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KARL POLANYI AT THE MARGINS OF ENGLISH SOCIALISM, 1934–1947*

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Growing interest among historians and social scientists in the work of Karl Polanyi has yet to produce detailed historical studies of how Polanyi's work was received by his contemporaries. This article reconstructs the frustration of Polanyi's attempts to make a name for himself among English socialists between his arrival from Vienna in 1934 and his departure for New York in 1947. The most obvious explanation for Polanyi's failure to find a following was the socialist historians' rejection of his unorthodox narrative of the rise of capitalism and the Industrial Revolution in The Great Transformation *(1944). But this disappointment was anticipated in earlier exchanges revealing that Polanyi's social theory, specifically his conception of the self and its social relations, differed markedly from the views prevailing among socialists of R. H. Tawney and G. D. H. Cole's generation. As well as casting new light on the intellectual history of English socialism and variegating our understanding of the contexts in which conceptions of the human person were invoked in the interwar period, this article seeks to illuminate by example the importance of deep-seated, often tacit, commitments to particular conceptions of the self and its social relations in structuring mid-century intellectual life.*

I

Among the central Europeans who came to England in the interwar years, few looked more eligible for favourable reception than Karl Polanyi.[1] Writing over the previous thirteen years for *Der Österreichische Volkswirt*, Polanyi had established a formidable reputation as a commentator on international affairs,

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[1] Among Karl Polanyi's friends and acquaintances from Budapest and Vienna who settled in England were Karl Mannheim, Arthur Koestler and Karl Popper; on the phenomenon of the "twice-exiled" Hungarians see Mary Jo Nye, *Michael Polanyi and his Generation* (Chicago and London, 2011), chap. 1.

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especially where the Soviet Union was concerned. By virtue of his authority on Russian economic matters, Polanyi had become a significant contributor to theoretical debates among Austrian economists, and he had entered those debates as a partisan of G. D. H. Cole's guild socialism. As well as a fund of knowledge about the Soviet Union—in whose prospects the British left was at the time keenly interested—and an expertise in economic theory won ostensibly in sympathy with contemporary British thinking, Polanyi had an easy command of the English language and a younger brother, Michael, whose reputation as a physical scientist had earned him considerable influence at the University of Manchester and whose interventions in debates over scientific and economic planning soon won him a wide following.[2]

And yet during his lifetime Karl Polanyi made little impression on English intellectual life. Between his arrival in London in January 1934 and his acceptance of a post at Columbia University in New York in 1947, Polanyi's sole academic appointments were to the extramural delegacies of Oxford and London. Though he was an ardent proponent of adult education, Polanyi repeatedly sought faculty appointments and was continually disappointed. Before *The Great Transformation* (1944) he published little.[3] His brother Michael conceded in 1944 that Karl's position remained one of "relative obscurity".[4]

The influence of emigrés from central Europe on British intellectual life in the interwar years has attracted little sustained historiographical attention—a reflection perhaps of their failure to make a contemporary impression.[5] But failure in this regard may be as revealing as success: Polanyi's overtures to the

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[2] No biography of Karl Polanyi has yet been written, but biographies of his brother contain much useful information; Nye's treatment is particularly thorough: Nye, *Michael Polanyi*, esp. 1–36, 147–53; see also William T. Scott and Martin Moleski, *Michael Polanyi: Scientist and Philosopher* (Oxford, 2005).

[3] Polanyi's only substantial English publications prior to *The Great Transformation: The Political and Economic Origins of Our Time* (New York, 1944) were three brief articles on Marxism for a short-lived Christian Socialist weekly—"Fascism and Marxian Terminology", *New Britain*, 20 June 1934; "Marxism Restated", *New Britain*, 27 June 1934 and 4 July 1934; an essay, "The Essence of Fascism", in a volume which Polanyi co-edited with John Lewis and Donald Kitchin, *Christianity and the Social Revolution* (London, 1935), 359–94; and a pamphlet, *Europe To-day* (London, 1937). *The Great Transformation* was published in England in 1945 as *The Origins of Our Time.*

[4] Michael Polanyi to Karl Polanyi, 30 March 1944, Karl Polanyi Papers, Karl Polanyi Institute for Political Economy, Concordia University, Montreal, 57/5.

[5] David Kettler and Volka Mejer, *Karl Mannheim and the Crisis of Liberalism* (New Brunswick, 1995), 176–88, contains one of the few studies of the "translation problems" faced by central European emigrés to London in the 1930s. See also Perry Anderson's famous lament for the emigré intellectuals' failure to upset English intellectual life: "Components of the National Culture", *New Left Review* 50 (1968), 16–20.

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leading figures in interwar English socialism did not go unheard; it was not indifference but rather active resistance among those to whom he made his key pitch that explains Polanyi's poor reception in England between 1934 and 1947.

Much of what Polanyi had revered in "Red Vienna"—an experiment in social democracy which he thought "one of the high points of western civilization"—found corresponding support in the programmes of G. D. H. Cole and R. H. Tawney in England: both socialist movements favoured a functionalist middle way between unfettered private enterprise and full state control, and both laid much emphasis on cultural transformation as an instrument of socialist reform, particularly through adult education.[6] And yet in seeking to establish his standing after his arrival in England, Polanyi found himself at odds with his English contemporaries. Joining a concerted effort to defend individualism against the philosophical assault of fascism, Polanyi found that he conceived of the individual's social situation in a manner markedly different from that of the leading English socialists. Where the English socialists worked from a Christian conception of the person and saw the new mass society as inimical to the realization of what was irreducibly unique in each individual, Polanyi elaborated a rival conception of self and society grounded in the newly discovered early works of Karl Marx, according to which a uniform element of common humanity was immanent in each individual and would find expression automatically given the right social circumstances.

The key point of friction between these two conceptions of the self and its social relations was the role of collective consciousness in animating social movements. The orthodox position, set down by Tawney and grounded in a distrust of the psychology of the crowd, held that only where a social movement attracted participants *as individual*s could it become a legitimate instrument of reform. For Polanyi, by contrast, it was only by going into society—and specifically by entering into the nascent consciousness of the working class—that individuals could recover that sense of self which would become the bulwark of socialist anti-fascism. One could not regain the "I" without first asserting "we".[7]

Polanyi came to believe that the working class would never become conscious of its transformative historical role if it could not match the ruling class's dexterity

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6 See Nye, *Michael Polanyi*, 147–8; Jan-Werner Müller, *Contesting Democracy: Political Ideas in Twentieth-Century Europe* (New Haven and London, 2011), 56–60; Marc Stears, "Guild Socialism and Ideological Diversity on the British Left, 1914–1926", *Journal of Political Ideologies* 3 (1998), 289–306; Stears, *Progressives, Pluralists and the Problems of the State* (Oxford, 2006).

7 This formulation comes from Alasdair MacIntyre, "Notes from the Moral Wilderness", *New Reasoner* 8 (1959), 89–97, 93, a later iteration—also based on the early Marx—of the ontology Polanyi embraced: see further n. 125 below.

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in manipulating historically grounded "constitutional fictions". Lecturing for the extramural delegacies afforded some scope for instructing the working class in this historical "technique", but it also got Polanyi thinking about the ways in which English social history might be explicitly rewritten to legitimate working-class claims to leadership. The book that this line of thinking eventually produced—*The Great Transformation*, published in 1944—shaped a new narrative of the Industrial Revolution in England around a bold reinterpretation of the Speenhamland regime of prices and wages adopted in parts of England in 1795. With *The Great Transformation* Polanyi sought admission to the ranks of the socialist historians grouped around Tawney, Cole and J. L. and B. Hammond.

But here Polanyi's status as an outsider to the historical profession—and an outsider associated with a "Continental" approach in the social sciences with which British historians were just beginning guardedly to engage—compounded the heterodoxy which his conception of the self and its social relations had disclosed. In its account of Karl Polanyi's reception in England, this article demonstrates that these two facets of Polanyi's thinking which frustrated his efforts to find a following among English socialists were integrally linked. Holding that individuals were themselves incapable of counteracting the alienating forces of modern society, and believing that this self-estrangement must be overcome before the individual could become the cornerstone of anti-fascism, Polanyi became convinced that galvanizing the collective consciousness of the working class was the best means of steeling democracy against the influence of fascism. Contemporary socialist historians led by Tawney had been content to write critical history exposing the contingency of the legitimating assumptions of laissez-faire economic and social theory but leaving it to "Henry Dubb" to assert the economic freedom this critique implicitly allowed.[8] Their conceptions of self and society granted the individual this much autonomous power. But Polanyi, believing that prior to his or her consciousness of membership of the working class the individual was incapable of shaping the social world, was not content with a critical history rooting out "the assumptions upon which our modern slavery is based", as Tawney described his own historiographical mission.[9] Polanyi's ontology warranted a constructive history which made the emergence of this new class consciousness manifest. And he could not write such a history without

8 Cf R. H. Tawney, "Christianity and the Social Revolution", *New Statesman and Nation*, 9 Nov. 1935, 682–4, 684. "Henry Dubb" was the socialist press's stereotype for the worker who stayed aloof from working-class politics: see Stuart MacIntyre, "British Labour, Marxism and Working-Class Apathy in the Nineteen-Twenties", *Historical Journal* 20 (1977), 479–96, 487.

