

Chapter 10

Michael Polanyi's Understanding of Totalitarianism Against the Backdrop of Liberal Civilization

Struan Jacobs

Abstract Having watched totalitarianism emerge in its left-wing (Russian Soviet) and right-wing (Nazi) forms, Michael Polanyi devoted considerable attention to analysing totalitarianism in its development, makeup and mode of operation. At the same time as he developed his account of totalitarianism incrementally he pieced together his picture of liberalism. His fundamental insight is that while liberal civilization is dedicated to protecting, and is animated by, a set of ideals that includes freedom, truth, toleration, equality and justice, totalitarian regimes aim at erasing ideals such as these from their social face.

Keywords Totalitarianism · Liberalism · Ideals · Planning · Freedom · Nihilism · Dynamic order

10.1 Introduction¹

In the 1930s Michael Polanyi, recognized for the quality of his research at the interface of chemistry and physics, began to delve more deeply into philosophical and social questions than he had done previously. He was keen to understand the causes behind the Great Depression and seeking after ways to better protect liberal ideas and institutions from their adversaries. The world was being “turned upside down” at the time. An illustration of the problems with which Polanyi was contending was Britain’s Labour Prime Minister, Ramsay MacDonald, when he

After teaching for many years at Deakin University, Struan Jacobs retired in 2018 and works now as an independent scholar

¹ References to the Michael Polanyi manuscripts in the Regenstein Library of the University of Chicago are distinguished in this text using the initials MPP

S. Jacobs (✉)

Independent scholar, Newtown, Victoria, Australia

administered in 1930 the last rites on capitalism, urging the nation to put its faith in science, organization and control. Many figures on the left-wing of British politics idealized Stalin's Soviet Union with its Five Year Plans for equalizing society and raising the Soviet economy to the world's preeminent industrial power (Brown, 2005, 104–105). At the opposite end of the spectrum of British politics were politicians who believed that Hitler, elected to the German chancellorship in 1933, would provide Britain with a natural ally in the fight to save Western civilization from a communist takeover.

This chapter throws light on Polanyi's evolving understanding of totalitarianism, which was informed by his seeing totalitarianism develop at first-hand. On trips he took to the Soviet Union in the 1920s and 30s Polanyi watched Stalin's *dirigiste* (state-directed) Five Year programs being unrolled and he also witnessed the development of Nazi totalitarianism in Germany. Hitler's purging of Jews from the public service in 1933 convinced Polanyi that he and his family must leave Germany as a matter of urgency, and this saw him take up a chair in chemistry that the University of Manchester, England created for him.² Acclimatizing to English intellectual life, Polanyi began writing more diversely and became a leading figure in the debate over relations in Britain between science and politics.

In some (not all) of his earlier social-political writings of the 1930s Polanyi tended to prefer using traditional political categories such as "dictatorship" and "tyranny" to the neologism (as then it was) "totalitarianism".³ Illustrative of Polanyi's (1940b, 106) use of traditional power terms at this time is his essay "Truth and Propaganda" which describes the regimes of Stalin, "Hitler and Mussolini, Colonial Imperialism and the Holy Inquisition" as *tyrannies* aiming to share the good life with the very subjects they oppress. There is, however, a basic difference in Polanyi's early writings between absolutist governments of the past and contemporary absolutism. Past tyrannies arrogated all *public* matters to themselves and left citizens to manage their *private* lives whereas "modern dictatorship" arrogates all aspects – "sport, love, ... cooking" – of its subjects' lives, commanding private and public spheres alike (Polanyi, 1940b, 97).⁴

² On the suffering of members of Polanyi's family under the Nazis and Soviets see Polanyi (1939a) and Polanyi (1939b). On Manchester's creation of a chair for Polanyi see Scott and Moleski (2005, 309 n. 18).

³ According to David Roberts (2020, 1) totalitarianism was coined by an Italian anti-fascist in the early 1920s.

⁴ Polanyi, 1940b, 97, 98. See also Polanyi's points regarding truth on pages 115–116 of the same essay. "Dictatorship" was also Polanyi's preferred term in his lecture "On Popular Education in Economics" to the Manchester Political Society, 1937a, reprinted in *Tradition & Discovery*, July 2016, 22–23. It is the comprehensiveness of modern dictatorship that he comes to stress most, distinguishing it from pre-modern authoritarianism. Whether a modern dictatorship is of the political left or right matters little, Polanyi came to think; Fascist and Communist regimes amounting to much the same thing (1941b, 429). An idiosyncrasy of "Truth and Propaganda" in Polanyi's (1940b/1936, 96) contrast of "modern dictatorships" and absolute monarchies/tyrannies of the past, is his suggestion that the modern regimes incorporate the "machine of democracy" as a prominent feature. W. F. W. Wynne-Jones (1936) wrote critically about this to Polanyi (13

Our discussion seeks answers to a number of related questions. Section 10.2 outlines Polanyi's understanding of totalitarianism and indicates how he differentiated totalitarianism from liberal civilization. Sections 10.2, 10.3, 10.4, 10.5, and 10.6 describe how he arrived at this understanding. Section 10.6 compares Polanyi's depiction of totalitarianism with the better known accounts of it provided by Karl Popper, Friedrich Hayek and Hannah Arendt. In Sects. 10.7 and 10.8 we examine Polanyi's explanation of the emergence of totalitarianism.

It would be false for scholars to say these days that Polanyi's discussion of totalitarianism has been ignored. What gives the present discussion originality is its showing how Polanyi, in the context of intellectual history, engaged in the process of constructing his model. The model did not emerge fully formed from his mind nor was it fully expressed by him in a single publication.

10.2 Understanding Totalitarianism: Void of Spirit

The first publication of Polanyi to make explicit mention of "totalitarianism" is a note he wrote for the science journal *Nature* in 1937, reporting on an international science gathering he was attending in Paris, the *Congrès du Palais de la Découverte*. The prevailing mood of the Congress, in Polanyi's (1937b, 710, 1941a, 119, 1941b, 429, 447) encapsulating letter to *Nature*, was that "Science, and generally the independent search of truth, is destroyed when political liberty falls. The totalitarian States ... claim to be supreme spiritual beings [and] can admit no independent thought, be it religious, political or scientific" (Polanyi, 1937b, 710). Western civilization has its ideal ends such as justice, tolerance and beauty, being aspects of truth comprising the supreme reality, and temporal power is subordinated to these. Polanyi (1937a, b, c, 710) opined that their massive worldly power notwithstanding, totalitarian governments can never make genuine discoveries of reality and can never be qualified to prescribe truth to society, the discovery and transmission of truth being the preserve of specially trained inquirers. Totalitarianism as a denial of the spiritual realm of Western civilization becomes a motif of Polanyi's analysis.

Polanyi's principal example of totalitarianism was the Soviet Union. He visited the country on several occasions between 1928 and 1936 and, aside from giving lectures on topics of physics-and-chemistry, he took the opportunity to take notes appraising the regime's claim to be planning and engineering socialism as a new social form (Scott & Moleski, 2005, 108–109, 120, 134; Nye, 2011, 156–157). Polanyi (1940c, 21) looked on the Soviet regime as totalitarianism in its most

December 1936) whereas C. S. Reynolds (1936) approved Polanyi's "reconciliation between the existence of the machinery of democracy and the substance of dictatorship" considering it "most illuminating", Polanyi having shown that "the machinery of democracy can be made a more effective tool of dictatorship than any which a dictator could devise for himself, and that this is the great discovery of modern dictators". Heeding his negative critics, Polanyi by 1941 (1941b, 429–430) has taken the decision to exclude democracy from his definition of totalitarianism.

extreme form, Marxism yielding “a more intelligent and more complete philosophy [and practice] of oppression than . . . either Italian or German Fascism”. In his essay “Soviet Economics—Fact and Theory” Polanyi (1940a, 61, also 1940d, 47–55) provided a pioneering statistical analysis of the Soviet economy, contrasting the initial dysfunctional Communist phase following the Russian Revolution to the recent socialist phase of Stalin’s dictatorship which improved Soviet economic life, but contravened the official Soviet orthodoxy by allowing market mechanisms to operate, if only surreptitiously.

