Chris Hann | Essay | 01.11.2016

Stocks in Trilingual Polymath Rising Steeply

Three New Books on Karl Polanyi

Gareth Dale, Karl Polanyi. A Life on the Left, New York 2016.

Gareth Dale, Reconstructing Karl Polanyi. Excavation and Critique, London 2016.

Gareth Dale (ed.), Karl Polanyi. The Hungarian Writings, Manchester 2016.

If, in accordance with the tenor of the age, we imagine the Euro-American social sciences as a stock exchange, we can note both continuities and changes in the last half century. Karl Marx, Max Weber and Emile Durkheim are still canonical figures, "blue chip" investments, though certainly not the most exciting for those with ambition and the appropriate animal spirits. By contrast, the fate of Ulrich Beck, Francis Fukuyama and Anthony Giddens, all so popular at the end of the last century, calls to mind the contemporaneous dot-com bubble. In the second decade of the 21st century there are grounds for concern about the long-term prospects for the market in social science theory. But stocks in Karl Polanyi have risen steadily and, thanks above all to these three volumes of Gareth Dale, 2016 is a bumper year.

Before outlining how these new books complement each other in genre and build upon the foundations laid in Dale's earlier study,[1] it is worth recalling that during his lifetime Karl Polanyi was virtually unknown in sociology and other core social sciences. This ignorance persisted in the decades following his death in 1964. His stocks rose in economic anthropology, ancient history, and later archaeology, though a cult following in each of these fields had dwindled by the end of the century. But cometh the hour, cometh the man. The revival of mainstream social scientific interest in the work of Karl Polanyi is intimately connected with the momentous events of our age: the transition from social democracy to neoliberalism, from Fordism to financialization, and from John Maynard Keynes to Friedrich von Hayek. Successive crises of the world's monetary institutions, with far-reaching (albeit geographically quite localized) consequences for the real economy, have helped to bring the arch-critic of *laissez faire* into the spotlight. For at least some speculators on the social science market, Polanyi stocks are attractive because in the wake of the Cold War it is self-evident that the original Marxist critique of capitalism has failed. Karl Polanyi is thought to offer a left-wing alternative to its alleged economic determinism,

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and to the dogmatism and repression of power holders who invoked Marx to legitimate their rule in the Soviet Union and Eastern Europe.

But who was Karl Polanyi and can he satisfy these high expectations? Where did his ideas come from? Is *The Great Transformation*, his opus magnum of 1944, much more than an eccentric economic history of industrial Britain infused with a quirkily romantic social philosophy? Are his efforts to theorise the emergence of Fascism in north-west Europe in terms of a "double movement" pertinent to explaining the global contradictions of democratic capitalism in the 21st century? Are further Polanyian concepts such as "fictitious commodities" original contributions that deserve to be operationalized today, not only as analytic tools for social scientists but for their emancipatory political potential? Dale does not provide simple answers to such questions. He offers persuasive interpretations, but also (especially in the Pluto volume) incisive summaries of rival approaches. Taken together, these three volumes draw attention to numerous inconsistencies and productive ambiguities in Polanyi's copious writings. Readers are free to draw conclusions which differ from those of Dale as author or editor.

No one would dispute that Karl Polanyi's scholarly work was closely entangled with his turbulent life, which consisted of successive westwards migrations. Born into the prosperous Pollacsek family in 1886 in Vienna, he was raised in Budapest, the capital of the other half of that remarkable *Mitteleuropa* empire. The change from Pollacsek to the *magyarisant* Polanyi symbolized a patriotism that Karl never lost. He fought for his Emperor in Galicia during the First World War, experiencing a trauma that persisted beyond the collapse of Hungary's Republic of Councils in 1919. As a student (of law) before the war he had already experienced the collapse of his father's railway interests and acquired political experience as an organizer of the Galilei Circle and the Radical Bourgeois Party.[2] His radicalism took a more distinct socialist turn in the 1920s "im roten Wien" where, by now married to the communist Ilona Duczyńska, he earned his living as a journalist with the *Österreichische Volkswirt*. He took on Ludwig von Mises in the "socialist calculation" debate, but preferred the ethical idealism of Christian guild socialism to the economic determinism of historical materialism. Christian networks helped him find a route to England in 1932, where he taught unemployed workers and used his spare time to compile the notes which led eventually to *The Great Transformation*. This was written up during a wartime sojourn in Vermont and published in 1944. Alas it was not enough to bring him any job offers in Britain. After considering a return to Hungary, in 1947 he took up an offer from New York (Columbia University), though due to Ilona's communism he was obliged to commute to his workplace from his new home in Ontario. The darkest years

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of the Cold War were years of enormous intellectual productivity for Karl Polanyi. After the 1956 revolution he paid two emotional visits to his beloved Hungary and, shortly before his death in 1964, his last intellectual project was the establishment of a new journal, *Co-Existence*.

