



TRADITION & DISCOVERY

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Tradition & Discovery

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Submission Guidelines

Submissions: All manuscripts should be submitted as a Microsoft Word file attached to an email message. Articles should be no more than 6000 words in length (inclusive of keywords, abstract, notes, and references) and sent to David James Stewart at contact@davidjamesstewart.com. All submissions will be sent out for blind peer review. Book reviews should normally be no more than 1500 words in length and sent to Jean Bocharova at jzbocharova@yahoo.com.

Spelling: We recognize that the journal serves English-speaking writers around the world and so do not require anyone's "standard" English spelling. We do, however, require all writers to be consistent in whatever convention they follow.

Citations:

- Our preference is for Chicago's parenthetical/reference style in which citations are given in the text as (last name of author year, page number), combined with full bibliographical information at the end of the article. One exception is that Polanyi's major works may be cited parenthetically using the following abbreviations (with abbreviations italicized):

CF *Contempt of Freedom*

KB *Knowing and Being*

LL *Logic of Liberty*

M *Meaning*

PK *Personal Knowledge*

SEP *Society, Economics, and Philosophy*

SFS *Science, Faith, and Society*

SM *Study of Man*

STSR *Scientific Thought and Social Reality*

TD *Tacit Dimension*

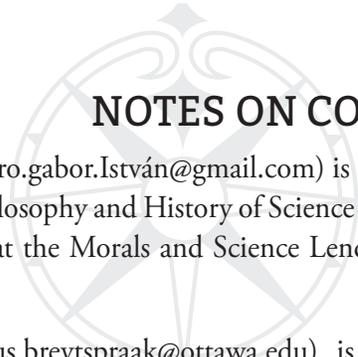
For example: Polanyi argues that (*TD*, 56). Full bibliographical information should still be supplied in the references section since many of us may work with different editions of his works.

- Endnotes should be used sparingly and be placed before the reference section.
- We do recognize that Polanyi's work connects with scholars who work in diverse disciplines that use different style guides. To the extent that our software allows, we will accept other styles (e.g., APA or MLA) so long as the author is consistent and careful in following it. The main point, of course, is to give the reader enough information to locate and engage your sources. Manuscripts that are not careful and consistent in style will be returned so that the author can make corrections, which may delay publication.

For more information see [Aims and Scope of TAD](#) and [TAD Submissions and Review](#).

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REFLECTIONS ON THE ECONOMIC THOUGHT OF MICHAEL POLANYI



Gábor István Bíró, *The Economic Thought of Michael Polanyi*. London: Routledge, 2019; 178 pp. Hardback: 9780367245634, £120.00; eBook: 9780429283178, £22.50.

Keywords: economics, Michael Polanyi, Karl Polanyi, Tawney, Mannheim, Shils, Keynes, Hayek, “Unemployment and Money” (economics film), science and technology studies, *Full Employment and Free Trade*, Geoffrey M. Hodgson, Stephen Turner, Gábor István Bíró

ABSTRACT

Two reviewers summarize and analyze Gábor Bíró’s book, The Economic Thought of Michael Polanyi. The author then responds to each.

THE LIBERAL ECONOMICS OF MICHAEL POLANYI

Geoffrey M. Hodgson

Introduction

It is very gratifying to see that the contributions of Michael Polanyi to the social sciences and philosophy are gaining increasing attention. Long overshadowed by his brother Karl, Michael has become especially relevant in the twenty-first century, as the post-1945 presumptions of liberal democracy are being challenged by illiberal populisms in many countries and the economic rise of undemocratic regimes such as China.

As Gábor Bíró (2019) argues clearly in his book, from the 1930s to the 1960s Michael Polanyi charted a liberal-democratic way forward that differs from both socialism and from *laissez-faire*, minimal state varieties of liberalism or libertarianism. The differences with socialism are obvious. They lie in socialism’s traditional restrictions on markets and private enterprise, and its incapacity (at least historically) to sustain democracy (Hodgson 2019a).

Polanyi’s differences with *laissez faire* liberalism are fascinating. Polanyi wrote: “For a Liberalism which believes in preserving every evil consequence of free trading, and objects in principle to every sort of State enterprise, is contrary to the very principles of civilization” (CF, 57). Polanyi further argued that the failure

of a more sophisticated liberalism to gain momentum has helped socialism to gain the moral high ground. “The protection given [by “crude Liberalism”] to barbarous anarchy in the illusion of vindicating freedom, as demanded by the doctrine of *laissez faire*, has been most effective in bringing contempt on the name of freedom; it sought to deprive it of all public conscience, and thereby supported the claim of Collectivism to be the sole guardian of social interests” (*CF*, 57-58).

The differences between Polanyi’s liberalism and *laissez-faire* doctrines are less well explored elsewhere. This is one major reason why Bíró’s book is welcome and important. The distinctiveness of Polanyi’s liberalism is a consistent theme throughout the volume.

To this Bíró adds another major feature. As the title indicates, the volume under review addresses Polanyi’s economics. Trained as a chemist, Polanyi moved into different fields, making major contributions to economics, politics, epistemology, and the philosophy of science. This focus on Polanyi’s *economics* is also most welcome.

Bíró has clearly done extensive work on Polanyi’s unpublished papers, including the major collection held in the University of Chicago Library. Bíró also devotes considerable attention to Polanyi’s experimental film on Keynesian economics, with a fascinating account of his dynamic visualization techniques. This analysis is perhaps the most important contribution of the volume as a whole.

But, unfortunately, Bíró’s account of Polanyi’s economics is deficient. In major part these are sins of omission. In lesser part they are sins of commission, particularly the questionable description by Bíró of Polanyi as a postmodernist. These issues are visited in the following two sections.

Bíró’s Account of Polanyi’s Economics

Bíró makes it clear that Polanyi saw the work of John Maynard Keynes (1936) as the foundation of a liberalism that accepted markets, but with sufficient state intervention to achieve major reductions of unemployment and inequality. But there is relatively little discussion of Keynes in the book, and of why, in particular, Keynesianism rescues liberalism. It is important that Keynes’ liberalism is re-emphasized, particularly as there have been recent (unconvincing) attempts to describe him as a socialist (Crotty 2019).

We gain insight on Polanyi’s (*CT*, 1941, 1945b, *LL*) views in his critiques of anti-Keynesian liberals, such as Friedrich Hayek (Jacobs and Mullins 2016). Polanyi deplored their failure to address problems such as unemployment and inequality, and their crude definition of liberty as the absence of coercion. Polanyi instead underlined the importance of human development and of public institutions that were necessary to guard liberty. There is relatively little on these issues in Bíró’s book.

Other lacunae concern the history of liberalism itself. Keynes was not the only liberal to emphasize the importance of state intervention in the economy and the need for a welfare state. Other liberals of this ilk include Thomas Paine, John A. Hobson, David Lloyd George, and John Dewey, none of whom are mentioned by Bíró. Hobson is particularly important here because he was explicitly noted by Keynes in his *General Theory* as a precursor of his ideas. Writers and politicians such as Hobson, Lloyd George, and Dewey were part of the backbone of Anglo-American liberalism. Their work contributed to a divergence of meaning of the word “liberal.” By contrast, in continental Europe, it became associated with economic liberalism and a lesser degree of state interventions. But even here the German *ordoliberals* emphasized the legal and regulatory preconditions of a market economy (Siems and Schnyder 2014).

Nevertheless, we should not assume—as Bíró seems to—that the original or orthodox liberalism was largely in favour of *laissez-faire*. This historical inaccuracy plays into the hands of Hayek and Chicago

liberals such as Milton Friedman, who claimed repeatedly that their unregulated market doctrines were the true heirs of classical liberalism, and that the liberal tradition had been perverted by Anglo-American liberals and Keynesians. This historical account has been decisively refuted in a book by Helena Rosenblatt, who surveyed the original meanings of the terms *liberal* and *liberalism*, in French and German, as well as in English. Rosenblatt wrote of liberal writings in the early nineteenth century:

Their liberalism had nothing to do with the atomistic individualism we hear of today.... They always rejected the idea that a viable community could be constructed on the basis of self-interestedness alone. Ad infinitum they warned of the dangers of selfishness. Liberals ceaselessly advocated generosity, moral probity, and civic values (2018, 4).

Rosenblatt offered an entirely different, but robustly researched, account of early modern liberalism.

Contrary to what is often said today about nineteenth-century liberalism, early liberals were not doctrinaire about laissez-faire. They did not stress property rights or celebrate the virtues of unbounded self-interest. What today is called ‘classical’ or ‘orthodox’ liberalism did not exist.... Liberals held a spectrum of economic views ... the great majority of nineteenth-century liberals, whether British, French, or German, were not all that adverse to government intervention.... And they certainly did not believe that individuals pursuing their own self-interest would spontaneously create a healthy wealth distribution or social harmony. They denounced selfishness and individualism at every opportunity (2018, 82; 112; 114-15).

Consequently, *classical liberalism* or *orthodox liberalism* do not denote one distinctive type or phase of liberalism. The original liberalism, from the seventeenth to the mid-nineteenth century, contained widely diverging variants. Contrary to Mises and Hayek, the kind of government-interventionist, redistributive, and welfarist liberalism we find today in Britain and North America is not out of kilter with much of the classical tradition. Interventionist liberalism can trace its origins and legitimacy back to variants of liberalism that emerged during and after the French Revolution. Mises, Hayek, and Friedman have no greater claim to the title of *classic liberalism* than twentieth century interventionist liberals such as Hobson, Dewey, Keynes, and Michael Polanyi.