10.3 Understanding Totalitarianism: Planning Authority

In 1939 Polanyi (1940c) reviewed the Soviet inspired book *The Social Function of Science* by the British Marxist, J. D. Bernal, a leader in the emerging field of X-ray diffraction techniques. Bernal had converted to the view that scientific knowledge is determined in its development by social and economic conditions after listening to a lecture delivered by the Soviet scholar Boris Hessen in London in 1931 at the Second International Congress for the History of Science, the so called “socialist model of scientific research” (Brown, 2005, 110). Visiting Moscow in 1935 Polanyi (1940c, 3) was granted an audience with Nikolai Bukharin. Editor of the government newspaper *Izvestia* and a leading ideologist of the Soviet Communist Party, Bukharin dismissed the distinction drawn in capitalist societies between pure science (discovery of knowledge for its own sake) and applied science (research yielding products that enhance human capabilities). Some years after this discussion, Polanyi recalled Bukharin having explained to him in 1935 that scientists were at liberty to follow their interests “in the U.S.S.R., but . . . [the] internal harmony of Socialist society” encouraged them to select research projects whose successful completion would best advance “the current Five Years’ Plan.” Bukharin pointed out that the “comprehensive planning of all research” in the Soviet Union was underpinned by the complementarity “of scientific and social aims” (Polanyi, 1940c, 3–4). Bernal and his allies including J. G. Crowther and Lancelot Hogben advocated for this model to be applied in Britain (Polanyi, 1941b, 451–453, and Polanyi, 1958, 237 and 238 n.). Polanyi (1940c, 21) would have none of Bukharin’s rosy picture, believing it served only to masquerade the oppression of Soviet scientists.

By 1940 Polanyi (1940d, 27) had begun expressly identifying the Soviet Union, Germany and Italy as “totalitarian” states, typifying governments that are novel in their claiming responsibility over their subjects’ “culture and welfare”, and extending across the entire “life of the people”. Casting freedoms of the individual aside as being ineffectual, these “collectivist powers” unleash powerful forces to drive forward their ambitious programs of social-economic development, analogous to large scale physical engineering projects such as canal cutting, dam building, and constructing power stations and factories. Lenin indeed had envisaged society as “a single office and a single factory with equality of work and equality of pay”

(Polanyi, 1940d, 27 quoting V. Lenin, 1918, *State and Revolution*).⁵ According to Polanyi (1940d, 28), physical engineering achievements of the kind that Marxists have in mind call for a social good to be specified. A plan detailing strategy has then to be devised, showing how the project will materially benefit people, with some person or group handed authority to execute the project. Why not deal in this way, the argument runs, “with society as a whole?” Fascist planners were described by Polanyi as being fired with the “technical enthusiasm” of the Futurists, who married their enthusiasm to a “military spirit”. On the other hand, the Soviet planners are inspired by America’s programs of “extreme mechanization and . . . large-scale construction and management”, suggesting a more “civilian outlook” (Polanyi, 1940d, 29). The Soviet government extols social justice while the Fascist regimes push for “national power”; the Fascists emphasising “nationalist Socialism” and the Soviets emphasising “socialist Nationalism” (Polanyi, 1940d, 27). Assigning specific tasks to every worker engaged in production and to every contributor to intellectual life, the Soviet Five Year Plans are more comprehensive and more detailed than are any of the plans devised by Fascist governments.

Polanyi added flesh to his account of totalitarianism with a distinction he drew from 1940 between kinds of authority. He (Polanyi, 1940d, 30, 35) characterized totalitarianism as the exercise of *planning authority* over society envisaged as an army writ large, being an organization ultimately controlled by only one person and directed to a single purpose. The number of army divisions or of governmental departments that can be controlled by one man, Polanyi (1940d, 31 and n.) had learned from management theorist V. A. Graicunas (1937), can never – on pain of producing dislocation in the organization – exceed six, Graicunas describing this as the superordinate’s “span of control”. The gist of planning, Polanyi (1940d, 35) explained, consists in the coordination of actions in “a single comprehensive scheme imposed from above” with authority assigning a “specific task . . . [to] each subordinate unit”.

Polanyi (1940d, 35, 37, 39–40) opposes planning authority to “*supervisory*” or “*regulative*” authority, the latter supporting the disparate forms of life that flourish in liberal society. It is a non-directive, providential authority, furnishing agents in society with the conditions they need in order to be able “to write, to preach, to address meetings, to give evidence in court”, pursue business opportunities, make scientific discoveries, invent new philosophical theories, etc. It is through men and women dedicating themselves to “these tasks that the fundamental ideas” of Liberal civilization come to be developed and made more intelligible (Polanyi, 1940d, 38).

Polanyi found on close inspection that the world’s most ambitious planning authority – the government of the Soviet Union – was far from being truly comprehensive after all, the regime having to curb its economic planning on pain

⁵ The citation is from Chapter 5, “The Economic Basis of the Withering Away of the State”, section 4, “The Higher Phase Communist Society”. Polanyi cited no page number. See for example Lenin’s *State and Revolution*, annotated and introduced by Todd Chretien, 141. I am indebted for these details to the peer reviewer of my paper.

of destroying ever more wealth, and failing in its attempts at extensively and thoroughly controlling science and other branches of culture. Science and other creative endeavours become dysfunctional when regimented in a Soviet style system, forcing the government to compromise by engaging in what it euphemistically refers to as “decentralized planning”, scientists submitting their own plans for the authorities to approve or reject (Polanyi, 1940d, 45).⁶

10.4 Understanding Totalitarianism: Ontology

Among Polanyi’s major social-theoretical essays, “The Growth of Thought in Society”, appearing in Friedrich Hayek’s LSE journal *Economica* in 1941, is of particular note.⁷ The essay concerns the conflict of totalitarianism and what Polanyi refers to as “public freedom”. The term “totalitarianism” and its cognates are now freely employed by Polanyi, the *Economica* essay citing the substantive “totalitarianism” four times and the adjectival “totalitarian” 27 times.

Around the time of his writing “The Growth of Thought in Society”, Polanyi joined forces with the Oxford zoologist John Baker to form The Society for Freedom in Science. Led by these liberal minded scientists, the Society was designed to counteract the movement of Bernal et al. who urged for science in Britain to be centrally planned so as to help improve the citizens’ material standard of living. Looking back on these times Polanyi would credit Baker’s impetus together with his own initiative with having launched his “career as a philosopher”, a decision that marked the final “turning point” in his intellectual development (Scott & Moleski, 2005, 184, quoting Polanyi’s letter to Baker of June 4, 1962 in the “Baker file”; see also Nye, 2011, 204–205, 210). The historian of science, Andrew Brown (2005, 127), writes of Polanyi from the mid-30s as being “the first, and almost the only scientist in Great Britain to bring his critical faculties to bear on the divergent information emerging from the USSR” about the government’s ill treatment of Soviet scientists.