9 Cited in Peter Clarke, *Liberals and Social Democrats* (Cambridge, 1978), 189.

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transgressing the epistemological norms around which the interwar historical profession was organized.

Without following Polanyi much beyond his crossing to America in 1947, this article concludes by examining the relationship between Polanyi's roundly rejected narrative in *The Great Transformation* and E. P. Thompson's 1963 book *The Making of the English Working Class.* It asserts not only that Thompson ratified Polanyi's interpretation of English social history, but also that he did so out of fidelity to an identical ontology of the self and its social relations. It further suggests that in the light of these identities, the contrast in the contemporary fortunes of the two authors points to a profound shift in prevailing conceptions of self and society within English socialism across the forty years after the First World War.

II

Born in Vienna in 1886, Polanyi grew up in Budapest in a non-observant family typical of the assimilated situation of Jews in that city prior to the First World War. After taking a degree in law at the University of Koloszvar (where Georg Lukacs was a fellow pupil and friend) Polanyi spent his early years in Budapest contributing to sustained debate about epistemology in the social sciences and advocating a greater role for scientific thinking in tackling social problems. He became briefly active in Hungarian politics after 1914, as secretary of the Radical Party founded by Oscar Jaszi, but left Budapest for Vienna in 1918 shortly before a nationalist reaction swept Bela Kun's Communist Party from power, and did not return.[10]

Though he married an active member of the Communist Party, Polanyi kept his distance from politics in Vienna, absorbed by international affairs and debates about economic theory. In particular, he became embroiled in the debate over calculation of costs in command economies started by Ludwig von Mises in the early 1920s.[11] His writing for *Der Österreichische Volkswirt* also put him in touch with developments in England, where he was impressed with the economic thinking behind guild socialism: "The English socialist practice confirmed the direction of my work", he wrote to his brother Michael in 1921. "To discuss definite social problems from a Christian viewpoint—this is my socialism".[12]

Polanyi developed a very particular understanding of the nature of the crisis in Europe after 1914, and of the means by which it could be solved. The creation

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10 Nye, *Michael Polanyi*, chap. 1.

11 Karl Polanyi, "Memorandum concerning the plan of a book on the 'Origins of the Cataclysm'", (undated), Concordia, 19/5, 9–10; Nye, *Michael Polanyi*, 150–53.

12 Moleski and Scott, *Michael Polanyi*, 101.

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of a self-regulating market in the early nineteenth century was an anomalous development that could never have lasted, Polanyi held, because for him markets were ultimately embedded in particular social contexts. The crisis touched off by the First World War represented the collapse of this unstable arrangement and the beginnings of the inevitable reintegration of the economy and society. The main challenge, he believed, was to manage this process of reintegration. But Continental socialist parties had proved almost uniformly inept in their approach to this challenge. In 1909, the point from which he dated his apostasy from "the positivist–determinist tradition" of "vulgar" Marxism, Polanyi had begun to realize that "the socialist working-class movement of the European continent" had embraced a wrong-headed means of reintegrating the market with the web of social relations from which it had been violently divorced. Their specific philosophy of "regulated capitalism", he feared, would prompt the embrace of "collectivism" as a "state religion" under "a monopolistic form of capitalism"; the "general scale of values" would shift so that "liberty" and "individuality" yielded to rigid regimentation; "democracy would be replaced by a quasi-religious conviction of the inferiority of the masses".[13]

But the alternative was not laissez-faire capitalism. State intervention in the market was necessary, Polanyi believed, but must be implemented in a manner that recognized the force of the marginalist critique of the labour theory of value.[14] In the debate with von Mises over calculation in command economies Polanyi rejected the view that any centralization of economic planning precluded the use of markets to set costs. Polanyi advocated an interaction of state and industry in setting prices and wages along the lines sketched by G. D. H. Cole in *Self-Government in Industry* (1917) and *Guild Socialism Restated* (1920).[15] There was nothing inevitable, he held, about the institutional forms around which economic life was organized; these were the objects of deliberate design. The optimal design fell somewhere between wholesale collectivization through state authority and the unfettered arrogation of economic power by private firms. A functional approach coordinating between state and industry was needed to successfully reintegrate the self-regulated market economy of the nineteenth century into modern society.

Polanyi came to England in January 1934, believing that his position at the *Volkswirt* would be rendered untenable by the onset of Catholic reaction in Austria and the increasing influence of National Socialism from Germany. Polanyi thought of himself initially as an emigré, rather than an exile, and his decision

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13 Polanyi, "Memorandum", 9, citing an unnamed article written by Polanyi for Oscar Jaszi's journal *Huszadik Szadad* (Twentieth Century) in 1909.

14 Nye, *Michael Polanyi*, 149–51.

15 Ibid., 148; Polanyi, "Memorandum", 10.

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to move to England illustrates a close and hitherto largely unnoticed degree of correspondence between English socialists and their Continental counterparts. The move was made possible by Polanyi's friendship with Irene and Donald Grant, who offered him their spare room in north-west London. The Grants were part of a circle, including the moral philosopher John Macmurray and his wife Betty, whose members travelled regularly to Vienna during the early 1930s and worked hard to inform "British public opinion on the Austrian situation", bringing Polanyi to Chatham House to deliver a lecture on the subject in 1933.[16] If the Grants' generosity made the move possible, it was made feasible by Polanyi's hopes that his acquaintance with well-placed socialists—primarily G. D. H. Cole and Evan Durbin—would enable him to secure a teaching position.[17]

The want of his brother's wholehearted support hampered Karl's efforts to establish himself in his new home. Michael seems to have harboured an unspoken resentment towards Karl's efforts as the eldest brother to fill the void left by their father's untimely death from pneumonia in 1905; he was initially discouraging of Karl's plan to emigrate, and aloof once Karl arrived.[18] Having left his wife and young daughter in Vienna, Karl was left isolated by Michael's aloofness; "apocalyptic loneliness" was their mother's description of Karl's predicament.[19] None of this can have improved the prospects of a man who was temperamentally unprepossessing and prone to bouts of depression. Though he met with many of the key figures in English economic journalism and scholarship after his permanent arrival in 1934, Polanyi did not find a voice in contemporary economic debates.[20] It soon became clear that guild socialism was largely a spent force, in England as on the Continent, tarnished by association with fascist corporatism in Italy and Germany.[21] And Polanyi did not engage with newer theories of state economic intervention, shying away from publicly challenging a new Keynesian

[16] Karl Polanyi to Irene Grant, 13 Oct. 1933; Karl Polanyi to Irene Grant, Donald Grant, John Macmurray and Betty Macmurray, (Christmas 1933); Karl Polanyi to Michael Polanyi, 11 April 1933; Karl Polanyi to Michael Polanyi, 16 Feb. 1934, Michael Polanyi Papers, Special Collections Research Center, University of Chicago, 17/4; Karl Polanyi to Michael Polanyi, 7 March 1934; Michael Polanyi Papers, 17/5.

[17] Karl Polanyi to Michael Polanyi, 9 Dec. 1933, Michael Polanyi Papers, 17/4.

[18] Ibid.; Karl Polanyi to Michael Polanyi, 21 Jan. 1957, Michael Polanyi Papers, 17/11; Moleski and Scott, *Michael Polanyi*, 15.

[19] Ibid.

[20] Moleski and Scott, *Michael Polanyi*, 153, recording that Polanyi met J. M. Keynes, H. Laski, R. H. Tawney and G. D. H. Cole.

[21] See e.g. G. D. H. Cole, "Guild Socialism", *New Britain*, 4 July 1934, 184: "As far as Great Britain is concerned, the Guild Socialist movement as a movement has passed into history." See also Müller, *Contesting Democracy*, 52–5.

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consensus from which he demurred.[22] His only standing engagements would come from his teaching with the extramural delegacies at Oxford and London, though not until 1936, and his main source of income in 1934 and 1935 was a series of gruelling lecture tours through the American Midwest.[23]

But Polanyi caught a break soon after his arrival in England in January 1934. His friend John Macmurray had recently joined with biochemist and historian of science Joseph Needham and theologian Charles Raven in an effort to produce a volume of essays exploring the relationship between Christianity and communism. Soon after Polanyi's arrival, the volume's prospective editor was incapacitated, and Macmurray nominated Polanyi to replace him, citing his editorial experience at the *Volkswirt* and volunteering Irene Grant's assistance to help bring the "foreigner" up to speed.[24] Polanyi gratefully accepted the job, steering his attention away from economic theory and towards social and political theory—a field in which, despite his focus on economics in Vienna, Polanyi was no novice. In mid-February of 1934 he gave a lecture on the totalitarian social theory of Othmar Spann, and his critique of Spann became the basis of Polanyi's own contribution—an essay on "The Essence of Fascism"—to the eventual volume, published in 1935 as *Christianity and the Social Revolution*.[25]

III

Polanyi held that the past fifteen years of Continental politics had been defined by the crisis precipitated by the incompatibility—save in the exceptional conditions of extreme prosperity that had prevailed for most of the nineteenth century—of "political democracy" and "liberal competitive economics", and by the struggle between two rival solutions to this crisis.[26] These two solutions were, on the one hand, "the fascist attempt at abolishing political democracy and at integrating society on the basis of the existing economic system"; and, on

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22 Karl Polanyi to Michael Polanyi, 22 Aug. 1941, Michael Polanyi Papers, Box 17, Folder 19, offering his "apologies" to his brother for earlier criticism of Michael's having followed Keynes: "The Keynesian school has proved exceedingly fruitful. Within the last 10 years practically 2/3rds of economic theory have been superceeded [*sic*] by highly effective new procedures and constructions".

