Knowledge and social freedom


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For quite some time, the reception of Karl Polanyi’s writings has concentrated on those works that had been published during his lifetime. Starting with the later studies collected in Trade and Market in the Early Empires (1957) and the posthumous editions of Primitive, Archaic and Modern Economies (1968) and The Livelihood of Man (1977), in recent decades The Great Transformation (1944) has evolved into a book of ‘classic’ status. Over the last decade a series of Polanyi’s earlier and later articles and essays have been either republished in German or translated and published in English for the first time (Cangiani and Thomasberger 2002, 2003, Cangiani et al. 2005, Resta and Cantanzariti 2014, Polanyi et al. 2016, Polanyi 2017, Cangiani and Thomasberger 2018). This includes Polanyi’s articles on socialist accounting that had originally appeared in the Archiv für Sozialwissenschaft und Sozialpolitik in the early 1920s (Polanyi 1922, 1924, Bockman et al. 2016).

With the piecemeal publication and reception of works also came an adjustment of Polanyi’s academic afterlife. A new wave of studies, aimed at the intellectual and historical contextualization of his works (see for example the publications by Gareth Dale), has enormously enriched the understanding of Polanyi’s writings, sometimes characterized as ‘elusive’ with regards to key concepts or even his overall thought (Luban 2017, p. 69–70, 73–74). Such elusiveness may to some extent result from what Dale has called the ‘volatility of his intellectual journey,’ ‘his enthusiasms for the most diverse thinkers’ (2011, p. 160–161) and his trans- or multinational intellectual socialization. While the gradual publication and translation of Polanyi’s writings has stimulated a more thorough reconstruction and examination of his thought in recent years, the fragmented and uneven translation and publication history may itself yield effects on the interpretation of Polanyi’s works. The intellectual consequences and possible hitches of the piecemeal translations and editions of his works are little acknowledged.

Debates on Polanyi’s political philosophy often took their only cues from the final chapter of The Great Transformation. However, the general reflections that he here provides have given rise to quite diverse interpretations, ranging from ‘reformist’ arguments for a social democratic welfare state, a new ‘New Deal’ or state regulated capitalism (especially by Northern American scholars) to ‘transformative’ programs of a democratic socialism that would transcend capitalism by introducing social ownership of the means of production and a de-centralized democratic management of the economy more in line with British associationalist traditions. Polanyi’s thought has also influenced contemporary proposals for the decommodification of ‘fictitious’ commodities (such as land, labor and capital) as in the commons movement, or has been invoked in schemes for a democratic green or eco-socialism. This diverse range has created the impression that Polanyi ‘is an uneasy fit as spokesman for any specific social order’ and that ‘like many other great thinkers, he was better at offering diagnoses than cures’ (Luban 2017, p. 69). Moreover, Luban claims that ‘the coming transformation was one that he foresaw only murkily. And this murkiness is characteristic of his thought […]’ (Luban 2017, p. 69).

In the light of this debatable verdict, bringing more clarity into Polanyi’s social and political philosophy therefore appears as a topical and important goal. This is what the authors of Karl Polanyi’s Vision of Socialist Transformation set out to do. In a workshop held at the New School of Social Research in 2015 and supported by the German Rosa Luxemburg Foundation, different
interpretations of Polanyi’s vision of socialism were explored. The contributions of this collection that emerged from this debate are structured into three major sections. Following two introductory chapters, one by the editors, Michael Brie and Claus Thomasberger, and the second by Kari Polanyi Levitt, the title of the first section, ‘Polanyi’s critique in the age of neoliberalism,’ reminds of well-known appropriations of Polanyi’s work for present social critique. After building “The case for a socialist conception of freedom,” the final section of contributions is put under the heading ‘New ways of reframing socialism.’ The book features chapters by renowned scholars and recognized experts on Polanyi’s thought (e.g. Nancy Fraser, Fred Block, Margaret Somers, Gareth Dale, Marguerite Mendell, Michele Cangiani), but also presents articles by authors who contributed scholarly work on Polanyi in more recent years. In addition, a special and important feature of the book is that six essays by Polanyi, most of them written in the 1920s, have been translated and published in English here for the first time. This includes *Ideologies in Crisis 1919*, *Science and Morality*, *Being and Thinking*, *The Science of the Future*, all written between 1920 and 1922, *On Freedom*, likely dating from 1927, and *Freedom in a Complex Society* 1957. Polanyi is widely known for his critical reflection on the role of classical economics for the establishment of market society. These earlier essays demonstrate that the critique of certain variants of sociological positivism was a central stepping-stone towards his social and political philosophy. This critique also prepared the grounds for his questioning of classical economics and his later inquiries in economic history and economic anthropology. But beyond offering mere context to his later work, these and other early writings of Polanyi open up discrete themes and critiques worth considering with respect to other current debates over and above reframing socialism.

