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The World in a Period of Perilous Transformation

Economy, Society and the Double Movement Today

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1. Introduction

In these days in the Western world there is a widely held feeling that we are living in a *period of transformation*.¹ Economic as well as political indicators point in direction of deep structural changes during the last decade.

- On a political level: Nationalist political forces mobilizing against the elites in Washington, London, Paris and other European capitals are much more successful than one may have expected some years ago. Obviously, the campaign for nationalist ideas and the demand for protection against international competition

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¹ In this paper I will focus first of all on the conditions in the Western world. For sure, the transformation of the European and American societies also has a strong influence on the countries in Asia and Africa. But in order to analyze this impact it would be necessary to take into account the different histories, traditions, customs, visions of the world, political constitutions, institutional settings etc. – a task which is beyond the scope of this paper.

as well as open labor markets are supported by growing parts of the population in Europe and in the US. The advancement of nationalist political parties and associations goes hand in hand with the sensation that parliaments have lost power vis-à-vis the global market system. Policy space on a national level seems to be more restricted by economic and financial constraints than some decades ago. Obviously, the negative impacts of economic globalization cannot be neglected any longer. International tensions and rivalries are increasing. It is not only the governments of smaller and indebted countries that seem to be severely restricted in their decisions. Also in larger countries parliaments are weakened; they lose the capacity to protect vast strata of the population against the negative influences of the global market system (stagnating wages, increasingly unequal income distribution, protection against the breakdown of industries). Left wing forces are disorientated and politically weak.

- On an economic level: Since 2008 international trade is growing on a much weaker scale than in earlier decades. National protection of industries has become an important political issue in the US as well as in many European countries. Interest rates close to zero are a new experience. The correlation between money supply and price level has lost its stability. Negative side effects of the rescue of the financial system (including unorthodox instruments of monetary policy such as ‘quantitative easing’) have been the increasing indebtedness of states and privates. The question of if (or how) these debts will be ever repaid remains without answer.
- Not to forget the unsolved problems of climate change, always possible nuclear catastrophes and physical destruction, the threat of mass media and the control of minds, artificial intelligence etc. Is it a realistic perspective that the current governments are able to find solutions? An increasing number of citizens has lost confidence.

Neo-liberal as well as social-liberal parties and politicians try to calm the public by minimizing (or even denying) the change. New technologies will offer solutions for the ecological challenges. The 2008-crisis and the following disturbances, they argue, are to

be seen as the consequence of a normal cyclical breakdown which was only deeper than usual because of particular policy errors and the involvement of the real estate market.

While the protagonists of neo-liberal faiths point in direction of excessive social protection and the pretension to live beyond one's means, supporters of social-liberal ideas stress exaggerated liberalization and deregulation especially of the financial sector.

Both reassure that the market system and state intervention focusing on the support and stability of finance and business are able to overcome these temporary disturbances.

The growing gap between public feeling and the response by the dominant political forces produces uncertainty and fear. The consequence is that the struggle between social-liberal and conservative (or neo-liberal) parties which after World War II in nearly all the advanced capitalist countries dominated the political landscape in one or the other way has been interrupted by the emergence of new political forces which often, but not always, show a strong right-wing orientation.

How to prevent the further advancement of nationalist, reactionary and right-wing forces?

Is it sufficient to underline the importance of social protection? Is there a way back to the 'golden age of capitalism' of the early post-war decades? What is missing in the current situation, I am convinced, is a left-wing alternative, a narrative which is able to oppose the dominant liberal interpretation and takes the wind out of sails of the right-wing forces.

Are we able to provide an alternative narrative of the status quo? Or do we have to accept the dominant interpretation? Does Polanyi's oeuvre provide a basis for such an endeavor?

2. Karl Polanyi's narrative

Polanyi has gained recognition as one of the most important social scientists of the twentieth century because he did exactly this nearly more than seven decades ago. Karl Polanyi's writings have become an indispensable point of reference for activists and critical minds who feel uncomfortable with the current trends of economic deregulation, privatization and globalization for the reason that he developed a narrative which challenged the dominant liberal vision.

Keep in mind that Polanyi's purpose has never been the conception of new sociological or economic theory of the transformation of societies.² He was first of all a journalist and a historian. Polanyi regarded his work as “an economic historian's contribution to world affairs in a period of perilous transformation. Its aim is simple: to enlarge our freedom of creative adjustment, and thereby improve our chances of survival” (Polanyi 1977, XLIII). The focus of his lifelong research was a single and unparalleled historical event: the breakdown of the 19th century-civilization in Europe and the possible future of a ‘New West’ (Polanyi 2014). The first sentence of ‘The Great Transformation’ (TGT), Karl Polanyi's most famous book, puts into a nutshell the subject matter of his lifelong research program: “Nineteenth-century civilization has collapsed” (Polanyi 2001, 3), it reads. The book was first of all an attempt to challenge the liberal interpretation by narrating a *different story* of the transformation which led to the breakdown of Europe, a story which explored the transformation from the *point of view of the common people*.