Polanyi’s (1941b, 429) “The Growth of Thought in Society” contrasts totalitarianism against Liberal society and depicts Liberal society as upholding truth, justice, tolerance, and as defending such institutions as support citizens’ pursuit of these ideals. Supporters of totalitarianism misconceive social structures as being entirely maintained “by the commands of the state”. Totalitarians also look on “personal” or “private freedom” as being the one and only real freedom (Polanyi, 1941b, 429–430).

⁶ See also Péter Hartl’s essay “The Ethos of Science and Central Planning: Merton and Michael Polanyi on the Autonomy of Science” (Hartl, 2021).

⁷ Polanyi and Hayek met each other for the first time in 1938 at the colloquium Louis Rougier convened in Paris to discuss Walter Lippmann’s recently published *The Good Society*. On friendly terms, they corresponded with each other over several decades, as discussed by Jacobs & Mullins, 2016.

Extending his analysis of authority of the year before, Polanyi marked a distinction of ontology between organizations and dynamic orders, examples of both these sorts of order occurring in society and in nature. He (Polanyi, 1941b, 429, 454) depicts Liberal society as providing independent specialists with public liberty in order for them to be able to discover new facets of the ideal aims of their particular dynamic order of agents' individual initiatives and responses. Liberty of this kind is non-existent in totalitarian systems. Polanyi wants to replace the classical liberalism of *laissez-faire* (the position recently reaffirmed by his contemporaries Ludwig von Mises and Hayek) with a deeper understanding of liberalism, featuring truth, justice, beauty and other ideal ends. Each of these ends Polanyi envisages as being sought after by a dedicated band of specialists who were trained in, and now work in, a unique and autonomous dynamic order of public liberty. Such orders with their *public liberty* are commonly known by social theorists these days as comprising the civil order of society.⁸ Totalitarianism tolerates no autonomous orders since these would obstruct the regime from transforming society according to the ruler's comprehensive plan (Polanyi, 1941b, 429, 430, 433, also Polanyi, 1951d, 158). Totalitarianism recognizes only "personal" or "private" freedom, permitting agents to act as they wish so long as they keep within the ambit of the law, but making no reference to spiritual ideals (Polanyi, 1941b, 430).

Complementing Polanyi's (1940d) distinction of "regulative" and "supervisory" types of authority in "Collectivist Planning", "The Growth of Thought in Society" describes members of a corporate order as being restrained and directed according to a formulated design whereas agents in a dynamic order move themselves without any plan being imposed on them.⁹ Authority in a Polanyian corporate order, it will be recalled, imposes limits on "the freedom of things and men to stay or move about", each part being assigned a particular position as dictated by the plan, as for example the block, pistons and cylinder head of engines and, as another example, the conduct of staff members making up bureaucratic organizations (Polanyi, 1941b, 431). Dynamic order emerges unbidden from forces of "spontaneous mutual adjustment" operating between the parts (which is exactly what happens for example in each of the natural processes of crystallisation, perception, and evolution of species) (Polanyi, 1941b, 432 also 437–438). Polanyi (1941b, 435–436; also 441–442) cited numerous orders forming dynamically in Liberal society, including judges deciding common law, scientists conducting research, businessmen buying

⁸ Alexis de Tocqueville in his study of nineteenth century American democracy prefigures Polanyi's idea of autonomous orders. In Zetterbaum's (1987, 775) paraphrase of de Tocqueville, democratic society and its associations afford individuals with opportunities to "learn the art of adapting themselves to a common purpose", the associations forming in diverse fields, including the "educational, scientific, commercial." On civil society see Nagy, https://polanyiana.org/articles/polanyiana-1992-1-2-2_endre-j-nagy-hungary-civil-society-in-michael-polanyi-s-thought.pdf accessed 29/05/22.

⁹ There is text suggesting Polanyi borrowed the distinction of orders from the Gestalt psychologist, Wolfgang Kohler (Jacobs, 1997–1998, 17). From 1948 Polanyi preferred to use the term "spontaneous order" rather than that of "dynamic order" (Jacobs, 1997–1998, 18).

and selling goods in free markets, theologians, clergy and laity elaborating religious beliefs, and the creative work of artists among others. Were public officials to coordinate them by way of a plan, the participants in dynamic orders would be deprived of the public freedom they need in order to solve problems that continue emerging in their field of activity (Jacobs & Mullins, 2008).¹⁰

10.5 Filiation: Benda and Rauschnig

The theory of a *sui generis/irreducible* spiritual reality in which ideal ends inspire the activities of specialists belonging to dynamic orders lies at the heart of Polanyi's image of a Liberal society. At the opposite end of the political spectrum to Liberalism, totalitarian regimes deny the existence of autonomous human ideals.

The present author surmises that Polanyi's crystallization of his doctrine of spiritual ideals owed a good deal to the French man of letters, Julien Benda (1867–1956). Polanyi seems never to have cited Benda in any of his publications but there is evidence of Benda's influence on him in some of Polanyi's unpublished writings. Polanyi (1928) made notes on Benda's masterpiece *La Trahison des Clercs* (1927) (*The Treason of the Intellectuals* Benda (1969). Benda's chosen motto for the book likely struck a chord with Polanyi. Benda cited Charles Renouvier's apophthegm "The world is suffering from lack of faith in a transcendental truth", reflecting Benda's Spinozism (Hughes, 1961, 412). (For discussion of Benda see Nichols, 1978 and for Benda's interest to Polanyi see Scott & Moleski, 2005, 109, and Mullins & Jacobs, 2018.).

Benda's special interest is in how intellectuals conduct themselves in modern society. The inspirations and aspirations of Benda's (1969, 47, 57, 139) true "clerics" (intellectuals) are not the mundane values of power and wealth, reputation and patriotism. The true *clerics* in the past dedicated themselves to the disinterested life of pursuing universal spiritual ends such as truth, justice, goodness and beauty.¹¹ Benda accuses European thinkers since the nineteenth century of betraying these ideals over and over again, pursuing their own profane - practical, political and

¹⁰ Polanyi took the idea *public liberty* very seriously indeed, prefacing his book *The Logic of Liberty* (1951), with the suggestion that its essays analyse public liberty as the fundamental form of liberty in liberal society, an essential element in the new form of liberalism he was explicating.

¹¹ A theme not dissimilar to Benda's, and likely to have impressed Polanyi, was expressed by his illustrious colleague, the German Nobel physicist Max Planck (1858–1947), who credited science with enhancing "the moral value of life, because it furthers a love of truth and reverence—love of truth displaying itself in the constant endeavor [sic.] to arrive at a more exact knowledge of the world of mind and matter around us, and reverence, because every advance in knowledge brings us face to face with the mystery of our own being" (Planck, 1932, 169). That there are such ideals animating the activities of what are commonly understood to constitute Western civilization is a belief, as we have severally noted above, lying at the heart of Polanyi's Liberal thought. For further evidence of this belief see his 1940c, 10, 1941b, 428–429, 441, 447, 450, 1951e, 38, 42–46, and 1951f., 84. See also Polanyi (1945a).

material –interests (Polanyi, 1940b/1936, 116, see also Polanyi, 1937c, letter to Lord Passfield). Benda may have been on Polanyi's mind when, in his review of Sidney and Beatrice Webb's *Webb and Webb (1936) apologia Soviet Communism: A New Civilisation?* Polanyi lamented the fact that "Many thinkers to-day do not believe in truth; of those who do, few consider it to be right to tell the truth regardless of political consequences", and so it is these "thinkers have . . . forfeited their right to restrain governments in the name of truth". Unless intellectuals take a stand and return to their traditional role and draw inspiration from "unflinching veracity, truth will remain powerless against propaganda" (Polanyi, 1940b, 116).