23 Moleski and Scott, *Michael Polanyi*, 154.

24 John Macmurray to Joseph Needham, 23 Jan. 1934, Joseph Needham Papers, Cambridge University Library, F.177.

25 The only surviving record of the lecture on Spann is Karl's letter to Michael reporting its success: Karl Polanyi to Michael Polanyi, 14 Feb. 1934, Michael Polanyi Papers, 17/5.

26 Karl Polanyi, "Conflicting Philosophies in Europe" (1937/8), Concordia, 16/10, 4; see also Karl Polanyi, "Syllabus of a Course of Six Lectures on Conflicting Philosophies in Modern Society" (1937), Concordia, 15/2; Polanyi, "Essence of Fascism", 391–2.

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the other, the attempt by "the forces of democracy . . . to maintain themselves by extending the power and influence of the democratic state to the whole of society, including the economic system".[27] Democracy on the Continent was represented by the working-class movements, and Polanyi had lost faith in the capacity of these movements to deal with the crisis.[28] Even if they could defeat the fascists, their "specific philosophy" of collectivist bureaucracy was a recipe for disaster.[29] Vienna's socialist experiment had been different; a functionalist division of power between state and industry would have avoided the crude collectivism of conventional socialism. But the Viennese experiment had been thwarted by reactionary Catholicism, and looked vulnerable to obliteration by the advent of a Nazi regime, furthering Polanyi's disillusionment.[30] The prospects of Continental democracy were bleak. But *British* democracy might hold considerable hope yet. Polanyi believed that British democracy was "an essentially different system with origins of its own".[31] On this basis he arrived at a very different, and much more sanguine, assessment of its prospects.

Polanyi's key point of reference in drawing the distinction between Continental and British democratic theories was R. H. Tawney's 1931 book *Equality*, a copy of which had reached Polanyi in Vienna in June 1932.[32] Continental democracy had privileged the principle of equality over that of liberty, and in this sense had conceived of democracy as an end rather than as a means of government. The upshot of this egalitarianism was an intolerance of fetters on majoritarian rule. British democracy, by contrast, was built upon libertarian foundations. On this model democratic processes were designed to ensure that while "things get done", "they get done with the least possible interference with the liberty of individuals and groups of individuals."[33] Britain's constitutional understatement of the principle of equality was part of the reason why the Industrial Revolution had been so brutal in England. It had made the working class docile, and primed the nation to embrace laissez-faire without reservation. Paradoxically, however, this libertarianism now left Britain in a better position to hold off fascism. The lack of a strong working-class political tradition left British socialism free of the

[27] Polanyi, "Conflicting Philosophies in Europe", 4; Polanyi, "Essence of Fascism", 392

[28] Polanyi, "Essence of Fascism", 367; Polanyi, "Conflicting Philosophies in Europe", 4.

[29] Polanyi, "Memorandum", 9.

[30] In March 1934 Polanyi retained *some* faith in democracy in Austria, deeming Engelbert Dollfuss's government temporary and prospects of a Nazi takeover uncertain: Karl Polanyi to Michael Polanyi, 14 Feb. 1934.

[31] Polanyi, "Syllabus", 3.

[32] R. H. Tawney, *Equality* (London, 1931). Polanyi's copy is inscribed "To Karli. From Glad and P. I. P[ainter]. June 1932", Concordia; see also Polanyi, "Syllabus", 4.

[33] Polanyi, "Conflicting Philosophies in Europe", 1.

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perversions of Continental socialism.[34] Because it had developed no philosophy, the British working class could learn from the Continent's failures and thus better equip itself to defeat fascism.

But if the prospects of success in the contest with fascism were brighter in England than they had been on the Continent, the English situation had its own peculiar difficulties. In Britain, as in the United States, the contest between fascism and socialism appeared less as a choice "at the critical juncture" between "clear cut alternatives", as it had on the Continent, and more as the contest between "two opposing tendencies at work within a given society": "According to the prevalence of the one or the other of the two tendencies, society as a whole can be said to be moving in the socialist or the fascist direction."[35] This ambivalence in the libertarian democracies necessitated the formulation of a definite criterion against which to check any development that might compound the wrong tendency. Polanyi found this criterion in a definition of "the philosophic roots of democracy":

> Democratic institutions are the outcome of a definite interpretation of the meaning of human life in community. As long as that interpretation holds good, democracy exists. Its institutions may be thrown out of gear, they may even be forcefully suppressed, but, basically, they are not destroyed, they are only in abeyance and will reappear as soon as the pressure is removed. Thus no permanent establishment of a fascist regime is possible without the previous destruction of the philosophic roots of democracy.[36]

Unearthing these "philosophic roots" would afford the libertarian democracies a means of checking any instinct to follow the fascist tendency "at work" within their societies.

Polanyi found these roots "in that conception of human personality which derives its validity from the New Testament".[37] This was not the straightforward affirmation of commitment to a Christian conception of the human person it may seem. In invoking Christianity, Polanyi was seeking to distinguish the mode of individualism which he thought constitutive of democracy and of socialism rightly conceived from the mode of individualism which Othmar Spann had cynically ascribed to democracy and socialism alike in formulating his totalitarian social theory.[38] Spann had asserted that the prevailing mode of individualism

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34 Ibid., 2.

35 Ibid., 5.

36 Ibid.

37 Ibid.

38 Polanyi renders Spann the partisan of "Universalism" as against "Individualism". But in a footnote he notes that these are generic terms, and that "the specific term given by Spann to his philosophy is 'Totalitarianism' (*Ganzheitslehre*)": Polanyi, "Essence of Fascism", 364 n1.

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regarded individual and society separately, thus generating concepts of each that were "fictitious and self-contradictory".[39] Such individualism, wrote Polanyi, paraphrasing Spann,

> must conceive of human beings as self-contained entities spiritually "on their own", as it were. But such an individuality cannot be real. Its spiritual autarchy is imaginary. Its very existence is no more than a fiction. The same would hold good of a society that is made up of individuals of this kind. It might or might not exist—according to whether the individual decided to "form it" or not . . . A society thus conceived must lack essential reality.[40]

Polanyi did not dispute Spann's reasoning. "Nobody can deny the strength of these arguments. Indeed, they are conclusive".[41] But he subverted Spann's argument by demonstrating that the particular mode of individualism to which they applied was quite other than that which democracy and socialism actually embodied. Spann's critique addressed an "atheist Individualism", which Polanyi explained with reference to the character Kiriloff in Dostoevsky's *The Possessed*. The mode of individualism which in truth underwrote democracy and socialism, by contrast, was a "Christian Individualism" arising out of "precisely the opposed relation to the Absolute". "Spann's criticism of Individualism," Polanyi continued,

> is but a belated attack on Nietzsche, with whose position Dostoevsky had dealt half a century earlier. Historically, both Nietzsche and Dostoevsky had been anticipated by the lonely genius of Soren Kierkegaard, who, in a unique dialectic effort, had a generation before them created and wiped out again the Autonomous Individual.[42]

The Christian Individualism upon which democracy and socialism were based was "entirely different" from this mode "against which [Spann's] actual arguments [were] directed". Because it rested on "the doctrine of the Brotherhood of Man", Christian Individualism emphatically repudiated the notion that "the idea of Man" and "the idea of Society" could be "dealt with separately". In the Christian conception,

> The discovery of the individual *is* the discovery of mankind. The discovery of the individual soul *is* the discovery of society. Each is implied in the other. The discovery of the person *is* the discovery that society is the relationship of persons.[43]

When he referred to "that conception of human personality which derives its validity from the New Testament", then, Polanyi was installing as the mutual

39 Ibid., 368.
40 Ibid.
41 Ibid.
42 Ibid., 369.
43 Ibid., 370, original emphases.

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premise of socialist and Christian individualism the precept that individual personality could never be divorced from the social circumstances in which it took shape. It was only under the stimulus of Spann's formulation of totalitarianism that Polanyi came to recognize this commonality.

