

Introduction

In recent debates about *globalization*, *neoliberalism*, and the *Washington consensus*, few authorities are cited more frequently than Karl Polanyi (1886-1964) who died long before any of these terms gained currency. Scholars from a variety of disciplines and political perspectives have returned to Polanyi's 1944 masterpiece, *The Great Transformation*, because it offers a powerful critique of a world economy organized through a system of self-regulating markets. Yet most of these analysts do little more than borrow a concept or a number of telling quotes from Polanyi. Efforts to engage with Polanyi's analysis in a more systematic fashion remain rare. In contrast to the shelves of secondary works on Parsons or Habermas or Giddens, the body of Polanyi scholarship is small.

With our colleague Nicole Biggart, we organized a conference at the University of California at Davis in April 2002 to encourage a more systematic discussion of Polanyi's arguments. The conference was made possible by support from the University of California's Institute for Global Cooperation and Change and University of California at Davis Institute of Government Affairs and its Center for Society, Culture, and History. Under the title "The Next Great Transformation? Karl Polanyi and the Critique of Globalization," sociologists, anthropologists, political scientists, economists, and geographers gathered to discuss ten papers. We are deeply grateful to all of the participants and we especially want to thank Matt Keller and Claudette Oriol for their excellent work on the conference logistics.

Michael Burawoy's "For a Sociological Marxism: The Complementary Convergence of Antonio Gramsci and Karl Polanyi," Guenther Roth's "The Near-Death of Liberal Capitalism: Perceptions from the Weber to the Polanyi Brothers," and Beverly Silver and Giovanni Arrighi's "Polanyi's 'Double Movement': The *Belle Époques* of British and U.S. Hegemony Compared" were initially written for this conference. The fourth article by Fred Block and Margaret Somers ("In the Shadow of Speenhamland: Social Policy and the Old Poor Law") developed on a parallel track, emerging out of a systematic confrontation with one of Polanyi's most important historical arguments in *The Great Transformation*—the analysis of Speenhamland. In publishing these articles together in this issue,

we hope to demonstrate the scholarly benefits of reading and rereading Polanyi as seriously as we read Marx, Weber, or other canonical figures of the social sciences.

The conference and this issue would not have been possible without the important work done by the Karl Polanyi Institute of Political Economy at Concordia University in Montreal (<http://artsandscience.concordia.ca/polanyi/>). Under the leadership of Kari Polanyi-Levitt and Marguerite Mendell, the institute has done much to encourage serious Polanyi scholarship. The institute has created an archive of Polanyi's papers, facilitated the development of an international community of Polanyian scholars, and produced a series of edited volumes of conference papers that have filled in key parts of Polanyi's biography and contributed important analyses of his scholarship.

The issue opens with Michael Burawoy's ambitious argument that Karl Polanyi and Antonio Gramsci can be seen as the two central progenitors of "Sociological Marxism"—a distinctive form of radical social theory that places society at the center of its analysis. Burawoy acknowledges the radically different life histories of these two men in both their social origins and political commitments. Yet he demonstrates that in their efforts to understand the divergent paths of European nations in the first decades of the twentieth century, they developed complementary revisions of classical Marxist formulations. Burawoy builds on these complementary formulations to construct the outlines of a distinctive and original Marxist position.

As with other European refugees who came to teach in the United States during McCarthyism and the Cold War, Polanyi's precise relationship to the Marxist tradition has been a touchy and difficult subject. In his writings in England during the 1930s, Polanyi often used the language and concepts of Marxism, albeit always in a somewhat unorthodox manner. Burawoy's distinctive move is to read *The Great Transformation* as also falling within the Marxist tradition, although he sees it as an innovative work that sought to elaborate a new type of Marxist analysis. This new analysis fused the insights of the Hungarian Marxist, Georg Lukacs—someone whom Polanyi knew from childhood—with the explicitly sociological analyses of Weber and Durkheim. Burawoy, in turn, fuses Polanyi's arguments with Gramsci's analysis of civil society to develop the framework of Sociological Marxism.

Guenther Roth's article could not be more different from Burawoy's. Roth is not seeking to advance a distinct theory or a set of causal claims but rather to place

both Max Weber and Karl Polanyi in the context of a broad group of Central European intellectuals who struggled in the period between World War I and World War II to understand the interactions between domestic politics and global political economic structures. Roth highlights the differences between Weber's and Polanyi's views on the desirability of restoring the international gold standard in the period after World War I. While Polanyi blamed the coming of World War I on the pressures on national politics generated by the workings of the gold standard, Weber feared that if Germany failed after the war to embrace the gold standard and integration into a liberal world economy, it would gravitate instead to the dangerous path of Eastward expansion that was ultimately pursued by the Nazis.

Roth offers a fascinating counterpoint to Burawoy's discussion of the strange theoretical convergence of Gramsci and Polanyi. He demonstrates the limits of family history as an explanation for political choices by showing how both the Weber brothers and the Polanyi brothers came to diametrically opposite political stances on fundamental issues. In contrast to his brother's consistency, in the spring of 1918 Alfred Weber embraced the vision of German hegemonic expansion, but after Germany's defeat he quickly reverted to their joint affirmation of the capitalist world economy. Michael Polanyi, however, permanently ended up at the opposite end of the political spectrum from his brother—allying with Friedrich Hayek and other defenders of a liberal world economy against both socialism and social democracy.

