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## **KARL POLANYI AND 'THE DOUBLE MOVEMENT'**

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### ***Introduction - Karl Polanyi's influence in Social Theory***

Karl Polanyi was born in Vienna in 1886 to the family of wealthy Hungarian Jews<sup>1</sup>. Later the family, except the father, converted to Calvinism. His life can be roughly divided into three periods. Up to the age of 47 he lived and influenced in Hungary and Austria. During this period he got his education, developed many of his main ideas and worked as a journalist in Vienna. In 1934 he flew to England where he worked as a teacher. The contrast between the poor conditions of the workers in the rich England and relatively good life-quality of those in poor Vienna gave a spark to his interest in the mechanisms of market society. In 1944 he published his only monograph *The Great Transformation* in the US where he moved permanently couple of years later. In the US he served as a professor of economic history up to his retirement and after that he led some research projects. He died in 1964.

As seen above, Polanyi's entering into the academic world occurred in relatively old age. This might be a reason why he did not publish but few articles along his only monograph. Majority of his publications are post mortem editions of his students<sup>2</sup>.

In spite of relatively few publications, Polanyi's influence especially on historical anthropology has been enormous. In the 1950's and 1960's Polanyi was known mainly as economic anthropologist as a founder of the substantivist school. The importance of Polanyi to the American

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<sup>1</sup> The biography of Karl Polanyi waits still its writer. The largest biographies on him are in J. Ron Stanfield's *The Economic Thought of Karl Polanyi* (1986) and in the anthology *The Life and Work of Karl Polanyi* (1990). Shorter versions are memoirs of his wife Ilona (Duczynska Polanyi 1977; 2000) and a short biography in the homepage of Karl Polanyi Institute (Karl Polanyi, 1886-1964, 2002). On Polanyi's years in England, Fred Block (2001) held an address in a Polanyi-conference in Mexico City and Kari Polanyi Levitt (2003) two years later in Manchester.

<sup>2</sup> In his lifetime, he edited two anthologies. In 1935 while being in England, he was a co-editor in a conference publication *Christianity and the Social Revolution* into which he wrote an article on fascism. With his students he published an anthology *Trade and Market in the Early Empires* in 1957. The other publications, *Primitive, Archaic and Modern Economies* (1968) and *The Livelihood of Man* (1977) are collections of his previously unpublished

social science of the time has been crystallised by Anthony J.H. Latham: “One might say that beneath the surface of an American social scientist of that generation, you will find a Polanyist, just as beneath the surface of a British social scientist of that period you will find a Marxist<sup>3</sup>.”

In the 1980’s Polanyi came to the discussion of historical sociology and economics when economical sociologist Mark Grannovetter paid attention to Polanyi’s concept of *embeddedness*<sup>4</sup>. A third wave of interest in Polanyi has been in the 1990’s and it has been linked to the utility of his theories to the study of globalisation. Especially Immanuel Wallerstein and his followers’ world system studies have both utilised and criticised Polanyi. In social politics, interest in Polanyi’s theories has been their role as an alternative to Marxism and Liberalism. He has also inspired, for example, welfare state scholar Gösta Esping-Andersen<sup>5</sup> with the concept of decommodification.<sup>6</sup>

During the 1990’s and 2000’s Polanyi’s theories have become into the focus especially because of the similarities of the *haute finance* of the 19th century, the US-led world system of the 1950’s and 1960’s<sup>7</sup> and the present globalisation process. As Juho Saari notes

[a]mong globalisation scholars, for example, Bill Jordan (1996), William Greider (1997), John Gray (1999), Hans-Peter Martin and Harald Schuman (1998), Guy Standing (1999), Eric Helleiner (2000), Marjorie Mendell (2001), Mark Blyth (2002), Ronaldo Munck (2003), Michael Burawoy (2003) as well as Beverly Silver and Giovanni Arrighi (2003) have, among many others, created a Polanyi analogy between 19<sup>th</sup> century and the break of the millennium.<sup>8</sup>

Thus, it can be said that scholars have widely noticed Polanyi’s theory in explaining the globalisation. I don’t need to address that. Along this, Polanyian theories have been utilised in studies of the ancient cultures, namely Egypt, Greece and Mesopotamia.

Polanyi saw, like many modern theorists, that modern time was something so special that its phenomena never existed before. He argued that, for example, ancient Mesopotamia was a marketless society. Today, among economic anthropologists and historical economists this thesis has been widely – if not rejected, at least seriously doubted. Especially Morris Silver has argued for

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papers that his students edited into books.

<sup>3</sup> Latham 1998.

<sup>4</sup> Grannovetter 1985.

<sup>5</sup> Esping-Andersen 1990.

<sup>6</sup> On the fields and waves of Polanyi-research, see Saari 2004, 38-45,

<sup>7</sup> Silver & Arrighi 2003.

<sup>8</sup> Saari 2004, 25.

the existence of markets in ancient societies<sup>9</sup>. If these Polanyi's critics are right, then both *Haute Finance* of which Polanyi wrote and present day globalism are just stages in an age-long process.

My problem in this paper is how to apply Polanyi's theories even if his thesis of distinction between archaic and modern societies proves to be wrong. I first review Polanyi's basic theses and then look how his theories could be applied in 5,000 year time-span.

## ***Karl Polanyi's Double Movement***

### **Polanyi's Understanding of Economy**

Polanyi's *The Great Transformation* aimed to explain the rise of the market economy in the 19<sup>th</sup> century, its dynamics and its fall in the 1930's. As such, it is an analysis of a certain epoch of history and the role of Britain in it.

Theories that Polanyi presents in his works arise from deep disgust against that market society that Polanyi faced in England's industrial districts and in the oral tradition of British labourers. Polanyi's view is so clear that F. Michael Kurz asks "if *The Great Transformation* is a book meant to polemicize for a certain cause, advance a new academic theory, or both to some degree<sup>10</sup>?" Probably both – and in that case one must pick from his works those theoretical 'pearls' that have real value –in spite of whether Polanyi is exaggerating or not or if the data he presents is valid or not<sup>11</sup>.

Theoretically, Polanyi has roughly three themes with which he frames the world. The first is the one how he defined the *economy*<sup>12</sup>. The second is his thesis of three possible integration forms of societies: *redistribution*, *reciprocity* and *market*<sup>13</sup>. The third is the concept of *double movement* that he uses to interpret the collapse of the 19<sup>th</sup> century liberalistic market economy during up to 1930's<sup>14</sup>.

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<sup>9</sup> Silver 1983; 1985.

<sup>10</sup> Kurz s.d. ch. 'Ideology',

<sup>11</sup> Polanyi's thesis of marketless cultures has been criticised by, e.g., Philip Curtin (1984) and Morris Silver (1983; 1985).

