great Transformation by Karl Poland How did we find ourselves in a Capitalistic society and when did we decide in that direction? Individual gain is precisely what influenced major changes within our economic structure. David Grabber and Karl Poland are both influential financial gurus whose ideas on finances, debt, money and capitalism; gives their audience a different perspective.

Both Grabber and Poland give their own insight on why we handle finances today. As stated in the book, The Great Transformation; a transformation took place in which people used to trade with others because of redistribution, reciprocity or householders. “ Whether the very different entities of the family or the settlement or the manor formed the self-sufficient unit, the principle was invariably the same, namely that of producing and storing for the satisfaction of the wants of the members of the group” (56).

This shows that we started our economy based off of helping one another, self gain was not something that was normal yet cause people would not have survived without others. The terrain and natural environment were not always conducive for plentiful crops or a good harvest. These three systems are a good representation of what motivated people to trade and were based off of the free market prior to the rise of the Market Society. Poland wanted to highlight the transformation people made and began trading for their own capitalistic ways.

Karl describes the transformation from the free market society to our current day system as intrusive. Capitalism was not a gradual process but took place

so that there could be individuals on the very top and then people that were at the bottom of the financial scale. He states " We have become too much accustomed to think of the spread of capitalism as a process which is anything but peaceful... (16). The quote clearly states that we changed to capitalism because of personal gain. Poland talks more in depth about this quote stating that many wars were started over resources.

People began to think less communal and more individual to take care of their personal needs. " Three of these, of course, were of outstanding importance: labor, land and money. In a commercial society their supply could be organized in one way only: by being made available for purchase. Hence, they would have to be organized for sale on the market- in other words, as commodities" (78). Poland explains later that being commodities was necessary in order to create buying and selling. Labor is only another name for a human activity which goes with life itself, which in its turn is not produced for sale but for entirely different reasons, nor can that activity be detached from the rest of life, be stored or embroiled, land is only another name for nature, which is not produced by man; actual money, finally, is merely a token of purchasing power which, as a rule, is not produced at all, but comes into being through the mechanism of banking or state finance" (75-76).

Although all three are vital parts in our economic system, the statement holds true to life today. His ideas on why labor, land and money should not be considered real commodities. Commodities in my opinion are things that you can hold and physically use to trade or barter. Kart's ideas on labor, land and money really spoke to me as Ewing insightful information which I would <https://assignbuster.com/debt-vs-great-transformation-assignment/>

have never seen in this point of view otherwise. His ideas gave a basis for understanding how those work within our economy.

Poland truly highlights on the fact that humans in the beginning traded with others because of their need and want to help one another. Now in today's society everyone is out to benefit themselves. Debt by David Grabber also exhibits ideas on how debt became to be and what it stands for in this country. I respect his ideas from his book and believe that they have good evidence to justify his theories. The book being rather large and dense was extremely hard to get through and understand. His evocative language and subject matter was less than amusing to throughout.

Grabber has two main arguments that I noticed. One being, that we switched from having economies that were based on helping and trading with others to a system that is completely individualistic. "Exchange is about equivalence. It's a back-and-forth process involving two sides in which each side gives as good as it gets.... In these examples, it's not that there is ever an exact equivalence-even if there ere some way to measure an exact equivalence- but more a constant process of interaction tending toward equivalence" (103).

The first argument holds true according to this quote; Grabber shows how exchange started out as a process of giving and taking from one another. It also states that it got harder to decide what a fair trade was. He gives an example of gunpowder and using words during an argument as examples. Another solid point taken away from Debt was his idea on baseline communism and everyday communism. Both interesting ideas that

intertwine within each other. “ The principle of from each according to their abilities, to each according to their needs’ will be assumed to apply’ (98).

In a larger society people can work individually and their needs are less community based. In a smaller town, it’s more of a sharing atmosphere in which you help those around you. Everyday communism and idea Grabber coined where he believes that small acts could be done for another on a daily basis. Something in which he states is achievable in society today. Three points in which he states highlights everyday unionism are: we are not dealing with reciprocity, people must become more hospitable and lastly, morality. We are not dealing with reciprocity here- or at best, only with reciprocity in the broadest sense. What is equal on both sides in the knowledge that the other person would do the same for you, not that they necessarily will” (100). This clearly shows how everyday communism was not just between two people but the sense of owing someone something back. “ A common stereotype of what are called ‘ primitive societies’ (people lacking both states and markets) as societies in which anyone not a member of the community is to be an enemy’ (100).

The law of hospitality is shown there; giving an idea of specific etiquette between people. Lastly, he speaks of morality and how that pertains to communism. Grabber gives an example of how poor people would stimulate the economy. Sellers would lose money because of the deals they were cutting to the poor in their community. At the same time, he stresses that by giving deal breaks to certain people; you must then upscale to those that you feel are rich in the community. Both books were extremely dense in material, but gave me a new perspective on America’s financial history.

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The main points that I feel were best reflected in the writings were Grabber's idea of everyday communism which I feel is seen in today's society. After reading his book, his ideas on debt and how we came to be make sense. His philanthropist ideas definitely spoke of a more individualistic society and how we've moved away from some of our old ways. Poland did a great job giving a completely financial history of America. Like Grabber, he speaks of a time where reciprocity was a main economic yester before Capitalism.

The only similarity that I could understand and received from both books was the idea that we used to base our trading off of one another. People used to have a community based mindset more and has since changed to caring about themselves. Overall, I would not read these books again but I do feel financial system and our economy's past and present. References Grabber, David. Debt: The First 5, 000 Years. Brooklyn, NY: Melville House, 2011. Print. Poland, Karl. The Great Transformation. Boston: Beacon, 1957. Print.