Taking Bíró’s book as a whole, I am disappointed that he did not pay more attention to these following issues:

1. Polanyi (1948, *CF*) participated in the debates about the feasibility of socialism and made original and distinctive arguments about the limitations of planning. This contribution has since been widely neglected (Hodgson 2019a) and it makes no more than brief mention in Bíró’s book. Polanyi’s 1948 article on planning, which appeared in a journal of economics, is missing from Bíró’s references. It is not that he is unaware of Polanyi’s distinctive contribution on planning, as he has discussed it at some length elsewhere (Bíró 2020). But why does this discussion not appear in his book on Polanyi’s economics?
2. There is also no mention that Polanyi (1948, *TD*) adopted the term “spontaneous order” before Hayek, and he also influenced Hayek with his concept of tacit knowledge. Tacit knowledge was also important for Richard Nelson and Sidney Winter (1982), and other evolutionary economists. Yet

Polanyi's brilliant book on tacit knowledge is missing from Bíró's references. "Spontaneous order" does not appear in his index. Again, I am sure Bíró is aware of these issues.

3. There is inadequate discussion of Polanyi's founding role in the Mont Pelèrin Society, of his dispute with Hayek on economic policy as well as on political matters, and his consequent departure from the Society in the 1950s (Allen 1998; Burgin 2012; Stedman Jones 2012). "Mont Pelèrin Society" does not appear in Bíró's index.
4. There is no analysis of a debate among economists on patent reform and Polanyi's 1944 contribution to it in a leading journal of economics. Polanyi's 1944 article is missing from the references and "patent reform" does not appear in Bíró's index.
5. There is no discussion of Polanyi's careful comparison of the organization of science with a market, where the two are seen as very different, but both involve "coordination by mutual adjustment of independent initiatives" and "the coordinating functions of the market are but a special case of coordination by mutual adjustment" (1962, 55; 57; cf. the discussion in Hodgson [2019b, chap. 5]). Polanyi's 1962 article, which is yet another classic, is also missing from Bíró's references.
6. Utilitarianism is at the foundation of orthodox economics (Hodgson 2013, 2019b, chap. 3). Although it is mentioned by Bíró, Polanyi's differences with utilitarianism are discussed more extensively by other authors; particularly by R. T. Allen, whose important book on Polanyi and Hayek (1998) does not appear in Bíró's references. But Bíró elsewhere refers to the Allen book (2020). Also worth reading is Jonathan Aldred's (2019) devastating critique of the utility-maximising assumptions of orthodox economics.

The above six issues are clearly part of Polanyi's economics, but sadly they make no strong appearance in the book.

Errors of Commission

Turning to sins of commission, Bíró characterizes Polanyi's thought in challengeable ways. The first problem is his depiction of Polanyi's thought as *postmodern*—a claim that is made repeatedly throughout the book. Bíró does not acknowledge that there is already a controversy over this particular depiction, with some writers describing Polanyi as a postmodernist (Gill 2000), and others contesting or qualifying this view (Mitchell 2006). Ultimately, this dispute is difficult to resolve, as the concept of postmodernism is so ill-defined.

Postmodernism is a can of worms. It has been defined in various ways, and the word did not become popular until well after Polanyi's death. It has been associated with a rejection of "grand narratives." But what could be a "grander narrative" than to restore a tradition of a morally guided interventionist liberalism, in opposition to both socialism and *laissez-faire*? Polanyi complained that liberalism was sometimes undermined by "the very spirit of radical scepticism which liberalism was committed to foster" (1945a, 2). What is *postmodernism* if not yet another form of radical scepticism?

Postmodernism is also associated with a rejection of philosophical realism—the idea that a reality exists beyond our senses or concepts. In my view, Polanyi was clearly a realist in this sense, despite his complex views on personal knowledge (Allen 1998; Nye 2011). One cannot imagine a 1990s postmodernist writing

this: “If we believe that the world is established in an intelligible fashion and that the experience of our senses makes it possible for us to perceive the laws governing it, then we may respect the pursuit of truth and entrust ourselves to its guidance” (Polanyi 1945a, 5).

Polanyi’s discussion of knowledge relates primarily to epistemology. Philosophical realism relates more directly to ontology. Immense difficulties or impossibilities concerning knowledge of reality do not imply the nonexistence of reality. We may be unable to prove that reality exists, but that lack of proof would not imply a lack of existence.

This issue is important, especially in regard to the so-called “science wars” that broke out after Polanyi’s death (Parsons 2003). In the postmodernist turn of the 1990s, objective truth and reliable knowledge were denied. Although Polanyi stressed that science always carried elements of faith, the postmodernist depiction of science in the “science wars” is far from Polanyi’s vision. Polanyi saw science as an organized engine of enquiry into the real world, generating provisional knowledge of its nature (Polanyi 1962; Allen 1998; Nye 2011).

If Polanyi developed a postmodern economics, and his economics is largely based on Keynes, then we also need to examine the proposition that Keynes was a postmodernist. Bíró does not refer to a brief discussion of this in the 1990s (Amariglio and Ruccio 1995). The debate quickly fizzled out, partly because the definition of postmodernism was elusive and the whole discussion added little to what we already knew about Keynes. In sum, it accomplishes little to describe Polanyi’s work as postmodern.

Another questionable term that appears frequently in Bíró’s book is the description of Polanyi’s thought as anti-mechanistic or anti-deterministic. Neither term is defined by Bíró. They can mean very many different things (Hodgson 2004, 57-62). It would be a strange sort of scientist who denied the causal determination of events. Is that determinism? Once again, Bíró seems to impose his own vague terminological preferences upon Polanyi, rather than to dig more deeply into his thought or into the terms he ascribes to him.

Concluding Remarks

As noted above, Polanyi pioneered a view of science as an organised social system. He further argued that healthy scientific progress required a mixture of diversity and internal authority (1962). Authority is necessary to establish some consensus and for quality control. The social system of overlapping expertise and a spirit of critical appraisal helps and guides each scientist to produce better work.

Once upon a time, book publishers would help this process too. But advisors are now hyper-specialised, and it is often difficult to get hold of one with the appropriate knowledge. Advice is time-consuming and expensive. Colleagues and potential advisors are overwhelmed with bureaucracy and under excessive pressure to publish themselves. Publishing technology and patterns of demand have encouraged a business model favouring low-volume, high-margin hardbacks, to satisfy the globally expanding demands of university libraries.

Authors are also under strong pressure to publish quickly. This system is creaking and buckling. The tragic result are works of importance and potential that have serious shortcomings. All this is explicable in Polanyian terms.

I hope that there is a second edition of Bíró’s book, where the above defects are remedied. If this were possible, some other things could receive attention. First, despite extensive work in the archives, there are relatively few substantial quotes from the archival material. Along with Bíró’s own interpretation of the material, we would like to hear Polanyi speak a little more for himself.

Second, there is a very odd reference system. First, there is a reference to an endnote at the end of the chapter. This gives a Harvard-style reference, such as “Polanyi, 1940k.” Then we must turn to the list of references at the end of the book. If we can overcome this inconvenience, we then find that the name of the item does not necessarily refer to its author. Hence Polanyi (1940k) is not by Polanyi: it is a letter by Oscar Jaszi to Polanyi, found in the Polanyi archives. Numerous other items share this odd, archive-related rather than author-related, reference system. This too could be fixed in a second edition. I very much look forward to that.

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POLANYI'S SOCIAL THEORY: WAS THERE ONE, AND WHAT WAS IT?

Stephen Turner

Gábor Bíró's valuable book is devoted to "economics," but as he makes clear, for Michael Polanyi economics was a broad topic. It was not limited to economic theory, represented for him by Lionel Robbins writings of the 1930s, which distinguished the purely economic domain in which laws held from the actual world of economic life, in which many other causes determined outcomes. It was concerned with policy, especially in his case policy related to the employment crisis of the 1930s. And to deal with this Polanyi added a great deal, and also dealt with the great ideological divide between liberalism (and especially free-trade) and the vision of a Communist future presented vividly in the Webbs' notorious Panglossian book on the Soviet Union, *Soviet Communism: A New Civilization?* (1935). In writing on these topics, Polanyi was compelled to wrap his economic commentary with comments about social theory topics, though the comments at this point were very thin. The question these comments present is this: do they represent the elements of a coherent social theory, and was this theory consistent over his career and the topics he eventually wrote on? And this question raises another, more plainly historical one: how did Polanyi come to his views?

Because the main topic he wrote on was science, and because these writings were "liberal," we are faced with an immediate problem: the kind of personal autonomy he takes to be essential for pure science and inimical to its "planning" is more closely akin to the kind of economic libertarianism, which, as Bíró suggests, he rejects or qualifies in his economic writings of the 1930s and 40s. In the economic writings, Bíró says, he seeks a "third way" between ideological extremes, involving government intervention but not the complete suppression of individual initiative. In the writings on science, he seems to argue that the social control scientists informally exercise on one another as members of a community suffices as a means of organizing this community, that it is optimal for the growth of pure science as an intellectual enterprise, and that state interference should be minimal and would be detrimental. There seems to be no "third way" for science.

There is, however, a connecting thread, which Bíró identifies. In the 1930s Polanyi called for social consciousness of a kind not part of the purely liberal or libertarian image of society. Presumably it is this social consciousness that would motivate economic policies that governments would then enact. And we have a parallel in science: funds need to be distributed and decisions about who is deserving need to be made. These get made by people (senior scientists acting like Plato's Guardians, in his writing in the 1940s) or systems of peer-review. Both are presumably motivated by a shared concern for the growth of science or scientific merit. In each case, economic policy or scientific choice, there is a hand that is visible, but light, because it is not felt as the exercise of authority but as the right thing to do, in accordance with a shared social consciousness in the case of economics, or in the case of science because of a shared sense of scientific truth. In the immediate post-war period he holds out science as a model for society generally:

The world needs science to-day above all as an example of the good life. Spread out over the planet scientists form even to-day, though submerged by disaster, the body of a great and good society (Polanyi 1946, 289).

And:

We scientists are pledged to a higher obligation, to values more precious than material welfare; to a service far more urgent than that of material welfare. Europe can be saved only by the spirit. Our duty is to keep faith with the spirit in science (Polanyi 1946, 289).