Gareth Dale has done an outstanding job in linking life and oeuvre, emulating the multidisciplinary range of his subject along the way. He has combed the archives, especially that of the Karl Polanyi Institute of Political Economy at Concordia University, Montréal, and drawn extensively on Polanyi's voluminous correspondence. He has worked closely with Polanyi's daughter, Kari Polanyi-Levitt, born in Vienna in 1923 and herself a distinguished development economist. But Dale knows when to question both recollections of the daughter and self-mythologizing in print by the father. He is not afraid to criticize polemical hyperbole (of which there is rather a lot in every phase of Polanyi's career). It becomes clear in the Epilogue to the biography that Dale's own political sympathies are not identical to those of his subject. He develops his own arguments more vigorously in the Pluto volume, in detailed studies that range from Ancient History to the current crisis of the European Union. In this volume, Dale himself is not above the occasional polemical jibe against targets such as Tony Blair and the 'troika' recently sent by 'Euroland' to substitute for democracy in the Greece of today.

One central issue, both intellectual and practical, is the nature of Polanyi's socialism: was it 'hard', 'full-blooded' *Kapitalismuskritik*, or was it a softer Fabian or SPD variant, oriented to pragmatic reform rather than revolution? Certainly Karl Polanyi did not elaborate a theoretical system comparable to that of Karl Marx. His historical political economy reached out adventurously to anthropology, archaeology and history, and this interest was eventually reciprocated in each of these fields. But, as Dale noted already in his 2010 introductory volume and the debate with Mises illustrated, Karl Polanyi remained loyal to the value theory of the Austrian marginalists. A generation later, in Chapter 21 of *The Great Transformation*, and later in the 1950s, he waxed eloquent on the freedom of the individual in a complex society. Yet those who applaud his utopian vision of a holistic "embedded" triad of economy/society/environment must face the uncomfortable fact that Karl Polanyi continued to defend Soviet socialism long after the abuses of Stalin's camps had been exposed (a niece was a victim of the breakdown of the rule of law in the 1930s and was lucky to leave Moscow alive).

In trying to explain such contradictions (the Pluto blurb opts for paradoxes) it is only natural to dig back into the author's formative years. This is why Dale's instigation of

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translations (by Adam Fabry) of Karl Polanyi's early Hungarian texts is so valuable. Polanyi scholars unable to read German (which was of course Polanyi's main language during his Vienna years) are already missing a great deal. Even the celebrated 1922 essay on "Sozialistische Rechnungslegung" has only just been translated into English.[3] The publications in Hungarian from this era, and others dating back to the pre-war years, shed further invaluable light on the early influences. First and foremost there was Ernst Mach, the Vienna philosopher who was also important for that other key figure in the origins of economic anthropology, Bronisław Malinowski in Cracow. It is fascinating to discover that Polanyi was brought up as an Anglophile imbibing not only Shakespeare, but also Herbert Spencer and G. K. Chesterton. Before and for quite some time after the revolutions in St. Petersburg and Budapest, his grasp of socialist theory owed more to G. D. H. Cole and even H. G. Wells than to Karl Marx. Many of the Hungarian pieces that Dale has assembled are short and journalistic. They include unpublished fragments from later years and are organized into five sections: "Religion, metaphysics and ethics"; "Political ideas and ideologies"; "World politics and philosophy of history"; "Hungarian politics"; "Correspondence". It is noteworthy that economy, the broad field with which the work of the mature Karl Polanyi is most closely associated, barely figures in this collection. He did not turn seriously to economics until after his arrival in Vienna, when he was already in his mid-thirties. "Correspondence" is the shortest of the sections. Letters to celebrated compatriots such as Mihály Károlyi and Georg Lukács whet the appetite for a fuller edition. Ideally this would include examples of the exchanges with his brother Michael, on which Dale draws frequently in the Columbia biography.