Reminiscent of Benda's ethic, Polanyi's (1937b, 710) report from the 1937 Paris scientific conference affirmed that thought (religious, scientific, etc.) "must claim superiority to temporal power and is therefore incompatible with totalitarianism". A few years later Polanyi (1940c) criticized themes of Bernal's *The Social Function of Science* (1939) including its denial of the reality of pure science, its rejection of the existence of irreducible spiritual aims, and its insistence on the point that real science is practical and technological. So far as Polanyi was concerned, the Webbs, Bernal and the other advocates of planned science were, inadvertently or otherwise, aiding the totalitarian assault on dynamic orders and on the entire spiritual dimension of "permanent fundamental idea[s]" of Western civilization, each idea forming an aspect of truth (Polanyi, 1941b, 441, 442, 448). Among these ideas, Polanyi cites art with its "ideal of perfection" and "Canons of Beauty", pure "scientific truth", law with its regulative postulate of the "Law of Nature", "Reason and Equity" and the various ideals of other dynamic orders including literature, music, medicine, politics, religion. Totalitarianism for its part replaces the general spiritual aims of Liberal civilization and the "unpredictable directions" of its inquiries with specific objectives determined by government (Polanyi, 1941b, 454, 456).

Polanyi (1941b, 429, 455, 1951g, 59 and n.) approvingly cited Hermann Rauschning's book, *Hitler Speaks* (Rauschning, 1940), for its description of totalitarianism as the "endless Revolution of Nihilism", never stabilizing, ever in flux. Polanyi likewise understands totalitarianism to be nihilistic, but his definition of nihilism differs to Rauschning's. Polanyi (1941b, 455) looks on the specific aims of the totalitarian master plan as releasing "powerful emotional forces", the plan becoming an object of "idolatry . . . and fanaticism". Spiritual ideals are denied, allowing short-term opportunism and cynicism to flourish.

Neither Scott and Moleski's (2005, 16, 18, 24, 41 and 122) Polanyi biography nor Nye's Polanyi book of 2011 mentions Rauschning's name nor the title of his book. Scott and Moleski cite Polanyi's interest in nihilism as a general social-psychological mood of despair that comes to afflict modernity. Scott and Moleski point out that Polanyi discussed nihilism with Franz Alexander, a fellow student of Polanyi at Budapest's Minta Gymnasium. Like Polanyi, Alexander was to train as a medical doctor and Polanyi's diary indicates they "visited each other frequently before Alexander shifted to the United States in 1930 to become a noted psychoanalyst" and author of the book, *The Western Mind in Transition* (1960) (Scott & Moleski, 2005, 299 n. 41). Both Polanyi and Alexander believed nihilism

to be a manifestation of “‘the rationalistic and materialistic orientation’ spreading through” modern culture, a view suggesting an affinity with Max Weber’s ideas of rationalization of modern culture and social life (Scott & Moleski, 2005, 18 text to note 51).

A broad image of nihilism suffused Polanyi’s (1941b, 442) account of the assault on liberal societies in the twentieth century, with “dictators [forced] to become totalitarian, closing down their society’s civil realm. Dynamic orders (science, law, art, etc) of dedicated agents’ actions and thoughts are wrecked by dictators, with the public “reduced . . . to a helpless mass” (1941b, 429, also 438, 442–446, 455–456). The totalitarian regime, however, never fully attains its goal of corporatizing society. The leader finds himself having to make concessions to public freedom in order for the economy, scientific research and other realms of social and cultural life to function at all. The Nazis spent years on trying to extinguish dynamic orders yet traces of these orders persisted in Germany, displaying “vestiges of their previous independent cohesion” (1941b, 455). Totalitarianism stomps on public liberty while providing *private* freedom for people to act irresponsibly, heedless of truth and the other ideal ends.

10.6 Contemporaries: Hayek, Popper, Arendt

Let us examine how Polanyi’s depiction of totalitarianism compare. to those of such influential contemporaries of his as Friedrich Hayek, Karl Popper and Hannah Arendt? There are some resemblances with Hayek’s analysis of totalitarianism in *The Road to Serfdom* Hayek (1944/2007), Polanyi (1944, 293) briefly reviewing the book for *The Spectator* in 1944. The review is unsatisfactory for the reason that Polanyi is not consistently clear on when he is paraphrasing Hayek’s argument, when the ideas being presented are his own, or when he agrees or disagrees with Hayek. *The Road to Serfdom* is a critique of socialist planning and nationalisation of the economy, with Hayek blaming these developments as the fundamental cause of totalitarianism. According to Polanyi (1944, 293), Hayek rejects a common opinion of totalitarianism as being an atavism from “primitive . . . forces”, with Hayek further arguing that the protagonists of totalitarianism in Germany were socialists and they were commonly looked on as the most enlightened and progressive politicians of their day. Brutality exists in all societies, for Hayek, being the *immediate* precipitate of totalitarianism. The *mediate* cause of totalitarianism in Hayek’s eyes is socialist politicians who replace the ideals of freedom and tolerance with those of socialist planning and levelling of wealth.

The Marxists’ proposition that totalitarianism is the creation of the capitalist ruling class is also rejected by Hayek. In Britain in the Great Depression both sides of politics rejected classical capitalism in favour of the socialist vision of a planned society. Across the political spectrum, suggests Polanyi’s (1944, 293) Hayek, thinkers “are unanimous in pouring triumphant scorn on nineteenth century capitalism which they proclaim to be dead and rotting, and in promising a new life

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of plenty and security planned by the State". Hayek and Polanyi (2007, 293) writes, observed "the same tragic process being set in motion in Britain since 1931" that had afflicted Germany since the 1920s, hostility to capitalism leading inexorably to the rise of fascist totalitarianism. In Ebenstein's (2001, 115, Hayek, 1944/2007, 66–68) reading of Hayek, "classical socialism, if realized, would be political and moral, as well as economic, slavery". Hayek considered totalitarianism to be a twentieth century innovation, claiming the very idea of a comprehensively planned economy would have made no sense to economists before the twentieth century.

Polanyi likely agreed with a good deal of Hayek's analysis but we know from some of Polanyi's other writings that he rejected capitalism in its uncompromising form, convinced that it had played into the hands of political extremists and, certainly in the case of Hitler and the Nazis, made an important causal contribution to the advance of totalitarianism in Germany. Polanyi (1951h, 124) disagreed with Hayek and von Mises when, as he puts it, they opined that "a centrally directed economy can be worked by a totalitarian political system".¹² Such direction is impossible Polanyi (1951h, 126) argues: impossible "in the same sense in which it is impossible for a cat to swim the Atlantic." In 1940 he (1940d, 58) wrote that "Liberalism [classical liberalism] was misled to extremism mainly by its failure to understand employment". Polanyi (1940d, 58) was convinced Chancellor Heinrich Brüning's adoption in Germany in 1932 "of a policy of retrenchment and deflation, conforming to this error of extreme Liberalism, was" a major cause "of the Nazi revolution, which might have been avoided by a policy of financial expansion, as inaugurated by Roosevelt [in the US] a few months later". Polanyi would go on to develop an economic theory based, not on classical *laissez-faire* but, on the meliorist liberalism that John Maynard Keynes elaborated in his great work, *The General Theory of Employment, Interest and Money* Keynes (1936).¹³

Following the publication of *The Open Society and Its Enemies* (1945), Polanyi invited the author of that controversial study, Karl Popper, to discuss it at a seminar he conducted at Manchester University (Jacobs & Mullins, 2011). Unlike Polanyi, Hayek, Hannah Arendt, and the likes of Friedrich and Brzezinski (1956, 5), who believed totalitarianism to be a creation of the twentieth century, Popper conceives of totalitarianism not as an innovation of modernity but as part of a *perennial* revolt against the free and rational open society of Western civilization, dating back to Athens in the fifth century BC. Popper (2002, 316) explains totalitarianism as the polar opposite to the open society, a system of government extending across the entire "life of the people in all its functions." Sparta he saw as the principal example of totalitarian government in ancient Greece, pitted against Athens and its allies (Popper, 2002, 45).