Stirring language, and quite clear on the necessity for “spirit”: but what did it mean to Polanyi, and how does it relate his thinking of the 30s to that of the 50s, when he was a warrior for the Congress for Cultural Freedom?

In a sense this is the question that the major biographical works on Polanyi have attempted to answer: what formed his political and social thought, what were the continuities, and what produced the changes? The answers have differed, in some respects, and complicated the picture. The older, simpler view was that he was intrigued by the Communist experiment in Russia, went there, was appalled by Bukharin’s view of science, saw that the much vaunted “planning” was not planning at all, but a concealed bidding system. In this interpretation, the scales fell from his eyes and he embraced market economics, or at least became an anti-Communist. He underwent the same reaction to the Social Relations of Science movement, coming first to a defense of pure science and then to a fully articulated vision of the scientific community as an arena of spontaneous coordination analogous to the free-market itself. The biographies show a more complicated story—but still a muddled one, with many matters open to interpretation. Bíró’s book is a contribution that deepens the discussion.

Bíró’s News

The great merit of Bíró’s book is in his analysis of the epistolary Polanyi—the letters he received and wrote in the 1930s, when he was thinking about the problem of economics and came to the view that economic education was necessary to create the right kind of social consciousness to serve as the basis of the right kind of interventions. A word about this astonishing era and his correspondents (whom Bíró identifies but does not spend much time contextualizing) might help here. In Britain especially (but differently in the United States), the period after the Great War was one of agonizing doubt—over progress, religion, goodness, and the future. The Great Depression and the inability of the parliamentary system to produce either consensus or basic decisions, together with the apparent economic successes of the “planned” dictatorial states, produced a vast intellectual response. The Webbs were only one example: Catholic sociologists called for the revival of just price theory; R. H. Tawney extolled the high middle ages as prosperous and egalitarian (1926; 1930; 1931); Mannheim argued for a new era of planned social life, including the “planning” of values (1943); the Moot debated the possibility of a revived and renovated Christianity and the revival of European Christendom; movements such as Moral Rearmament advocated and indeed practiced on a grand scale the idea of moral regeneration as a solution to the world’s problems; and so forth.

Polanyi’s correspondents in the 30s comprise a fascinating soupçon from this teeming ideological cauldron. They ranged from people like Lancelot Hogben to central European liberals who had emigrated both to Britain and the US; his family, including his brother Karl (and one of his older brothers, Adolph—the other, Otto, had been excommunicated from the family for his enthusiastic, though later withdrawn, support of Mussolini); and various utopian and ideological novelists.

The correspondents leaned Left. Patrick Blackett was later described in print by Edward Shils as a Stalinist apologist (Nye 2004, 13); Hogben was an anti-economist and “social biologist” and a man of the Left. Robert Merton’s review of his edited book *Political Arithmetic* praised him: “In a typically vigorous introduction, Professor HOGBEN announces his intolerance of economic mysticism and scarcity dialectics and presents a case for factual social studies rather than home-spun verbalistics” (1939, 556). G. D. H. Cole, of guild socialism fame, makes an appearance, and one can detect traces of the guild idea in Polanyi’s own depiction of science. There were also various Leftist and Communist scientists and science writers of the social relations of science movement, such as J. G. Crowther, who had been influenced by Bukharin and promoted the idea of the “frustration of science” by capitalism (which Robert Merton endorsed in a notorious footnote on Communism in his “norms” paper [1942, 123]), and the influential Leftist journalist and historian of French thought Kingsley Martin, who feuded with Orwell over a review of a book by Franz Borkenau, yet another correspondent.

Even the relatively obscure correspondents were well-connected. Toni Stolper, whose husband (who contributes comments) was the witness to Max Weber’s famous comment after the war that “I have no political plans except to concentrate all my intellectual strength on one problem, how to get once more for Germany a Great General Staff” (G. Stolper 1942, 318n). Franz Oppenheimer was a physician and land reformer of the Henry George stripe, who was the first to hold a Sociology Chair in Germany. Ludwig Lachmann, a student of Sombart who emigrated to and then from South Africa, was a rigorous critic of both Keynes and Hayek. He thought they had both, in different ways, stopped short of fulfilling the promise of subjectivism. Their work substituted abstractions in the face of the problem of knowledge, specifically in modelling the economic subject faced with uncertainty (1986, 98-100). This reflected the fact that the problem of knowledge was a hot-topic in the economics of the 1930s, one which was never satisfactorily resolved.

The list also leans heavily toward Central Europeans, especially Hungarians and Viennese. And their common experience, which shines through the quotations from letters from Toni Stolper, was with encountering the actual, habitual and unarticulated, non-ideological form of functioning liberal democracy—something they could not experience in central Europe, where liberalism was an academic idea and the political allegiance of only a tiny fragment of the population. It fascinated and sometimes horrified them, especially for the apparent lack of theoretical grounding. Polanyi of course shared in this fascination, with seeing how English political conflicts were never pushed to their logical conclusion, for example. They felt compelled to provide this system with the ideological or ideal interpretation that the participants could not and did not articulate. Hayek, another correspondent, turned this compulsion into a deep engagement with the ideological opposition to liberalism, and to the construction of an explicit defense of liberalism. In part, this reflected their desire to protect it from their more ideologically powerful opponents: Nazism and Communism. But in part it was an intellectual puzzle forced on them by the shock of experience, which they felt compelled to theorize about and share their thoughts with others in the same situation.

One aspect of this coming to terms that Bíró does not explain is the intellectual world specific to the Polanyi family. This is the focus of the chapter on the Polanyi family in Peter Drucker’s autobiography (1978). Drucker, who knew all the Polanyi’s but was closest to Karl, observed that

All of them, beginning with the father in Victorian days and ending with Karl and his brother Michael in the 1960’s, enlisted in the same cause: to overcome the nineteenth

century and to find a new society that would be free and yet not “bourgeois” or “liberal”; prosperous and yet not dominated by economics; communal and yet not a Marxist collectivism (1978, 126-7).

This accorded with a specific view of economic theory: that “Liberals of the nineteenth century Manchester School were wrong in their assertion that the market is the only alternative to serfdom” (Drucker 1978, 138). This is what Michael brought to his encounter with economics, so it is not surprising that he wished for a middle way.

The Puzzle of Polanyi’s Economics

It would be a massive task to fully trace Polanyi’s interactions and the ways in which each correspondent contributed to his thought. Bíró’s goal is much narrower. He tries to construct an account of Polanyi’s response to the economic side of these issues, but it is one that spills over into social theory in a variety of ways. In many ways it is a puzzling picture, though, which raises more questions than it can answer. Bíró’s mantra is this: Polanyi wanted to replace the conception of *homo economicus* with a vision of humans as knowers who combine “three aspects: understanding, believing and belonging.” Bíró thinks that this conception offers new opportunities for the interpretation of economics (142), even a postmodern economics.

Bíró emphasizes the film that Polanyi produced which promoted a degree of Keynesian intervention into the economy for the creation of full employment—the great problem of the time. And this produces a kind of contradiction, because Keynes, and the film, assume a more or less standard economic agent. There is a sense in which Keynes departs from this model, inasmuch as fiscal stimulus is designed to have more than direct effects on spending by creating a kind of illusion of well-being that encourages people to spend and extend their time horizon for decisions, and do things like borrowing against future expectations. But this is a small departure, and a peculiar one, as Lachmann points out (1986, 97-100), because it was an abstraction from a constantly changing reality. People don’t have time horizons: they just make decisions of various kinds for various reasons based on various beliefs that are abstracted into a number representing the aggregation of these decisions, and one that can only be inferred retrospectively.

Keynes’ point involves uncertainty, the uncertainty of the future that leads people to hold money, prefer liquidity, hoard rather than invest or spend, and the way in which entrepreneurs make decisions to invest in long term productive goods. None of this replaces economic man, but it does extend the model. In a sense it involves knowledge, but not in the way Polanyi thought of it in Bíró’s interpretation: it was rather the surprising result that “opinion,” and specifically the diversity of opinion about future interest rates, was essential to stability, because otherwise there would be mass movements into cash, or hoarding (Keynes [1936] 1973, 172). Lachmann’s point was that Keynes didn’t follow these insights to their natural, and radical, conclusions about economic man: namely, that these opinions couldn’t be made into a term in an equation in a predictive model, and that a properly (and fully) subjectivist economics would be historical rather than pretend to be predictive. But neither did Polanyi provide such an alternative.

The Later Polanyi

What changed for Polanyi? And how did his later thought develop from this period? The early writings that Bíró deals with were critiques of the ideologies of purist economic liberalism and planning, ideologies he considered destructive. They were not about society itself. But his appeal to the idea of social conscience

was the germ of a social theory: an idea of what the good society should have, but not an account of actual social life. In his characterizations of science during the forties we see the beginning of a shift to claims about how societies—in this case the society of scientists—really work. There is continuity in the sense that the spiritual element of science is important to his account. But there is an important change as well: to thinking of the community of science as governed by unarticulated commitments, or tradition.

In the end, these were the elements of his view of society as well: rooted in tradition, which supplied or contained the necessary spiritual element, the element that went beyond getting and spending. But for him, there were multiple traditions governing different areas of life. What they had in common was the power to allow for freedom, conviviality, individual achievement and recognition, and a dependence on tacit knowledge. They were threatened by a misunderstanding of their character and of the basis of social life itself, misunderstandings which were congealed into the ideologies of the age, as well as its academic doctrines, such as positivism and rationalism.

This was a hopeful vision, but also a conservative one in the sense that it was directed at the conservation of liberal society—and in this sense the vision did exactly what the Polanyi family tradition resisted: celebrate bourgeois society. The concept of spontaneous order won out. He was even willing to defend the de facto rule of free societies by what he frankly called an oligarchy (*M*, 204-5). But this was acceptable because the oligarchs ruled not by plan or subjection to the state, but by spontaneous order created by their independent decisions—as scientists, judges, and economic agents. His fear was that the moral conditions for a free society would be undermined by ideologies that amounted to nihilism—as they had been under Communism in Eastern Europe.