According to the editors, the last chapter of *The Great Transformation* served as the common, but not only, starting point for the debates opened up in this collection. Indeed, most chapters take a wider focus on Polanyi’s earlier and later work, some of the recently published texts, but also manuscripts that are available at the Karl-Polanyi-Digital Archive at Concordia University. Drawing on a broader set of Polanyi’s works, and in particular, of his formative years in Vienna, seems crucial for improving the understanding of his work. But why exactly the above and not other Polanyi-essays relevant to the topic have been selected for publication may not immediately become clear to the reader. Avoiding overlaps with other recent collections (Cangiani and Thomasberger 2018) was probably one, practical criterion of selection.

The editors stress the need to recognize that Polanyi’s socialist outlook formulated in these essays of the 1920s also informed *The Great Transformation*. As they note in their introduction, interpretations of Polanyi that zoom in on the ‘double movement’ between marketization/commodification and the protection of society or social regulation tend to miss the socialist roots of Polanyi’s analysis of the fundamental conflict between the market system and freedom and democracy, as well as his critique of economic liberalism for denying that conflict. Polanyi never argued for a socialism of central planning. Freedom was the starting point for his case for socialism. And so was democracy. He conceived of socialism as ‘the tendency inherent in an industrial civilization to transcend the self-regulating market by consciously subordinating it to a democratic society’ (Polanyi 2001 [1944], p. 242). In her chapter, Johanna Bockman suggests that what she calls Polanyi’s ‘anti-statist’ socialism was rooted in the Central and Eastern European as well as transnational contexts and is neither assimilable to a New Deal or social democratic state welfarism. In its emphasis on the capacity of associations such as cooperatives, communes, industrial, workers and consumers associations, Polanyi’s socialism seems more akin to an associational socialism. That said, Polanyi did not provide a blueprint for a socialist society. His early articles on socialist accounting are probably the closest he ever came to sketching an institutional structure for a socialist economy. Rather than perusing his writings of the 1920s, a shared concern among some chapters seems to lie in looking outward from Polanyi’s work in order to reflect how his propositions could be adopted in today’s context, and in particular, to highlight how ‘creative institutional reforms can contribute to increasing freedom and democracy by supporting the solidarity-oriented interaction of a plurality of social actors’ (p. 13). Several contributions outline possible institutional architectures for transforming what
Polanyi calls ‘fictitious commodities’ – land, labor, and money – today. In a somewhat declarative style, Pat Devine puts forward a multilevel model for associational socialism, based on participatory social planning and social ownership. In emphasizing negotiated coordination among social owners, this model shares certain elements with Polanyi’s works on socialist accounting, but mainly draws on The Great Transformation and Polanyi’s later institutional approach. Michael Brie highlights the influence of Tönnies on Polanyi and how he aimed to carve out a space for direct personal cooperation without, however, reducing society to community. Building on Polanyi’s Common Man’s Masterplan, Brie describes so-called entry projects, which do not abolish markets, but change the institutional and social framing of markets. Marguerite Mendell focuses on the global commons movement as a process of decommodification of land, labor and money. She identifies similarities and possible complementarities between Polanyi’s institutional approach and Ostrom’s ‘micro-situational,’ neo-institutional rational choice perspective on the commons. Her contribution emphasizes that developing institutional design principles needs to be grounded in empirical research. The extent to which these interpretations and adaptations of Polanyi converge or diverge would warrant closer analysis.

Compared to the significance attributed to institution building in this section, why Polanyi apparently shifted focus from thinking about socialist accounting in the early 1920s to the question of freedom in the 1930s and 1940s and to historical-anthropological studies of institutions in his later work, and why he never resumed participating in the burgeoning socialist calculation debate of the 1930s and 1940s overall receives relatively little attention in this book. Whether this trajectory indeed resembles a move from a ‘positive attempt to craft a blueprint for a socialist economy’ toward a ‘more negative project’ of disproving the image of natural selfishness of humans, as a current commentator assumes (Innset 2017, p. 680), might have been worth following up. Previous studies at least suggest that rather than there being a break between Polanyi’s earlier and later work, the social philosophical explorations of the earlier years provide important foundations for the evolution of his later work (Cangiani et al. 2005, p. 15, 61f). Indeed, how his critique of sociological positivism prefigures his later, even more forceful attack on social/market naturalism becomes apparent in Margaret Somers’ chapter, which presents a superb exposition of Polanyi’s critique of this justificatory ontology of classical political economy in The Great Transformation.