¹² This at any rate is how Polanyi interpreted von Mises and Hayek. Whether they really believed what Polanyi says they believed is open to question as Peter Hartl makes clear in his 2021 essay.

¹³ Gábor Bíró has published extensively on Polanyi's economic theory. He describes Polanyi's economics as "neutral Keynesianism", being a *via media* between orthodox Keynesianism and *laissez-faire*. See for example Bíró's, 2020 essay.

Popper (2002, 151) is especially interested in philosophers' designs for constructing totalitarian societies, in particular Plato and Hegel's philosophies on the political right (plans for a fascist state) and Marx's philosophy on the left. Popper (2002, 185–187, 313, 315 and 319) explains "Plato's political programme as purely totalitarian" and Plato's totalitarian criterion of morality as whatever serves the interests of the state, this criterion resonating in the writings of Hegel and a number of other modern totalitarians, being supporters of the "new tribalism". Marx's historicism influenced the building of Soviet totalitarian society although Marx, being a rationalist, an individualist, and a humanitarian aiming to relieve the suffering of people, was personally a supporter of the open society (Popper, 2002, 338–339, 379, 469, 480, 496, 782 n. 2, 793, n. 13).

"Historicism" is prominent as a term in Popper's (2002, xli) analysis of totalitarianism, signifying the doctrine that the goal of social science is to make and confirm "sweeping, [long-term] historical prophecies" based on validated laws of historical development, laws describing the inevitable development of society. The historicist laws formulated by Plato and Hegel predicted totalitarian societies. Their philosophies were reactions against the open society and the "strain of civilization" that members of the open society experience from being provided with freedom and being required to accept responsibility for the decisions they take in life (2002, 313). Popper's (2002, 313, 338–343, 369, 373, 397) Marx was a strict historicist whose law forecast a free and equal society (communism) while inadvertently encouraging the rise of a totalitarian movement by destructively criticizing liberal-democratic institutions.

Hannah Arendt's *The Origins of Totalitarianism* (1966, 460) envisages totalitarianism as being qualitatively different to past forms of oppression (despotism, tyranny and dictatorship). She sees totalitarianism shutting down political parties at the same time as it aggregates social classes into a single mass movement, empowering the police at the army's expense and formulating a foreign policy that is designed to achieve world domination (1966, 460). Arendt's (1966, 461) emphasis on relentless, unpredictable change as a fact of totalitarian life is reminiscent of Rauschning's thesis of the "endless revolution of nihilism". Institutions and ideas incessantly change in Arendt's totalitarianism with the exception of what the Nazi and Marxist regimes claim are their laws of nature.

As Arendt (1966, 462) tells it, totalitarian governments base their understanding of justice on their historical law of nature, aiming to eradicate peoples who, according to their respective laws, are "harmful and unfit to live". There is no enduring positive law, Arendt (1966, 466) points out, to demarcate legal from illegal actions, carving out "the space of freedom". Tyranny in the past was defined by lawlessness and totalitarianism she also describes as lawless behaviour of a government, the difference being that totalitarianism perfects the means of terror. The "total terror" of totalitarianism "is supposed to provide the forces of nature or history with an instrument for accelerating their movement. This movement, proceeding according to its own law, cannot in the long run be hindered; eventually its force will always prove more powerful than the most powerful forces engendered by the actions and the will of men. But it can be [and is] slowed down ... by the

freedom of man" (1966, 466). Arendt comes close to Popper here, with his claim of totalitarianism being grounded in historicist laws, although there is no evidence known to the present author to suggest either thinker read relevant texts of the other.

Polanyi (1951a, 801) favourably reviewed Arendt's work of 1951, *The Burden of our Time*; notwithstanding that his review appeared to criticize existing interpretations of totalitarianism as being *partial* only, presenting "no unified conception" of the subject. With a *unified* conception, "totalitarian movements as diverse as Lenin's Bolshevism and German Nazism, would" be found to "possess essentially the same structure" (1951a, 801). In what seems to be a qualification of the foregoing view Polanyi writes that "totalitarianism was fully envisaged perhaps for the first time in Orwell's 1984" (published 1949). With the publication of Arendt's work, he (Polanyi, 1951a, 802) believes Orwell's "intuitive analysis has now been confirmed and amplified". Polanyi goes on to describe Arendt's book as furnishing "documentary evidence of each characteristic feature of totalitarianism, given side by side in the Bolshevik and Hitlerite system. The proof for the essential identity of the two seems conclusive" (1951a, 802). Arendt, Polanyi suggests, provides us for the first time with a *unified* conception of totalitarianism.¹⁴

10.7 How Totalitarianism Came to Be

Our discussion has concerned Polanyi's building of his preferred model of totalitarianism. Polanyi wrote also on the *historical development* of totalitarianism, and to the task of understanding through exegesis this aspect of his understanding of totalitarianism we now turn. Our text for the task is "Perils of Inconsistency", being Polanyi's (1951c, 108–110) intellectual-historical discussion of salient ideas behind the formation of totalitarianism.¹⁵ This essay, it has to be said, is among his more difficult philosophical writings to understand, which helps to explain why this present section is the longest of our discussion. We note that Polanyi seldom uses the term totalitarianism in this essay, but the fact of totalitarianism is plainly implied by him throughout it. In the first third of the twentieth century intellectual freedom collapsed on the Continent while remaining a part of life in the Anglophone countries (Polanyi, 1951c, 93). Seeking to explain these twin facts, Polanyi observes

¹⁴ Polanyi's comments are confusing in that they imply that his own writing on totalitarianism lacks a unified and unifying concept of it. But what, the reader asks, is Polanyi (1951c, 108) expressing here if not a unified concept of totalitarianism: "the simple logic of totalitarianism" consists in its being "a nihilistic regime" that directs "all activities that are otherwise guided by the intellectual and moral principles that nihilism declares empty and void"?

¹⁵ Polanyi had been working on some of the themes of "Perils of Inconsistency" in the decade or so leading up to its publication. His suggestion in "Perils of Inconsistency" is that Liberalism must collapse before totalitarianism can take command, but his assessment oversimplifies. Other possible scenarios are that rather than lead to totalitarianism, Liberalism might collapse by fissuring into smaller states, or it might be absorbed into a more powerful (but non-totalitarian) state.

that Anglophone liberalism and Continental authoritarianism had common roots, the most notable of them being an inconsistency in the classical understanding of liberty.

The doctrine of freedom developed in the seventeenth century is internally inconsistent, Polanyi argues. He believes the pursuit of this theory to its “ultimate conclusions” is what destroyed freedom on the Continent, promoting the growth of totalitarian regimes there (Polanyi, 1951c, 93). If the classic theory of freedom had not been produced and supported there in the first place, totalitarianism “would not have occurred” on the Continent (Polanyi, 1951c, 93).