Spann's argument—which Polanyi deemed "a failure" in its own terms—had served for Polanyi to reveal "with exceptional clarity" the "true nature of the problem" broached by the advent of fascism. If the primary objective of fascism was to eliminate "the individual as the unit of society", as Polanyi put it for his students in 1937, the principal task of anti-fascism was to clarify "that meaning of individualism which Socialism and Christianity have in common."[44] By mistakenly associating democratic individualism with the atheistic concept of the "Autonomous Individual", Spann had incidentally made clear to Polanyi precisely what it was that validated the socialist and Christian concepts of individualism, which was their repudiation of the premise that individual and society were separable ideas. The individualism common to socialism and Christianity consisted of an ontological conception of the self which necessarily implied an ontological conception of society. "Like the different properties of a geometrical figure", the several premises of such an ontology "are really one".[45] But as the discussion in the next section will make clear, two different ontologies were capable of evading Spann's charge and underpinning socialism and democracy in the manner Polanyi envisaged. It would soon emerge that between these two ontologies Polanyi and his English contemporaries did not make the same choice, and this divergence goes a long way towards explaining Polanyi's marginality in English intellectual life in the fourteen years of his London domicile.

But regardless of these divisions over the specifics of the necessary response, the fact that Polanyi and his socialist contemporaries in England had begun to respond to the reactionary charge that socialism was "the enemy of the idea of human personality" carries considerable significance for current thinking about the role of interwar European personalist thought in setting the terms for postwar totalitarian theory.[46] This early engagement with ideas which would later gain much wider circulation under the rubric of "socialist humanism" among the Anglo-American New Left demonstrates that Catholic thinkers—pre-eminently Jacques Maritain and Emmanuel Mounier—did not have a monopoly over anti-totalitarian conceptualizations of human personality during the interwar years. It was not only Continental Catholics, determined to maintain their enmity towards Bolshevism while still distinguishing themselves from National Socialism, who sought to establish a Christian ontology of the human person as a bulwark

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44 Polanyi, "Syllabus", 8; Polanyi, "Essence of Fascism", 368.

45 Polanyi, "Essence of Fascism", 370.

46 Ibid., 365.

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against "totalitarianism". A socialist movement similarly invested in privileging a religious conception of human personality was working concurrently towards the same end.[47] Though he remained apologetic for the "dictatorial" method of Soviet Russia, Polanyi's disillusionment with Continental socialism—and particularly its philosophy of bureaucratic collectivism and to a lesser extent its anti-clericalism—clearly allowed the expansion of the socialist critique of fascist totalitarianism to encompass cognate developments in Russia.[48] If the origins of postwar totalitarianism theory and human rights theory are to be traced to the interwar valorization of Christian conceptions of the person, the influence of the sort of socialist personalism contemplated in Polanyi's essay warrants closer consideration alongside those of the Catholic personalists to whom historiographical attention has thus far been largely confined, if only because it tends to qualify the prevailing view that interwar personalism was "typically reactionary and always illiberal".[49]

IV

"The Essence of Fascism" was Polanyi's first significant publication in England, and brought him to the attention of the major figures on the British left. He would later write to an acquaintance that his essay "caused quite a stir", and though this was perhaps to overstate its impact, the volume (including essays by Joseph Needham, Reinhold Niebuhr, W. H. Auden and John Cornford) sold some twelve thousand copies, aided by favourable review from Tawney in the *New Statesman and Nation* which singled Polanyi's essay out for particular commendation.[50] In Polanyi's immediate circles the essay established him as the leader (with John Macmurray) of a small group within the ranks of the adult Auxiliary of the

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[47] Whether Maritain constituted "the extreme right of [their] own position" or a "definitely irreconcilable" viewpoint was a matter of some consternation for the editors of *Christianity and the Social Revolution.* Karl Polanyi to Joseph Needham, 19 May 1934; Karl Polanyi to Joseph Needham, 5 Oct. 1934, Needham Papers, F.177, F. 178.

[48] Indeed, Polanyi has since been read in precisely this manner: Ira Katznelson, *Desolation and Enlightenment: Political Knowledge after Total War, Totalitarianism and the Holocaust* (New York, 2003).

[49] Samuel Moyn, "Personalism, Community, and the Origins of Human Rights", in Stanley-Ludwig Hoffmann, ed., *Human Rights in the Twentieth Century* (Cambridge, 2011), 85–106, 88; James Chappel, "The Catholic Origins of Totalitarianism Theory in Interwar Europe", *MIH* 8 (2011), 561–90.

[50] Polanyi to "Gordon", 7 May 1943, Concordia, 47/3; Tawney, "Christianity and the Social Revolution". The relevant entry in Gollancz's ledger records that 11,880 copies of *Christianity and the Social Revolution* were printed, comprising 7,244 of the standard edition and 4,636 of a cheaper edition produced for the Left Book Club. Victor Gollancz Ltd Papers, Modern Records Centre, University of Warwick, MSS.318/2/1/10.

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Student Christian Movement, an ecumenical missionary organization of major significance in Anglican social thought.[51] The initial *raison d'être* of this small group—which began to meet in January 1936, and would eventually call itself the Christian Left group—was that contemporary Christian Socialists "were vague as to the nature of Socialism", and that the formation of a small group to foment keener understanding would help socialism to prevail against fascism.[52] Polanyi's group was determined to find a firm institutional foothold, and sought initially to achieve this by winning the extant membership of the Auxiliary over to its way of thinking. In January 1936 the group wrote to Tawney (a key member of the Auxiliary) seeking his advice, and inviting him to join them at a meeting in early February.[53] It became clear at the meeting that although he supported the formation of a "Socialist Christian group" along the lines mooted by Polanyi's circle, Tawney insisted that this should be a distinct concern from the Auxiliary and the wider Movement. "He did not think the Auxiliary should itself become the Socialist Christian Group."[54] Polanyi's circle was reluctant to accept Tawney's advice, but the wider membership of the Auxiliary evidently shared Tawney's view.[55]

This split between Polanyi's group and the wider Student Christian Movement was the first clear indication that Polanyi's understanding of socialism—and in particular the ontology of the self and its social situation which Polanyi thought foundational to socialism—was not shared by the majority of his socialist contemporaries. As Tawney's response to Polanyi's 1935 essay indicated, most English socialists agreed with notion that individualism was the crucial bulwark against fascism.[56] But on more specific ontological questions about the nature of the human person and about the whether modern society was an inimical or a constructive force in realizing individual personality, a marked discrepancy

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[51] See Roger Lloyd, *The Church of England 1900–1965* (London, 1966), 171–7, 196–200, 296–9.

[52] "A Talk with Tawney".

[53] Irene Grant to R. H. Tawney, 19 Jan. 1936, Concordia, 21/27.

[54] "Notes on a Talk with Dr. Tawney", 12 February 1936, Karl Polanyi Papers, 21/21, 1.

[55] In November 1936 members of Polanyi's group presented a series of resolutions to the Movement's AGM, seeking constitutional recognition of their "Christian Left group" in order "to assure it of reasonable support for its activities within the 'Aux' and outside", and also seeking "initiate" such constitutional revision as would be needed in order for them to "be able to stay and work, as a group, within the Movement". Though the resolutions were passed, it soon became clear that the revisions demanded by the group did not command wider support. In response, eight of the Christian Left group's members resigned from their posts on the SCM's General and Executive Committees, and wrote to the wider Auxiliary to justify their decision and to refute suggestions that their initiative at the general meeting had amounted to a putsch. See David Beggs *et al.* to Auxiliary Members, 14 Nov. 1936, Concordia, 21/27.

[56] Tawney, "Christianity and the Social Revolution".

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between the sort of answers Polanyi gave and those upon which English socialists had settled quickly emerged. To appreciate the precise dimensions of this discrepancy it will be necessary briefly to consider the way in which English socialists had come to conceive of the self and its social relations in the early interwar years.

The first to put the social situation of the individual on the agenda for English socialists had been G. D. H. Cole and the guild socialists.[57] Cole had initially joined J. N. Figgis, himself building on the work of F. W. Maitland, in pushing back against the newly overbearing state's propensity to flatten the texture of associational life in Britain in exercise of broad supervisory powers.[58] But, where Figgis and the pluralists tacitly embraced the Hegelian conception of the individual as subordinate to the social whole normalized in Britain by T. H. Green, Cole and the guild socialists—alarmed at the manifestation in wartime jingoism of the dangerous social pathologies catalogued in Graham Wallas and Wilfred Trotter's work on crowd psychology—were soon advocating the organization of associational life around the concept of a "best self".[59] Tawney, who described himself as an "unorthodox guildsman", grounded his individualism less in the civilian phenomena of wartime mobilization than in his experiences at the front in France, which gave him a more visceral sense of the ways in which absorption in a crowd perverted common sense.[60] In a rare reflection on this experience, Tawney wrote to Evan Durbin explaining his own understanding of that appetite for war which Durbin found latent in the English people. This aggression Durbin registered, according to Tawney, was a product of

> the satisfaction which arises from identification with a group, especially when group consciousness is heightened by unfamiliar or hostile surroundings and uncommon strains. Men vary in this respect a good deal, I think. To some, no doubt, being merged and lost in a group is painful. But I think that to many men it is exhilarating. It is a quite irrational feeling, which ordinary life offers few opportunities of gratifying. In primitive societies it may well have been a condition of survival. In the manner of life imposed by war it comes once more into its own. When fools talk of having "enjoyed" the war, I believe it is often

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57 Stears, *Progressives*, chap. 3.

