The Karl Polanyi Institute of Political Economy: A Narrative of Contributions to Social Change

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Introduction

In February of 1941 Karl Polanyi wrote to his daughter Kari about his intention to submit to the publisher the first three chapters of the book The Great Transformation. The Origins of the Cataclysm. About the book, he wrote “[I]t will be a very straight-forward, simple story, easy to read and mainly historical in character”¹. A week later he added a post-script. Referring to the Notes in the manuscript, he wrote, “[T]he book is seemingly so simple and unsophisticated that unless definite proof of a thorough acquaintance with the matter itself is given, it might be unconvincing, for the views put forward in that harmless guise are actually as provocative as anything could be”². The book, published in the United States in 1944, was described as “one of the most important and original contributions to economic thought in several years”³. In a book review, management theorist Peter Drucker wrote, “... I would not be surprised if, 25 years hence, “The Great Transformation” should have come to be regarded as the most incisive and enlightening analysis of 19th century civilization and of the two great catastrophes that terminated it”⁴. His prediction could not have been more accurate: The Great Transformation, a powerful critique of market liberalism, is now considered a 20th Century classic. The book, translated into twelve languages, is among the most cited works in the social sciences. Its importance is also indicated by the fact that Joseph Stiglitz, former Chief Economist at the World Bank and Nobel Prize winner, wrote a foreword for a new edition of the book published in 2001.

Although Polanyi’s work was initially widely read by economic anthropologists, scholars influenced by his ideas were marginalized by the intellectual community. However in the
last two decades there has been a remarkable surge of interest in his work worldwide and across disciplines in the social sciences and humanities, and among legal scholars, scientists, policy makers and activists. The Karl Polanyi Institute of Political Economy, dedicated to the memory of Karl Polanyi, has been instrumental in the advancement of his ideas by providing a dynamic intellectual space for critical social discourse and by contributing to the dissemination of Polanyi’s work through numerous scholarly initiatives. This paper is a synthesis of many documents that the Institute, in collaboration with members of the Executive Board of Directors, has produced over the last twenty years. Its objective is to evaluate the work of the Institute, to document how Karl Polanyi’s intellectual legacy is being received by scholars, students, practitioners and civil society and policy actors around the world, and to develop my own analysis of the numerous fields where we can appreciate the influence of his work.

The Institute’s Contribution to Polanyi Scholarship

In November of 1986, the Hungarian Academy of Sciences hosted The Karl Polanyi Memorial Conference to celebrate the life and work of Karl Polanyi on the occasion of the centenary of his birth. In the spring of 1987, inspired by the intellectual energy generated at the memorial conference, Professors Kari Polanyi Levitt and Marguerite Mendell presented Concordia University (Montreal) with a proposal for the creation of the Karl Polanyi Institute of Political Economy. The Institute was officially launched on the occasion of the Second International Karl Polanyi Conference, Market, State and Society at the End of the 20th Century, held at Concordia University in November 1988. The mission of the Institute is twofold: to preserve the intellectual legacy of Karl Polanyi and to encourage new intellectual work and new dialogue inspired by that legacy. The Institute’s main contribution to this mission consists of making the Karl Polanyi archive available to scholars and researchers worldwide, and hosting a series of ongoing international conferences, producing numerous publications and encouraging dialogue among researchers through its web site.

The Karl Polanyi Archive

Although one could argue that The Great Transformation introduced the world of academia to Polanyi’s ideas, his intellectual contribution to social thought is not limited to this seminal work. Polanyi dedicated his life to the study and analysis of humankind and society and his writings span a period of 57 years (1907 – 1964). The Institute houses the Karl Polanyi Archive; the Institute’s policy of open access to the archival material is its major contribution to critical social, political and economic discourse as well as to the construction and dissemination of new Polanyi-inspired knowledge.

The archive, an important part of the historical legacy of the social sciences, contains a rich and vast collection of material that includes Polanyi’s lecture notes and outlines, published and unpublished papers and articles, outlines of projected books, as well as papers by others and personal memorabilia. The collection is greatly enriched by Polanyi’s extensive correspondence throughout his life. Some of the materials are very fragile and the Institute has taken measures to ensure their preservation. In 1999 the Institute received a grant from the Rockefeller Foundation to photocopy the entire collection onto acid-free paper and to store the documents in acid-free containers. The
grant also allowed the Institute to update, revise and publish the Karl Polanyi Archive Catalogue (Karl Polanyi Institute of Political Economy; 2001). In 2004 the Institute received a grant from Concordia University to digitize the entire archival collection. The Institute is now seeking financial support for the second and critical phase of the project, which will convert all the digitalized material into a useable electronic library.

Over the years students, researchers and scholars from around the world have visited the Institute to conduct research on archival materials. The Institute also responds to requests for photocopies from students and scholars who are unable to travel to Montreal. The collection is divided into three sections that correspond to the three periods in Polanyi’s life:

- Vienna Hungary: 1886 – 1933;
- England: 1933 – 1946;

A description of the Karl Polanyi archive is beyond the scope of this paper. Those interested, can consult the Archive catalog for this. In this section I focus primarily on the archival material that has been consulted by researchers and scholars over the last twenty years.

**Vienna Hungary: 1886 – 1933**

Karl Polanyi was born Károly Pollacek in Vienna in 1886, the third child of Mihaly Pollacek, a Hungarian engineer and entrepreneur and Cecile Wohl, the daughter of a progressive rabbinic scholar from Vilna, Russia. The family moved to Hungary when Karl was four years old. The Polanyi children had their surname Magyarized and were raised Protestant (Calvinist); their parents retained the name Pollacek and remained Jewish. Karl and his siblings were instructed at home with the highest standards of Western European elite education until they were of age to attend high school. The children were greatly influenced by their father’s strong moral standards and by their mother’s intellectual curiosity. At the age of fourteen Polanyi lost his father and never quite got over the loss. Every year on the anniversary of his father’s death Polanyi would write to his siblings to commemorate the occasion. He continued the tradition with his daughter Kari until his death.