<sup>12</sup> Polanyi 1977, 19ff.

<sup>13</sup> Polanyi 1957a, 46-54; 1968, 9-18. Actually, Polanyi gives also a fourth form, *householding* (*oikonomia*). However, in his later works, this was seen as a special form of redistribution (Polanyi 1957b, 250-4; 1977, 35-42).

<sup>14</sup> Polanyi 1957a, 33, 40.

Polanyi's interpretation of the *economy*, which he presented already in *The Great Transformation*<sup>15</sup>, he defines best in his post-mortem book: *Livelihood of Man*. He understands that economy has two meanings, formal and substantial:

The first meaning, the formal, springs from the logical character of the means-ends relationship, as in economizing or economical; from this meaning springs the scarcity definition of economic. The second, the substantive meaning, points to the elemental fact that human beings, like all other living things, cannot exist for any length of time without a physical environment that sustains them; this is the origin of the substantive definition of economic.<sup>16</sup>

Formal economy was for Polanyi the same how the classics of economics defined it. It is making choices from scarce resources. This led Adam Smith to launch his famous thesis of the 'economic man', who has "propensity to barter, truck and exchange one thing for another."<sup>17</sup> In other words, formal economy meant market economy for Polanyi. Substantial economy, in turn, stems according to him,

from man's patent dependence for his livelihood upon nature and his fellows. He survives by virtue of an institutionalised interaction between himself and his natural surroundings. That process is economy.<sup>18</sup>

Thus, substantial economy is wider concept than formal economy – it includes all activities by which man utilises the nature. Essential in Polanyi's thinking is that substantial economy does not necessarily require any competition

For Polanyi economy was an institutionalised process that was governed by social relations and habits. According to him, a man

does not act so as to safeguard his individual interest in the possession of material goods; he acts so as to safeguard his social standing, his social claims, his social assets. He values material goods only in so far as they serve this end.<sup>19</sup>

With this thesis, Polanyi rejected Adam Smith's thesis of 'the economic man' who constantly bargained and tried to earn profit. He argued that "Adam Smith's suggestions about the economic psychology of early man were as false as Rousseau's were on the political psychology of the

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<sup>15</sup> Polanyi 1957a, 43.

<sup>16</sup> Polanyi K. 1977, 19 (italics in original).

<sup>17</sup> Polanyi 1957a, 43.

<sup>18</sup> Polanyi 1977, 20.

<sup>19</sup> Polanyi 1957a, 46.

savage<sup>20</sup>.” Polanyi’s man was, instead, a social creature whose “economy, as a rule, is submerged in his social relationships<sup>21</sup>.”

## Organising Principles of Societies

While seeking alternative economical models for market society, Polanyi drew ideas for his thesis on organising principles of societies from anthropology and history. He saw that there are three possibilities for system integration: reciprocity, redistribution and exchange. In *Trade and Market in the Early Empires* he defined them as follows:

Reciprocity denotes movements between correlative points of symmetrical groupings; redistribution designates appropriational movements toward center and out of it again; exchange refers here to vice-versa movements taking place between “hands” under market system.<sup>22</sup>

Although Polanyi opposed evolutionism and argued that “in any case, forms of integration do not represent ‘stages’ of development. No sequence in time is implied<sup>23</sup>,” he has to admit that

tribal societies practice reciprocity and redistribution, while archaic societies are predominately redistributive, though to some extent they may allow room for exchange... Redistribution, the ruling method in tribal and archaic society beside which exchange plays only a minor part, grew great importance in the later Roman Empire...

Price-making markets, which alone are constitutive of a market system, were to all accounts non-existent before the first millennium of antiquity, and then only to be eclipsed by other forms of integration.<sup>24</sup>

This thesis is important when Polanyi argued that “all economic systems known to us up to the end of feudalism in Western Europe were organized either on the principles of reciprocity or redistribution, or householding, or some combination of the three<sup>25</sup>.” Thus, for Polanyi, the market system was not the only – or even most common – possibility. The other forms of integration formed the mainline of human economy while the market economy was only some sort of disturbance in the general pattern.

The root metaphor of reciprocity for Polanyi was the social systems of Trobriad Islands that had been studied by Bronislaw Malinowski<sup>26</sup>. Polanyi picked several kinds of reciprocities from

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<sup>20</sup> Polanyi 1957a, 44.

<sup>21</sup> Polanyi 1957a, 46.

<sup>22</sup> Polanyi 1957b, 250.

<sup>23</sup> Polanyi 1957b, 256.

<sup>24</sup> Polanyi 1957b, 256f. It should be noted that his pupils like Marshall Sahlins (and other American neo-evolutionists) arranged these forms of integration into clear sequence.

<sup>25</sup> Polanyi 1957a, 54f.

<sup>26</sup> Malinowski 1922. Polanyi’s student Marshall Sahlins (1969) has developed Polanyi’s reciprocity thinking and he has classified different forms of reciprocity. In general, reciprocity research has grown to an own approach in

Malinowski's texts. First, he notes that "each coastal village on the Trobriand Islands appears to have its counterpart in an inland village, so that the important exchange of breadfruits and fish, though disguised as a reciprocal exchange of gifts, and actually disjoint of time, can be organised smoothly<sup>27</sup>." Another form of reciprocity was some sort of circular reciprocity. Polanyi notes that

the sustenance of the family – the female and the children – is the obligation of their matrilinear relatives... It is for the benefit of his wife and her children that the principle of reciprocity will work, and thus compensate him economically for his acts of civic virtue.<sup>28</sup>

This circular reciprocity did not remain in the kin level. Instead, the Kula trade, in which gifts in the ring-shaped archipelago, "is one of the most elaborate trading transactions known to man." Goods were transported clockwise to all islands while other kinds of goods were transported counter-clockwise.<sup>29</sup> Polanyi describes this

as trade through no profit is involved, either in money or in kind; no goods are hoarded or even possessed permanently, the goods received are enjoyed by giving them away; no haggling and haggling, no truck, barter, or exchange enters; and the whole proceedings are entirely regulated by etiquette and magic.<sup>30</sup>

Polanyi had two root metaphors for redistribution. The first was the big man of the tribe, who gathers property as gifts and taxes and gives it away as favours and celebrities<sup>31</sup>. The second metaphor was a hunting tribe, which gathers the game together and distributes it with the participants. In *The Great Transformation* he describes it as follows:

The members of the hunting tribe usually deliver the game to the headman for redistribution. It is the nature of hunting that the output of game is irregular, beside being the result of a collective input. Under conditions such as these no other method of sharing is practicable if the group is not to break after every hunt.<sup>32</sup>

What is true in the case of a small tribe is valid also in the case of large societies, such as ancient Mesopotamia or Egypt<sup>33</sup>, feudal Europe<sup>34</sup>, the Soviet Union in the 20<sup>th</sup> century<sup>35</sup>. In a smaller scale, every household (*oikos*) practices the same redistribution within the family<sup>36</sup>.

anthropology, sociology and classical studies. Its roots are not so much in Polanyi's theories but in Marcell Mauss' (1954) gift theory. Ultimately, however, both theories are based on their classical education.