58 Ibid, 94 ff.; Stears, "Guild Socialism".

59 G. D. H. Cole, *Social Theory* (London, 1920); Stears, *Progressives*, chap. 3. On T. H. Green's use of Hegel see Paul Harris and John Morrow, "Introduction", in T. H. Green, *Lectures on the Principle of Political Obligation and Other Writings* (Cambridge, 1986), 1–12, 5; Adam Ulam, *Philosophical Foundations of English* Socialism (Cambridge, 1951), 21; Anderson, "Components of the National Culture", 14–5.

60 Stears, "Guild Socialism", 292.

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> that emotional satisfaction of unquestioning & unquestioned solidarity which they are unconsciously recalling.[61]

The upshot of this apprehension over the forces of crowd psychology and the yearning for solidarity was a conception of the person which privileged the "infinite diversities" of individuals over their socialized uniformity, and held that that remnant of individual personality which "cannot be absorbed into anything else" was the element around which socialism should be organized.[62] Society, in this framework, figured as a necessary and largely beneficent condition of individual self-realization, but one which constantly threatened to consume individuality completely, to disastrous effect.

When Polanyi and Macmurray laid out their vision for the Christian Left group at the meeting in February 1936, Tawney sensed a discrepancy between his own conception of how the individual should figure in social and political movements and that which Polanyi and Macmurray seemed to be working with. It was on the strength of this reservation that Tawney withheld his support from the group's plan to coopt the Student Christian Movement's Auxiliary. Though he shared many of the group's complaints about the political "vague[ness]" of the Auxiliary and the wider Movement, and endorsed their understanding of the importance of political rigour in the face of the fascist threat, Tawney could not countenance the sort of evangelism the Christian Left group were proposing: "He did not believe in mass conversion or 'baptism by the hose' but that a convinced group should draw people in *as individuals*."[63] Socialist consciousness, fomented by and reflected in the formation of groups like the Christian Left group, may be an aide in the fight against fascism. But it was purely supplementary, and a legitimate instrument in politics only to the extent that its constituents were people who had formed their own prior "convictions" and sought out those of similar mind. "Mass conversion" was an apostasy of individual moral autonomy; collective working-class consciousness might ultimately issue from the "strong convictions" formed by individual socialists, but it could not be the means of instilling those convictions in individuals.[64]

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61 R. H. Tawney to Evan Durbin, 24 May 1938, Evan Durbin Papers, London School of Economics, 7/4.

62 Tawney, *Equality*, 238; G. D. H. Cole, *Labour in the Commonwealth* (London, 1919), 37; Stears, *Progressives*, 98–100.

63 "A Talk with Tawney", 1 (my emphasis).

64 Ibid.

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V

If the distinction between these two positions seemed elusive initially, over the next three years it would sharpen dramatically. The key factor in the clarification of Polanyi's heterodoxy was the discovery of the early works of Karl Marx. In 1937 and 1938 the Christian Left group conducted the first sustained readings of these early works in England, becoming thoroughly conversant with the Landshut and Mayer edition published in Leipzig in 1932.[65] In explaining the importance of this 1932 edition, Polanyi noted that it included works never before published (primarily the Economic and Philosophical Manuscripts of 1844), works published only in inaccessible periodicals and works previously published only in Russian. He also noted that the bulk of the writings collected in the 1932 edition were still not available in English.[66] The main yield of the Christian Left group's study of these early works was an edition of its bulletin, written by Polanyi and circulated on 1 January 1938.[67]

The chief import of the early works was to reveal that the "economist" Marx popularized by the Second International was a gross simplification of a much more complex thinker. The Christian Left group under Polanyi and Macmurray's guidance came to recognize in 1937 that Marx's early works contained profound insights into the relationship between the individual and society, focusing on a problematic of individual alienation from society under modern industrial conditions. They found that in his works of the 1840s Marx had "laid the general human basis for all his work", and that only "by understanding this fact is it possible to understand Marx".[68] Though the bulletin was circulated, there is little evidence of any significant notice being taken of the group's work.[69] English socialism quickly forgot this early engagement with the young Marx: when Charles Taylor brought a French edition of the Economic and

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[65] J. P. Mayer and S. Landshut, eds., *Der historische Materialismus: Die Frühschriften* (Leipzig, 1932).

[66] Karl Polanyi, "Bibliographical Note on the Early Works of Marx" (undated), Concordia, 20/11.

[67] Karl Polanyi, "Christian Left Group: Bulletin 2—Notes of a Week's Study on the Early Writings of Karl Marx" (1 Jan. 1938), Concordia, 20/12; though the bulletin was unsigned, Irene Grant confirmed that Polanyi was its author. Fred Block, "Karl Polanyi and the Writing of *The Great Transformation*", *Theory and Society* 32 (2003), 275–306 n. 12. Block regards *The Great Transformation* primarily as a work of economic theory, examining the genesis of some of the concepts ("fictitious commodities", the "embedded economy") which he takes Polanyi's book to have introduced into political economy.

[68] "Bulletin 2", 5.

[69] The only trace of a following in the Polanyi archive is a letter from Reinhold Niebuhr at Union Theological Seminary in March 1938, thanking Irene Grant for enclosing an article "on the Marxian theory of self-estrangement", and looking forward to "the translations you

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Philosophical Manuscripts back from Paris in 1957 it was regarded as a great novelty.[70] Subsequent historians too have wholly overlooked this early appearance in England of the founding documents of "Western Marxism".[71]

It was under the influence of the young Marx that the heterodoxy of which Tawney had caught some intimation in February 1936 took clearer shape. Early interwar English socialists' regard for the individual, as we have seen, was steeped in apprehensions about the propensity of the new mass society to swamp the critical faculties constituent of individual moral autonomy, and aimed to steel the "unabsorbed remnant" of individual personality against this intensifying centripetal power. The early Marx stopped much further short of crediting the individual with any autonomous power over his or her own fate. In Marx's account of the way in which individuals were compromised by modern life, which focused on the interposition of the market between the labourer and the product of his toil, the redress of the individual's plight lay wholly beyond the resources of the autonomous self. For Marx, society—which had played a role in the "self-estrangement" of the individual, albeit a different role to that in which Tawney cast it—was not a force against which the individual must be steeled. Society was rather the agency upon which the individual's redemption ultimately depended. In this respect the young Marx had gone "beyond Jesus":

> Jesus did not view society as a necessary framework within which human freedom and community were to be realised. The historical development of society in his time was not such that it was necessary to solve the problem of human freedom within and through the social organization of industrial society.[72]

Prior to the threat of fascist annihilation of the individual, in other words, was the fact of self-estrangement induced by the advent of modern industrial society. And in light of this fact the idea of society as a "relationship of persons" was recast from an inheritance which democracy had to preserve intact against fascism to an ideal which democracy had to realize in order to defeat fascism. Individualism did not need only to be maintained and reinforced, as the English socialists' stance implied. It needed rather to be achieved in its genuine form. And only *through* society was this possible.

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will send me on that topic". Reinhold Niebuhr to Irene Grant, 29 March 1938, Concordia, 56/15.

[70] See Lin Chun, *The British New Left* (Edinburgh, 1993), 34.

[71] Anderson, "Components of the National Culture", 10–11, 16–20; Anderson, *Arguments within English Marxism* (London, 1980), 145 ff. For followers of Anderson's lead in this respect see Dennis Dworkin, *Cultural Marxism in Postwar Britain* (Durham and London, 1997), 53, 134–6; Chun, *British New Left*, 114–15.

[72] "Bulletin 2", 13.

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The crucial overlay which Polanyi brought to bear in his readings of the early Marx was his close friend Georg Lukacs's 1923 book *History and Class Consciousness*.[73] "Engels misunderstood Marx", Polanyi wrote in preparatory notes for the Christian Left group's meeting in late December 1937; "Lukacs re-understood Marx".[74] If the young Marx showed Polanyi that the seeds of the resolution of self-estrangement lay dormant in society, Lukacs helped him to understand how these seeds would germinate. In particular, Lukacs offered an understanding of "the dialectic of theory and practice" that Polanyi found highly sympathetic. First, he helped to rid Polanyi of one particular variety of idealism, viz. the notion that "theory becomes a material factor if it takes hold of the mind of the masses". This, Polanyi concluded at Lukacs's behest, "is not dialectic; it is merely psychological causation".[75] Then—broaching a fiercely contested subject in contemporary historiography and social theory, of which contest Polanyi had begun on one side in his "positivist–determinist" Marxist youth and crossed over to the other in this "activist[–]idealis[t]" apostasy—Lukacs made clear that the "material" and the "ideal" factors in history were by no means mutually exclusive but in fact *interacted*:

> The essence of dialectic—what makes it a revolutionary theory—lies in the way in which theory is related to the action of the masses in a definite situation. Marx said that it is not enough for the Idea to press towards realization—reality itself must press towards the fulfillment of the Idea. Now, everything depends on the concrete situation in which reality is pressing towards fulfillment. If all other conditions are given, the act of consciousness is the final step, which, when supplied, brings about the event.[76]

In explaining the precise "nature" of this "decisive step", Polanyi stressed that a "process of history" towards "objectively given" ends would eventually reach a point where "a class of people" would be placed "objectively in the position to achieve this end", but only "once it is conscious of its position in society as

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[73] After studying together at Koloszvar before the First World War, Lukacs and Polanyi appear to have remained close until at least 1919—when Polanyi wrote to Lukacs from Vienna that he would follow him in joining Bela Kun's governing Communist Party—though records of their contact are sporadic thereafter; Polanyi was put in mind of Lukacs again in 1934, when he was discussed as a possible contributor to *Christianity and the Social Revolution*. Moleski and Scott, 41–2; Polanyi to Joseph Needham, 31 Oct. 1934, Concordia, 56/11. Precisely when Polanyi read *History and Class Consciousness* is unclear.