Anglophone liberalism, the creation of Milton and Locke, has twin aspects. Milton’s anti-authoritarianism argued for freedom as being necessary to the exercise of “philosophic doubt” and thereby to the discovery of truth (Polanyi, 1951c, 94–95). Ideas that survive in the contest of ideas are the closest we can get to the truth. Locke’s argument for freedom of thought is that no religion can lay legitimate claim to being certain and no government, therefore, is justified in imposing a religion on society.

On the Continent the dualistic justification of free thought was implanted in the Enlightenment philosophy and was chiefly used as a “radical scepticism” for attacking the Catholic Church (Polanyi, 1951c, 95). The Church was blamed as the major cause of social problems. Such were liberalism’s successes on the Continent that by the end of the nineteenth century “the universal establishment of peace and tolerance through the victory of modern enlightenment was confidently expected” by most educated people (Polanyi, 1951c, 96). In fact, says Polanyi (1951c, 97), Europe was “walking into a minefield” that had been laid by philosophers such as Marx and Nietzsche. Freedom on the Continent was soon to be destroyed by the *inconsistent theory of freedom*. In the crucial step of his argument, Polanyi argues that Locke’s argument - toleration of all religions since none of them is demonstrably true - has the implication that *all non-demonstrable ideas* are to be tolerated. Traditional ethical principles (e.g. Be just, Show mercy) are logically speaking no better than their denials (e.g. Don’t be just, Don’t show mercy or, in other words, Display “mendacity, lawlessness and cruelty”) (Polanyi, 1951c, 97). The inconsistency of the classical doctrine of freedom is evident here: to tolerate “propaganda, violence and terror” in society will make it impossible for liberals to practice tolerance. “Freedom of thought is destroyed by the extension of doubt to the field of traditional ideals” (Polanyi, 1951c, 97).

Polanyi’s argument raises the question why did he believe Locke’s inconsistent theory caused freedom to collapse and totalitarianism to take its place on the Continent but not in England, Locke’s home country. Polanyi (1951c, 97–98) answers that there was among English thinkers an “instinctive reluctance” (“speculative restraint” or “suspension of logic”) that held them back from rigorously tracing out “accepted philosophic premises” – notably the principle of utility - to their conclusions. *Traditional* ethical standards (charity, justice, etc.) continued being respected in Britain. The principle of utility received “lip service” and was disregarded in practice. In Britain *tradition* remained the touchstone in respect to personal conduct and social policy. What occurred in Britain was a “sham-

replacement” or a “pseudo-substitution” of the principle of utility for traditional moral principles (Polanyi, 1951c, 98). Anglophone philosophers used the utilitarian philosophy “as a mistaken explanation of their own conduct which is in actual fact is determined by their traditional beliefs” (Polanyi, 1951c, 104). “The philosophic impairment of universal moral standards led only to their verbal replacement; it was a sham-replacement, . . . a pseudo-substitution of utilitarian purposes for moral principles” (Polanyi, 1951c, 98).

The English philosophers’ observance of traditional restraints was due, according to Polanyi (1951c, 99), to the “religious character” of Anglo-American liberalism. Philosophic doubt was applied by Locke and his followers to religion, and not to irreligion. Doubt was likewise applied by English thinkers to the theory of morality but not to moral principles themselves. “A scepticism that was kept on short leash for the sake of preserving religious beliefs, would hardly become a menace to” traditional moral rules (Polanyi, 1951c, 99). “A second restraint on scepticism” was the strength of the tradition of democracy that was embodied in “democratic institutions in America and elsewhere” (Polanyi, 1951c, 99). “The tradition of democracy embodied in these institutions proved strong enough to uphold in practice the moral standards of a free society against any critique which would question their validity” (Polanyi, 1951c, 99). Such factors as these in Anglophone countries protected them from having their freedom destroyed and steered their thinkers away from embracing totalitarianism. The same factors did not exist on the Continent. Liberalism on the Continent was based on the French Enlightenment. As an anti-religious movement, the Enlightenment applied scepticism rigorously and extensively, destroying traditional standards of morality and destroying democratic institutions (Polanyi, 1951c, 99). Liberalism on the Continent was without traditions to protect it against Locke’s scepticism.

Continental philosophers from the eighteenth century whose ideas prepared the way for totalitarianism to emerge in the twentieth century, recognized there were “no universal standards” of human conduct that can be successfully defended against scepticism (Polanyi, 1951c, 99). Other standards, Polanyi argues, were offered in place of the universal ones. Rousseau, for example, used his *Confessions* to argue for the supremacy of the unique nation (Polanyi, 1951c, 100). Hegel advanced a theory of historical reason, Marx a theory of warring social classes (historical materialism as depicted in *The Communist Manifesto*), while Hitler and Mussolini presented a theory of warring nations (analogical to Marx and Engels’ depiction of class war). Contributing to the downfall of freedom and rise of totalitarianism, these philosophies owed a major debt to the “anti-authoritarian and sceptical formula of liberty” as developed by Milton and Locke (Polanyi, 1951c, 102). Philosophers on the Continent “set men free from obligations towards truth and justice; reducing reason to its own caricature: to a mere rationalization of conclusions, pre-determined by desire and eventually to be secured . . . by force. Such was the final measure of this liberation: man was to be recognized henceforth as maker and master, and no longer servant of what had before been his ideals” (Polanyi, 1951c, 102). The liberation, such as it was, was destructive of the “foundations of liberty” (Polanyi, 1951c, 102).

Polanyi sees his task now as showing that thinkers of central and eastern Europe 553
 extended toleration to socially destructive behaviours, and took the further step of 554
 engaging in these behaviours, destroying freedom and erecting totalitarianism in 555
 the process. These people “transformed philosophic error into destructive human 556
 action” (Polanyi, 1951c, 103), forming the Nihilistic intelligentsia of central and 557
 eastern Europe. Two types of nihilists are recognized by Polanyi. Earlier Nihilists 558
 were self-absorbed, apathetic and incredulous whereas later Nihilists had a procliv- 559
 ity for violence. Polanyi illustrates these types with characters drawn from Russian 560
 fiction, believing these characters typified peoples living in Russian society at the 561
 time. Nihilists of the private, selfish kind are exemplified in Turgenev’s *Fathers* 562
and Sons (1862) and by Rashkolnikov in Dostoevski’s *Crime and Punishment* 563
 (1865). They became numerous in Germany, guided by the thinking of Nietzsche 564
 and Stirner. 565

In Dostoevski’s *The Possessed* Polanyi (1951c, 104) identifies a new type of 566
 nihilist, “an ice-cold, businesslike conspirator, . . . prefiguring the ideal Bolshevik”. 567
 The “code of conspiratorial action . . . was taken over by Lenin from the ‘Populists’” 568
 (Polanyi, 1951c, 104). Violent nihilists, whom Konrad Heiden’s (1938) biography of 569
 Hitler described as the “armed bohemians”, were recruited from Central and Eastern 570
 European café society (Polanyi, 1951c, 104). They were “the agents of the European 571
 Revolution” (Polanyi, 1951c, 104). 572

