

INTELLECTUALS FROM THE late Hapsburg world have provided the concepts that dominate our thought. Gareth Dale's extremely high-powered analysis of the ideas of Karl Polanyi is accordingly very welcome, not least given the surprising and unjustified neglect in the critical literature of this seminal thinker. It is important to note two sides of Dale's work. On the one hand, there is the purely biographical work. "Karl Polanyi in Budapest: On his Political and Intellectual Formation" appeared in this journal in 2009, and we are promised, and likely I think to get, a full scale biography from the University of Michigan – based on all his extant papers, held in Montreal, and on extensive interviews with his daughter. On the other hand, the book under review offers a detailed account of Polanyi's ideas, as well as an attempt to stress their relevance for the neo-liberalism held to have been hegemonic in recent years. Dale seeks in the last section to suggest that Polanyi has been made relevant by the crises that have affected the world economy since 2008; he could have added that the creation of markets in the postcommunist world had already gained him many new adherents.

I recommend reading the excellent biographical article before the book because it helps in understanding the meaning of Polanyi's enterprise. He was part of a high bourgeois intelligentsia of Jewish background – whose numbers included Lukács, Mannheim, Hauser, Jászi and Bálazs – which was subtly ill at ease in the Hungarian half of the empire. They wanted to "get in" but were not fully accepted, themselves aware that their dominance of the professions would make them something of a target were the franchise to be extended. Many were firm Hungarian patriots, but often with a view in mind of creating a more universal state, based on ideas rather than on ethnicity; all sought belonging somewhere, whether in the avant-garde or in communism. Polanyi's own early commitments were to a rather abstract liberal universalism, followed by a move towards Marxism, both during Bela Kun's republic in 1919 and in a first period of exile in interwar Vienna. This was followed by a second period of exile in England from 1933 where he taught in Worker's Educational Association classes – as famously

* About Gareth DALE, *Polanyi: The Limits of the Market* (Cambridge, Polity, 2010).

did R.H. Tawney many of whose views, not least those on the relation between Christianity and social justice, Polanyi shared. It was in these years that he drafted his masterpiece, *The Great Transformation*, as important an attempt at understanding the disaster of twentieth century Europe as the diagnoses produced at the same time by Hayek and Popper. Tantalizing hints are given in Dale's work about the influence of his mother, Russian in background, highly intelligent and seemingly close to populism. Certainly there is a touch of populism in his central concern with the protection of everyday social relations from external market pressure, a view very far removed from the fear of Popper that "the people" would be attracted to the tribalism of a closed society.

Nearly all of Dale's book concentrates on the development and assessment of Polanyi's ideas, paying great attention to his interlocutors. The level of scholarship is very high, detailed, meticulous, sober and fair, and written at all times with the greatest possible clarity. This is now *the* place to turn to if one wishes to understand his contribution. The first chapter is particularly useful in outlining his part in the "accounting debate" occasioned by the claim that a non-monetized, centrally planned socialist economy could function efficiently. Naturally this was hugely controversial given the intellectual prominence of marginalist economics in Vienna. Polanyi's position was complex, but in it lay the seeds of his future analysis of the economics profession and the role of markets in history. He certainly felt that the price mechanism failed to provide proper information as to social externalities, thereby encouraging an asocial ethic and diminishing personal responsibility. This latter point is very important: Polanyi was at all times concerned with matters ethical, regarded "economic man" as a monstrosity, and firmly believed that spiritual development was necessary in order to achieve fundamental change – the commitment, of course, which drew him close to Christianity.