<sup>27</sup> Polanyi 1957a, 49.

<sup>28</sup> Polanyi 1957a, 48f.

<sup>29</sup> Polanyi 1957a, 49f.

<sup>30</sup> Polanyi 1957a, 50.

<sup>31</sup> Polanyi 1957a, 51.

<sup>32</sup> Polanyi 1957a, 49. See also Polanyi 1957b, 253f.

<sup>33</sup> Polanyi 1957a, 51.

<sup>34</sup> Polanyi 1957a, 52.

<sup>35</sup> Polanyi 1957b, 256. One may also consider Nordic welfare state as an elaborate form of redistribution economy. Even the American capitalism has a strong philanthropic tradition in which millionaires give their property to

According to Polanyi, redistribution requires some centre so that "the production and distribution of goods is organised in the main through collection, storage and redistribution, the pattern being focused on the chief, the temple, the despot, or the lord<sup>37</sup>." The centre can be a concrete storage room of the palace or the temple where the goods are collected and from where they are redistributed either as daily rations or as festival food. However, it can also be just an authority who distributed rights to utilise some fields, food or equipments without actually collecting and redistributing them.

Market is the third possible way of integration for societies. According to Polanyi, "a market economy is an economic system controlled, regulated, and directed by markets alone." Both production and distribution of goods in this society are defined solemnly on the basis of prices. This "self-regulation implies that all production is for sale on the market and that all incomes derive from such sales." This includes all elements of exchange and production: labour (=wages), land (=rents) and money (=interest). Moreover, Polanyi argues that in this sort of society, "nothing must be allowed to inhibit the formation of markets" and "neither price, nor supply, nor demand must be fixed or regulated."<sup>38</sup>

## The Satanic Mill

The roots of market society are, according to Polanyi, in the Tudor England, where open fields were converted to enclosures. His view is that in this process land became a commodity. Tudors and Stuarts, along with the Anglican Church, opposed this trend because it deserted rural areas. However, they could only slow down the process until it became socially tolerable. When the *Act of Settlement* of 1662, which bound people to parish serfdom, was loosened in 1795, the "justices of

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philanthropic foundations.

<sup>36</sup> See note 13.

<sup>37</sup> Polanyi 1957a, 52. In the American case (see note 35) there is not one centre (the state) but many (state and nonprofit organisations) which serve as intermediaries between the donor and donee.

<sup>38</sup> Polanyi 1957a, 68s. This definition is extremely strict. Deidre N. McCloskey (1997, 485) remarks that here is one weakness of Polanyi's theory: even a slight interfering to market mechanism means that it is no longer a market. Thus, it is easy for Polanyi (1944, 43) to argue that "previously to our time no economy has ever existed that, even in principle, was controlled by markets." Risto Heiskala (1992, 87 – my translation from the original Finnish), in turn notes that Polanyi dates "market society to the period between the beginning of the 19th century and the end of 1920's." He continues: "Thus, we do not any more live in the market society but in order to understand the society we live in, it is useful to look at the dynamics of the market society since a great deal of that dynamics is here today." I could be said that today, there is no society that meets the criteria of Polanyi's definition for market. Even in Anglo-Saxon countries, the services provided by the nonprofit sector (social care, health care and education) are traditionally kept out from the competitive markets, for example, with the taxing. In Nordic countries, according to this definition, there would never have been a market society since many products have been regulated, part of the

Berkshire... decided that subsidies in aid of wages should be granted in accordance with a scale dependent upon the price of bread, so that a minimum income should be assured to the poor *irrespective of their earnings.*” The model spread all over England and in thirty years it proved to be a catastrophe. The idea was bold – nonetheless than “right to live”. In this system society ensured the minimum income irrespective of salary. In spite of good intentions, there emerged two dysfunctions that ruined the system. First, when the society subsidised the difference between salary and minimum income, the level of salaries decreased when employers pushed their costs to the society. Second, nobody had real incentive to work since the income would be the same anyway and in few decades this ruined the self-respect of labourers. The Speenhamland Law was one of the major factors in the emergence of the market economy since the laws of 1830’s were reactions against it.<sup>39</sup>

The actual emergence of market society can be dated to the end of the first third of 19th century when the English Parliament accepted two laws: *Reform Bill* (1832) and *Poor Law Amendment* (1834). These laws made also labour a commodity that could be bought and sold. Consequently, a modern market society was born.<sup>40</sup>

When Polanyi compared the life of the labourers in rich England to those of poor Austria, he noticed that the latter lived better life. He remarks that

it was, however, generally agreed among eighteenth century thinkers that pauperism and progress were inseparable. The greatest number of poor is not to be found in barren countries or amidst barbarous nations, but in those which are the most fertile and the most civilized, wrote John M’Farlane, in 1782.<sup>41</sup>

Thus, it was not so much question of Industrialism as such but of the attitudes of the ruling classes. According to Polanyi “the traditional unity of a Christian society was giving place to a denial of responsibility on the part of the well-to-do for the conditions of their fellows<sup>42</sup>.” During the 1930’s the pendulum swung from the care of Speenhamland to the opposite: labour was intentionally impoverished in order to force them to work.

Polanyi describes how the liberal thinkers constructed the liberal market economy ideology. Especially William Townsend developed the idea that laws of economy were the laws of nature. Polanyi refers Townsend’s *Dissertation on the Poor Laws* where the latter gave an analogy of the

business is licenced, and wages are defined by thee-base comprehensive incomes policy agreements.

<sup>39</sup> Polanyi 1957a, 34-39, 77-83.

<sup>40</sup> Polanyi 1957a, 80-83.