The downfall of freedom on the Continent and the building there of totalitari- 573
 anism came about from violent Nihilists, converts from private Nihilism (Polanyi, 574
 1951c, 105). The mechanics of the conversion is most clearly illustrated for Polanyi 575
 by what happens to the person who embraces Marxism. Embrace of historical 576
 materialism, the core of the Marxist doctrine, is akin to a new Enlightenment, 577
 the convert attaining luminous insight and deriving “intense mental satisfaction” 578
 from his new outlook (Polanyi, 1951c, 105). “Marxism predicted that historical 579
 necessity” would violently destroy capitalism and see it replaced with a humane 580
 society (Polanyi, 1951c, 105). People who failed to see this were looked upon 581
 as benighted. The Marxist’s sense of moral superiority was fortified with its 582
 materialist, mechanical worldview. Marxism in effect banned the language of 583
 moral ideals from its vocabulary. The core of Polanyi’s (1951c, 105) account is 584
 that, Marxists to the contrary notwithstanding, *moral aspirations* remained a vital 585
 part of Marxism, being latent in the “scientific prediction of a perfect society”. 586
 Nihilists of the violent type, Marxists combine their sense of moral superiority 587
 with a disposition to brutal behaviour, yielding “the modern fanatic, armoured with 588
 impenetrable scepticism” (Polanyi, 1951c, 106). The mechanism of conversion to 589
 Marxism includes what Polanyi (1951c, 106) terms the “moral needs of man”. At 590
 the explicit level, human ideals are denigrated and cease to exist as a legitimate part 591
 of Marxist language and thought. But these moral needs – signified by the names 592
 of the human ideals – remain alive in, while being hidden from, the Marxist view. 593
 Human ideals are absorbed into a system of power to be imbued with “blind [“blind 594
 in the sense of being unnamed in Marxism] moral passion” (Polanyi, 1951c, 106). 595

Polanyi (1951c, 106) uses a term of his own coinage – “moral inversion” – to 596
 signify this process. The term refers to the Marxist’s denial of moral ideals, with 597

the *moral passions* corresponding to the names of the ideals being absorbed into the Marxist's "mechanistic conception of man and society" (Polanyi, 1951c, 106). The person who undergoes a moral inversion submerges explicit *moral* aims underneath his *material* purposes.

10.8 Later Writings

Polanyi became an influential figure in the Congress for Cultural Freedom, the organization dedicated to supporting the culture and institutions of liberal democracy against the propaganda promoted by Soviet totalitarianism (Coleman, 1989, xi, 1, 10–11). A conference in Berlin launched the Congress in 1950, overseen by the anti-Soviet intellectuals Arthur Koestler and Melvin Lasky. The Congress would play an influential part in the intellectual life of the West until 1966 when its CIA funding was revealed to the public. Polanyi joined the Congress in 1953, agreeing to chair its Committee on Science and Freedom and helping to organize a meeting of the Committee in Hamburg that year. Polanyi's Committee went on to produce a biannual bulletin, *Science and Freedom* (later renamed *Minerva* and edited by Edward Shils at The University of Chicago). Several Polanyi essays would appear in *Encounter* over the years, the leading magazine of the Congress (Coleman, 1989, 99 and chapter 11).

Polanyi's major work *Personal Knowledge* (1958) makes distinctions that enable the reader to see more clearly whereabouts he locates totalitarianism relative to other systems of government. There are other relevant writings of his, the most notable of which is "Beyond Nihilism", a script which he presented at the 1960 Berlin Conference of the Congress, appearing in the book *History and Hope*, edited by K.A. Jelenski.

Personal Knowledge embeds Polanyi's concept totalitarianism in an arrangement of social-political regimes. He contends that since antiquity, hierarchically organized societies were accepted by their populations without question. Polanyi (1958, 213) knows these as *static* societies. The American and the French revolutions undermined the static society, encouraging the new idea "that society could be improved indefinitely by the exercise of the" will of the rulers (Polanyi, 1958, 213). This novel belief gives rise to "modern dynamic societies" which Polanyi distinguishes between two kinds. Leaders of *revolutionary* dynamic societies such as Lenin and Stalin in Russia in the twentieth century are bent on transforming them as quickly as possible, while leaders of *reformist* dynamic societies aim for their societies to steadily and continuously "approach to perfection" (Polanyi, 1958, 213 and Polanyi, 1962, 31).

Static societies are epistemologically similar to free societies. In both these types of society, thought is understood as possessed of "intrinsic power and worth", with "religion, morality, law and all the arts" respected as inherently valuable (Polanyi, 1958, 213). In both kinds of society, activities are restricted by an orthodoxy that regulates the life and mind of rulers and subjects alike, all members of society

being expected to comply with it. The “obligatory respect for the authority of these teachings implied a deep respect for truth” (Polanyi, 1958, 213).

The control of thought that characterizes *modern revolutionary* governments differs fundamentally from the culture of static and of free societies. The rulers of revolutionary governments reshape society, its thought included, in the supposed service of its members’ wellbeing. Whatever they say to the contrary, totalitarian rulers *deny* that thought is independent (*sui generis*) and that it grows from free activity.

Contrasting totalitarianism and the static society, a *free society* grants “independent status and a theoretically unrestricted range to thought, although it fosters in practice a particular cultural tradition” (Polanyi, 1958, 214). The free society “claims the right of self-determination” for itself “for the purpose of self-protection as absolutely as the modern revolutionary regimes” (Polanyi, 1958, 214). These aspirations were among the original forces that generated free societies but they have, in Polanyi’s (1958, 214) eyes, bequeathed a destructive “contradiction in the free society”, Polanyi alluding to the matter of *moral inversion*. The trend of the modern mind is to insist on “absolutely impersonal” knowledge, implying “a mechanical conception of man which” denies man’s “capacity for independent thought” (Polanyi, 1958, 214). The objectivist epistemology depicts “the public good in terms of welfare and power”, leading to “the self-destruction of freedom. For when open professions of the great moral passions animating a free society are discredited as specious or utopian”, as they are by Marxism, the society’s “dynamism will tend to be transformed into the hidden driving force of a political machine” which is declared to be intrinsically right “and granted absolute dominion over thought” (Polanyi, 1958, 214). The denial of the free and independent mind is the essence of totalitarianism for Polanyi.

“Beyond Nihilism”, like its near relation Polanyi’s 1951 essay, seldom uses the name *totalitarianism* but his *underlying concern* in both cases is with understanding the rise of totalitarianism from its origins in the eighteenth century Enlightenment. This is not the occasion on which to undertake a root-and-branch examination of the 1962 text. We note however that some of “Beyond Nihilism” amplifies on 1951 materials and some of it adds new content including Polanyi’s reading of J. L. Talmon’s *The Origins of Totalitarian Democracy* (1952). As a likely example of Talmon’s influence, the name J. J. Rousseau – prominent in Talmon – is often mentioned by Polanyi (on over 20 occasions) in 1962 and Rousseau looks to be the pivotal figure in the historical view Polanyi suggests there.

Polanyi in 1962 indicates he makes a priority claim for the view that modernity is *excessively moralized*. It is a mistake commonly made by scholars, Polanyi thinks, to regard modernity as being morally deficient. In another common view of modernity, moral improvement has lagged behind the progress of science. Polanyi suggests this is a further mistake made by ethicists. The “hunger for brotherhood and righteousness “has never been more ravenous than it is today (Polanyi, 1962, 17). “The past two centuries have not been an age of moral weakness, but have, on the contrary”, been a time of “moral fervour” (Polanyi, 1962, 17). Polanyi might have improved the clarity of his argument had he preferred some such

term as “moral enthusiasm” to “moral fervour”. In some societies moral fervour or moral enthusiasm has been productive of “numberless humanitarian reforms”, improving “modern society beyond the” wildest dreams of thinkers of earlier centuries (Polanyi, 1962, 17). Other societies however have gone astray in their programs for social reform by allowing intellectuals with “inordinate aspirations” to radically reconstruct society, raining disasters down on it (Polanyi, 1962, 17). Argues Polanyi (1962, 17), “We have yet to discover the proper terms for describing . . . the pathological forms of morals due to the modern intensification of morality. We must learn to recognize moral excesses”. Moral fervour of the second type, whereby intellectuals reconstruct society, leads society into a state of totalitarianism, Polanyi believes.