[74] Notes of Christian Left Group Meetings, Dec. 1937–Jan. 1938, Concordia, 7/3, 64.

[75] "Bulletin 2", 18.

[76] Ibid.; Polanyi, "Memorandum", underlining in original. On the contention between idealism and materialism in contemporary historiography and social theory see e.g. H. M. Robertson, *Aspects of the Rise of Economic Individualism: A Criticism of Max Weber and His School* (Cambridge, 1933); R. G. Collingwood, *Autobiography* (Oxford, 1939).

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a whole".[77] Class consciousness was the pivotal matter. It was only once certain individuals became conscious of their membership of a nascent group, namely the working class, that the transformation of society to transcend the problem of alienation could begin. "The recognition of its position by the working class is the step which will lead ultimately to the overthrow of capitalism".[78]

Where Tawney and the English socialists, then, could agree with Polanyi's assertion in his 1935 essay that defending "the Christian idea of society . . . as a relationship of persons" was the necessary response to fascism, it became clear across the next three years that Polanyi's understanding of this idea was different from that of his English contemporaries. English socialists thought of individual moral autonomy as an extant quality, and mass society—as manifest in wartime crowds and in the "unquestioning & unquestioned solidarity" of some of the soldiers with whom Tawney had fought in France—as an incipient threat to this quality, a threat which the advent of fascism compounded. Polanyi and the Christian Left group, by contrast, found the individual in modern society compromised by the diminished sense of self which the capitalist division of labour originally entailed. Fascism doubtless exploited this self-estrangement, but its cause was the *rise* of capitalism, not its mutation into fascism. In Tawney's view modern society was a coercive force which the individual must learn to resist. In Polanyi's view society was an ameliorative force through whose offices the individual could transcend his or her self-estrangement.

Behind these divergent configurations of the relationship between self and society were two different ontologies of human nature. For Polanyi, every individual was essentially alike. Commonalities were more significant than the idiosyncracies. Such idiosyncracies—"regional relationships", allegiances to "the intermediate organizations of social life", national identities, cultural affinities, religious beliefs—all would soon be "no longer of primary importance": this was the promise of the "transcendence" of man's self-estrangement, the restoration of man to himself in a purer, more capacious essence: "Man returns to his nature as "general man", i.e. a member of mankind."[79] Only by forgetting all the peculiarities of their unique individuality could individuals accede to the consciousness of the working class: "The proletariat cannot become conscious of itself as a class, without asserting *humanity* as the content of its consciousness."[80] For Tawney, by contrast, every individual was essentially unique. There could be no simplification of the "infinite diversity" of individual human beings. The concept of "humanity" was an empty vessel: the irreducible individuality of each

77 "Bulletin 2", 18.
78 Ibid., 17.
79 Ibid., 16.
80 Ibid., 17, original emphasis.

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human being foreclosed any attempt to isolate a "general man" by which to denominate the sort of collective consciousness Polanyi envisaged: "The idea of 'humanity'", Tawney wrote, "stultifies itself".[81]

VI

Polanyi's primary occupation in England was as lecturer for the extramural delegacies of Oxford and London. Emphasis on the importance of adult education as a means of cultural transformation was an element that English socialism had in common with Vienna's early interwar socialist experiment. Though he continually sought appointment to a university faculty, Polanyi found good reason to devote himself to adult education. After the Christian Left group failed to find a platform for its bid to foment working-class consciousness, Polanyi began to link his work in adult education more explicitly to the political and social theory the group had formulated.

Part of the explanation for the peculiar political stability of England throughout the eighteenth and nineteenth centuries, Polanyi wrote to a friend in a 1938 letter explaining his philosophy of adult education, lay in the differences between the respective mindsets of the ruling class on the one hand and the working class on the other.[82] In particular, Polanyi surmised, the British ruling class knew how to manipulate self-legitimating "constitutional fictions" in order to maintain the community "under their own leadership" in a manner which the working class had failed to grasp. Polanyi believed that England's "constitutional fictions" were grounded and justified historically—"History is written by the victorious party in order to accomplish what its victory has made it responsible for, i.e., the task of leading and ruling a country"—and with considerable creative licence: "The reference of ordinary history to 'facts' is certainly no less arbitrary and imaginative than that of the mythological pictures of the Zodiac to the configuration of the stars on the firmament."[83] By virtue of its upbringing and its education the ruling class understood all this: "every nook in his home" taught the "upper-class boy" the "technique" of "brushing aside" old fictions and "setting up new traditions"; public-school education supplemented this early home-schooling, teaching the boy to strike the necessary balance between "solipsis[tic]" disregard for and "fetishis[tic]" deference towards extant narratives.[84] By contrast the "working-class boy" had never been taught "the significance and value" of these fictions, and in thus "fail[ing] to realize the[ir] relative reference and social

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81 J. M. Winter, ed., *R. H. Tawney's Commonplace Book* (Cambridge, 1972), 67.

82 Polanyi to "Bassett", 6 July 1938, Concordia, 47/8

83 Ibid.

84 Ibid.

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function" fell "helpless victim to the traditional fetishes".[85] Adult education was a means of overcoming this crippling innocence. But the process was painfully slow—extramural delegacy administrators warned that Polanyi was asking too much of his students—and the imperative of success increasingly urgent.[86] How would a working class that had yet to appreciate the contingency of the ruling class's self-legitimating history manage to write its own?

If Polanyi's extramural delegacy courses were efforts to train the working class in this "technique" of historical self-legitimation, *The Great Transformation* was an exercise in teaching by example. The central axiom of Polanyi's argument in *The Great Transformation* was the famous "double movement", according to which the apotheosis of laissez-faire economic theory in the early nineteenth century had been countered immediately by the engagement of certain social safeguards against the ramifications of Ricardian economics. Every economy, Polanyi had long insisted, is embedded in a society. Any economic doctrine which asserts its independence of social context can only make good on this assertion by destroying the society from which it emerged. Classical economic theory pioneered by Adam Smith had made no such claim to self-regulation; the proof of this was its maintenance of a distinction between marketable inputs such as manufactured articles and non-marketable inputs such as land and labour. The latter remained rooted in a social context and could not be treated as commodities.[87] But early in the nineteenth century, British economists led by David Ricardo challenged this distinction, establishing the view that land and labour should be regarded no differently to any other marketable commodity, so that no heed need be paid to their non-economic or social significance. "Thus it came to pass", Polanyi wrote in *The Great Transformation*, "that economists presently relinquished Adam Smith's humanistic foundations, and incorporated those of [Joseph] Townsend."[88] The acceptance of this supposition threatened society with destruction. This eventuality was only avoided, Polanyi held, because in response to the apotheosis of laissez-faire "a political and industrial working class movement sprang into being", the pivotal element in a "self-protect[ive]" mechanism engaged by society to prevent its own destruction.[89] *The Great Transformation* credited a nascent working class with the decisive role in the social history of the nineteenth century in England, demonstrating that in its

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85 Ibid.

86 See letter to Polanyi from University of London Tutorial Classes Committee, 8 Oct. 1943, querying the "enormous scope covered" by Polanyi's syllabus and its "implied assumptions as to what people understand". Concordia, 47/13.

87 Polanyi, *The Great Transformation*, 115.

88 Ibid., 115.

89 Ibid., 83.

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hour of need it was the workers to whom society turned for protection from a rapacious ruling class. It forged precisely the sort of "constitutional fiction" that the working class needed to realize its transformative power, and to legitimate its claim to leadership.

Polanyi was by no means alone in encouraging historical interrogation of the presuppositions that legitimated the status quo in England during the interwar years.[90] But his approach was unusual in that it was presented less as a critique of the prevailing "fictions" than as an alternative account of the past which *both* discredited the ruling class's history *and* furnished the working class with a legitimating narrative of its own. Whereas most forensic inquiries into nineteenth-century social thought were critical, Polanyi's was also—indeed, perhaps primarily—constructive. This distinctive approach was a product of Polanyi's heterodox ontology: because individuals could only realize their power to shape society's "constitutional fictions" by becoming aware of their membership of a collective movement, writing critical history to clear space for the emergence of such a movement was not enough; what was needed was rather to formulate a historical narrative in which precisely such a movement was manifest. A set of "constitutional fictions" was needed to ground the assertion "we" which, for Polanyi, necessarily preceded the assertion "I".