Drucker says of the Polanyi family that, “Each achieved greatly—but not the one thing they had aimed at. They all believed in salvation by society, then came to give up on society and despair of it” (1978, 140). Michael, he thought, had

looked to science to provide a way out between a bourgeois capitalism that denied community and a Marxist socialism that denied freedom. But very soon he gave up on society and became instead a humanist philosopher.... *Beyond Nihilism* is one of his best known papers, and it sums up both his concerns and answer. Michael Polanyi became a modern Stoic (Drucker 1978, 131-2).

“Stoic” is perhaps harsh, but it captures something important: his sense of the fragility of the liberal order and its dependence on a morality whose continuation it could not guarantee. But in a sense science did provide the “way out.” It gave him a model of the kinds of spontaneous orders dependent on traditions that a society could be composed of. The model, however, came with the pessimistic implication that science itself depended on a spiritual endowment of tradition that was not automatically self-perpetuating. And one can perhaps see the germ of these ideas in his encounters of the 1930s, which we should be grateful to Bíró for revealing.

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THE SOCIAL LIFE OF THE FIRST ECONOMICS FILM: A RESPONSE TO GEOFFREY M. HODGSON AND STEPHEN TURNER¹

Gábor István Bíró

Polanyi's film project was pioneering. It was the first motion picture that explicitly aimed to present economic matters as they were described by specific economic theories. Previous movies about the economy, like *Valley Town: A Study of Machines and Men* (1940), did not explicitly embrace the theory-ladenness of visualizing the economy. This film did. It was to portray the economy as it was described by the Polanyian interpretation of Keynesian economics. But where should such a film, first of its kind, find its niche? Among the ranks of economists (experts of theoretical content), tutors of economics (experts of teaching such content), film experts (experts of representation) or somewhere else? Not an easy question, and, as this book shows, Polanyi was struggling with his film in several social worlds to realize his film-based vision. And this vision is precisely what makes Polanyi's film special and worthwhile to study.

Polanyi aimed to foster "democracy by enlightenment through the film" (Polanyi 1935, 1) and imagined that a "calm light would spread out" (Polanyi 1936, 4) from schools using his film that would change public thinking in a peaceful and gradual way. Why did Polanyi think that public thinking needed to be changed? He was worried about the Western spread of socialism which was, according to him, mostly due to the ability of socialism to develop a kind of social consciousness unlike liberalism which failed to do so. Liberalism could not bring a comprehensible explanation to people about how their individual actions contribute to a social 'big picture'. Polanyi was to correct that failure. He was to develop a social consciousness for liberalism. But there was a problem. The liberal understanding of the relation between the individual and the social was complex and invisible, and, as Polanyi noted, "a complex structure that cannot be seen cannot be understood" (Polanyi 1936, 1). What to do then? Polanyi's answer was to make it comprehensible by making it visible. Therefore, the liberal social consciousness would spread, and by doing so, enlightening the public and saving democracy from the threat of socialism.

The scope of this book is limited to the story of this vision of "democracy by enlightenment through the film" (Polanyi 1935, 1) mirrored in the two versions of Polanyi's film, *An Outline of the Working of Money* (1938) and *Unemployment and Money: The Principles Involved* (1940), and, his Keynesian textbook, *Full Employment and Free Trade* (1945). I never claimed this book to be a comprehensive account of Polanyi's economic ideas and I was very explicit about the limitations of its scope. I noted multiple times that "the primary aim of this book is to present the personal road taken by Polanyi's postmodern economics and his related film" (Bíró 2019, 1) in various social worlds by a careful and detailed analysis of Polanyi's correspondence. I also noted that "[t]his book explores the personal journey of Michael Polanyi and his *vanguard vision* (Hilgartner 2015) through various social worlds with an aim of portraying his threefold mission to craft a heart for economics, to revitalize liberalism, and, to save the West from the growing shadow of totalitarian régimes." (ibid).

Apparently, these statements about the limitations of the scope have escaped Geoffrey Hodgson's notice, for his review provided a masterful list of what he considered to be the book's 'deficiencies', 'omissions', 'lacunae': things that all lie outside the scope of this endeavour. Of course, I agree with Hodgson that Polanyi's concept of *spontaneous order*, his anti-planning ideas, his involvement with the Mont Pelèrin Society, and,

to a degree, even his *tacit knowing* concept were important in the economic thought of Michael Polanyi, and I have myself started to work on some of these after submitting the book, but they had not much to do with his film-based vision in the period analyzed (1933 to 1948). That is why they were not thoroughly addressed in the book.

To my greatest surprise, Hodgson also failed to grasp that this book is an account of science and technology studies (STS) which, perhaps, prevented him from understanding certain narrative decisions. The book takes Polanyi's vision of "democracy by enlightenment through the film" (Polanyi 1935, 1) as a socio-technical vision that struggled to become a *sociotechnical imaginary* (Jasanoff-Kim 2015). The definition of sociotechnical imaginaries as "collectively held, institutionally stabilized, and publicly performed visions of desirable futures" (Jasanoff-Kim 2015, 4) which are "animated by shared understandings of forms of social life and social order attainable through, and supportive of advances in science and technology" (ibid) was given in the Introduction of my book which "tries to go one step further by portraying several clashes and concords of these subjectively-drawn realities through unpacking immensely rich and mostly unstudied archival materials" (Bíró 2019, 5) of Polanyi and his correspondents. Polanyi's related vision eventually failed to become a sociotechnical imaginary because the lack of institutional stabilization and collective support, but, for a while, it had potential to become one. It was held by an increasing number of people, it was publicly performed, it was about a desirable future, it was based on a shared understanding of social life, and it was supportive of advances in science and technology (instructional film of Keynesian economics). It even had some potential to fulfil the remaining two requirements (institutional stabilization and being collectively held) in the 1940s when the Workers' Educational Association (W.E.A.) was experimenting with the film and the British Ministry of Information had talks with Polanyi about using a version of his film in their educational portfolio. Unfortunately, the film has never become widely used, which prevented Polanyi's personal vision from becoming a sociotechnical imaginary. But this was not the only STS concept on which Hodgson remained silent: *obligatory passage point*, *interesement* (Callon 1986); *boundary object* (Star-Griesemer 1989); *actor-network theory*, *immutable mobiles* (Latour 1990); *co-production* (Jasanoff 2004); *vanguard vision* (Hilgartner 2015) and many others were mentioned in the Introduction without being referred to in his review.

Curiously, a similar thing happened with the label *postmodern*. Even though I explained that "the term 'postmodern' is being used in this book to denote what should come after 'modern' in Polanyi's view," (Bíró 2019, 12) that was not enough for Hodgson. He wanted me to include a literature review of postmodern since, as he put it: "the word did not become popular until well after Polanyi's death." (Hodgson 2020, 7). Hodgson also criticized me for using the terms "anti-deterministic" and "anti-mechanistic" which he called "questionable terms" (ibid, 8). While there is a reference to Polanyi's thought as not being deterministic, the term "anti-deterministic" is not included at all in the book so criticizing its presence seems a bit odd. The reference to Polanyian ideas as not being deterministic was indeed made in connection with the Polanyi-Mannheim correspondence and included Polanyi's own words in a letter to Mannheim in which he rejects "all social analysis of history which makes social conditions anything more than opportunities for a development of thought" (Polanyi 1944, 2) and expressed strong disagreement about what he considered to be Mannheim's view, which is that "thought is not merely conditioned, but determined by a social or technical situation" (cf. ibid and Bíró 2019, 121) How could it be more simple and authentic?

The second term, "anti-mechanistic," was not used in the text either. Instead, "anti-mechanical" and "anti-machinistic" were used to describe various approaches that went against the mainstream mechanical

view of economics (and historiography of economics) that treated man as a calculating machine. For Polanyi and a lot of other intellectuals this mechanical approach implied, among other things, “inhumanness, despirituality, amorality, emptiness, unsophisticatedness, unwordliness, in and outside of economic realms” (Bíró 2019, 155). They felt motivated to counter the mechanical view of man, and, as my book shows, developed several ideas that were framed against this mechanical view. A careful reading of the book provides several such “anti-mechanical” and “anti-machinistic” approaches and shows that, contrary to what most mainstream historiography of the period suggests, many who were seeking answers focused rather on the mind than on behaviour” (ibid). In this sense, the book develops a counter-narrative *inter alia* to Mirowski’s *Machine Dreams* (2002) in which the economic thought of the period (1930s-1950s) was described as shifting from *economic protoenergetics* to *cyborg economics*. Mirowski argued that “without the computer, it would still be obligatory to bend a knee to the mantra that economics really was about “the allocation of scarce resources to given ends” and not, as it now stands, obsessed with the conceptualization of the economic entity as an information processor” (Mirowski 2002, 522; quoted in Bíró 2019, 5). I argue that views about the economy were not so homogeneous but manifold in the period and that not all of them were primarily mathematical or machinistic. Unfortunately, no one had to say anything so far about whether my argument was successful or not in challenging Mirowski’s.