Polanyi’s vocation as a social thinker and political commentator dates back to 1908 when with a group of progressive university students in Budapest he founded the Galilei Circle, of which he was the first president. The goal of the Galileists was the moral regeneration of the Hungarian society. The “free thinking” anticlerical student movement organized tutorial lectures, open reading rooms and established the journal Szabadgondolat (Free Thought) to which Polanyi was a regular contributor. He joined the editorial staff in 1913.

In 1915 Polanyi joined the Austro-Hungarian army as an officer in a cavalry regiment until 1917 when he became gravely ill and was hospitalized in Budapest. The war experience had a great impact on Polanyi’s intellectual development. In an essay entitled “The Calling of this Generation” (1918), Polanyi reflects upon the meaninglessness of the Great War and society’s moral inaction and he reminds his generation of their collective responsibility to “bear eternal witness to the shame of the present times” as “moral progress is the only open, sure and straight road towards inner growth and perfection”.

From as early as this period one can appreciate Polanyi’s conviction that society is based
on human action because man creates society. We are free because of duty and responsibility; social freedom is based on the actual relation of one human to another.

The archive contains Polanyi’s writings from this period; it opens a window into the origins of Polanyi’s world of thought and provides insights into the formative influences of his youth. Archival research has been limited by the fact that the material from this period is in Hungarian. This will be partly addressed in the near future. Professor Gareth Dale (Brunel University) has received funding to translate the titles of the Hungarian archival material and to produce rough translations of selected materials. Professor Dale will deposit the translated material at the Institute. This will greatly benefit the wider research community and will facilitate the translation of the Hungarian documents.

In 1919, when the communists took power in Hungary, Polanyi moved to Vienna, where he met his wife Ilona Duzcynska. They were married in 1923 and their only daughter Kari was born in 1924. Red Vienna was the observatory where Polanyi began to develop the main arguments of *The Great Transformation*. In Vienna he was introduced to the writing of Robert Owen, Otto Bauer and Keynes, among others; he also developed a serious interest in the organization of the socialist economy. The progressive social policies of the Austrian Democratic Party and the commitment to the cultural development of the working class were evidence that a socialist democratic project was feasible. The research on the archival material from the Vienna years has been mainly on three subjects: an unpublished manuscript entitled “The Behemoth”, Polanyi’s contributions to the weekly *Der Oesterreichische Volkswirt*, and Polanyi’s critique of the Austrian School of Economics.

“The Behemoth” was written in German by Polanyi while he was in frail health and still recovering from the horrors of the Russian front. It is a journey into the discovery of the origins of human suffering, a theme that permeated his discourse on the ethical foundations of human thought and action. Referring to the hardships caused by what he called a meaningless war, Polanyi wrote “… and nobody doubts that the measurement of suffering is far from complete. It would seem self-evident that this commands us to engage in a restless search for the origin of this agony and pain, so we could individually and together, eliminate it” (Polanyi Levitt and Mendell; 1987). The Institute has observed a growing interest in this particular essay which has benefited greatly from two publications by scholars associated with the Institute: *Karl Polanyi on Ethics and Economics* (1996) by Gregory Baum (Professor Emeritus, Religious Studies, McGill University) in which he introduces the essay to the non-German speaking world and the volume by Michele Cangiani, Kari Polanyi Levitt and Claus Thomasberger, *Chronik der großen Transformation. Artikel und Aufsätze (1920-1947). Band 3: Menschliche Freiheit, politische Demokratie und die Auseinandersetzung zwischen Sozialismus und Faschismus* (Cangiani, Polanyi Levitt and Thomasberger; 2005).

In 1922, Polanyi participated in the heated debates on the feasibility of socialism, countering the argument by Ludwig Von Mises that socialism was not possible. In his article on socialist economic calculability in a leading German learned journal he also takes issue with Felix Weil who, in sharp contrast with the free market position of Von Mises’ presents an argument for centralized planning.(Polanyi; 1024, 1922). Scholars who have consulted this debate have discovered Polanyi’s contributions to economic methodology as he tried to construct a positive theory of socialist economy or what he referred to as a functional socialism.

In 1924 Polanyi was employed by the leading economic and financial weekly, *Der Oesterreichische Volkswirt*; he continued to contribute until 1938 when the weekly was
suppressed by the Nazis. The material presents to researchers Polanyi’s critical portrait of the pressing concerns of these turbulent years. In these articles Polanyi explores issues such as the world economic crisis of 1931-1933, the American New Deal, the organization of the workers movement in Great Britain, the relevance of the League of Nations, Hitler’s rise to power, the rise of national fascisms and the Soviet planned economy, among others. Polanyi scholars associated with the Institute have contributed to the dissemination of this important material. Three publications are worth mentioning, the book chapter “Prelude to The Great Transformation: Karl Polanyi’s Articles for Der Oesterreichische Volkswirt”10 Cangianiin McRobbie ; 1994) which introduces the material to the English-speaking word, and the books Chronik der groessen Transformation. Artikel und Aufsatze (1920-1945). Band 1 : Wirtschaftliche Transformation, Gegenbewegung und der Kampf um die Demokratie and Karl Polanyi. Chronik der groosen Transformation. Artikel und Aufsatze (1920-1945). Band 2 : Die internationale Politik zwischen den beiden Weltkriegen (Cangiani and Thomasberger ; 2002).

**England 1933 – 1946**

With the rise of fascism in Austria, Polanyi was forced to migrate to England in 1933, where he co-founded the Christian Left Movement with a group of socialist intellectuals and activists in the Labour Party and the communist party; an experience that further developed the theological arguments for his ethical position. The group was not affiliated with any particular church but believed that “... Christianity [was] an active force in the transformation of society towards Socialism”.11 Polanyi provided the group with the theoretical foundations for a socialist project by introducing them to the early writing of Marx, which had just become available. He also drafted and edited the Christian Left pamphlets. Archival research on Polanyi’s relationship with the Christian Left has not been as extensive compared to other subjects. However, close attention has been paid to his essay on “The Essence of Fascism”, his contribution to the Christian Left publication Christianity and the Social Revolution Revolution (1935), of which he was a co-editor. Researchers have also examined Polanyi’s book Europe To-day (1937) in which he provides an interpretation of the political developments in Europe at the time.