Polanyi's problem was that *as history* his argument did not stand up to scrutiny. Compounding the marginalizing effect of his heterodox conception of self and society, Polanyi's effort to justify his conjecture of a "double movement" in nineteenth-century social history was adjudged a failure by the critics who—in terms of Polanyi's standing among contemporary socialists, and in terms of his professional prospects—mattered most. At Polanyi's suggestion, Harper & Brothers sent Tawney a partial manuscript in 1942. Tawney wrote back that he found the historical interpretation "amateurish" and recommended that no decision to publish be made until the manuscript was complete.[91] The sections missing from the manuscript Tawney read were even more contentious: Cole combed through them in 1943 and compiled a long list of matters in which he thought Polanyi's interpretation "just plain wrong".[92] Part of the problem was that Polanyi's thesis implied substantial revisions of contemporary interpretations of the rise of capitalism and the Industrial Revolution. In particular, Polanyi's

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90 See, e.g., R. H. Tawney, *Religion and the Rise of Capitalism* (London, 1926); A. N. Whitehead, *Science and the Modern World* (Cambridge, 1926); Herbert Butterfield, *The Whig Interpretation of History* (London, 1931); Collingwood, *Autobiography*.

91 Karl Polanyi to John A. Kouwenhoven, 12 Sept. 1942; John A. Kouwenhoven to Karl Polanyi, 11 Sept. 1942, Concordia, 47/12.

92 G. D. H. Cole to Karl Polanyi, 5 Nov. 1943, Concordia, 47/12; G. D. H. Cole, "Notes on The Great Transformation", Concordia, 19/6.

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assertion that capitalism did not reach its full stature until the Poor Law Amendment Act of 1834 contradicted the current view—accepted primarily on Tawney's authority—that the rise of capitalism was a seventeenth-century phenomenon.[93] In his insistence that the older social norms governing economic life which laissez-faire was said to have obliterated—the order which E. P. Thompson would later christen the "moral economy"—retained their currency throughout the seventeenth and eighteenth centuries, Polanyi was considered heretical.[94] As J. H. Hexter put it in the *American Historical Review*, Polanyi's book

> twist[ed] the history of the eighteenth century into an unrecognizable shape by contending that it was a period of "interventionism," and . . . pretend[ed] that archaic survivals of Tudor social legislation interposed real obstacles to the operation of free markets instead of being mere peripheral nuisances.[95]

The key point of friction was Polanyi's portrayal of Speenhamland, a regimen of prices and wages adopted by a number of Berkshire magistrates in 1795 and emulated in parts of the country thereafter. Polanyi characterized Speenhamland as the last holdout of the old moral economy, a "vain attempt" grounded in expiring humanitarian scruples to forestall the creation of a free market for labour and thus to prevent the ravages which the commodification of labour would cause. In Polanyi's account it was only with the abrogation of Speenhamland by the New Poor Law that the "logic of the market system proper" was finally loosed upon England, triggering the self-protecting mechanism of society personified by the newly assertive working class.[96] None of the historians Polanyi consulted about his work accepted his interpretation of Speenhamland. Their demurrals were twofold: first, they rejected his characterization of the measure; second, they insisted that his argument exaggerated its importance. Cole offered the most detailed criticism. He thought Polanyi's assertion that Speenhamland effectively precluded the formation of a competitive labour market before 1834 a "monstrous exaggeration", he found Polanyi's sense of the geographical coverage of Speenhamland "all out of drawing", he considered Polanyi's explanation of the

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93 See Miles Taylor, "The Beginnings of Modern British Social History?", *History Workshop Journal* 43 (1997), 155–76; Stefan Collini, "Cultural Critics and 'Modernity' in Interwar Britain", in E. H. Green and D. Tanner, eds., *The Strange Survival of Liberal England* (Cambridge, 2007), 247–74.

94 E. P. Thompson, "The Moral Economy of the English Crowd in the Eighteenth Century" (1976), in Thompson, *Customs in Common* (London, 1993), 185–258.

95 J. H. Hexter, "Review", *American Historical Review* 50 (1945), 501–4, 502.

96 Polanyi, *The Great Transformation*, 82.

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motives with which Speenhamland was implemented "just plain wrong".[97] Some correspondence between Polanyi and Cole ensued, and Polanyi undertook to modify his argument in deference to Cole's criticisms, but an exchange after the English edition of the book was published in 1945 found Cole reiterating his view that Polanyi "immensely over-stress[ed]" Speenhamland's importance.[98] Though the relevant chapters were missing from the manuscript which Tawney reviewed, Tawney had made his view of Speenhamland known and it was diametrically opposed to Polanyi's: what Polanyi saw as last-ditch humanitarianism Tawney described as a "hot fit" of "hateful policy".[99] It was largely owing to the Hammonds, Polanyi wrote, that Speenhamland had been "rediscovered" and rendered part "not of economic but of social history", but their characterization of the measure was identical to Tawney's.[100] And when Michael Polanyi brought the matter up with Lawrence Hammond on his brother's behalf in December 1943, Hammond's response—which was to the effect that he could remember little about the measure, his wife Barbara having done most of the work on it and that "30 years ago"—left Michael demanding to see Karl's manuscript, insisting that his argument evidently could "not be presented in synoptic form".[101]

But Polanyi's problem was more than simply one of interpretative disagreement. More fundamental epistemological misgivings showed through in contemporary historians' responses to Polanyi's work. Arthur Redford—another of the Manchester historians with whom Polanyi was in touch through his brother—asked Michael, "has your brother evidence that people had in mind these considerations"?[102] Like his 1938 letter on the "technique" of manipulating historical fictions, Polanyi's response was highly revealing:

I do not think that I have as yet enough evidence on all the points to satisfy even myself. That people should have had in mind these considerations in their modern form, I would

[97] Cole thought that Speenhamland was "essentially a wartime measure". Cole to Polanyi, 5 Nov. 1943.

[98] G. D. H. Cole to Karl Polanyi, 11 Feb. 1946, Concordia, 48/1.

[99] R. H. Tawney, *The Agrarian Problem in the Sixteenth Century* (London, 1912), 316; Polanyi to Tawney, 12 Sept. 1942, Concordia, 47/12. Polanyi had sought and obtained permission to send the Poor Law chapters to Tawney, but elected not to do so. Polanyi to Tawney, 12 Sept. 1942; Tawney to Polanyi, 16 Sept. 1942, Concordia, 47/12; Polanyi to Tawney (22 May 1944), Concordia, 54/6.

[100] Polanyi, *The Great Transformation*, 282; J. L. and B. Hammond, *The Village Labourer* (London, 1911), 137–49.

[101] Michael Polanyi to Karl Polanyi, 19 Oct. 1943; Michael Polanyi to Karl Polanyi, 17 Dec. 1943; Concordia, 57/5.

[102] Michael Polanyi to Karl Polanyi, 18 Oct. 1943, Concordia, 57/5.

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not expect. I would be surprised to find this. All that is relevant, to me, is whether their actual considerations were such as can reasonably be interpreted in the way I do.[103]

Whether or not Michael Polanyi pursued the matter with Redford is unknown. But this response underlines a fundamental difference between the method Polanyi applied in his historical inquiries and that prevailing among his socialist contemporaries. Polanyi was applying what criminal lawyers call an "objective test" in determining the motivations of historical actors, and the applicable standard was much more exacting. "What I learnt from Tawney," wrote Lawrence Stone in a 1989 memoir, "was that the documents for early modern history were preserved in sufficient quantity to make it possible to enter into the very minds of the actors."[104] Tawney insisted on doing as much—that is, on "enter[ing] into the very minds of the actors"—and, as Keith Thomas noted in 1960, "it was not often that the advice of this most influential historian went unheeded".[105] Polanyi's contemporaries demanded the intimacy of direct acquaintance with the mindsets of the historical actors in question; his more flexible approach fell foul of contemporary historiographical standards.[106] Without evidence that the Speenhamland magistrates had actually acted out of the humanitarian considerations Polanyi ascribed to them, his task in overturning the prevailing interpretation of that measure, and with it the supposition that the rise of capitalism was accomplished in the seventeenth century and occasioned an Industrial Revolution only 150 years later, was formidable.[107]

VII

This evidentiary discrepancy partially accounts for the resistance Polanyi's thesis met among contemporary social and economic historians. But the fact that Polanyi proceeded without regard to the standards prevailing among the English historians also helps to underline his outsider status. Polanyi haunted

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[103] Karl Polanyi to Michael Polanyi, 19 Oct. 1943.

[104] Lawrence Stone, "Lawrence Stone—as seen by himself", in A. L. Beier, David Cannadine and James M. Rosenheim, eds., *The First Modern Society* (Cambridge, 1989), 575–95, 579.

[105] Keith Thomas, "History and Anthropology", *Past and Present* 24 (1960), 3–24, 3.

[106] Polanyi may have been among the writers Tawney had in mind in lamenting the "historicism" of contemporary historiography in correspondence with Leo Strauss. See S. J. D. Green, "The Tawney–Strauss Connection: On Historicism and Values in the History of Political Ideas", *Journal of Modern History* 67 (1995), 255–77.

[107] The view that a long intermission separated the rise of capitalism from the onset of industrialism was still current in the mid-1950s, to the consternation of those invested in a materialist interpretation of history. See Eric Hobsbawm, "The General Crisis of the European Economy in the 17th Century", *Past and Present* 5 (1954), 33–53; Hobsbawm, "The Crisis of the 17th Century—II", *Past and Present* 6 (1954) 44–65.