The second chapter offers the best account available of Polanyi's intentions when writing *The Great Transformation*. Though one famous thesis in the book concerns the ways in which states make markets, the transformation he had in mind relates to his second thesis, the need for society to protect itself. The crux of his position is well-known, although Dale teases out its presuppositions with great skill: capitalism requires constant change, thereby so undermining social relations that reactions set in – most notably in the form of protectionism, thereby undermining free trade which, with the gold standard and the liberal state, had ensured peace in the long nineteenth century. Dale is especially good at criticizing Polanyi's account of Speenhamland, and makes one realize how abstract is his conception of "the market", lacking as it does much

analysis of power and property. But he is equally good at defending Polanyi against some of his later supporters. Polanyi did not somehow see fascism and bolshevism as two morally equivalent reactions of society against the market. Very much to the contrary, he loathed fascism, and retained hopes for a progressive socialist economy.

The next three chapters of the book are devoted to Polanyi's views on the nature of economics, on the relations between trade, markets and money in archaic societies, and on the notion that economic life is "embedded" in larger social relations – nearly all of which work was produced after he moved to Columbia University in New York in 1947. Dale explains very well the link between Polanyi's masterpiece and this later work: roughly, it was a continuation of the former, a subtle attack on the hegemony of marketist thinking. The analytical level is again extraordinary. One learns a great deal from the careful description of Polanyi's links to Weber, and picks up interesting comments about relations inside Columbia with Wittfogel and with Moses Finley, who began his career as his assistant. Dale has mastered a range of recent literatures, mostly archaeological, and offers a highly stimulating account of the state of play of Polanyi's concepts when applied to early state formations. The conclusions are judicious and mixed: there is certainly something to be said for the notion that the market does not exist at all times and that its impact goes well beyond mere fraud, but much needs to be added to Polanyi's account as to the moments when it gains autonomy.

The book ends a little uneasily when moving away from critical commentary to current politics, from a totally convincing and detailed discussion to one which is too short to carry real weight. Neo-liberalism, for example, seems to me less universal than Dale imagines, prominent in the Anglo-Saxon world but bereft of much influence in Scandinavia. But I do think that it makes sense to use the idea of a societal reaction to change as a device for understanding modern politics, although this applies to matters more national than class in character. There is now a great deal of evidence showing that the European Union increases in popularity with class position. To be a real European citizen requires a good deal of cultural and linguistic capital, easier to acquire of course when possessed of means. It seems as if nationalism in many countries in Europe is now changing its colours, with a nativist form supported by those lacking such capital and resentful of those who have it coming to the fore. But this comment too is merely suggestive. Much more space is needed to deal with the important question of the relevance of Polanyi's concepts in contemporary circumstances.

Thinkers who provide clear models can be exceptionally helpful, forcing others to think about what may be right or wrong in the theory on offer. Polanyi is one of the most striking of all such theorists. As it happens, I think that there is a systematic weakness to his thought, and one not picked up on by Dale, namely that it is – and this is a strange thing to say, given his concentration on states – slightly too economic. Peter Bang's very important recent book on the Roman economy (*The Roman Bazaar*, Cambridge University Press, 2008), for instance, demonstrates that market exchange in its very essence was political. Equally, modern scholarship does not see the turn to protectionism at the end of the nineteenth century in terms of a societal reaction against free trade, led perhaps by powerful established classes; a better explanation seems to lie in the fiscal needs of the state, faced with the military revolution of the time. Most importantly, the disaster of twentieth century Europe cannot be explained, at least in my view, without proper attention being paid to the intense geopolitical rivalry of the great world states in the first decade of the twentieth-century – a rivalry that has autonomy in the sense that it is not driven by the variables located by Polanyi.

Polanyi's career encourages one final very general reflection. A large proportion of the thinkers from the late Hapsburg world who have so influenced us suffered from the marginality imposed upon them by the circumstances of their time. Does that mean that marginality is an intellectual advantage, a standpoint from which one can better see the world than can the untroubled, at ease in the world? This is a subject that deserves debate. Polanyi wants to tell us that we need society, stressing the importance of community. That reflects his situation, and the view to which it led is put forward with brilliance. But does it represent those who have not been so marginalized? Might it be the case that they get by with less? I do not know, of course, but mention it only to show that the thinkers from this world make one think afresh every time one re-reads them.

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