From 1937 to 1947 Polanyi tutored on English social and economic history and international affairs for the Workers Educational Association (W.E.A.), the adult education extramural program of the Universities of Oxford and London. The English teaching experience deepened his commitment to adult education as a tool for political and social change. The preparations for the W.E.A. courses required him to undertake a serious study of economic history; but most importantly, the tutoring experience gave him a glimpse into the realities of working class culture in England, a great contrast to the experiences he had lived in Red Vienna. The notes from the W.E.A lectures formed the basis of his seminal work, The Great Transformation, written in Vermont while he was Resident Scholar at Bennington College through a three year grant (1940-1943) from the Rockefeller Foundation.

Most of the archival research revolves around The Great Transformation, and it has been mainly on the theoretical concepts central to the book: embeddedness, fictitious commodities (land, labour and money), the double movement, and the economy as instituted process. The concept of embeddedness is the centerpiece of Polanyi’s theoretical contribution. According to Polanyi, in all human societies production and distribution are ensured by certain principles of socio-economic integration including
Reciprocity, redistribution and exchange. Reciprocity refers to gift giving, and finds its expression in “symmetrical” relationships that are characteristic of kinship and friendship. Redistribution operates through the institutional pattern of “centricity” characteristic of the state. The institutional pattern of exchange is the market, and markets can be found in many different societies through history. The commodification of the fictitious commodities land, labour and money (fictitious because they were not originally produced to sell in the market) is the requirement for the establishment of the self-regulating market; hence the subordination of society to the requirements of the market economy. Finally the spread of the market system leads to social countermovement to protect society from the ravages of the self-regulating market.

Researchers examine archival material relating to these concepts to gain a deeper understanding of Polanyi’s ideas and their application within different social realities and socio-political contexts. Polanyi’s notes and outlines are very detailed and comprehensive and provide researchers with an insight into the evolution of his thinking. Polanyi’s attention to detail is exemplary, books are carefully cited, events are properly dated, and notes are annotated and in many cases put into relevant and contemporary contexts. This practice has greatly benefited researchers and enhanced their understanding of Polanyi’s ideas.

North America 1947 – 1964

An educator all his life, Polanyi got his first academic appointment in 1947 as a Visiting Professor of Economics at Columbia University (New York City). Karl Polanyi and his wife Ilona moved to North America, their third and last migration. Ilona was denied entrance into the United States because of her involvement in communist parties in Hungary and Austria. The Polanyis established their home in Pickering, Ontario and Polanyi commuted between Pickering and New York City until he retired from Columbia in 1953.

During his tenure at Columbia University, Polanyi taught research seminars on general economic history; he turned his attention from the history of capitalism to the study of non-market societies. After retirement in 1953, Polanyi received a grant from the Ford Foundation for the project “Economic Aspects of Institutional Growth” in collaboration with his colleague, anthropologist Conrad Arensberg, and his former student Harry Pearson as Executive Secretary. The research agenda included the origin of economic institutions and anthropological research on money, trade and markets. The project formed the basis of the book *Trade and Markets in Early Empires* (1957). This volume challenged the dominant neo-classical paradigm in economic anthropology and “… created a framework for understanding economic systems which changed the development of economic anthropology, economics history, and comparative economics” (Halperin; 1988). Polanyi’s contribution “The Economy as Instituted Process” established the Substantivist school of economic anthropology to oppose the formalist or neo-classical theorists (Polanyi; 1957). For substantivists, the production of goods and services in non-market is embedded in social, political and religious institutions.

Most of the archival research on this period has been on Polanyi’s institutional analysis, in particular, the two essays “The Contribution of Institutional Analysis to the Social Sciences” and “The Tool Box of Institutional Analysis”. On the other hand, archival research on Polanyi’s work on the history of economic institutions in ancient and medieval societies has not been extensive.
In the last few years of his life, Polanyi turned his attention to the issues of freedom, technology and co-existence. The archival material pertaining to these issues that has been examined relates to the “Weekend Notes”, an essay entitled “A New West” and material related to the journal Co-existence. The “Weekend Notes” are transcripts of conversations that Abraham Rotstein, a former student and colleague, held with Polanyi over the course of 28 weekends during the years 1956 to 1959. The topics of the conversations included the cold war, the material discussed at the Columbia project, social thinkers including Parsons, Owen, Rousseau, Shaw, the surplus controversy and the themes of freedom, social reality and technology that dominated Polanyi’s life. Professor Rotstein is currently preparing a manuscript for publication on the weekend notes. Professor Hikaru Sato (Osaka City University) has recently published a volume in Japanese “Karl Polanyi’s Social philosophy: After The Great Transformation” (Minervashobo Publishing Company) where he quotes extensively from the “Weekend Notes”.

In the summer of 1957, Karl Polanyi and Abraham Rotstein signed a contract with Beacon Press for the publication of the book “Freedom and Technology”. The book, which was never published, was to expand on the philosophical outlook of The Great Transformation. In broad terms the proposed book outline makes the argument that human beings are now organized in much larger and more complex societies in which technological progress is dominant. This technology renders the very existence of society precarious, both in terms of economic and, most important, social costs.”

The following year Polanyi wrote the essay “The New West” where he expands the argument to the cultural sphere and argues that the decline of Western civilization is a loss of prestige of Western values. The decline of the West is spiritual.

In the early 1960s, Polanyi and his wife Ilona obtained the collaboration of like-minded scholars for the creation of a journal entitled Co-Existence, which in some archival documents is referred to as “an organ of world thought and politics”. In outlining the purpose of the journal, his daughter Kari wrote “In this journal we are concerned with political and social realities as they manifest themselves on the international plane. To act within the constraints of reality requires an exploration of these constraints. This is the task of the social scientist”. (1964). Polanyi did not live to see the first issue. He died in Toronto, April 1964.