<sup>41</sup> Polanyi 1957a, 103.



goats and the dogs in a Pacific island, off the coast of Chile. Juan Fernandez had landed few goats there in order to get meat in future. Later English ships, molesting Spanish trade, utilised these multiplied animals.<sup>43</sup> Polanyi continues referring Townsend:

In order to destroy them, the Spanish authorities landed a dog and a bitch, which also, in the course of time, greatly multiplied, and diminished the number of goats on which they fed. “Then a new kind of balance was restored,” wrote Townsend. “The weakest of both species were among the first to pay the debt of nature; the most active and vigorous preserved their lives. To which he added: “It is the quantity of food which regulates the number of human species.”<sup>44</sup>

For Townsend, humans were beasts and “could be regarded as consisted of two races: property owners and laborers,” as Polanyi explains Townsend’s thinking<sup>45</sup>. Townsend’s theorising had two important consequences. First, Polanyi argued that

the biological nature of man appeared as the given foundation of a society that was not of a political order... Economic society had emerged as distinct from the political state.<sup>46</sup>

The laws of economy were not laws of the society but the laws of the jungle<sup>47</sup>. This thinking was in total opposition with Aristotle’s classical view that a human was *zoion politikon*, a political animal and that only gods and beasts live outside the society. Polanyi remarks that “to Christian thought also the chasm between man and beast was constructive.”<sup>48</sup> Thus, there emerged a clear paradigm shift in anthropology that allowed the well-to-do to usurp the labour class – instead of taking care of their subjects as before.

Second, Townsend’s analogy of dogs and goats gave a model how this exploitation could be made: through the hunger. While, according to Polanyi, in tribal society, “the community keeps all its members from starving unless it is itself borne down by catastrophe, in which case interests are again threatened collectively, not individually<sup>49</sup>.” This same pattern was valid also in Europe up to the end of the Middle Ages<sup>50</sup>. Still in Tudor and Stuart times the society took good care of the

<sup>42</sup> Polanyi 1957a, 102.

<sup>43</sup> Polanyi 1957a, 112f.

<sup>44</sup> Polanyi 1957a, 113.

<sup>45</sup> Polanyi 1957a, 114.

<sup>46</sup> Polanyi 1957a, 115.

<sup>47</sup> Polanyi 1957a, 125.

<sup>48</sup> Polanyi 1957a, 114.

<sup>49</sup> Polanyi 1957a, 46.

<sup>50</sup> Polanyi (1944, 104) argue: “It was in the first half of the sixteenth century that the poor first appeared in England; they became conspicuous individuals unattached to the manor, ‘or to any feudal superior’.” To face the new problem, the Parliament launched *The Poor Laws* of 1536 to 1601 and *The Statute of Artificers* of 1563 as well as *The Act of Settlement* of 1662. The first made a distinction between the aged, the infirm and the orphans who had to be taken care of by the society, and ‘the able-bodied poor’ who should be put into work. The second rested on enforcement of labour, seven years apprenticeship and salaries fixed yearly by officials. The last one bound

poor. Polanyi writes: “Not till another two centuries had passed did England enjoy again a social administration as effective and well ordered as that which the Commonwealth destroyed<sup>51</sup>.” With the rise of market economy all this changed: “The spreading of market economy was destroying the traditional fabric of rural society, the village community, the family, the old form of land tenure, the customs and standards that supported life within a cultural framework<sup>52</sup>.” In this process, attitude towards the poor changed: “While a pauper, for the sake of humanity, should be relieved, the unemployed, for the sake of industry, should not be relieved<sup>53</sup>.” As noted earlier, the market system required that all factors of the production must be on sale. With the *Reform Bill* of 1832 and the *Poor Law Amendment* of 1834 Speenhamland was abolished and labour markets created. From this on common people were compelled “to gain a living by offering their labour for sale, while at the same time depriving their labour of its market value<sup>54</sup>.”

Perhaps because of the dysfunctions of Speenhamland, the Poor Law Reform of 1834 did not contain any such safety-nets that the old Poor Laws had. According to Polanyi, “many of the most needy poor, it was true, were left to their fate as outdoor relief was withdrawn, and among those who suffered most bitterly were the ‘deserving poor’ who were too proud to enter the workhouse which had become an abode of shame<sup>55</sup>.”

## **Social Mobility as a Counter Movement**

The emergence of the market society also evoked a counter movement which was society’s defence against the negative impacts of market society. From the welfare state research perspective (as well as social movement perspective) it interesting that Polanyi abandons the idea of progress. The modern welfare state is not a peak of a long development. Instead, it is an arrangement that was caused by a break of a stable social system. According to Polanyi the 19<sup>th</sup> century market society broke the balance of the old society. Contrary to Marx, Polanyi did not emphasise labourers’ alienation from work but from their culture and social relations.

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population to their locality. (Polanyi 1957a, 86ff.)

<sup>51</sup> Polanyi 1957a, 39.

<sup>52</sup> Polanyi 1957a, 293f.

<sup>53</sup> Polanyi 1957a, 224.

<sup>54</sup> Polanyi 1957a, 80.

<sup>55</sup> Polanyi 1957b, 82.

Because this alienation did not only happen with labourers but also with the land-owning class, Polanyi explained that market economy caused several counter-movements. The most important among these Polanyi saw the socialist planning economy in the 1920's, fascism and various new deal solutions (into which he counted all welfare state models). Along with these also market needed its own counter-movement to prevent market economy's dysfunctions. In the case of all these it was question of society's defence against the "satanic mill" of the markets.

The main point for Polanyi, let me repeat, was the break of the old society, its culture and social relations. If that would not have happened, no counter-mobility would not have been needed. The world would have gone forward with the pattern it had gone from the dawn of history some 5000 years earlier. From that perspective, what we call progress is actually an anomaly that should be corrected. In this sense Polanyi is close to Durkheim who emphasised the corrective collective action. He is also close to Melucci, who pointed that social movements rise for the defence of identity.

## ***Polanyi and History***

### **Polanyi and Ancient Studies**

Polanyian tradition dominated Assyriological and Egyptological studies as well as Classical studies some 20 years from the 1950's on. According to Christopher M. Monroe,

[m]any Assyriologists and Egyptologists found tempting parallels in these works, and the notion that early political economies were primitive took firm hold. Despite plentiful evidence for trade, prices, and money in Old Babylonian texts from 2004 to 1595 BCE and Middle Babylonian texts from the Syrian coastal kingdom of Ugarit from 1400 to 1200 BCE, entrepreneurship tended to be dismissed as formalist inference or downplayed as secondary, something merchants did to supplement their income from the palace or temple.<sup>56</sup>

The scholars utilising Polanyi's theories, the substantivists in anthropology and primitivists in classical studies<sup>57</sup>, have emphasised the differences between modern and pre-modern. The basic argument of the primitivist/substantialist tradition is that cultural factors dominate economy (Weber) and in ancient societies the economy was "embedded" in to the rest of the society (Polanyi)

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<sup>56</sup> Monroe 2005, 157.