Hodgson warned his readers that “we should not assume—as Bíró seems to—that the original or orthodox liberalism was largely in favour or [sic] *laissez faire*” (Hodgson 2020, 5), which he called a “historical inaccuracy” developed by Hayek and the Chicago school. Moreover, he referred to *The Lost History of Liberalism* (2018) by Helena Rosenblatt which, in his view, “decisively refuted” (Hodgson 2020, 6) this stance. There are a couple of problems with this warning. First, the book is not about my take of liberalism, but Polanyi’s. The relevant chapter is about how Polanyi was “drawing rhetorical boundaries between his revamped liberalism and extreme liberalism and socialist planning respectively” (Bíró 2019, 14). An STS concept, *boundary-work* (Gieryn 1983) is crucial here, because Polanyi’s relevant practices are being interpreted as an instance of boundary-work. Second, the book does not reject, but embraces the idea that there were (and there still are) various kinds of liberalisms which makes it compatible with Rosenblatt’s account (2018). Actually, it gives a glimpse into a spectrum of liberalisms (including that of Adam Smith, Charles Dickens, Barbara and Lawrence Hammond, John Maynard Keynes, Oscar Jaszi, and of course, Michael Polanyi) by analyzing the correspondence of Polanyi and his network through which the reader could not only see the diversity of these liberalisms but also some transactions between them, e.g., how Polanyi used the Dickensian critique of *laissez faire* liberalism in his own rhetoric against what he called orthodox liberalism.

Finally, there are a few statements from Hodgson which are particularly hard to interpret otherwise than being counterfactual and unfounded. He noted that “Bíró seems to impose his own vague terminological preferences upon Polanyi, rather than to dig more deeply into his thought, or into the terms that he ascribes to him” (Hodgson 2020, 8), that “despite extensive work in the archives, there are relatively few substantial quotes, from the archival material” (ibid), and that “along with Bíró’s own interpretation of the material, we would like to hear Polanyi speak a little more for himself” (Hodgson 2020, 8). These statements suggests that I was reading into the material what I wanted to see there instead of developing an authentic account about what was there. There are 708 references and 310 bibliographical entries in my book (178 pages). From these, 422 references and 127 bibliographical entries point to archival materials. I let the texts speak for themselves everywhere I could and used much more archival materials than what is usually used for a

similar monograph. No doubt, the book has some flaws, but its well-researched nature and authenticity has so far been acknowledged even by its most hell-bent critics.

It was a delight to read Turner's review of the book. He understood what the monograph is about and asked fascinating questions for Polanyi scholarship. Has Polanyi been developing a "coherent social theory" (Turner 2020, 11) while nurturing over his film-based vision? And, perhaps, more importantly, "How did Polanyi come to his views?" Turner discussed together Polanyi's contributions on science and economic liberalism and tinkered with the idea whether there was "a parallel in science" (Turner 2020, 11) for the social consciousness *topos* Polanyi used in his economy-related rhetorics. He convincingly argued that there was. For Polanyi, science was "an example of the good life" (Polanyi 1946, 289 quoted in Turner 2020, 11) because it was based on "a shared sense of scientific truth" (Turner 2020, 11). Polanyi's liberal social consciousness was indeed framed as a shared sense of economic reality and as a shared sense of economic policy. One might wonder what would have happened if Polanyi's film became more popular and the seeds of his novel kind of liberal social consciousness blossomed.

Turner emphasized that Polanyi biographies were mostly concerned with influences on his political and social thought. He presented how most accounts describe Polanyi's relevant ideas as reactions to the planning movement and the Social Relations of Science movement and acknowledged that this "book is a contribution that deepens the discussion." Turner acknowledged that "[t]he great merit of Bíró's book is in his analysis of the epistolary Polanyi" and provided additional context to understand the atmosphere of the analyzed cca. two decades. He portrayed the period as that of "agonizing doubt" about "progress, religion, Goodness, and the future" (ibid) in which people sought to find something they could rely on. Some saw socialism as a way out from this bleakness (Sidney and Beatrice Webb, Lancelot Hogben, Karl Mannheim, Patrick Blackett), some urged for a revival of traditional Christian values or for a "renovated Christianity" (ibid, 12), others were developing new kind of liberal alternatives (John Maynard Keynes, Michael Polanyi, Oscar Jaszi). Turner argues that while "Polanyi's correspondents in the 30s comprise a fascinating soupçon from this teeming ideological cauldron," (ibid) there is no explanation of "the intellectual world specific to the Polanyi family." (ibid, 14), and I think he is right. The motivation to "overcome the nineteenth century" (Druckner 1978, 126-7 quoted in Turner 2020, 13) was all over the Polanyi family. The intellectual salon of "Cecil mama," the mother of Michael and Karl Polanyi, was a popular gathering place of progressivists in Budapest. Growing up in the Polanyi household must have greatly affected the thoughts of the siblings. It would have been worth noting that a few decades later Michael was developing a post-critical philosophy, Karl a democratic socialism (Gulick 2010, Dale 2014, 2016a, 2016b, 2016c) and Laura a feminist philosophy (Szapor 1997, 2005). Moreover, analyzing the Central-European or Hungarian origins of the Polanyian vision, as Turner suggested, seems to be a promising route as it was recently pointed out that Polanyi was part of the sociological tradition of Hungarian philosophy (Demeter 2008, 2011, 2020).

I completely agree with Turner that this account of Polanyi's economics "spills over into social theory in a variety of ways" (Turner 2020, 14), some of which perhaps could have been explicated better to provide a less "puzzling picture." (ibid). Hopefully, my forthcoming articles are going to explore some of these terrains. I am also very grateful for Turner for calling my attention to the fact that the spiritual element in Polanyi's science—as mirrored in tradition—was in a sense contradictory to the anti-bourgeois sentiments of the Polanyi family. I agree with him that Polanyi's vision was conservative just as it was liberal. Indeed, Polanyi emphasized the dependence of liberal society on morality. He argued that liberalism needs a living creed, one that fosters public liberty (based on tradition) as much as it fosters private freedom. The stakes

were high. For Polanyi, the freedom of science was pivotal for the freedom of society and the two were connected by a spiritual element (Hartl 2012, Hartl 2021). Turner pointed out that while there have been several compatible elements in the early social thought of Michael Polanyi (e.g., shared sense of scientific truth and shared sense of economic reality) that might be seen developing a consistent social theory, there were tensions as well, and possibly even inconsistencies (Polanyi's Keynesian economic theory and non-Keynesian epistemology, his anti-bourgeois leanings and his support of tradition). This monograph about the social life of the first economics film contributes to this discussion by giving a glimpse into the versatility and the fluidity of the social thoughts of Polanyi and his correspondents in the thirties and forties. If it manages to deconstruct the slightest historiographical oversimplification, it was worth being written.

NOTE

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BOOK REVIEWS

Dale, Gareth. *Karl Polanyi: The Limits of the Market*. Cambridge, UK, and Malden, MA: Polity Press, 2010. Pp. 309 + ix. ISBN 978-0-7456-4071-6. \$72.75 hb. ISBN 978-0-7456-4072-3. \$26.00 pb.

Apart from a few passes in *The Great Transformation (TGT)* and the good work done by Gulick and Mullins at previous Polanyi Society Meetings and in publications, my reading of Gareth Dale's *Karl Polanyi: The Limits of the Market* was my first exposure to the life and thought of Michael's older brother, Karl Polanyi (KP).

I can't imagine a better way to start learning about this brilliant, controversial, and still highly relevant "economist." (The single disciplinary descriptor fails to capture the breadth of his thought.)

Dale's grasp and exposition of KP's key conceptual contributions, the contexts of their emergence, and their criticisms, strengths, weaknesses, and development over the five decades of KP's productive career is astounding. KP's continuing and current influence on a variety of thinkers and fields and his bearing on central political-economic issues still facing us today are also treated with insight and clarity.

I noticed only one mention of Michael Polanyi, and he doesn't make the index of the almost thirty pages of references. Yet dozens, probably hundreds, of other thinkers are referenced and discussed with great insight. Dale's command of the vast literature and the history from which it emerged is amazing. Those familiar with Michael's central intellectual concerns, especially but not exclusively in the period around WWII, will find many points of possible cross-pollination between the brothers'

concerns and approaches, and these are treated in the longer biography that follows this volume (see Gulick's review below).

So what is the focus and approach of this book? Dale's opening paragraph says it far better than I can:

This book is a critical introduction to the work of Karl Polanyi. It provides an exposition of his key texts and presents a range of criticisms of his principal theses. Its origins lie in my interest in Polanyi's method. He meshes concepts from a variety of sociological and political-economic traditions to produce his own distinctive approach, but which ones was he appropriating and to what uses was he putting them? As I engaged more intensively with his works that sense of puzzlement began to recede. In its place there arose an admiration for the depth, breadth and originality of his intellectual engagement, albeit coupled with a greater awareness of its shortcomings in a number of areas, both empirical and theoretical. This book, then, is written from a broadly sympathetic yet critical stand-point (vi).

Dale goes on to distinguish his book from the others on KP available in 2010 and explains what he has omitted in this volume and where he has treated omissions elsewhere. His "brief conspectus of his life and times" will whet your appetite for the longer biography, but Dale's ability to stay on track and not share all he knows makes for an excellent introduction to KP's central contributions.

Having set the stage and briefly painted the background, Dale next takes his readers through

KP's major contributions in three areas, arranged chronologically: KP's early ethics and economics of socialism, his masterpiece, *The Great Transformation* (*TGT*), and his substantial contributions to economic anthropology and history.

As an activist and journalist in the complex socialist movements in Budapest prior to WWI, KP rose to co-edit the periodical of the Galilei Circle. The conflict between the deterministic positivism of many socialists and his own "most cherished tenet" of individual responsibility gave Karl a problem with which he wrestled throughout his life (7). "It was a conflict with both intellectual and political aspects, and throughout his life Polanyi's philosophical and political reflections revolved around puzzles concerning the role of the individual in 'complex society', and how to steer political engagement between the rocks of determinism and voluntarism" (8). Injured in WWI, he remained in Budapest through the end of the war, the Aster Revolution ("which he supported wholeheartedly"), and the Soviet Republic ("which he regarded with ambivalence"). In 1919 he fled to Vienna.