Polanyi subscribed to a social philosophy grounded in human action; social freedom is based on the actual relationship of one human to another. In order to co-exist with other humans we have to understand human nature. But co-existence has many facets: the relationship of humans to each other, to nature, to technology and to nation states. To achieve true co-existence requires a deep understanding of all of these facets. This goal preoccupied Polanyi throughout his life, and most particularly in his final years.

Researchers have been very fortunate to have access to Polanyi’s personal letters. The vast collection of letters to and from family, important intellectual and political figures, colleagues, students and friends is an integral part of Karl Polanyi’s life story, as it maps his intellectual development and the evolution of his convictions. Over the years the correspondence material that researchers have examined more closely relates to Polanyi’s relationship with important thinkers including György Lukács, Oskar Jaszi, leading economic historian of Ancient Greece, Moses Finley, Peter Drucker, Eric Fromm, John McMurray his colleague from the Christian Left days, and the very interesting
correspondence with R.H. Tawney, which deals with the English publication of *The Great Transformation*.

Over the years there has been much debate over the nature of the relationship between Karl and his brother Michael. Researchers have paid attention to the archival correspondence between the brothers. Attention has also been given to correspondence with Polanyi’s former students from Columbia University, including Terrence Hopkins, Paul Meadow, Harry W. Pearson, George Dalton, Abraham Rotstein, Walter C. Neale, and Paul Bohannan, as well as the correspondence that deals with the journal Co-Existence. The intimate correspondence between Karl and Ilona as well as between the Polanyis and their daughter Kari, and the correspondence with other family members, provides researchers with a portrait of the man and his times, as the correspondence is not just letters but chronicles of world events.

**International Conferences**

The organization of international conferences is a primary objective of the Institute. These meetings provide a forum for interdisciplinary dialogue, reflection and exchange among students, scholars, civil society organizations, policy actors and engaged public. They also broaden the network of Polanyi scholars and facilitate future collaborations across disciplines and countries, and provide the policy community, NGOs and civil society organizations with knowledge about new and innovative research in many universities and several disciplines worldwide. The conferences have also contributed to the expansion of secondary literature on the life and work of Karl Polanyi. On average 80 to 100 scholars and students from many parts of the world, representing many disciplines in the social sciences, the humanities, and most recently medicine and law, participate at each Polanyi conference. The Institute is very proud of its record of graduate student participation, both as presenters as well as audience. These conferences provide student presenters with the unique opportunity to get feedback on their graduate research. These gatherings also provide an opportunity for inter-generational dialogue. Third generation Polanyi scholars are now participating at these conferences, bringing with them knowledge derived from important intellectual influences, combined with their own interpretations of their social reality and their own outlook towards the future.

The Institute has thus far convened eleven international conferences, alternating between Montreal and a host country. The theme of each international conference draws upon major themes in Polanyi’s work to address pressing contemporary issues; all conferences host sessions on Polanyi studies. Scholars gathered in Budapest in 1986 for *The Karl Polanyi Memorial Conference* to celebrate the life and work of Karl Polanyi. In the words of Kari Polanyi Levitt, “[P]articipants, most of whom had just met, began to bond, as it were, in a process of discovering each other and the many facets of Karl Polanyi’s life. The Americans were introduced to Polanyi as a prominent figure in Hungarian intellectual life before the First World War; the Hungarians gained a deeper appreciation of a scholar of world renown; everybody’s horizons expanded”. (1990). The main themes of this conference were Polanyi and Hungarian intellectual life; Polanyi’s model of functional socialism; issues relating to *The Great Transformation*; comparative economic anthropology; comparative political and economic thought, and the reception of Polanyi’s work within a comparative perspective. The Institute published a volume of proceedings entitled *The Life and Work of Karl Polanyi.* (Polanyi Levitt ; 1990).
The Second International Karl Polanyi Conference *Market, State and Society at the End of the 20th Century* (Montreal, 1988) and the Third International Karl Polanyi Conference *The Seductive Market and the Future of Socialism* (Milan, Italy, 1990), in collaboration with the Facoltá di Scienze Politiche dell’ Università degli Studi, (Milan) and the Fondazione Feltrinelli, (Milan), were held within the context of turbulent times. In the West, capitalism was experiencing a socio-economic crisis; in the East societies were confronting the breakdown of socialism and the transition to new socio-political and economic realities: developing societies were being forced to undertake extreme measures of economic and financial liberalization. Participating scholars at both conferences explored the interplay between market, state and society in broad terms, theoretically and from comparative perspectives and discussed Polanyi-inspired alternatives for social reconstruction. The Institute published the proceedings from the Third International conference in the volume *The Legacy of Karl Polanyi. Market, State and Society at the End of the Twentieth Century* (Mendell and Salée; 1991). The proceedings from the Fourth International conference were published in the volume *The Milano Papers. Essays in Societal Alternatives* (Cangiani; 1997).

The Fourth International Karl Polanyi Conference *Beyond Market and State: Survival Strategy or Autonomous Development?* (Montreal, 1992) further developed the themes discussed in the two previous conferences by introducing into the discourse the issues of globalization, socio-economic restructuring and emergent responses to the economic and social crisis at the national, regional and local levels. The conference examined these initiatives on a comparative basis both to document these programmes in various parts of the world, and to explore their capacity to transform the communities they addressed. Presentations by participants from developing countries gave researchers, academics and practitioners from the Western industrialized countries the opportunity to learn about the experiences of the informal sector in these developing economies. It is worth noting that important sectors of the labour movement in Canada (The Canadian Labour Congress and the National Automobile, Aerospace and Agricultural Implement Workers Union of Canada (CAW-Canada) had a strong presence at this conference. The Institute published four volumes of proceedings from this conference, *From Political Economy to Anthropology. Situating Economic Life in Past Societies*, (Duncan; 1994), *Humanity, Society, and Commitment. On Karl Polanyi* (McRobbie; 1994), *Artful Practices. The Political Economy of Everyday Life* (Lustiger-Thaler and Salée; 1994), and *Europe. Central and East* (Mendell and Nielsen; 1995).