<sup>57</sup> The 'primitivist/substantialist' tradition can be traced to Karl Rodbertus and/or Bruno Hillebrand who influenced to Max Weber, Karl Bücher and Karl Marx (see Derks 2002, 599). Weber (see Love 1986) and Marx, in turn, along with Bronislaw Malinowski, influenced both Karl Polanyi in anthropology and Moses Finley(1981;1985.) in Hellene and Roman history, who are the founding fathers of this tradition. On theoretical discussions, see, for example, Chase-Dunn (1992), Frank (1990; 1991; 1993), Derks (2002), Saller (2002), Morley (2004), Nafissi (2005), Monroe

and serve other purposes than getting profits. Instead, economy is the interaction of people with their physical environment and a means of achieving status positions in society. For Polanyist, the economy in these societies were basically marketless and was based on redistribution (domestic economy) and reciprocity (foreign trade) and prices – even if they flow – were defined by authorities (palace or temple) or – in the case of foreign trade – by diplomatic agreements.

The analogy between modern and ancient economies have been emphasised by two theoretical traditions that have rejected Polanyi's theses. First, there are those, that Karl Polanyi called 'formalists' (in anthropology)<sup>58</sup> and their parallel 'modernists' among classical historians. They deny that there have been any qualitative differences between Ancient and modern societies. As Monroe puts it, they "tend to see the capitalist rationality of modern Western societies represented throughout human history, as if the laws of modern economies (supply and demand, rational choice) were universal<sup>59</sup>." Thus, according to them, there was a market society with fluctuating prices already in ancient Mesopotamia and Egypt.<sup>60</sup>

Modernist/formalist tradition has gained more and more followers, partly because it uses the arguments that economists understand, partly because, in their argumentation, there is no negative connotation about 'primitiveness' of the ancient high cultures, but perhaps mostly because evidence has shown that there has been some sorts of markets and entrepreneurship from the beginning of history. However, many of them are as dogmatic as their opponents.

While substantivist-formalist debate focused on distribution of the products, Marxist approach has seen the mode of production as the key point in analysis. It has emphasised the class differences and the difference between urban centre and rural surrounding and how the strong exploited the weak<sup>61</sup>. In Marxian tradition, there has also been a difference between modern capitalism and ancient societies. This has been due to Marxian view of historical stages<sup>62</sup>. As Andre G. Frank

(2005, 157f.), Manning & Morris (2005) and Hindess (2007).

<sup>58</sup> Among historians, formalist approach has its counterpart in 'modernist' approach which opposes Weberian 'primitivists'. (Frank 1993, 385)

<sup>59</sup> Monroe 2005, 157.

<sup>60</sup> E.g. Lamberg-Karlovsky (1975), Silver (1983; 1985). A variation of this modernist/formalist tradition is the "Democratic Entrepreneurs School", as Mitchell Allen calls it, which saw "Assyrian trade as the activity of a cooperating group of entrepreneurs from Assur who set up a monopolistic system within the Anatolian cities. According to Mitchell Allen (1992, 464.) in this school are Paul Garelli (1963), Mogens T. Larsen (1967; 1974; 1976), Louis Orlin (1970) and Klaas R. Veenhof (1972).

<sup>61</sup> For example, Diakonoff (1969; 1972; 1975, 1982) in Assyriology and de Ste. Croix (1983) in Classical studies.

<sup>62</sup> The five historical stages in Marxian theory are: archaic patriarchal society, ancient slaveholding society, feudalism, capitalism and communism.

points out, “if capitalism is industrial, and industry was not prevalent... before 1800... capitalism (that is capitalist production)... could [not] have existed before 1800<sup>63</sup>.” Since the idea of historical stages included division of “archaic patriarchal society” and “ancient slave society” there emerged (in Stalin’s time) also difference between “the Asiatic mode of production” and the “Greek slave societies<sup>64</sup>.” In this sense, Marxian tradition is close to the primitivist/substantivist camp. However, in its emphasis on modes of production as organising principles of societies, it is closer to modernist/formalist camp.

The fourth approach used in studies of ancient economy is world-system theory which arises from these older approaches. It acknowledges previous discussion, takes seriously the new findings and tries to develop a synthesis on them. It is a loose theoretical tradition<sup>65</sup> that has in common that it uses Wallerstenian world-system theory<sup>66</sup> in ancient times<sup>67</sup>. The main theses of this theory are summarised by Frank and Gillis as follows:

Our approach is unabashedly historical materialist. Its main theoretical premises are: 1) The existence and development of the world system stretches back not just five hundred but some five thousand years; 2) The world economy and its long-distance trade relations form a centerpiece of this world system; 3) The process of capital accumulation is the motor force of world system history; 4) The center-periphery structure is one of the characteristics of the world system; 5) Alternation between hegemony and rivalry is depictive of the world system, although system wide hegemony has been rare or non-existent; and 6) Long economic cycles of ascending and descending phases underlie economic growth in the world system.<sup>68</sup>

All these theoretical approaches have all their merits and demerits. However, it is this 5,000 year world system approach that creates the greatest challenge to Polanyi’s theoretical use in globalisation research.

This substantivists vs. formalists debate has got a third discussant from scholars who apply Wallerstein’s world system theory in ancient times. Especially Andre Gunder Frank with his colleagues has argued for the 5,000 year world system where only the centre and the speed of action have varied<sup>69</sup>.

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<sup>63</sup> Frank 1990, 185.

<sup>64</sup> On discussion on ‘Asiatic mode of production’, see Krader 1975; Komoróczy 1978; Dunn 1982; Fogel 1988; Li 1995; McFarlane, Cooper & Jaksic 2005a,b

<sup>65</sup> On various streams of this tradition, see Frank (1990), Chase-Dunn (1992).

<sup>66</sup> Wallerstein 1975; 1980.

<sup>67</sup> Algaze 1989; 1993; Allen 1992; Edens 1992; Frank 1993.

<sup>68</sup> Frank and Gillis 1995/2001, 2<sup>nd</sup> paragraph..

<sup>69</sup> Frank’s works are too numerous to list here. For a bibliography of works, see Frank s.d;

If we take seriously these two theoretical streams then we have to think whether the modern was so uniquely new than social scientists have eagerly argued. These theses also question Polanyi's thesis of reciprocity and redistribution as the major economic forms in the past. However, they do not reject Polanyi's thesis of double movement – quite the contrary. If Polanyi found redistributive mechanisms in certain spots of history and Silver in some other, there are three logical possibilities. First, some of them misinterpret the data. Second, the data is so scarce that they were studying “puzzle pieces” from different corners of the same puzzle – thus phenomena were contemporary. Third, the phenomena were following each other in some sort of cyclical pattern. While the two first alternatives are most possible, the third is theoretically the most interesting possibility.