The central building blocks of Polanyi’s outlook on socialism that this book highlights are knowledge, freedom and democracy. The contributions by Dale, Valderrama, Cangiani, Brie, Block and Thomasberger contextualize these themes with respect to relevant debates and authors (e.g. Marx, Rousseau, Tönnies, Mannheim, Niebuhr and representatives of the Austrian School such as Mises and Hayek) and thereby help clarify some of Polanyi’s less tangible ideas. Given that Hayek is mostly discussed with reference to other intellectual adversaries or comrades, situating Polanyi’s conceptualization of knowledge of society vis-à-vis that of Hayek fills an important gap. Of course, considering Michael Polanyi’s work on knowledge and its relation to his brother’s and to Hayek’s epistemological arguments would have made for a still richer analysis. Polanyi’s concept of socialist (or social) freedom presupposes a kind of knowledge of society that does not limit human agency and freedom by conceiving of society and social change as being determined by laws. Instead, he envisions a social (science) epistemology that uncovers the social relations and unintentional consequences of human actions that are at the basis of reified mechanisms and institutions. In Brie and Thomasberger’s interpretation of Polanyi, the true task of the social sciences would be to demonstrate that these mechanisms can be overcome by increasing democracy (p. 15). However, as Dale points out, Polanyi’s philosophy of freedom does not slip into pure idealistic voluntarism. He highlights Polanyi’s reappraisal of Rousseau, whose philosophy seemed to offer a reconciliation of determinism and voluntarism; a sociological recognition of the reality of society and a ‘spirited advocacy of cultural transformation and moral renewal (p. 136f). These chapters prompt the question how significant Polanyi’s conceptualization of knowledge continues to be in the context of contemporary critiques of transparency and accountability (e.g. Strathern 2000) and how the kind of knowledge he has in mind would emerge from, and travel between, scholarly and practical fields.
While this book certainly adds important insights to understanding Polanyi’s vision of socialism, in terms of the stated aim of reconstructing the various periods of his life the center of gravity clearly lies on the development of his thought from liberal socialism in his youth to a kind of functional or associational socialist position under the influence of guild socialism and Austromarxism in the 1920s as well as the Christian Left Group in Britain in the 1930s. How Polanyi’s socialism developed in the later decades of the late 1940s to 1960s, during his stay in, and exposure to, Northern American politics and traditions of thought, somewhat takes a backseat.

The selected essays on the modern social sciences and sociology, above all, highlight Polanyi’s critical thought on the relation between knowledge and freedom and how his thought and worldview developed from earlier to later years. But they do not provide a comprehensive or representative overview of Polanyi’s conception of socialism (not that this was the stated intention of the editors). Other texts published in English recently (Bockman et al. 2016, Cangiani and Thomasberger 2018) along with German texts and unpublished materials from the archive are indispensable for a fuller understanding. Nor is the volume composed around a historical-critical contextualization of Polanyi’s original essays published here, as one might expect at first sight. Interestingly, his essays are positioned at the very end of the book, which makes them appear as if they served as reference for the chapters of the collection. The essays On Freedom and Freedom in a Complex Society are indeed cited frequently in several of the chapters, yet the four other essays receive little mention. Nevertheless, they too offer intriguing arguments and contain some noteworthy statements that would deserve more commentary and analysis than this collection offers. In fact, without some introductory contextualization the terms and arguments of these texts are not grasped easily or might lead to misinterpretations.2

Polanyi’s essays printed in this volume reflect his turn against a deterministic materialism and sociological positivism under the influence of his experiences of the First World War. As Dale (2011) holds, Ernst Mach’s ‘subjective positivism’ provided the means for Polanyi’s critique of the positivist tradition especially of Comte, Spencer and scientific Marxism. Addressing the perceived spiritual crisis of the age, Polanyi searched for an ethical orientation and a ‘verstehende,’ subjectivist approach that emphasizes inner, personal life as the basis of a moral stance, of action and of social change.