The Fifth International Karl Polanyi Conference *Re-Reading The Great Transformation: Freedom in a Complex Society* (Vienna, Austria, 1994), in collaboration with the Austrian Academy of Sciences, marked the 50th anniversary of the publication of *The Great Transformation* and the 30th anniversary of the death of Karl Polanyi. The conference hosted panels that presented and debated issues relating to international political economy, with emphasis on the implications of the globalization of finance; the micro-economic issues and macro-economic problems of countries in transition and their integration into the European system; the role of social movements and informal economic initiatives; the future of socialism; issues of identity, ethnicity and nationalism; and the relevance of Polanyi’s work to the sustainability debate, among others. The Institute published a volume of proceedings from this conference, *Karl Polanyi in Vienna. The Contemporary Significance of The Great Transformation* (McRobbie and Polanyi Levitt; 2000).
Polanyi warned us of the perilous consequences of “disembedding” the economy from culture and nature. The Sixth International Karl Polanyi Conference *Reciprocity, Redistribution and Exchange: Re-Embedding the Economy in Culture and in Nature* (Montreal, 1996) explored the general themes relating to ecology, economy and society; urban social movements, the social economy and local development within the context of globalization; the commodification of labour and culture; and social and cultural dislocation in economies in transition. The Institute published three volumes of proceedings from this conference *Social Economy. International Debates and Perspectives* (Shragge and Fontan; 2000), *Prehistory and History. Ethnicity* (Tandy; 2001), *Class and Political Economy, and Economy and Society. Money, Capitalism and Transition* (Adaman and Devine; 2001).

*Re-Thinking Human Needs* was the theme of The Seventh International Karl Polanyi Conference (Lyon, France 1999) in collaboration with Centre Auguste et Léon Walras, Université Lumière Lyon 2. Polanyi-inspired conference presentations attempted to provide theoretical grounds for a new economic paradigm that reflected the problems of contemporary societies. Issues discussed included the social/solidarity economy and alternative economic strategies in light of the decline of the welfare state; the social dimension of globalization; evolutionary economics and economic sociology; fictitious commodities; politics of recognition; and, the current global crisis, among others.

The Eighth International Karl Polanyi Conference *Economy and Democracy* (Mexico City, 2001), in collaboration with the Faculty of Economics, Universidad Nacional Autónoma de México, was the first Polanyi event held in Latin America and marked the 450th anniversary of the host university. A central theme addressed at the conference was the existing crisis in democracy, how the new world order undermines democracy and basic human rights, in both the North and in the South, in favor of the market. Issues discussed included alternative economic strategies that harmonize the economy with society, and sustainable economic development which would subordinate markets to social institutions of reciprocity and political institutions of distribution. Polanyi’s concepts of “reciprocity” provided a basis to discuss policy initiatives that encourage the development of the social economy. The conference hosted a round table on NAFTA, Globalization and Supranational Integration, organized by Mexican scholars and public officials.

The theme of the Ninth International Karl Polanyi Conference *Co-Existence* (Montreal, 2003) was inspired by the journal Karl Polanyi and colleagues founded in the early 1960s. The conference addressed questions of peace and security, which at the time were deemed highly appropriate, given the turbulent international political environment in the aftermath of September 11, 2001. The main themes discussed within the broad umbrella of “Co-Existence” were the political realities of contemporary societies and the possibilities for democracy and peace worldwide; the difficult challenges facing the Middle East; the role of international organizations (i.e. the United Nations) in world conflicts; the relationship between religion and politics; issues of poverty and economic and human development; the role of civil society and sustainable development, among others. The Department of Foreign Affairs and International Trade, Government of Canada, mandated the Institute to produce a synthesis of the issues raised at this conference.

In *The Great Transformation* Polanyi argued that the commodification of land, labour, and money would threaten the livelihood of people and render cultural and artistic activity
subservient to the market economy. The theme of the Tenth International Karl Polanyi Conference Protecting Society and Nature from the Commodity Fiction, (Istanbul, 2005), in collaboration with the Social Policy Forum, Bogazici University, invited participants to discuss and debate the contemporary transformation of the world economy. The topics discussed included the challenges and avenues for progressive social, economic and public policy; globalization and social transformation in the South; social movements and the commodification of health, land, credit and scientific knowledge; and, the challenges of global capital, among others. Polanyi scholar Ayse Bugra, who organized the conference, and Kaan Agartan published the proceedings from this conference in the volume Reading Karl Polanyi For The Twenty-First Century. Market Economy as a Political Project (2007).

The Institute will host its Eleventh International Karl Polanyi Conference The Relevance of Karl Polanyi for the 21st Century in Montreal, December 2008. The general theme of the conference, which marks the 20th anniversary of the foundation of the Institute, is the relevance of Polanyi for scholarship and social change in the 21st century. Conference papers will address the influence of Polanyi in the social sciences and the humanities contributing to an intellectual counter-movement or renewed political economy that contests the dominant market-driven paradigm; Polanyi’s contributions to interdisciplinary approaches within the social sciences; Polanyi’s contribution to the construction of a socially rooted, historical and institutional heterodox economics that is effective in challenging the excessively abstract approach of mainstream economic theory and the limitations of its underlying hypotheses and new research on democratic socio-economic alternatives.