### **Polanyi's Theory and World System Theory**

World system theory was created to interpret capitalistic world order. Some of Immanuel Wallerstein's students, however, denied such speciality of modern capitalistic system that Marxist classical theory had given to it. Barry K. Gillis and Andre Gunder Frank note that

[h]owever much these other writers may differ among themselves, most do agree that the period around 1500 (or for some around 1800) represents a fundamental break with the past. For them it is the beginning of the fundamentally different modern-world-capitalist-system. For us, and still too few others, still more important is the fundamental continuity with the past within the same world system and its continuing cycles of capital accumulation and hegemony/rivalry.<sup>70</sup>

They saw that there had always been so much international trade and division of labour that it is justifiable to speak also ancient world systems and state that

[o]ur basic theoretical approach is that the fundamental cyclical rhythms and secular trends of the world system should be recognised as having existed for some 5000 years rather than 500 years that has become conventional in other world system and long wave approaches.<sup>71</sup>

This 5,000 year limit refers to the historic time from which we have written data. However, economic interaction between cultures could be extended to proto- and prehistory as well as Christopher Edens note:

The roots of the Gulf trade presumably lie in the 5<sup>th</sup> millennium, when 'Ubaid painted pottery appeared in numerous sites of the region. By the late 4<sup>th</sup> millennium B.C., a small array of maritime products are consistently present in Mesopotamian archaeological assemblages, and Mesopotamian objects mark sites of the central Gulf and Southeast Arabia.<sup>72</sup>

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<sup>70</sup> Gills & Frank 1992, 667.

<sup>71</sup> Gills & Frank 1992, 621f.

<sup>72</sup> Edens 1992, 118.

From the Uruk period on, there were established trade connections at least from India (Harappa civilization) to Egypt<sup>73</sup>. Frank characterises this ancient world system as follows:

1. ...world system has historical continuity for at least 5,000 years, emerged with its core in West Asia and Egypt, and then spread to encompass much of Afro-Eurasia...
2. Capital accumulation was the motive force of world system history...
3. The core-periphery structure familiar to analysts of... the “modern world-system”... is also applicable to the world system before that.
4. Temporary regional and perhaps world-systemwide hegemony alternates with long periods of rivalry and hegemony, and hegemony is associated with cores...
5. Economic cycles of alternating ascending (A) and descending (B) phases like those of the “modern world-system”... associated with capital accumulation, changes in core-periphery position, and alternating hegemony and rivalry extend... at least through the 3<sup>rd</sup> millennium B.C.<sup>74</sup>

Like today and like in Polanyi’s analysis, greedy people usurped both material and human resources as much as they could already in the Bronze Age. Polanyi’s redistribution thesis in the case of ancient Sumer is only a partial truth. Sure, temples and palaces accumulated property and foodstuff and distributed rations to their own<sup>75</sup>. But the way they accumulated this property did not differ much from what Polanyi described<sup>76</sup>. While slave-labour was ineffective, tenant- and serf-labour were utilised to the extremes<sup>77</sup>. In this sense, the Satanic Mill that Polanyi described was nothing new. Moreover, when economic cycles or bad harvest impoverished these tenants or even free peasants, they and their families faced debt slavery.

Now, as Polanyi noticed, capitalism creates its counter-movement. The earliest recorded revolution in history was that of Uruinimgina (or Urukagina) in the late third millennium. In his inscription he writes how he put an end to the abuse that existed before his reign<sup>78</sup>. He called himself shepherd of the people and cancelled the heavy debts that had been burdening the people. This established a tradition that kings, when ascended to throne and during some intervals announced general amnesties and cancellations of all debts. The Biblical institution of Jubilee year is a reminiscent of this ancient regulative practice. As the sermons of Old Testament prophets show, there have always been people who “sell poor for the pair of shoes.”

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<sup>73</sup> Edens 1992, 119. On Uruk World System, see Algaze (1989; 1993), Frank (1993), *Centre and Periphery in the Ancient World* (1987).

<sup>74</sup> Frank 1993, 388f.

<sup>75</sup> Gelb 1965.

<sup>76</sup> On Mesopotamian temples and their economy the classical “temple state view” is presented in Falkenstein (1974). On the critics and discussion on the paradigm, see Foster (1981) and Robertson (1995).

<sup>77</sup> On Mesopotamian slavery, see, e.g., Mendelsohn (1949), Dandamayev (1984), Gelb (1972a,b; 1976)

<sup>78</sup> On Uruinimgina’s reform, see Cooper (1986, 70-78), Foster (1981, 230-237; 1995, 168ff., 173f. ), Kramer (1981, 45-50) and bibliography in Bonechi (2000)

Gillis and Frank show how Roman Empire was economically connected to China and countries between them. They show how this system grew and collapsed between 100 BD and 300 AD.<sup>79</sup> Although they did not refer to Polanyi, their quotations paint a similar picture on an exploiting society what Polanyi wrote on 19<sup>th</sup> century Britain. In similar way, economy collapsed because of the greediness of the elite.

After the collapse of the West Rome, the centre of the world system moved to Central Asia<sup>80</sup>. West Europe fell to long period of anarchy from which it recovered slowly only after Vikings (or Normans) created some sort of order in the beginning of the second millennium. From that on, Europe started to grow in strength, expand its military and economic sphere and exploit other regions – just like other centres had done before.

Gillis and Frank continue by explaining how the collapse of eastern empires preceded the rise of Europe and how the need for alternative logistic routes shifted the centre to Europe. According to them, “Central Asia ceased to be the key node in the world logistical nexus or to be the key area in terms of attaining super-accumulator status<sup>81</sup>.”

Since Gillis and Frank focus on systemic level, they do not look at the nation level where the counter mobility, according to Polanyi’s theory, took place. However, the view that they paint on international economic structures do not differ much from what Polanyi described in his *The Great Transformation*.

## Religion and Counter Mobility

What both Polanyi and world system theorists ignore<sup>82</sup> is the role of religion and ideology in this counter mobility. When Polanyi describes the rise of labour movement as a counter movement, he fails to note that it was Methodism which gave legitimacy to this social protest<sup>83</sup>.

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<sup>79</sup> Gills & Frank 1992, 647-655.

<sup>80</sup> Gills & Frank 1992, 655-664.

<sup>81</sup> Gills & Frank 1992, 670.

<sup>82</sup> Frank and Gills (1995/2001) openly say that “[o]ur approach is unabashedly historical materialist.”

<sup>83</sup> Methodism in the 19<sup>th</sup> century was an offspring of Calvinism (or its Anglo-Saxon form, Puritanism). The major difference between Lutheranism and Calvinism was that while Luther wanted to throw away from the Church everything that was against the Bible, Calvin threw away everything that was not ordered in the Bible. Thus, Methodism, emerging from this root was extremely Biblicist. Moreover, the very name – Methodism – describe how the movement created strict methodology of spiritual life on the basis of the Bible. In the same time, Methodism was a protest movement against the secularisation and cold heartiness of the Anglican Church. It was, thus, this protest



Like Polanyi and world system theorists, modern social scientists, in general, tend to forget the power of belief in human societies. The ancient notion of Biblical Jonah on Assyrian religiosity was not just fiction<sup>84</sup>. They took their religion even more seriously than any modern fundamentalist. They, namely, did not utilise the religion for their own benefit but they really feared the wrath of their gods. Consequently, when gods wanted to be freed to such petty tasks as taking care of the poor, the rich and powerful – especially the king – should take care of it before the gods got angry.