Dale's first chapter treats KP's writings in Vienna through the early period of his second exile to London (1933). From the vast output of this period, Dale has "winnowed out three contributions of particular importance: his intervention in the 'socialist accounting' debate, his philosophical writings on ethics in capitalist society, and his promotion of Christian socialism" (19). Dale navigates through the complex issues of the times and KP's writings including laying the groundwork for *The Great Transformation*. With WWII approaching as the 1930s end, KP "returns again and again to the image of an intensifying collision between socialism and capitalism (or fascist capitalism), and goes so far as to predict that 'capitalist nations must decline into the dusty past' and give way to an International of Socialist states—a necessary human development which has been rendered apparent by the emergence of the first socialist state" (43).

If you have ever struggled with *TGT* and given up, get this book for Dale's chapter on KP's magnum opus. It is a masterful exposition, analysis, balanced treatment of criticisms, and application of KP's difficult treatise. The only improvement I could suggest would have been a glossary. You should start your own if you read it. Again and again I realized how thoroughly my mind has been captured by a picture of what economics is and how it works that KP shows to be tied to a particular historical period. It is a picture that is distorted, destructive, and disastrous for human flourishing, but most of us have absorbed it. When moving from one picture to another at this level of thinking, a list of key terms with traditional and revised definitions would have helped me regain my bearings in the new landscape.

Dale explains that KP's title goes beyond "the great transformation of European civilization from a pre-industrial to an industrial phase," although that and the market's breakthrough in Britain is a central concern of the book. "But for Polanyi the phrase referred to the sociopolitical drama that had commenced in 1914 and continued throughout his life. At its apogee the liberal system, predicated upon the separate institutionalization of economics and politics, had presided over economic growth and international stability, but with the outbreak of world war, 'nineteenth century civilization collapsed', to quote the book's resounding opening line, ushering in an 'Age of Transformation' towards a new order of 'integrated societies'" (46).

In examining this transformation, *TGT* "was representative of a wave of literature written during the Great Depression—including masterpieces by Polanyi's fellow Austro-Hungarian exiles Karl Mannheim, Joseph Schumpeter, and Peter Drucker." What is different about *TGT* "is its identification of 'market utopianism' as the root cause of the crisis" (46). The dense and complex book develops this thesis "single-mindedly and with great conviction, and this has contributed to *TGT*'s abiding influence" (46).

If you approach Dale's exposition of *TGT* with assumptions, images, and models that most of us share about economics, you are in for a conceptual wrecking job and overhaul. That was certainly my experience after a half-dozen undergraduate economics courses, years of reading business publications related to teaching Business Ethics, and decades of daily reading of the *Wall Street Journal*. To add to the difficulty, KP's conceptual revisions are developed through his detailed analysis of eighteenth- and nineteenth-century British economic and political history, which was new to me.

As Dale presents KP's analysis of the "fictitious" commodification of labor, land, and capital, he describes the institutions that came to support the world economic and political system: "the balance of power system, the liberal state, the gold standard, and 'fount and matrix' of the entire arrangement, the self-regulating market" (47ff.). I realized again and again how deeply ingrained liberal economic assumptions are in current thinking. Don't we treat land, labor, and capital as commodities? It is hard for me to think about economics without "the expectation that human beings behave in such a way as to achieve maximum money gain," but Polanyi shows the origin and fallacies of that assumption (53).

At the core of KP's analysis and predictions is his double movement theorem—his idea of the central tension at the heart of emerging liberal market societies that eventually leads to their collapse. "Its premise is that transforming land, labour and money into fictitious commodities endangers nature, human beings and business respectively, leading to grievances, resistance and the imperative of protection. No society, argues Polanyi, 'could stand the effects of such a system of crude fictions even for the shortest stretch of time unless its human and natural substance as well as its business organization was protected against the ravages of this satanic mill'" (60). In nineteenth century England this takes the form of the expansion of the vote and increased democratic participation and other reforms. KP's

detailed historical analysis finds confirmation for the "collision between socialism and capitalism" we saw predicted above.

After explaining Polanyi's analysis, Dale turns to criticisms of *TGT*, both conceptual and historiographical. Again, Dale's command of thinkers from Smith, Ricardo, and Marx through Hayek, Stiglitz, and McCloskey, not to mention Weber, Tönnies and other sociologists, is impressive. The criticisms are extensive and Dale presents many incisive points. Polanyi predicted the irreconcilable clash between democracy and capitalism because of the doomed unstable formation of regulated capitalism in 1944 just as regulated capitalism would enter its golden age. "From the late 1940s until ten years after his death, the world economy enjoyed its greatest ever boom under relatively vigorous regulation, and it was not until that phase gave way to a resurgence of classical liberalism, in the 1980s, that interest in *TGT* took off" (88). More on that recent revival after we briefly look at the third period and area of interest of KP's work.

While *TGT* focused on British (and to a lesser extent North American) history and political-economic systems and thought, KP continued exploring its implications for almost twenty years after its 1944 publication. Dale covers both the empirical and theoretical dimensions of KP's considerable work in these decades. Much of this work is even more relevant to today's issues and accounts for the influence of KP in recent scholarly and political-economic debates.

Dale first explores KP's critical work on classical economic theories and their application to non-market societies. A good example would be KP's formulation of the "economistic fallacy" (also called the "catallactic fallacy"). This assumes "that a complex division of labour implies market exchange, with the riders that humans are by nature market-oriented beings and that economic behaviour should be universally modeled as if it were market-oriented individual action" (90). Such

concepts lead to engagement with economists from Smith to contemporary thinkers and Dale's knowledge of their positions is clearly displayed. Again, a glossary would have helped keep straight marginalists, formalists, institutionalists, substantivists, classical and neo-classical theorists, not to mention liberals, neo-liberals, functionalists, Marxists, and more.

KP's extensive work in economic anthropology and history is given fifty pages in a chapter titled "Trade, Markets, and Money in Archaic Societies." If you need convincing that economies and economics based on self-regulating markets are the exception rather than the rule, KP's detailed examination of ancient Mesopotamia, Bronze and Iron Age Greece, West Africa's Dahomey, Whydah, and Tivland, Meso-America, and rural India are all discussed. After summarizing KP's explorations, Dale presents a section of evaluation and critique recognizing KP's limitations and tendency to overreach, but shows KP's "pioneering and ambitious enterprise" (187) has continuing significance. KP's amazing range is dwarfed by Dale's deep understanding of his work and the subsequent commentary and criticism of it.

As Dale concludes his book he presents chapters on two themes in KP that are most significant in current scholarship and debate: "disembedded" or "always embedded" economies, and "neoliberalism and its discontents." Written ten years ago, they are as relevant today, if not more so.

Dale explores the roots of KP's notion of embeddedness in Marx, Tönnies, and German sociology. "Embeddedness', a metaphor denoting a state of dependence upon or subordination to, refers to the relationship between 'economy' and 'society'" (189). This concept is closely identified with Polanyi and is surrounded by much debate "generating some light and not a little heat. I begin by looking at three reasons that account for some of the 'heat': the divided sociological terrain upon which it stands; Polanyi's shifting relationship to that terrain; and the diverse purposes to which economic sociologists

have put the term" (188). Polanyi's classic formulation of the concept in a series of texts between 1947 and 1957 has continued to fuel flames and Dale traces the debates around the concept through various disciplines showing "embeddedness has come a long way" (195). Debates about social intervention into markets and the economy fill our news and politics today, amplified by the current pandemic crisis.

The same can be said of "neoliberalism and its discontents"—the theme to which Dale turns in his penultimate chapter: "At the Brink of a 'Great Transformation'? Neoliberalism and the Countermovement Today."

As neoliberalism gained strength towards the turn of the last century and its deficiencies became more apparent to its critics, Polanyi's writings rose in importance. Neo-Polanyians find parallels in his work in *TGT* and other writings with the rise of neoliberalism in the latter part of twentieth century and seek alternatives that would be similar to counter movements he found in his time.

"By common consent, what gives Polanyi's work its contemporary relevance is his analysis of the pathogenesis and malign consequences of free market globalization. In the market-fundamentalist climate that prevailed across much of the globe in the 1990s and 2000s, the motif in *The Great Transformation* that has resonated most widely is that *laissez-faire* liberalism represents a utopian attempt to apply the principle of the self-regulating market to the international economy, a project that sowed the seeds of its own destruction" (207). Those inspired by Polanyi share an antipathy toward the neoliberal belief system and agree that an excess of markets generates socioeconomic instability. They saw a direct connection between increased intensity of market mentality and decline in social solidarity.

Dale does dissent from the neo-Polanyian consensus on account of neoliberalism's new strength, which he summarizes as "a crisis induced by the clash between political regulation and market

imperatives, the intervention of free market economists, and their influence on policy-makers” (208). Among other reservations about this explanation he thinks it overestimates the influence of ideology in seeing the rise as a utopian project of universal marketization. With David Harvey and others, he views the ideas as “ideological cover for a drive, pioneered in the US and adopted in much of the rest of the world, to restore corporate profit rates at the expense of workers and welfare recipients and to lever open protected markets in industrializing countries” (210).

But the focus of the chapter is less on the explanation of neoliberalism’s resurgence as on what alternatives can be found among counter-movements to replace it. Even a brief survey would exceed the limits on this review, but Dale presents some fascinating thinkers and ideas influenced by Polanyi among current theorists, almost all unfamiliar to me. Many are even more relevant today, ten to twenty years later, than when originally offered.

Dale’s short conclusion displays the balance I found throughout the volume of broad sympathy combined with illuminating criticism. He reviews the debates about “how to characterize his *Weltanschauung*” occasioned by the renaissance of interest in Polanyi around viewing him as “a Cold War liberal, a Marxist, and a Romantic” (237). While Dale remains balanced throughout, he holds no fire when exposing those critics of KP—and some who seek to enlist his support for their causes—when they distort his positions or fail to understand their complexity. Weaknesses can be found in many dimensions of his thought and many details of Polanyi’s work can be criticized, but Dale argues the crises of our time cry out for the kind of engaged social science KP embodied.