The conference will host a panel on the strategic role of collective enterprises in the Quebec economy. Leaders in public and social economy enterprises in Quebec have been invited to address how these enterprises have been engaged in embedding the Quebec economy in society. For participants from the many countries represented at this conference, as well as for those from Quebec and Canada, this will be a unique opportunity to learn how these enterprises, publicly or collectively owned, play a key role in the socio-economic development of Quebec. Similarly, the Institute has invited Nancy Neamtan, President of the Chantier de l’économie sociale, a large network of social economy networks that has developed international links with numerous countries in the North and in the South, to deliver a keynote address on the role of social movements and the social economy in Quebec society. Nancy Neamtan has played a leadership role in these movements for almost four decades and has been instrumental in initiating numerous innovative citizen based socio-economic development strategies in Quebec. Within Canada, Nancy Neamtan has spearheaded public policy initiatives provincially, federally and most recently at the municipal level in Montreal.

The forthcoming international conference will provide the opportunity to establish academic collaboration with the international think tank A Political and Ethical Knowledge on Economic Activity (PEKEA) an NGO in Special Consultative Status with the Economic and Social Council of the United Nations that gathers academics from various disciplines. The association has organized a panel at this conference on “Polanyi and PEKEA: From Market to Societal Value”. PEKEA member Theotonio Dos Santos will be a keynote speaker at the conference.
Research and Institutional Collaborations

The Institute has established a wide international network of researchers and scholars, and it makes every effort to establish research collaborations with universities and research centres worldwide. These collaborations are increasingly important as global debates on issues confronting both the North and the South demand dynamic international forums for dialogue and exchange.

Over the years French Polanyi scholars have greatly contributed to Polanyi scholarship by organizing academic events that further deepen the understanding of Polanyi’s world of thought and by publishing extensively on the work of Karl Polanyi. A case in point is the recent publication of unpublished works by Karl Polanyi in the volume *Essais de Karl Polanyi*. (2008). In 2007, The Revue du MAUSS published the volume *Avec Karl Polanyi, Contre la société du tout-marchand* (2007). The Institute has delegated the organization of European activities of the Institute to the recognized Polanyi scholar and Member of Board, Professor Jean-Louis Laville (Conservatoire national des arts et métiers (CNAM, Paris) and Laboratoire interdisciplinaire pour la sociologie économique). With Jean-Marc Fontan and Diane-Gabrielle Tremblay, Professor Laville is co editing a series of contributions on the legacy of Karl Polanyi in the journal *Interventions économiques.*

The Institute has established an institutional collaboration with The Institut Polanyi – France, an independent initiative recently created in response to the growing appreciation of Polanyi’s work in France. The Institut Polanyi - France gathers academics, intellectuals and representatives from civil society organizations committed to the re-establishment of democratic principles. The objectives are to organize debates on political, economic and social democracy ; to apply this debate to different sectors / issues (ie. the social safety net, pensions, health care, education prison reform, etc.) ; to promote research on themes such as the associational model, the dynamic of civil society, voluntarism and militarism ; and the dissemination of knowledge by engaging in popular education.

Facing the devastating social and economic consequences of neoliberal policies and globalization, communities in the North as well as in the South are looking for means to express their collective needs and to become societal forces for change. The social economy and community economic development initiatives contribute to more effective democratic approaches to socio-economic development. The Institute is currently hosting the project *A Continental Network for the Co-Production of Knowledge : A Multi-Stakeholder Approach to Comparative Public Policy* (ReCo), in partnership with universities and research institutes in Canada and Latin America, provincial ministries and a number of civil society organizations in Quebec and in Latin America. The project is committed to the co-construction of knowledge by creating a multi-stakeholder dialogue on innovative socio-economic development strategies and public policy design. The stakeholders in this project are researchers, academics, students, civil society organization and public policy actors, both in the North and in the South. The focus of this Polanyi-inspired project is the social and solidarity economy ; community-based and local development strategies ; civil society initiatives to combat poverty and social exclusion ; and public policy that address problems of poverty and social exclusion through new forms of wealth creation and enabling public policy, both in Canada and in Latin America.
The project is itself an example of social innovation in that its methodology transcends the traditional patterns of teaching, learning and policy design and adopts a methodology of collaborative learning, training and exchange. The project hosts a highly innovative internship program for students and practitioners from Canada and Latin America. Interns have assignments in environments where they can learn about civil society initiatives and public policy processes as well as engage in dialogue and exchange with their respective hosts; a dynamic that contributes to the co-construction of knowledge. Interns form “communities of practice” to develop and adapt training methods and content acquired during their internship experience to their own cultural environments.

Concordia University recently signed a memorandum of agreement with The United Nations Development Program (UNDP) and the ART Scientific Committee for Human Development Cooperation (SCART) to develop and implement an institutional collaboration within the framework of ART initiative and in particular, ART Universitas. The latter is a network of universities that share common projects and programs on three main broad areas: human development, international cooperation and local governance. Under this agreement, academics and students from universities in Quebec, universities associated with the ART network in Latin America, Africa, Eastern Europe and Asia, as well as United Nations organizations, national and local institutions, and community organizations both within and outside Quebec, will collaborate on research, training and knowledge dissemination initiatives that will support local development and sustainable training for local actors. One such initiative involves the establishment of a “University Laboratory” in Quebec on the social economy and citizen based local development, which will be housed at the Polanyi Institute. It will contribute to developing teaching material for university-level training initiatives related to local and global human development.

The Institute's Insights into the Reception of the Work of Karl Polanyi

In recent years, the Institute has observed a growing interest in the life, work and influence of Karl Polanyi among the academic and student communities worldwide, mostly representing sociology, political science, anthropology, heterodox economics, and international political economy. This interest is expressed in the form of increased requests to conduct archival research; requests to establish research collaborations with the Institute and / or with Polanyi scholars; enquiries about enrolling in Polanyi-related programs of study; and requests for the Institute to host internships. Similarly, civil society groups and NGOs, mostly from the South, approach the Institute in their search for theoretical foundations for social innovation, and practical knowledge about how to articulate policy recommendations and how to build and expand research networks. Several factors may explain this trend: issues relating to literature and the role of applied research; international academic gatherings; the media; and new technologies that makes knowledge more accessible.