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the borders separating history, sociology and anthropology during a period when skirmishing between the domains was common. When T. S. Ashton spoke of "sociologists" and the "sociological" in his inaugural lecture at the London School of Economics in February 1946, T. H. Marshall "caught a faint trace of that inflexion of the voice which implies that their use renders other derogatory epithets superfluous", and told the audience as much at his own inaugural lecture two weeks later.[108] The province of sociology, though still meagre by comparison with that of history, was expanding.[109] Anthropology, already relatively well established, was also growing.[110] Though many—foremost among them Tawney—insisted that historians should be actively seeking to assimilate methods and insights emerging from these nascent social sciences, the ambition was not as universal as Tawney would have liked.[111] Indeed, while Tawney encouraged historians to factor anthropological and sociological methods and insights into their work, he was less enthusiastic about the prospect of social scientists writing history. History, it seemed, could become sociological and anthropological, but the social sciences could not become historical.[112] Thanking Polanyi for sending him a copy of the book in August 1944, Tawney was less than fulsome in his praise of *The Great Transformation*, pointedly passing no comment on Polanyi's historical argument, noting only that he "read [Polanyi's] book with much interest" and commending the chapter on the international system as "striking" and "original".[113] His earlier description of the author's historical work as "amateurish" must have been ringing in Polanyi's ears. In response to Polanyi's canvassing of the prospect of an academic position, Tawney predicted "an increase in the number of posts concerned with the social sciences" but mentioned no prospects for Polanyi in history.[114] We have seen that Tawney and Polanyi differed

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108 T. H. Marshall, "Sociology at the Crossroads", in Marshall, *Sociology at the Crossroads and Other Essays* (London, 1963), 3–24, 4.

109 Marshall, "Sociology at the Crossroads"; Dorothy Ross, "Changing Contours of the Social Science Disciplines", in Dorothy Ross and Theodore Porter, eds., *Cambridge History of Science*, vol. 7, *The Modern Social Sciences* (Cambridge, 2003), 205–37; A. H. Halsey, "Provincials and Professionals: The British Post-war Sociologists", in Martin Bulmer, ed., *Essays on the History of British Sociological Research* (Cambridge, 1985), 151–64; Edward A. Shils, "On the eve: a prospect in retrospect", in ibid., 165–80; cf. Mike Savage, *Identities and Social Change in Britain since 1940* (Oxford, 2010), chaps. 4 and 5.

110 George Stocking, *After Tylor: British Social Anthropology 1888–1951* (London, 1996).

111 Keith Thomas noted that his call for engagement with anthropology and sociology was one instance in which Tawney's advice *did* go unheeded. Thomas, "History and Anthropology", 3.

112 Ashton's chief complaint against sociology was that it was "unhistorical". See Marshall, "Sociology at the Crossroads", 4.

113 R. H. Tawney to Karl Polanyi, 19 Aug. 1944, Concordia, 47/13.

114 Ibid.

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fundamentally in their conceptions of self and society. But this hardly explains Tawney's seeming reluctance to acknowledge Polanyi's credentials as a historian. Polanyi continued to present these credentials, but the tenor of responses was far from encouraging, even among avowed admirers. A glowing letter arrived from A. D. Lindsay, moral philosopher and master of Balliol, but the pleasure that Polanyi took from Lindsay's praise was tempered by unrest at the realization that Lindsay thought his work "Continental": "I agree that in method my work is Continental", Polanyi protested, "but not, I feel, in spirit". Conceding that he had been "trying to integrate some of the more recent results of various social sciences", Polanyi was determined to claim a place among the historians, describing *The Great Transformation* as "an attempt to return to the broad lines represented by W. Cunningham, A Toynbee & the Hammonds as opposed to J H Clapham & his school [*sic*]."[115]

Polanyi had finally to look to the United States, where the reception of his book had been more enthusiastic.[116] Though his primary supporter was the sociologist Robert MacIver, in the end Polanyi secured a post teaching economic history, at Columbia University, in 1947. Despite considerable interest in his work, American sociologists, like English historians, deemed Polanyi an interloper: whereas in England his sociological predilections frustrated his attempts to win the esteem of the socialist historians, American sociologists did not count him among their number because his "trade"—as one of his graduate students put it, in turning down an offer of co-authorship—was "the interpretation of specific sets of historical events" without regard to the intricacies of sociological methodology.[117] Like their English counterparts, American historians thought of Polanyi as an "outsider".[118] Economists were similarly unreceptive.[119] Polanyi was well placed—as the editor of *Commentary* magazine surmised in 1947—to contrast "trends in American social science with trends in England and in Europe as a whole", but the disregard for disciplinary demarcations that put Polanyi in this position cost him an acknowledged place in any of the sciences about which he could generalize.[120]

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115 Karl Polanyi to A. D. Lindsay, 15 July 1944, Concordia, 47/13.

116 See e.g. John Dewey, "The Crisis in Human History: The Danger of a Retreat into Individualism", *Commentary* 1 (1946), 1–9, 4–5.

117 Unsigned to Polanyi (undated), Karl Polanyi Papers, Columbia University, 4/17. Robert Merton and Talcott Parsons admired *The Great Transformation*. Robert Merton to Pendleton Herring, 14 Nov. 1958, Merton Papers, Box 58, Folder 7; Talcott Parsons to Neil Smelser, Jan. 1957, Talcott Parsons Papers, Harvard University, HUGFP 15.2/23.

118 Hexter, "Review", 503.

119 See Katznelson, *Desolation*, 51.

120 Robert Warshaw to Karl Polanyi, 30 Jan. 1947, Columbia, 48/2.

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VIII

Fifteen years after Polanyi left England for America, a young Yorkshire-based Marxist historian made his name with a book that ratified the very interpretation of Speenhamland—and with it the fundamentals of his wider narrative of the rise of capitalism and the onset of the Industrial Revolution—for which Polanyi had been ostracized. Whereas Polanyi's *The Great Transformation* sold barely 2,500 copies in its English edition and could not get its author a job, E. P. Thompson's *The Making of the English Working Class* performed a revolution in English social history and defined a research agenda for a generation of historians and social scientists.[121] Thompson nowhere cites Polanyi. But the identity of their arguments is unmistakable: like Polanyi, Thompson insisted that the old "moral economy" of the Middle Ages had lived on long past its presumed demise in the seventeenth century to await destruction by early nineteenth-century economic theory;[122] like Polanyi, Thompson made Speenhamland the last spasm of the old set of scruples and its abrogation the onset of modernity;[123] like Polanyi, Thompson saw the genesis of a new working-class consciousness as the key development, adopting an identical chronology which synchronized the collapse of the old "moral economy" with the inauguration of the social force which would replace it.[124]

Without access to Thompson's papers, it is impossible to know whether *The Great Transformation* was a direct influence on *The Making of the English Working Class*. But whether or not Polanyi helped to shape Thompson's thinking, the fact remains that a thesis uniformly dismissed by English socialist historians in the mid-1940s became the centrepiece of English socialist history (and arguably of English social history generally) less than two decades later. Moreover, at least part of what brought the New Left around to Polanyi's historiographical standpoint was their repudiation of their socialist elders' ontology of self and society in favour of something very much like Polanyi's position.[125] All of which suggests

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121 Gollancz Papers, MSS.318/2/1/15.

122 Polanyi, *The Great Transformation*, 82; E. P. Thompson, *The Making of the English Working Class* (London, 1980), 594. The departure from Tawney's position is more explicit in Thompson, "Moral Economy", 253.

123 Polanyi, *The Great Transformation*, 82–84; Thompson, *The Making of the English Working Class*, 73. Thompson cites no authority for his characterization of Speenhamland as part of a "last desperate effort . . . to reimpose the older moral economy as against the economy of the free market". As the foregoing discussion makes clear, the authorities (with the sole exception of Polanyi) were arrayed against this interpretation.

124 Polanyi, *The Great Transformation*, 149; Thompson, *The Making of the English Working Class*, 82, 782.

125 For the New Left's conception of self and society see E. P. Thompson, "Socialist Humanism", *New Reasoner* 1 (1957), 105–40; Thompson, "Agency and Choice", *New Reasoner* 5 (1958),

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that following Polanyi's path from "obscurity" to notoriety after 1947 would tell us much more about mid-century intellectual life than just how an unprepossessing emigré eventually found a following.[126]

89–106; MacIntyre, "Moral Wilderness". For a sense of their antagonism towards the rival ontology see Thompson's essays in E. P. Thompson, ed., *Out of Apathy* (London, 1960), and in particular the attack on W. H. Auden.

126 On the eventual reception of *The Great Transformation* see Nye, *Michael Polanyi*, 173–4; Charles P. Kindleberger, "*The Great Transformation* by Karl Polanyi", *Daedelus* 103 (1974), 45; Katznelson, *Desolation*, 60; Fred Block and Margaret Somers, "In the Shadow of Speenhamland: Social Policy and the Old Poor Law", *Politics and Society* 31 (2003), 283–323.

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