In the same way, the Hebrew prophetism was not primarily question for revealing the future but proclaiming peace and justice. Especially, in the time of Jeroboam II (786-746 B.C.), Israel faced an economic boom and landed property somehow slid into the hands of capitalists. It was in this context where Amos raised his voice and other prophets followed the suit during the later centuries<sup>85</sup>.

In this context, the countermovement was not social revolution – actually, there were extremely few revolutions in ancient Orient – but religious repetition. It was always question of calming the anger of gods and trying to make sure that they did not become angry.

Greeks, although recognising man's dependence on the will of gods, did not see human beings as slaves of gods. Actually, the very idea would have repelled them. Greeks did not submit under the will of gods, they negotiated and bargained with them. Greek societies were basically pirate and merchant societies. Contrary to Orient, which in Tönnies' terms were *Gemeinschaft*-type societies, Greece cities were *Gesellschaft*-type. Thus, while Oriental societies saw themselves as in organic unity, Greek ones framed their communities as negotiated coalitions.

Arthur W.H. Adkins has argued that

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movement that gave the legitimation to the claims of the emerging Labour Movement. According to Leonard Smith the relation between Labour Movement and Methodism was first argued by Elie Halevy. On Methodism and Labour Party, see Wearmouth (1957); Smith L. (1993), Pelling (1965, 129), Brand (1974, 16).

<sup>84</sup> When Jonah (3:4 - NIV) proclaimed in Nineveh that "Forty more days and Nineveh will be overturned." the reply of the city was as follows: "The Ninevites believed God. They declared a fast, and all of them, from the greatest to the least, put on sackcloth. When the news reached the king of Nineveh, he rose from his throne, took off his royal robes, covered himself with sackcloth and sat down in the dust. 7 Then he issued a proclamation in Nineveh: 'By the decree of the king and his nobles: Do not let any man or beast, herd or flock, taste anything; do not let them eat or drink. But let man and beast be covered with sackcloth. Let everyone call urgently on God. Let them give up their evil ways and their violence. Who knows? God may yet relent and with compassion turn from his fierce anger so that we will not perish' (idem. 5-9)."

<sup>85</sup> On Biblical prophets and social justice, see Epsztein (1986, 90-103), Silver (1983; 1995)

In practice Homeric man lived in a society of virtually autonomous small social units called *oikoi*, noble households each under the headship of a local chieftain, denoted and commended by the term *agathos*<sup>86</sup>. The *oikos* was at once the largest effective social, political and economic unit.<sup>87</sup>

He also has argued that especially in the Homeric society, the excellent ones (*agathoi*) were those who could best defend their *oikos* and grant its well-being. Those who managed in this, had *arete* (success)<sup>88</sup>. The important point is to see that *arete* represents competitive values.<sup>89</sup>

In Greek societies, there were no similar mechanisms that enabled Oriental societies to balance the disastrous consequences of greedy and competitive market society. It was purely based on competition. Even the much applauded Athenian democracy was only a political arena for internal competition. Gifts were exchanged and alliances were made in order to grant the well-being of everyone's own *oikos*<sup>90</sup>.

It is true that Athens is perhaps the first state ever which launched public unemployment subsidies for its citizens. However, this, like Roman *panem et circences*, was directed only to citizens who were 10-20% of total population. Moreover, it was calculated that these subsidies were cheaper than to build a new navy so that unemployed could go to their annual pirate cruising.<sup>91</sup>

It was in Byzantium where Oriental and Greco-Roman thinking were merged. One of the most fundamental social reforms ever made in Europe took place when *panem et circences*-type aid to citizens was replaced with philanthropy via churches to the most poor. From that on, philanthropic institutions started to evolve and spread to Western Europe as well.<sup>92</sup>

When Western Europe collapsed to turbulence, there were three institutions that took care of the people. Families and guilds took care of their own impoverished members and church became the major distributor of poor aid in the whole Europe<sup>93</sup>. The world view in this system was basically the same as in ancient Orient. The world was seen as a hierarchical unity where everyone had their

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<sup>86</sup> *Agathos* has many connotations to different aspects meaning good, brave, well-born, serviceable, etc. (Liddell & Scott s.w. *agathos*). Perhaps the English words excellence and Excellency catch the meaning.

<sup>87</sup> Adkins 1972, 11.

<sup>88</sup> *Arete* is one of the most powerful value-terms in ancient Hellas. Like *agathos*, it means goodness (in the same sense as our good athlete or good sports team), excellence, valour, bravery but also prosperity, merit, reward, fame, etc.). The opposite of *arete* was *aischron* (shame, dishonour). (Liddell & Scott, 1940 s.w.s. *arete*, *aischros*).

<sup>89</sup> Adkins 1972, 12ff.

<sup>90</sup> On reciprocity in ancient Greece, see Hands (1968), Morris (1986), *Reciprocity in Ancient Greece* (1998).

<sup>91</sup> On public gifts in Greece, see Hands 1968, 98-114.

<sup>92</sup> On Byzantine philanthropy, see Constantelos (1981; 1991) and several articles in *Through the Eye of the Needle* (1994)

proper places. It was a textbook example of the function of reciprocity: feudal master, guild or the church provided some level of security and received obedience in turn. On the other hand, what Polanyi identifies only in the 19<sup>th</sup> century as commercialisation of land, money and work was already reality in the Middle Ages as Santhi Hejeebu and Deirdre McCloskey note:

It is quite mistaken to say that the "rise of One Big Market where everything is for sale" is a "qualitatively new development." It is not. In the European middle ages more was for sale, arguably, than is now: husbands, wives, slaves, serfs, kingdoms, market days, and eternal salvation. Medieval Europe was thoroughly monetized.<sup>94</sup>

In late Middle Ages the turbulence had calmed down and society was in the boost to be rebuilt. In this process the role of the Catholic Church was fundamental. After all, it was the oldest and most stable institution of the time. Like in ancient Orient, it also kept the usurpers in some sort of order. Especially Thomas Aquinas' theories of Christian ethics became the anchor of the welfare thinking in Europe<sup>95</sup>.