With regards to issues relating to literature on Polanyi, the expansion of secondary literature on or influenced by Polanyi has had two major effects on students: it has introduced them to a much broader discourse on Polanyi, which in turn stimulates their intellectual curiosity to go beyond the secondary sources, hence the interest in the archival material. As well, the interdisciplinary nature of Polanyi’s work resonates with
progressive-minded students interested in adopting a theoretical framework that allows for a more accurate representation of modern complex social realities. In the case of the academic community, there seems to be a sense that in-depth analysis of Polanyi’s works is necessary in order to render them more useful for applied research. Increasingly academics are transcending their role as critics of neo-liberal policies to actors informing social policy. In addition, there is a growing sense among Polanyi scholars that intellectual biographies and expository and critical literature on Polanyi are necessary to provide an alternative theoretical framework to guide new thinking required to confront the challenges of the 21st century.

Polanyi scholarship is the inspiration for important scholarly gatherings around the world that have greatly contributed to the growing appreciation of Polanyi’s work. To illustrate, in 2001 Columbia University hosted the conference on *The Great Transformation in a New Century*. Global financier and philanthropist George Soros, and Nobel Prize winner Joseph Stiglitz were among the participants. Presentations by six prominent Polanyi scholars were published in a special issue of the journal *Politics & Society* (2003). In 2002, The ESRC Centre for Research on Innovation and Competition (CRIC) (Manchester, England) hosted the conference *Polanyian Perspectives on Instituted Economics Processes, Development and Transformation*, which, according to Kari Polanyi Levitt, was “the first academic event dedicated to a critique of the work of my father, ever held in England (Polanyi Levitt; 2003). The proceedings from this conference appear in the volume *Karl Polanyi. New Perspectives on the Place of Economy in Society* (Harvey, Ramlogan and Randles; 2008). To mark the 60th anniversary of the publication of *The Great Transformation*, in 2004 leading Polanyi scholars from around the world gathered in Budapest for the conference *Development and Regionalism. Karl Polanyi’s Ideas and the Contemporary World System Transformation*, organized by the Hungarian Academy of Sciences. The same year, the Higher School of Economics of The State University in Moscow hosted *The Scientific Conference Celebrating the 60th Anniversary of The Great Transformation*.

Most recently, the Society for the Advancement of Socio-Economics (SASE) dedicated its 2008 annual meeting *Economic Flexibility and Social Stability in the Age of Globalization* to the work and influence of Karl Polanyi. The theme of the conference was suggested by *The Great Transformation*; Polanyi’s concept of the double movement was central to the critique of the current era of globalization. The conference examined the prospects for reconciliation between the neo-liberal theories that guided deregulation and globalization in the closing decades of the 20th century and new counter movements in a series of panels on the contemporary relevance of four major social and economic theorists: Marx, Keynes, Polanyi and Hirshman. Four Polanyi scholars, Fred Block (University of California, Davis), Greta Krippner (University of California, LA), Suzanne Berger (The Massachusetts Institute of Technology), and Margaret Somers (University of Michigan) participated in *The Presidential Panel on Old Ideas in Modern Times: Is Polanyi Obsolete*?

One could argue that a positive aspect of information technology is that it renders knowledge more accessible. The Internet has become a very important research tool for students and academics, and it has contributed to the growing interest in Polanyi’s work. This medium also allows the Institute to monitor the nature of the trend. In January 2004 the Institute conducted a Google search on Karl Polanyi for the period 1989 to 2004; approximately 30,000 hits were discovered. In any given day in the month of September 2008, the number rises to about 145,000 hits. It must be noted that the web material
includes Polanyi-inspired arguments, critiques of his work as well as distorted interpretations of his ideas. An in-depth detailed analysis of the web material is beyond the scope of this paper. Instead, we present a synthesis of the themes, discussions and debates so as to present a portrait of the impact of Polanyi’s work on research, which in turns validates the relevance of his work for the 21st century.

The web material includes: articles (published and unpublished); book reviews; conference papers; course outlines; and articles in the popular media. The subjects of discussion deal mainly with critiques of neo-liberal policies; globalization; Soviet bloc countries and economies in transition; the notions of fictitious commodities, embeddedness and counter-movements; Polanyi’s contribution to anthropology; and International Political Economy and Political Economy of Development. The sources are mainly journals including *The Journal of Economic Issues, Politics and Society, Review of Social Economy, Review of International Political Economy, American Journal of Economy and Sociology, Political Review, Le monde diplomatique*, among others.

On the critique of neo-liberal policies, the web material refers mainly to discussions on the re-definition of the role of the state in a globalized era in light of the decline of the welfare state and the new challenges resulting from the threat to national sovereignty, both brought about by trade liberalization. On this topic, the web material also includes discussions on the impact of neo-liberal structural policies in developing and transition societies, and the social cost of unregulated markets (poverty and social exclusion).

Developing countries face a challenge balancing the self-defined needs of their own societies with the demands of a global economy. Web discussions present and debate the social, cultural, economic, and political impact of globalization in the developing and transition societies. The impact of globalization is also discussed in the following contexts: labour movements adapting to new globalized labour practices; the experience in societies of the North and South with growing income disparities; and the challenge to implement sustainable development policies in globalized societies. There is also web material on the critique of the globalization of finance and the impact of cross-border capital movements.

Post-Communist transformation in the former Soviet bloc countries is also discussed in the web material, in particular relating to the impact of globalization and integration on the social and political transformation of these societies. Broadly speaking, the discussions are about the nature of the institutions required for the transition to market societies and the social cost of such transition, and the role of the “new” state and its relationship to local movement and to the global economy.