Dale’s final section, “Tribute and Critique,” closes with an inspiring appeal around runaway global warming and climate breakdown —sustainability issues on which Polanyi was prescient. “While humankind busily builds a funeral pyre for

tens of thousands of species, including conceivably itself, it would be faintly ridiculous were the social sciences to be preoccupied with a narrow, business-as-usual agenda. The age calls for vision, for the sort of critically engaged social science of which Karl Polanyi is an outstanding representative” (250).

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Dale, Gareth. *Karl Polanyi: A Life on the Left*. New York, NY: Columbia University Press, 2016. Pp. 381 + ix. ISBN 978-0-231-17608-8. \$40.00 hb. ISBN 978-0-231-17609-5. \$27.00 pb.

These days if one Googles “Polanyi,” the first Polanyian name that comes up is Karl rather than Michael. Karl’s unusual intellectual output combining economic history, political analysis, and social thought (socialism!) has attracted greatly increased attention in recent years. A fair share of that added attention can be attributed to the writings of Gareth Dale. During the past decade Dale has authored three and edited three books on Karl’s thought. However, the book under review here is his first—and really the only—large scale chronological biography tracing Karl’s life and thought.

Karl Polanyi: A Life on the Left skillfully fulfills Dale’s avowed purpose: to focus on “the process of Polanyi’s intellectual formation, as he interacted with the changing social and geopolitical environment” (9) during the twentieth century. Dale has researched widely and thought deeply about the competing interests and passions that drive Karl’s tangled thought. The many “puzzles and paradoxes” that characterize Karl’s writings “proved the initial impetus for the writing of this biography, in part because to understand them requires a thinking through of Polanyi’s life and times, but also because it is the tensions and contradictions in his personal commitments and his oeuvre that give them their engagingly maverick character” (7).

Dale's first chapter details social and intellectual conditions in Hungary during the first two decades of the twentieth century. While his account covers material also found in Lee Congdon's *Exile and Social Thought* and in the Scott-Moleski biography of Michael Polanyi, it does so in a way that indirectly reveals how different was Michael's take on his times in contrast to the views of not only his brother, but also Lukacs, Mannheim, Szabo, and other members of their remarkable cohort. Largely Jewish, they were socially and politically oppressed by both the Magyar nobility and peasantry. "[Y]et endowed with economic and cultural resources, they were able and driven to excel; and without any straight-forward allegiance to 'tradition' or 'the conventional,' they lacked the security and peace of mind" (30-31) of the established and secure. Dissatisfied with the status quo and feeling alienated, most were attracted to revolution or at least to some kind of reformation. Not so Michael. He came to speak nostalgically of the social and cultural freedoms that existed before World War I, and he honored the place of tradition in providing moral grounding for society. Nevertheless, the tacit differences between the views of Karl and his five years younger brother, Michael, were to remain covert for many years (44).

Dale persuasively argues that the tensions and contradictions in Karl's thought can be traced back to his attempt to integrate the Westernized, duty-bound outlook of his father with the romantic, Russian infused leanings of his mother. Karl, elected the first president of the Galileo Circle, was initially influenced by the progressive aspect of Enlightenment thought; he found the positivist worldview of Mach especially attractive (46-47). However, he came to recognize a contradiction in his own thought. "On one hand, it deemed certain socioeconomic trends to be inevitable, on economic grounds; on the other, it called for them to be resisted, on ethical grounds" (48-49). Incidentally, this conflict foreshadows the "double movement"

that powers the narrative structure in his magnum opus, *The Great Transformation*, published in 1944. Capitalist exploitation of land, labor, and money evokes in response governmental and other morally motivated attempts to counter the ensuing social disruption.

Karl became increasingly critical of doctrinaire deterministic Marxist thought and attracted to the gradualism manifest in the liberal socialism of Oscar Jaszi. This move continues to manifest the influence of his father's moral outlook, while his later attraction to the Russian experiment in communism reveals that his maternal sympathies were never entirely banished (16-17). His various traumatic experiences serving in the Great War led to deep internal despair that was gradually relieved by his adoption of a form of Christian belief that emphasizes the power of religion to render life meaningful (60). His appreciation of the pragmatic function of religion is close to Michael's view.

At the end of the war, Karl recovered sufficiently to serve first in Count Karolyi's government and then in Bela Kun's brief communist government. Disheartened by Hungarian chaos and obtaining hospital treatment in Austria, Karl left for Vienna in 1919. Initially bathed in melancholy there, three crucial events unfolded to raise his spirits. First, in 1920 he met the revolutionary communist Ilona Duczynska, and their relationship flourished, leading to the birth of their only child and their marriage in 1923 (75-80). In most ways Karl and Ilona seemed opposites: she a Bolshevik, he rejecting Bolshevism; she an activist, he attracted to withdrawn contemplation. Perhaps here one can see again Karl's need to honor both his paternal and maternal influences by embracing Ilona's Russian revolutionary as well as Jaszi's Western reformist orientation.

Second, Jaszi hired Karl as his private secretary in 1921 and added him to the editorial team of the leading, but cash-strapped, Hungarian newspaper in Vienna in 1922. Third, in 1924, Karl was hired to

write for the more solvent premier economic paper in Vienna. Soon he was appointed foreign affairs editor. He now had remunerated ability to pursue his intellectual interests. Among the contributors to the paper were Drucker, Schumpeter, and Hayek. Additionally, Karl established a seminar focused on guild socialism, and among its participants were Karl Popper, Aurel Kolnai, Hans Zeisel, and Drucker (81). Karl's time in Red Vienna was now established.

During the 1920s and early 1930s, the socialist government of Vienna constructed over 60,000 low-rent apartments for working class individuals. Karl was captivated by such "works that emphasized the natural or religious imperative of social unity" (83). He was impressed by how Ferdinand Tönnies "set out to expose as partisan and myopic all assumptions about the naturalness of possessive individualism and of the institutions erected on it" (84). Karl's later distinction between formal economics, which emphasizes rational choice between insufficient monetized goods, and substantive economics, in which economic satisfactions are embedded in natural personal and social needs, can arguably be seen as arising from his experiences in Vienna. Moreover, he was inspired by G. D. H. Cole's guild socialism and Otto Bauer's brand of social democracy. Stimulated by the vibrant thought world of Vienna, Karl challenged Ludwig von Mises's rejection of centralized economic planning and his implied acceptance of market self-regulation. It was a hard sell. In harmony with Bauer, Karl claimed that "when left-wing governments seek to direct their democratic mandate to economic purposes, they are bound to fail, because capitalist interests will respond to intervention in the market mechanism with a reduction in output, accompanied by a tirade against 'democracy'—accusing it of the sins of inflation, protectionism, and neglect of the currency" (105).

The Depression set in, and in 1933 Austria suffered a fascist coup where socialists were treated

as traitors. Karl opted to move to England, leaving Ilona behind. Although he was lonely and challenged to find any sort of sustainable work during the Depression, Karl found some comfort in connecting with members of the Student Christian Movement. He became close friends with its leading light, John Macmurray, and regularly associated with left-leaning intellectuals such as Cole, Richard Tawney, and Lord Lindsay (Michael's *The Study of Man* is the published version of the first Lindsay Memorial Lectures). In 1934 Karl authored a significant analysis of fascism, and in 1935 he co-edited *Christianity and the Social Crisis*. In addition to his article, this work included contributions by Macmurray, Needham, Auden, and others. He was deeply impressed by the Challenge-and-Response motif in Toynbee's *History of Philosophy*; it found expression in Karl's "double movement" mentioned earlier (135).

Benefitting from the strong support of his British colleagues, Karl secured funds to visit the United States in 1934-35 and then was offered a visiting lectureship at Bennington College in Vermont in 1940. Eventually he was granted a Rockefeller Fellowship that allowed him to remain in America until 1943, giving him the liberty to write and complete *The Great Transformation*. He came to love America for its freedom and perceived egalitarianism, which contrasted with the class consciousness of England, although he never gave up his fondness for Britain (146, 153). Ilona joined Karl in England in 1936 but was again separated from him for more than a year when he went to America. Michael became close to Ilona with Karl away, an intimacy that Michael's wife Magda found hard to bear. During most of his life Karl did not achieve the recognition and financial well-being that Michael enjoyed. Especially after emigrating to England, Karl (and family) needed both fiscal and emotional support, placing some demands of kinship upon Michael and Magda that Magda, and perhaps Michael, apparently resented.

Upon his return to England, Karl became embroiled in political discussions about the governance of post-war Hungary. Perhaps at this time Karl's views clashed most vehemently with Michael's. His continuing support for Stalinist Russia was totally opposed by Michael, coming to a dramatic climax in their differing interpretations about how their niece Eva was treated when falsely accused and jailed in Russia (141-142). Karl supported government planning; Michael opposed it. Karl became enamored with the early writings of Marx; Michael became a committed anti-Communist opposed to any form of Marxism. Karl blamed capitalism and markets for creating the crises of the twentieth century (although ultimately he was willing to accept some modified market practices); Michael supported a regulated form of capitalism and viewed the cataclysms of his century as derived from a misunderstanding of science and its evolution into moral inversion and nihilism.

In 1947 Karl returned to the U.S. and began a career at Columbia University. Having castigated the free market and unregulated foreign trade in *The Great Transformation*, he now turned his attention to seeking out alternative economic systems of exchange. He edited *Trade and Market in the Early Empires: Economies in History and Theory* and other studies enriched by anthropological insight. Karl engaged in heady dialogue with such Columbia luminaries as Robert Merton, Herbert Marcuse, and C. Wright Mills, engaged Talcott Parsons of Harvard, and was wooed by David Riesman to join him at the University of Chicago (205). Alas, the U.S. Immigration Service would not permit Ilona to join him permanently in America (shades of the trouble Michael had in obtaining a U.S. visa), so eventually he and Ilona established residency in Canada, and Karl commuted to Columbia.