But Roth's most important contribution is to remind us that Polanyi's *Great Transformation* emerged out of a broader Central European world of debate that crisscrossed disciplinary lines and recognized the complex interrelation between supranational economic arrangements and the political choices available to nation states. This world of debate was shattered by the Second World War, and the fruitful dialogue between economics and sociology exemplified by Weber and Schumpeter was almost completely silenced. For more than three decades of the post-World War II period, these earlier debates were largely forgotten. Finally, in the 1980s and 1990s, with the revival of economic sociology and the emergence of new strands of heterodox work in economics and political science, that fruitful dialogue has resumed. But its progress will be greater if we understand the continuities and discontinuities between our contemporary debates and those that Roth elucidates.

Fred Block and Margaret Somers look at the ways that the Speenhamland episode in English history has been appropriated by a variety of thinkers, including Polanyi, to make broader arguments about welfare policies. Speenhamland looms large in *The Great Transformation*; Polanyi devotes two early chapters of the book to his account of this period. He argues that in 1795, much of England adopted a

bread scale that provided a kind of guaranteed annual income for rural workers. While this was a policy rooted in the paternalism of the rural gentry who wanted to keep their workers on the land, Polanyi argues that it ultimately had disastrous consequences on the standard of living and morale of the rural labor force. But in contrast to market theorists who have argued that those negative consequences were inherent in providing any kind of assistance to the poor, Polanyi insisted that Speenhamland had these consequences because of specific institutional factors and the peculiarity of a period when England had not yet made a transition to a market economy.

Block and Somers amass considerable historical evidence to show that neither Polanyi's nor other canonical interpretations of Speenhamland can be sustained. The bread scale was used on far too limited scale to have had the consequences that have been attributed to it. But while they are critical of Polanyi's specific historical arguments, they end up offering a Polanyian interpretation of how the Speenhamland story was constructed. They trace the argument about the inevitably perverse consequences of Poor Relief to the writings of Townsend and Malthus—theorists whom Polanyi condemned for introducing “naturalism” into the tradition of political economy. They note that the Speenhamland story served to divert attention from the real source of growing distress in rural counties in the decades after the Napoleonic Wars. It was the misguided decision, inspired by Ricardo, to restore England to gold at the prewar parity that led to decades of rural distress. Hence, the same gold standard that Polanyi blamed for the outbreak of the First World War was also responsible for the misery of the rural poor in the decades leading up to the New Poor Law in 1834.

The article by Beverly Silver and Giovanni Arrighi also seeks to illuminate the links between the present and the early years of the twentieth century. Their project is to analyze the parallels between the *Belle Époque* of British global dominance and the current period in which the United States is the only remaining Superpower. Their more gloomy view of Polanyi's “double movement” of market formation and social protection, emphasising how social protection in the core can undermine global social progress, cautions us against a naive appropriation of Polanyi's concept.

Despite the promotion of the “liberal creed” through the agencies of the “Washington consensus,” the United States has in fact pursued free trade much less consistently than the United Kingdom during its period of hegemony. Where the United Kingdom had used free trade to reap the benefits of its position as a global commercial and financial entrepôt, U.S. hegemony was based on a largely self-sufficient, continent-sized economy that extended its global reach through intergovernmental domination, the growth of transnational corporations, and

unchallengeable military primacy. It was only when international trade competition and political struggle undermined U.S. hegemony that the United States became a global financial entrepôt in order to finance the costs of tackling these challenges. The “liberal creed” became an important ideological weapon in creating the circumstances through which capital could flow in enormous quantities from the rest of the world into the United States.

Where imperialism produced the nationalism and communism that challenged British hegemony, Silver and Arrighi see little prospect of such a double movement in the current era. A much more likely challenge to U.S. world market formation, they argue, is the protectionism of the United States itself, which could plunge the poorer countries of the world into further economic crisis. The self-protection of the core will only add to the destabilization of the rest of the world, hastening the arrival of a new period of systemic crisis and catastrophe. Silver and Arrighi's analysis implies that “society,” a source of liberatory movements for Burawoy, can also be a force promoting inequality and crisis.

This set of articles illustrates Polanyi's central place in the world of heterodox analyses of the socially embedded economy. However, they also emphasize the need for a more sustained critical engagement with Polanyi's writings and a more systematic incorporation of his ideas into such analyses. Burawoy and Roth challenge the close link between Polanyi and the new economic sociology, from very different perspectives. Roth challenges the union of Weberian and Polanyian perspectives that is central to contemporary economic sociology where Burawoy claims Polanyi as part of the lineage of a new Sociological Marxism. The articles by Silver and Arrighi and by Block and Somers show that Polanyi's central concepts provide important insights on world-historical economic change, but there are surprises and ironies in the Polanyian legacy. We hope with the publication of this issue to encourage further efforts to wrestle with Polanyi's rich and complex theoretical legacy.

—Sean O'Riain and Fred Block
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