Repeating the analysis of his “Perils of Inconsistency”, Polanyi’s “Beyond Nihilism” cites England as having been saved from totalitarianism by the fact that rationalist philosophers (notably Bentham and his followers) were not left to determine the course of English social-political reform. The Benthamites had little influence on reform in their country. They never became “scientific rulers” of British society, and politics in Britain was never widely considered to be “a natural science” (Polanyi, 1962, 27). What Bentham knows as “scientific” morality was “suspended” in Britain in the sense that rationalist utilitarian philosophy was used *ex post facto* to support or rationalize, but not to initiate, “liberal reforms” there (Polanyi, 1962, 24). The British paradigm is depicted by Polanyi as follows. “The abolition of slavery, the factory laws” and the host of other reforms executed in nineteenth century England were brought about by people who were animated “by ancient political forces . . . and by a new zeal for social improvement” (Polanyi, 1962, 24). “Political theory in England . . . never became more than a set of maxims, subject to interpretation by customary practice” (Polanyi, 1962, 24–25).

The title of the 1962 piece suggests Polanyi believed contemporary ethics exists in a state of nihilism. “Modern nihilism” in this context looks to refer to any of three things. An overwhelmingly materialist and rationalistic society Polanyi considers to be nihilistic. Excessively strong moral convictions on the part of members of society constitute a second form of nihilism, and Polanyi (1962, 17) also talks of “nihilistic *self-doubt*” as the rejection of moral ideals (e.g. truth and reason).

Polanyi’s principal example of an ideology leading to totalitarianism is Marxism in Russia. An ideology making numerous demands of its followers, Marxism requires the violent destruction of society and the debris to be cleared away for an era of progress to be unfolded. Marxists reject as unscientific people attempting to plan social progress and they demand that no moral restraint be allowed to interfere with the “revolutionary seizure of power”, the process being inevitable and beyond human control (Polanyi, 1962, 28). Justice, truth and other spiritual ideals are interpreted by Marxism as epiphenomena, reducible to the fact they advance the interest of capitalist society’s ruling class. This Marxist-Leninist sociology gained persuasive power from “the Utopian dreams which it purported to replace” (Polanyi, 1962, 28). As an ideology, it expresses “itself only in a naturalistic [anti-spiritual] conception of man” (Polanyi, 1962, 29).

Polanyi in 1962 believes the vocabulary of ethics needs expanding in order for ethics and social life to be rehabilitated. He presented his concept “*moral passions*” as a neologism: “to speak of moral passions” is “something new”, contrasting the traditional understanding of morality as “imposing on ourselves the curb of moral commands”, with morality becoming deeply “ingrained in us” (Polanyi, 1962, 17).

Another priority claim of Polanyi (1962, 29) relates to moral inversion. Moral inversion his 1951 and 1962 essays connect with the fact that a passion may originate as explicitly moral and then it unconsciously mutates into evil.¹⁶ In its clearest example from Polanyi, the process of moral inversion commenced with Maximilien Robespierre. At the time of the French Revolution. Robespierre expressed his love of humanity but, two centuries later, in the writings of a Lenin, Robespierre’s moral passion has undergone an inversion, existing “*immanent[ly]*” in policies of *manifest immorality*”. Writes Polanyi (1962, 29), “Robespierre’s terror had justified itself by its noble aspirations; Marx refused such justification and said that violence alone must be the aim of a scientific socialism... This is moral inversion: a condition in which high moral purpose operates only as the hidden force of an openly declared inhumanity” (Polanyi, 1962, 29). In reference to Communism and Nazism, Polanyi elaborates that “their morality was inverted and became immanent in brute force because a naturalistic view of man [man without spiritual ideals] forced them into this manifestation. Such is the structure of modern nihilistic fanaticism” (Polanyi, 1962, 30).

10.9 Conclusion

We have discussed Polanyi’s understanding of totalitarianism. He developed this understanding by contrasting it to Liberalism, grounding Liberalism in spiritual ideals (e.g. truth and justice) and interpreting totalitarianism as hostile to these

¹⁶ A later piece of Polanyian text, titled “Background and Prospect”, that Polanyi (1964/1946, 18) added to his book *Science, Faith and Society* gives the following sketch of “moral inversion”. It is a process that “makes violence the embodiment of the values it overrides.” Those figures who were responsible for totalitarianism on the Continent installed governments that were exempt from the standards of humanity. Leaders of totalitarian regimes “were themselves prompted by an intense passion for the ideals which they so contemptuously brushed aside. They had rejected the overt professions of these ideals as philosophically unsound but they had covertly injected the same ideals into the new despotisms which they set up.” As a result of this, the ideals of humanity became surreptitiously embedded “in the violence which ruthlessly rejected them”. The “very immoralism of this power”, the fact of its rejecting humane standards of justice, truth, tolerance etc., serve its devotees as a sign of its honesty, its veracity and its “moral purity”. In view of their moral inversion, totalitarian governments could “honestly reject an accusation of immorality” in the same breath as they claimed their own power and ruthlessness to be immoral. Yeager (2002) discusses “moral inversion” in considerable detail in her excellent essay “Confronting the Minotaur: Moral inversion and Polanyi’s Moral Philosophy”. See also the discussion of Harry Prosch (1986, 26–28, 35, 42–44, 49, 181, and 205–206).

ideals. Polanyi characterizes totalitarianism as exercising planning authority with the authority of Liberalism being supervisory or regulative, laying down conditions for members of society to continue the inquiry into spiritual ideals. Another feature of Liberalism is its "dynamic" (spontaneous) orders of activity whereas totalitarianism accepts only planned orders (bureaucratic organizations). Polanyi notices *private freedom* existing in totalitarian systems, people being left to act as they wish within the confines of the state's laws. Distinctive of Polanyi's Liberalism is "positive freedom", with agents being left alone to explore the spiritual ideals of dynamic orders.

Our coverage suggests that Polanyi owes elements of his account of totalitarianism to at least two sources, being Benda's view of ideals of civilization as betrayed by its intellectuals and Rauschnig's depiction of totalitarianism as a society that is permanently in flux. We observed that Polanyi's totalitarianism differs to those of his contemporaries, Hayek, Popper and Arendt.

In "Perils of Inconsistency" (1951) Polanyi explains why totalitarianism emerged on the Continent but not in Britain nor in Anglophone countries. The explanation Polanyi gives of these facts affirms an inconstancy in the liberalism formulated by Milton and Locke. Thinkers in Britain ignored the inconsistency, preferring norms that have the sanction of tradition behind them. Polanyi identifies violent Nihilism as contributing to the rise of totalitarianism. In his master work, *Personal Knowledge* (1958), we find Polanyi discussing totalitarianism and Liberalism as two types of modern dynamic society, revolutionary and reformist. Totalitarian rulers deny that thought proceeds from free inquiry, independently of them. "Beyond Nihilism" (1962) resonates with much of the content of "The Perils of Inconsistency".

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