In the essay Ideologies in Crisis Polanyi formulates a fervent critique of the shortcomings of Marxism, its materialist conception of history, positivist epistemology and determinist philosophy. The Science of the Future criticizes the entanglement of positivist sociology and theoretical economics with the scientific worldview. Polanyi calls them ‘pseudo-sciences of the future’ as they suppose laws of development independent of human action, inner life and will. Science and Morality discusses how scientific knowledge has superseded morality without being able to offer guidance on ethical questions. Polanyi argues that positivist sociology slips back into metaphysics by substituting actual subjective meanings and experience for abstract constructs (such as self-interest) to link general laws and individual action. In Being and Thinking he challenges the one-sided determinism of either the view that belief and consciousness influence social existence and reality or vice versa. In setting out how thinking and social being continually turn into each other, he formulates social-constructivist ideas much along the lines of Berger and Luckman (1967). Polanyi seems more concerned about the effects of certain types of knowledge on social life and humanity than he is interested in a sociology or social construction of scientific knowledge per se. This becomes clearer in the 1927 essay On Freedom, where he explicitly addresses the question what the meaning and content of the socialist worldview would be. Polanyi construes knowledge as a central condition for social freedom (or unfreedom). While the 1920s texts revolve around the problem of (social scientific) knowledge, the 1957 essay Freedom in a Complex Society addresses this theme from a new angle: how the machine age and technological civilization impact on freedom and personal life.

These newly translated essays are of wider significance than just providing a kind of preface to The Great Transformation or summarizing Polanyi’s socialist outlook. They illustrate how central the (partly Marxist-inspired) critique of knowledge and, in particular, of scientific knowledge and the
'scientific worldview’ was for the development of his thought overall. Especially Science and Morality and On Freedom sketch the social theoretical basis for Polanyi’s political philosophy. He suggests that transcending the objective forces of capitalism presupposes not a political revolution, but a revolution of thought of some kind. The task (of sociology) would be to show how certain objectifications and supposed laws of capitalism (capital, labor, prices, valuations) are results of human action and emerge from particular social relations and configurations of power. Understanding these interdependencies and the ensuing possibilities for human freedom in society constitutes the main subject matter of sociology in Polanyi’s conceptualization of it.

Howsoever readers may stand on matters of human agency, consciousness and freedom, there is no denying that Polanyi’s defence of these notions is beautifully and subtly crafted. The ontological question whether freedom of will exists or not is bracketed in support of declaring it a task or ethical goal oriented towards transcending social reality. The idea of social freedom that Polanyi advances is not a goal, however, that can be achieved by a certain state of affairs. It is rather an ‘asymptotic goal’ that is never reached but to be worked at continuously.

Regardless of whether or not one shares Polanyi’s theoretical, political and ethical outlook, his problematization of social and social science knowledge seems key reading, not only to better understand his overall oeuvre, but also in the broader context of current debates. The question of what kind of knowledge is needed to support social freedom and democracy is as pertinent today as it was in his time (see for example Stehr 2016). The social sciences, and sociology in particular, are now challenged by new technologies and methodologies of knowledge such as big data analytics, by a recurring emphasis on social physics, a renewed confidence in prediction and behavior nudging. In this present context Polanyi’s critiques bear new relevance for debates over sociology’s role vis-à-vis these applications. His texts of the 1920s also speak to the current relaunching of long-standing debates on socialist calculation (e.g. Greenwood 2006, Davies 2015, Phillips and Rozworski 2019) and add an important angle to narrowly techno-centrist understandings of ‘socialism tendencies’ in information technology or ‘socialism is all about logistics’ type of arguments.

Overall, another question the reader might take away from this book is how Polanyi’s outlooks on socialist transformation compare to similar (socialist) traditions of thought today. Comparisons with market socialist models, associative democracy, participatory democracy or associational socialism could provide further avenues of exploration with regards to the aim of reframing socialism. Notably, Polanyi’s approach of functional democracy receives little discussion. As with any edited collection, not all contributions are equally stimulating. Some articles mostly paraphrase Polanyi’s arguments and merely claim their present significance, whilst offering little in terms of critical analysis. Others are bolder in addressing weaknesses of Polanyi’s reasoning and aim for theoretical reconstruction (e.g. Fraser). Nevertheless, this collection is a very informative read. Going beyond the common starting point it delves into a broad range of thematic areas and dimensions that demonstrate the importance of, and depth of inspiration that can be drawn from, Polanyi’s thought.

Notes
1. For an exception see the above cited article of Innset (2017).
2. Instructive introductions to these essays of the 1920s can be found in Dale (2011, 2014) or Cangiani et al. (2005).

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