Polanyi’s notions of fictitious commodities, embeddedness and counter-movements are used to offer interpretations and critiques of social realities within different contexts. The web material includes literature on the environment that uses the concepts of fictitious commodities and embeddedness to conceptualize the historical trend toward the commodification of land (nature) and to warn of the social and economic impacts of this trend. Discussions were also found on the commodification of health and the impact of the resulting inequalities in health provision. Within this context the commodification is at two levels, at the level of health care itself, and at the level of those receiving the care. Human beings are commodified when entered into the equation of a market based cost-benefit analysis that informs social policy. The concept of embeddedness appears in the web material in discussions on both the definition of the “economy” and on the new roles of engaged communities. With regards to the first, the web material advocates a
shift to a definition of economy that includes social institutions and community actors. It also argues that economic processes are culturally determined; economies must be analyzed as part of cultural processes. Web material also deals with literature on counter-movements, mainly social movements (women and environmental) and the anti-globalization movement. With respect to the first, the literature implies a shift from “grassroots activism” to “empowered and informed” community initiatives.

The web material indicates that Polanyi’s historical account of the 19th century, as presented in *The Great Transformation*, has been used extensively by International Political Economy (IPE) theorists as an analytical tool to conceptualize and interpret the globalization project. Furthermore, IPE theorists draw upon Polanyi’s work to understand the nature and dynamics of global transformations. In the related field of the Political Economy of Development, the material is mainly on whether neo-liberal development agendas can achieve sustainable, just, and democratic development. The voices from the South represented in the web material advocate a development policy with a human face; the reembedding of the “social” into the development discourse. This includes identifying the cultural specificities of regions and countries. Drawing on Polanyi’s work, IPE theorists propose the similar argument that the new global order demands an alternative development agenda informed by the needs of societies. Critical development theorists draw on Polanyi’s work to defend cultural differences against the homogenizing project of modern development.

Polanyi’s contribution to Anthropology also appears in the web material within the context of elaborations and interpretations of the Substantivist school of anthropology. His work is also used as a theoretical tool for the conceptualization of the transition processes from local community networks to larger networks of commerce.

A smaller proportion of the web material deals with discussions relating to Polanyi’s contribution to the discourse on peace, the consequences of what we may call disembedded technologies, debates on finance capital and the demands for capital controls, the importance of research on urban development, local development, feminist theory, and comparative theoretical analysis (Polanyi & Marx, Polanyi & Gramsci, Polanyi & Bücher, to name a few).

The search also revealed a considerable number of university courses on Polanyi or the inclusion of Polanyi’s work as required reading on course reading lists. In North America we find courses that study Polanyi as a contemporary thinker, and courses that use *The Great Transformation* as the theoretical framework for the analysis of contemporary issues. In the United Kingdom, on the other hand, courses mainly refer to Polanyi’s later works (*Dahomey and the Slave Trade*, *Trade and Markets in the Early Empire* and *Primitive Economies*) to study European history, international finance and monetary systems, and primitive forms of exchange. There is hardly any mention of *The Great Transformation* in courses in the UK.

**Conclusion**

Karl Polanyi is considered one of the most important contributors to the social sciences in the 20th century along with writers such as Max Weber, John Maynard Keynes, Joseph Schumpeter, and Gunnar Myrdal. The interest in examining his intellectual legacy, the positive and interdisciplinary responses to the Institute’s call for paper for its
international conferences, the fruitful collaborations with scholars and institutions worldwide, and the prevalence of literature on or influence by Polanyi are all indications of the relevance of his work for the 21st century.

The narrative of the Karl Polanyi Institute is one of ongoing commitment to dialogue on democracy and social change. The global financial crisis of 2008 is the dramatic outcome of decades of unleashed markets; societies worldwide are witnessing a turmoil never experienced before. This crisis, which has been simmering for some time now, should present an opportunity to reassess the priorities of societies and to design measures and initiatives that challenge the supremacy of the market. The full impact of this crisis has yet to be felt. It reinforces the importance of Polanyi’s critique of the self-regulating market and the need to re-embed the economy in a society driven by ethical values of social justice, equity, sustainability and democracy. The Institute, within its modest means, has provided an institutional environment to co-construct the new knowledge required to confront today’s challenges. The Institute is a forum for articulating an alternative discourse that elevates humanity and nature above the market. Karl Polanyi’s social philosophy inspires this community of individuals to drafting a paradigm for the 21st century.

**Karl Polanyi Institute of Political Economy**

**Statement of Purpose**

I. Methodological contributions to the study of the place of the economy in society, embracing the philosophical ethical and scientific aspects of the search for a purposeful existence in modern society.

II. The extension of economics beyond the narrowly defined study of the laws of market exchange to embrace redistribution (the role of the state) and reciprocity (the role of the community) as organizing mechanisms of economic activity, with special emphasis on the relevance of Polanyi’s approach to modern mixed economies, including socialist and third world variants; the exploration of the relevance of Polanyi’s work in economic anthropology to the contemporary world.

III. In recognition of Polanyi’s concern for the peaceful coexistence of differing social, political and economic formations, to develop a political economy approach to the study of international economics relations; to encourage the search for international institutions which can reconcile the growing interdependence of the world with its cultural diversity and the need of societies to maintain and protect control over their economic and social priorities.

IV. In recognition of a life spent as an educator - in adult education, in journalistic analysis of economic, political, and financial affairs, and in the university - to develop his concern for working class and citizen education as an essential condition of participatory democracy.

V. In recognition of the Central European origins of his world of thought, his explicit wish to contribute to "East-West" coexistence, and his ultimate place to rest in Hungary, to maintain a special relationship with the Hungarian Academy of Sciences (which organized the Centenary Memorial Conference in Budapest in 1986) and to sponsor research into the particular contribution of intellectuals of Central European origin.
The Karl Polanyi Institute of Political Economy: A Narrative of Contribution...

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**NOTES**


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3. Ibid.


6. Karl Polanyi Institute of Political Economy, Concordia University, Montreal. polanyi@alcor.concordia.ca


16. See www.teluq.uqam.ca/interventionseconomiques for this online journal, issue that will produced for the December 2008 conference.


INDEX

Mots-clés: double mouvement, école substantiviste, encadrement, Karl Polanyi, marchandise fictive

Keywords: double movement, embeddedness, fictitious commodities, substantivist school

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