Dale's 40 page introduction to Fabry's excellent translations is a kind of digest of the full biography. Of course, not even the full 400 page version can resolve all of the puzzles. For his dissertation as a student of law before the First World War, Polanyi was advised by Felix (Bódog) Somló. Somló is mainly remembered as a legal philosopher, but his pioneering study of primitive exchange was a significant contribution to the debates of the later German Historical School.[4] It is plausible to suggest that the seeds of Polanyi's basic economic philosophy, including his notion of "embeddedness", were planted by this mentor; but it seems that this cannot be confirmed by any surviving archival materials. Polanyi did not begin to take an interest in ethnographic data until the 1930s, when he read works by Malinowski, Thurnwald and others as the foundation for his analysis in Chapter 4 of *The Great Transformation*. Uncertainties persist concerning the economic anthropology of this chapter. In his critique of market society, Karl Polanyi evidently shares some common ground with Marcel Mauss, yet he seems not to have read the *Essai sur le don* until after the Second World War and he was curiously critical of Mauss in a posthumous

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publication.[5] Although familiar over decades with the work of Durkheim, he seems never to have undertaken a deeper engagement with the French tradition that might have led him to renege on his Austrian "metaphysical" premises.

Where the data are lacking, the answers to such specific questions can never be known with certainty. But perhaps the deep differences between French and Central European epistemologies are parochial and irrelevant when it comes to applying Polanyi's critique of the recommodification of land, labour and money on a global scale in the contemporary world? In any case, like all good biographers, Dale convinces in subtle ways through a careful piecing together of the words and actions of his subject with diverse other sources and his deep knowledge of the encompassing *milieu*. In all three of these books, he emphasizes the Jewish component of the latter. This might seem uncontroversial in view of all that historians have already taught us about Jewish contributions to the intellectual ferment of the last decades of the Austro-Hungarian Empire. In the salon run by his own mother, as at most meetings of the Galilei Circle, the Jewish intellectual elite was dominant. To grasp Karl Polanyi's lifelong commitment to notions of progress and emancipation, including his critique of *laissez faire* and the subsequent rise of Fascism, his Jewish background seems fundamental. Yet he himself downplayed this. We know that he dabbled instead in various periods of his life with Christian theology. He was a patriotic Hungarian who (as Dale points out in Chapter 5 of the Pluto volume) had no sympathy with the "small nations" seeking emancipation from magyar oppression in the last decades of the Empire. How ironic, then, that intellectuals such as Karl Polanyi are viewed as deeply problematic by the parties that dominate politics in Hungary today, just as they were by many of their ethnic Hungarian contemporaries a century ago. Polanyi's model of a "double movement" is a simple tool which can help us to theorise why this has come about in the neoliberal decades that have followed the decades of socialist embeddedness in Eastern Europe.

One non-Jewish key figure in Karl Polanyi's wider intellectual milieu was Ferdinand Tönnies, to whose influence Dale drew attention already in his 2010 study. We learn in the Columbia biography that Polanyi read the German sociologist closely in his Vienna period (if not before), adapting his distinction between "Gemeinschaft" and "Gesellschaft" for his own purposes. This is corroborated in Polanyi's archival notes, though he seldom cited Tönnies in publications. A niche alongside Tönnies might well turn out to be Polanyi's ultimate place in the sociological canon (when the present bubble bursts and the punters move their chips elsewhere). This would be a more than respectable position for a social science autodidact who did not land a university position until he was over sixty years old.

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Endnoten

1. Gareth Dale, Karl Polanyi. The Limits of the Market, New York 2010.

2. The Radical Party (as it was usually abbreviated) was a notable albeit short-lived voice for liberal democracy, associated with the Freemasons and led by Oszkár Jászi, to whom Polanyi remained close throughout their decades of exile. The Galilei Circle was an unusually open, student-dominated association of intellectuals. In a letter to Jászi written in 1950, included in Dale's edition of *The Hungarian writings* (pp. 227–230), Polanyi blames his own lack of political competence for the Circle's failure to realize its "revolutionary potential".

3. Karl Polanyi, Socialist Accounting, transl. and with a foreword "Socialism and the Embedded Economy" by Johanna Bockman, Ariane Fischer and David Woodruff, in: Theory and Society 45 (2016), 5, pp. 385–427 (original edition: Sozialistische Rechnungslegung, in: Archiv für Sozialwissenschaft und Sozialpolitik 49 (1922), 2, pp. 377–420).

4. Felix Somló, Der Güterverkehr in der Urgesellschaft, Brussels / Leipzig 1908.

5. Vgl. Karl Polanyi, The Livelihood of Man, New York 1977, p. 104.

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