

The Life and Work of Karl Polanyi

Kari Polanyi-Levitt, ed. Montreal: Black Rose Books, 1990, 264 pp. Paperback.

Karl Polanyi in Vienna: The Contemporary Significance of The Great Transformation.

Kenneth McRobbie and Kari Polanyi Levitt, eds. Montreal: Black Rose Books, 2000,. 346 pp. Paperback.

Karl Polanyi's insistence that economic relationships are socially embedded and his critique of the historically limited role of markets are attracting renewed attention. Anyone interested in Polanyi's thought should have a look at these lively volumes of papers from the First and Fifth Karl Polanyi International Conferences, which may serve to introduce readers to the Karl Polanyi Institute of Political Economy (based at Concordia University in Montreal) which organized the conferences together with the Hungarian and Austrian Academies of Sciences, respectively. The first conference was held in Budapest in 1986 one hundred years after Polanyi's birth and thirty years after the Hungarian Revolution. The fifth conference, in Vienna in 1994, marked both the fiftieth anniversary of Polanyi's *The Great Transformation* (1944) and the sixtieth anniversary of the workers resistance to an Austrian Fascist coup chronicled by Ilona Duczynska (1978), an active participant in that resistance. Papers from intervening conferences appeared in Mendell and Salée (1991) and McRobbie (1994). Together with her collaborators, Kari Polanyi Levitt, a McGill development economist well known as a critic of multinational corporations (Levitt 1970) and the only child of Polanyi and Duczynska, has produced both a fascinating celebration of the lives and milieu of her parents and an insightful assemblage of reflections on the contemporary relevance of their thought. *The Life and Work of Karl Polanyi* opens with six essays on Polanyi's place in Hungarian intellectual life, including papers on the Polanyi family (his brother was the freer market-oriented philosopher and chemist Michael Polanyi), his role in Hungarian politics, and his partnership with Duczynska. She is the subject of a group of six chapters of *Karl Polanyi in Vienna*, which also includes six chapters of reminiscences of Polanyi in Vienna (1920-36). These chapters, although full of intriguing asides such as Lenins disapproval of Ilona Duczynskas choice of reading matter in the Zurich library, will appeal primarily to readers already strongly interested in the Polanyis.

Of more general interest, three essays by Peter Rosner, Marguerite Mendell, and Lee Congdon on *Socialism: Ludwig von Mises and Karl Polanyi in The Life and Work of Karl Polanyi* examine the drastically different analyses of the feasibility of socialism produced by two rival, but interacting, Vienna seminars in the 1920s. That debate prefigured the contrasting views of market society and the state published by Polanyi (1944) and Hayek (1944), which have shaped the continuing controversy over the limitations of the market as a form of social organization. The essays in the earlier conference volume contrasting Polanyi's thought with that of Mises and Hayek provide background for six essays in *Karl Polanyi in Vienna* drawing on *The Great Transformation* for insights into the problematic transition from planned to market economies in Central and Eastern Europe (including case studies of East Berlin, Bulgaria, and Hungary) and into privatization in Britain. As Jan Kregel remarks, proponents of shock therapy for transition in the former Soviet Union fail to notice that the "market" does not yet exist (McRobbie and Polanyi Levitt 2000, p. 109). In *Karl Polanyi in Vienna, The Great Transformation* is the starting point for critiques of

financial globalization by Eric Helleiner, Fred Block (making the case for controlling cross-border capital flows), and Marguerite Mendell (on alternatives to market-led transition). Samir Amin's Conditions for "Re-Launching Development" is particularly notable among the papers from the Vienna conference, arguing that "The collapse of the western welfare state, the Soviet model, and Third World national developmentalism" have terminated what I call the post-war anti-fascist era in which capital was constrained to operate within structures relatively favourable to the peoples of the world" (McRobbie and Polanyi Levitt 2000, pp. 74-75). Amin proposes a new World Trade Organization, charged with planning access to the world's major natural resources and the prices of raw materials, together with mechanisms of organized capital markets to channel excess finance toward productive investment in the peripheries. (p. 83).

In *The Great Transformation* (1944) and his 1947 Commentary essay "Our Obsolete Market Mentality" (reprinted in Dalton 1968), Polanyi attributed the origins of contemporary phenomena such as fascism back to the belief in a self-regulating market mechanism not embedded in an institutional framework of non-market social relationship. He traced this belief to Ricardo and to the Manchester school of economics, viewing the New Poor Law of 1834 as an assault on that institutional framework. This led Polanyi to return to economic anthropology (the subject of four papers in *The Life and Work of Karl Polanyi*) to show that reliance on a supposedly self-regulating market is a feature only of a particular society, and that the classical and neoclassical economic theory developed in that market society does not apply to other societies (see Stanfield 1986 and his essay in *The Life and Work of Karl Polanyi*). Although inspired and informed by Marx's writings, Polanyi distanced himself from the labor theory of value as well as from other versions of formal economic theory. Kari Polanyi Levitt's essays on "Origins and Significance of The Great Transformation" (in the Budapest conference volume) and "The Great Transformation from 1920 to 1970" (in the Vienna conference volume) lucidly explore the contemporary relevance and historical context of Polanyi's work.

These volumes are not the places to seek balanced evaluations of Polanyi in light of neoclassical or Marxian critiques. They are the proceedings of memorial conferences, and at memorial conferences, as in eulogies, the speakers are sympathetic with the subject. The quality of the essays is high, especially for memorial volumes, and the contributors succeed in sharing a common focus. The essays both introduce readers to the current significance of Polanyi's message and provide detailed Central European background to Polanyi's intellectual development. The essays on the Hungarian and Austrian context are so detailed that they are best left to readers already deeply interested in Polanyi or interwar Central Europe, but the essays on why Polanyi's message about the historical limits of market society matters now will have much wider appeal to readers of this journal. Anyone interested in Polanyi should read these volumes, and the contributors make a strong case that anyone interested in the origins and limitations of market society should be interested in Polanyi.

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