From the poor relief perspective, there were some significant aspects in this ethical thinking. First, poverty was seen as part of the world order. Rich people needed poor so that they could do good deeds and, thus, gain merits. Second, there was a distinction between 'deserving poor' (orphans, widows, elderly, handicapped, etc.) who could not earn their living and those, who were capable to work but did not do it.<sup>96</sup>

When the Reformation broke, it was partly religious protest but in the same time it was a countermovement to the social evils. Along his famous Paul-quotation: "The righteous will live by faith (Rom. 1:17 – NIV)", Luther cited another Biblical passage: "there should be no poor among you (Deut. 15:4 – NIV)." This became the fundament of the Reformation social ethics. Luther, himself, reformed city constitutions in many German towns<sup>97</sup> and, later, Pietism continued and aimed to eliminate poverty by education<sup>98</sup>. Polanyi also notes that the church tried to fight against

<sup>93</sup> On history of poverty, see Geremek (1994).

<sup>94</sup> Hejeebu & McCloskey 2004.

<sup>95</sup> On Aquinas social thinking, see, e.g., McIntosh 2008 and bibliography in Schall (n.d.).

<sup>96</sup> See Geremek 1994, 15-36.

<sup>97</sup> On Luther's social thinking, see, e.g., Grimm (1970), Brummel (1980), Lindberg (1993; 1994; 2001), Geremek (1994, 180-184),

<sup>98</sup> On Pietism, its leaders and Halle Institutions see entries in *The Oxford Dictionary of the Christian Church* 1997,636(on Francke), 1284f.(on Pia Desideria), 1286f.(on Pietism), 1528f(on Spener). The articles in the book also include fine bibliographies on items. On the influence of Pietism on Prussian (and Danish) welfare states, see, for example, Sørensen (1998) and Ipfling & Chambliss (1994, 36)

liberal ‘improvements’<sup>99</sup>. This was because Anglicanism (like Lutheranism in the continent) during the Tudor and Stuart times had a goal to eliminate poverty<sup>100</sup>. It is this era of serious fight against poverty which Polanyi sees as normative for the all pre-industrial time. He did not recognise that this idealised time was a period of a huge European wide counter-movement fuelled by, first Reformation and, then, Pietism and the Great Awakening.

Then, like Polanyi recognises, the Speenhamland episode ruined the good try in England<sup>101</sup>. It was the momentum when liberals had their moment and they used it creating the modern competitive capitalistic system. However, Liberals did not invent their ideas out of nothing. Instead, they inherited them from ancient Greece. Actually, Victorian British elite identified themselves to the ancient Sparta<sup>102</sup>. This is no surprise when we remember how central classical Greek and Roman texts were in the education system. The competitive spirit of the Greek society was reproduced through education to English society. Thus, Polanyi’s notion that capitalistic system was produced was right but he did not dig deep enough to see where the roots of it were.

Contrary to English elites, the masses were mostly ignorant of Aristotle, Platon and other classics. They read (or listened) the Bible and numerous devotional books like Bunyan’s *Pilgrim’s Process*. They sang Psalms and listened sermons. All these, instead of Greek ideals, reproduced Oriental co-operative values and doomed individual greediness. Thus, it is no wonder why it was Methodism that gave legitimacy to the emerging labour movement. One has to remember that the transformation of which Polanyi spoke was preceded by the Great Awakening which was mostly a movement of lower classes although it influenced elite as well.

The end result was that in Britain the elite promoted Greek competitive values when the masses held on Oriental values. In continent, these values were merged in Thomism, which was basically interpreting Bible with Aristotle. Anyway, in Catholic Austria the hold of Catholic social ethics was so strong that it prevented, like Polanyi noted, similar usurpations that happened in Britain. In Nordic countries, the elite were so small that peasants, enlightened by Pietistic revival movements, overcome their attempts to launch British type liberal capitalism there.

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<sup>99</sup> Polanyi 1957a, 34-39.

<sup>100</sup> Jordan 1959, 18f., 143.

<sup>101</sup> Polanyi 1957a, 77-85.

<sup>102</sup> Rawson 1991.

While modernity has definitely brought new elements in the world history, it is not such a total break to history than Polanyi and modernists eagerly portrait. Thus, in this sense, there is “nothing new under the sun,” as Ecclesiastics say. There has always been greed and usury – and always it has been in the name of spreading the civilization. There has always also been counter mobility to oppose this greediness.

### ***Focusing to the Second Millennium Situation***

While Polanyi’s theory has serious flaws, it has its indisputable merits as well. The pearl of his thinking is the idea that if economy does not serve the population in large, it will be in trouble. For Polanyi, economy was not its own sphere with its own laws. It was embedded in human societies, their beliefs, values, customs, dynamics, etc. If these values are violated, it creates a countermovement that aims to balance the equilibrium. In principle the same what Durkheim meant with his concept of restorative social movement.

However, putting the modern globalization in the 5,000 year perspective means that we can, like Ferdinand Braudel, separate the short, medium and long cycles<sup>103</sup>. I would like to add also extra long cycles that are so low and long that they are almost constants.

One consequence of globalization is the typical pattern of capitalism: the division to poor and rich increases. But is this just a modern phenomenon like Polanyi argues? Or are third world problems just due to European colonialism? As referred above, ancient Mesopotamia faced economic booms and setbacks, its empires robbed their neighbors. When previously the slaves were hunted from their homes and brought to the centers, now they are kept at their homes but in both cases they manufacture products for the elite with minimal pay/rations.

The dehumanization of which Polanyi spoke is well known concept among the scholars of ancient slavery. A human being cannot be usurped if he is not dehumanized. A slave was “social death” as Orlando Patterson put it<sup>104</sup>. Polanyi time’s British workers were labeled as prey for hunters and today’s third world women and children are just forgotten. In principle, only the scale of system has changed.

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<sup>103</sup> Braudel 1958; 1972-76.

<sup>104</sup> Patterson 1982.

Now, when we look at the counter-mobility of our time we can see two types of mobility. The first is seen in the industrialised world by different kinds of anti-globalisation demonstrations. This is well studied in social movement literature.

The other mobility that has been unnoticed by social students is the spread of Oriental religions in the third world. The spread of Islam is somehow recognised due to its link to terrorist groups but few in the west understand its deep influence in these societies. The spread of Christianity, however, is mostly ignored. Contrary to the secularised west where Christianity is fighting a slow resistance and withdrawal war, in third world it is spreading. Moreover, it is spreading in the Pentecostal form. Pentecostalism is already the second largest church in the world after Catholicism. Estimates say that in ten years Latin America is Pentecostal majority continent. And Pentecostal churches are typically labour class churches. If Methodism nurtured the emerging labour movement to its power and if Catholicism helped Solidarity to overcome communism, who knows what the alliances of Islam and Pentecostalism with third world masses will do. Alliance of religion and masses has, after all been a powerful factor through human history.

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