A number of graduate students were attracted to Karl's thought and continue to develop his ideas. Perhaps the best-known students influenced by Karl are Immanuel Wallerstein and Marshall Sahlins.

During the Cold War, Karl backed away from support of Stalin and was thrilled by Khrushchev's critique of Stalin's excesses. Consistently one to seek unified integration, in this case, the coexistence of Russia and the West, Karl bitterly opposed the strong anti-Communism of his brother, Koestler, and many of the exiled Hungarians. Consequently, his last significant scholarly activity was devoted to launching the journal *Co-Existence*. Its aim was to "create an arena of political dialogue and intellectual collaboration across the Cold War divide" that would bring peace through coexistence (273).

During the last few years of his life, after treatment for cancer, Karl (and Ilona) returned several times to Europe and Hungary. In 1963, "the climax of the tour was a three-week stay in Hungary... [where] he was once again invited to deliver an address at the University of Budapest" (279). His speech was well received, and "he cannot but have felt a sense of fulfilment and finality" (280). His paternal and maternal instincts were integrated.

In a concluding epilogue, Dale offers a wise assessment of Karl Polanyi's accomplishments and legacy. On the one hand, he avers that in "Polanyi's analysis of contemporary power relations, much is awry, and he gravely underestimated the degree to which social democracy had, however reluctantly in some cases, hitched itself to the capitalist machine" (286). Far from history tilting toward a "great transformation" away from capitalism, capitalism has assumed international hegemony. On the other hand, "It is Polanyi's diagnosis of the corrupting consequences of the marketization of labor power and nature that gives his work a contemporary feel and explains its continuing appeal" (282).

Those whose primary interest is understanding Michael Polanyi's life and thought will find much to savor in Dale's account, and this for several reasons. First, although Michael spent most of the 1920s in Germany while Karl was in Austria, and while Karl spent much more time in America than Michael, for the most part the brothers came from and lived

in roughly the *same world*. The book illuminates important aspects of that world. Second, the book contains a good deal about Michael's *personality* and his views because the correspondence between Karl and Michael is one of the principle sources informing Dale's narrative. Third, the *issues* exciting the brothers are often the same even though their interpretations sometimes are radically different. The book is almost an encyclopedia of how diverse social and political views—backed by their proponents—arise and clash during the first two-thirds of the twentieth century. Gareth Dale's even-handed descriptions backed by thorough scholarship make *Karl Polanyi: A Life on the Left* a signal achievement.

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Polanyi, Karl. *For a New West: Essays, 1919-1958*. Edited by Giorgio Resta and Mariavittoria Catanzariti. Cambridge, UK and Malden, MA: Polity Press, 2014. ISBN-13: 978-0-7456-8444-4. \$26.00 pb.

The recent growing scholarly interest in Michael Polanyi's (MP) social and economic ideas needs to be carefully linked to his brother Karl Polanyi's (KP) ideas. This archival collection of KP's writings, which first appeared in Italian, may be helpful for beginning that project.

The earliest essay here is from 1919 (originally written in German) and the latest is the 1958 selection "For a New West," from which the collection takes its title. In the introduction, one of the editors suggests this heterogeneous collection "can improve our understanding of [Karl] Polanyi's thought, offering examples of the breadth of his interests, of his extraordinary ability to deconstruct the many sides of society" (4) while also reflecting the internal coherence of his "intellectual evolution" (3). This seems a balanced judgment about this book which includes not only a twenty-five page introduction by Giorgio Resta but also a twenty-page postface by

Mariavittoria Catanzarita, providing many historical details and some insightful commentary. The brief preface by Kari Polanyi Levitt gives an abbreviated account of Karl's life and social philosophy, and reflects on the rediscovered relevance of *The Great Transformation* at the end of the 20th century in an era of Neoliberal dominance.

Although this material comes from different periods in KP's life, it is thematically rather than chronologically organized under four rubrics: (1) economy, technology, and the problem of freedom; (2) the importance of institutions; (3) the use of the social sciences; and (4) the crisis in modern society and the coming transformation. Each rubric is treated with four to six short selections. This organizational strategy is an effective way to lift up primary themes, although some appear under more than one rubric. Here I can comment briefly on only a few of the selections in these sections.

The short opening essay "For a New West" was a draft of the opening chapter for a book KP was working on in 1958 at the time of his death. His essay's title and never completed book were in fact a call for a new order. The West has exported science, technology, and economic organization, elements "mutually reinforcing one another, unbridled and unrestrained" (31); KP believed that both inside and outside the West there were calls "to discipline its children" (31).

"Economics and the Freedom to Shape Our Social Destiny," originally a conference paper, part of which was published in a 1947 essay, provides a concise statement charting the rise of the market society in the nineteenth century and the emergence of ideas about the commodification of land, labor, capital, and the self-regulation of markets. These are, of course, primary themes in *The Great Transformation* (1944). This essay shows that KP, like MP, was deeply interested in the problem of meaning in late modernity. Although he calls it a "radical fallacy" (34), KP does hold that, once the market economy is established as it was in the

unique case of nineteenth century Britain, there comes into play a kind of economic determinism. But he is quick to point out that a broader understanding of economic matters (a more substantive and less formal understanding) informed by social anthropology and history makes clear that tacit presuppositions many modern economists share about what is universal are misguided: “an institutionalized supply-demand-price mechanism—a market—was never more than a subordinate feature of social life” (34), even in the West. Like his brother, KP points out that earlier utilitarian philosophers identified “two sets of terms, thus endowing the ‘economic’ with the aura of rationality” (36). For KP, the rise of the “market economy” in fact “created a new type of society,” one in which the “productive system was entrusted to a self-acting device” (35). Thus, a seemingly autonomous economic sphere controlled by a mechanism came to be regarded as a domain in which economic motives predominated and were determinative for the “life of the whole social body” (35).

Another selection in this section, “Economic History and the Problem of Freedom” (an unpublished 1949 lecture), discusses freedom and its links to matters of conscience and sounds much like MP. KP also illuminatingly discusses “Marxist inevitability” and “laissez-faire inevitability,” which are “merely two different forms of the same creed of *economic determinism*—a materialistic legacy of the nineteenth century—which *economic history does not bear out*” (40). For KP, what makes a “market economy” is its self-regulating dynamic which reflects the way in which land, labor, and capital have become monetized commodities: “Market economy amounts to the handing over of man and his natural habitat to the working of a blind mechanism running in its own grooves and following its own laws” (41).

Several of the selections in this collection touch on the ways in which KP used the literature of cultural anthropology to undermine ideas about

economic determinism and universal economic motives. They also show how cultural diversity sheds light on economic history and, more generally, the study of ancient societies.

The material in Part II of *For a New West* elaborates how KP focused on institutions (particularly international institutions) and the ways in which an economy is always a “cultural reality” (12). These selections also make clear that KP took a “substantive” approach to economics, although he accepted a “formal” or “scarcity” approach as useful for understanding some aspects of the modern “market society.” Part II’s selections treat KP’s institutional analysis of war and strategies to counter war by creating an international economic commonwealth that avoided moves to re-establish the collapsed nineteenth-century international trading system and the monetary system supporting it. This seems to have been, for KP, a sensible pacifist strategy. “Culture in a Democratic England of the Future” (undated) discusses the fundamentally rural culture of England; British social problems are linked to the absence of an urban culture. “Experiences in Vienna and America,” a short conference presentation written after his travel and brief visits in the U.S., is an interesting reflection on the U.S. and education in the U.S. which KP contrasts with his early experience in Red Vienna after he fled Hungary.

Selections in Part III focus on some of KP’s discussions of the social sciences. KP was concerned about natural science, its bearing on modern life, and the ways in which social sciences could be useful but was also used by fascists. KP does not seem, like MP, to have distinguished between science and scientism and puts more emphasis on method than MP. KP was especially interested in political theory. “Public Opinion and Statesmanship,” a 1951 address, is a particularly interesting discussion of how wise politicians have used public opinion to transform themselves into statesmen. “General Economic History,” a mid-century Columbia University lecture, reflects KP’s effort to broaden

economic history to include “the changing relation of the economic to the noneconomic institutions in society” (133). This selection treats a number of the elements in other selections and summarizes KP’s effort to draw on anthropology to emphasize the “embeddedness of the economic system in social relations” (143).

The fourth section of this collection includes material from different periods in KP’s life, but all selections are concerned with crisis and transformation in society. A 1919 selection makes clear that KP, after World War I, favored a cooperative economy and liberal socialism. “Conflicting Philosophies in Modern Society” is a set of six lectures from 1937-38 on the challenge of fascism and communism to democracy. In one particularly illuminating lecture, KP discusses differences between English democracy centered on liberty and Continental democracy centered around equality. Other lectures treat populism, fascist Italy, Nazi Germany, and Russia after the Russian Revolution. Clearly, both MP and KP focused on the problems of social organization in modernity. It is an interesting matter to consider the fit between MP’s account of the scientific revolution and its misinterpretation that bore fruit in modern violence, nihilism, and totalitarianism, and KP’s intricate analysis of the “market system,” different democratic orders, and the breakdown of old orders and the rise of new ones in Russia and Germany.

Some of KP’s clearest writings seem to be materials that he developed for teaching. Particularly lucid is the final selection in this collection (part of a larger set of lectures) titled “The Trend toward an Integrated Society.” Here KP discusses his thesis that politics and economics became separated in nineteenth-century society, a society based on the twin pillars of liberal capitalism and representative democracy. This is a significant departure from all societies in the past in which one set of institutions served both the economic and political needs of the social body. Liberal capitalism

ultimately outmaneuvered the forces of representative democracy. This is the key to understanding the cataclysms of the twentieth century and the rise of fascism. In just a few pages, KP outlines his bold thesis in a way that allows those who know MP’s thought to see both some of the striking similarities and fundamental differences between these brothers’ approaches to social organization and social and political history.

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