² Already at the beginning of the 1920s Polanyi discussed the limits of scientific insights if they are separated from ethical knowledge (cf. Polanyi 2005, English translation: 2017b).

Recall that Polanyi's intention was to title his masterpiece *The Liberal Utopia*;³ or more exactly, he planned to publish two complementary books, both to be handed in to the publisher in 1943. As we know from the contract between Karl Polanyi and Farrar & Rinehart Incorporated ("Memorandum of Agreement" 1943) Polanyi intended to write not only a book titled *The Liberal Utopia* but also a second one called *Common Man's Masterplan* (cf. Polanyi 2017a). "This book", he stressed in an outline, "is addressed to the general reader. ... *This story should be ruthlessly frank ..., consistent ..., intelligent ..., true ..., complete ..., practical ..., the story of the common man* about the unsolved problems of our time" (Polanyi 2017a, emphasis CT). As we know retrospectively Polanyi changed his mind and decided to merge both projects into what became TGT.

The liberal interpretation of the breakdown of the 19th-century civilization in Europe which Polanyi attacked in the 1940s sounds surprisingly familiar to us today. Utopian ideas concerning social protection, fatal beliefs and vested interests are declared to be at the roots of the breakdown. The liberal account was much more than a neutral, 'objective' description of the facts. It assigned responsibility: social protection was blamed for disturbing the self-regulation of the market process. And it included a political agenda: 'Freeing' the market from protective aspirations would allow for overcoming the evils, it promised. Polanyi's objective was to narrate a story which challenged the dominant liberal narrative of the disasters of the 20th century.

By substituting his own narrative for the liberal world view Polanyi did not oppose the description of the facts, but the liberal *interpretation*. Keeping this in mind helps to

³ Polanyi changed the title because of an intervention by the publisher, who convinced him that the American public might have misunderstood the term 'liberal' due to its different meaning of on both sides of the Atlantic.

understand better the core notions of the book. In order to make his critique as effective as possible, Polanyi took up the crucial ideas and categories of his adversaries. But, and this is the important point, within Polanyi's narrative they acquire a completely different meaning.

I will illustrate my point referring to three examples:

Example 1: Liberal authors considered the decade after World War I a progressive decade in which the liberal achievements of the pre-war world could be reestablished. Accordingly, the 1930s are regarded as a period in which reactionary forces, supported by a strong anti-liberal countermovement, got the upper hand. Polanyi turned around the interpretation.

As the title of the second chapter of TGT announces, from the point of view of Polanyi's narrative the decade after World War I was fundamentally conservative insofar as the aim was to restore an international economic system which was guided by the ideas of the 19th century. Compared to this the 1930s was a 'revolutionary decade' in which the prevailing relationship between the economy and society was challenged in a fundamental way.

Example 2: The challenges of the machine age to human freedom ('the overview-problem' or 'the problem of freedom in a complex society'). The debate about the question of how to adapt to a technological society goes back to Adam Smith and Ricardo. In Polanyi's times Max Weber, Ludwig Mises, Walter Lippmann, Friedrich Hayek and others seized the discussion. Classical liberalism took for granted that price-making markets were the reverse side of the division of labor in society. No alternative

seemed to be thinkable. With the rise of socialist ideas and the Bolshevik Revolution the question became more complicated. After World War I liberal authors supported the interpretation that, even if central planning may be attempted, self-regulating markets are the only possible answer to the challenges of a technological society which is compatible with personal freedom and responsibility. Therefore, the establishment of a self-regulating market system was rationalized as being in the interest of society as a whole.

Polanyi's interpretation opposes both versions. The self-regulating market system, he replies, was not more than a first (and historically limited) answer to the problem that can be understood only if we take the particular conditions into account which prevailed in England in the 18th and 19th century. It is not true, he continues, that self-regulation of the economic system is compatible with human freedom. The extension of markets may have been in the general interest of the English society for a limited period of time. But by treating self-regulating markets as a universal dogma, the liberal creed becomes a 'stark utopia' which threatens the future of humankind.

Example 3: The double movement. Polanyi doesn't make a secret of the fact that he adopted the category 'double movement' from the works of "liberal writers like Spencer and Sumner, Mises and Lippmann" (Polanyi 2001, 148). The struggle between the two forces which constitute the poles of the double movement is the powerhouses of social change. According to the liberal interpretation, its protagonists are, on the one hand, some kind of conspiratorial group formed by anti-liberal, collectivist and protectionist activists and, on the other hand, the supporters of liberal convictions who defend progress and the general good of society against utopian creeds, fatal conceits and sectional interest.

Take note that the liberal authors, Polanyi refers to, considered the leading visions of the world part of social reality (cf. Thomasberger 2012). They regarded the dominant worldviews as facts in the sense that they motivate people's strivings and actions and, therefore, influence the course of the transformation of society. Utopias are much more attainable than one may have expected, even if they bring about results which contradict the intentions. Society is to a large degree, as Hayek titled a famous article, "the results of human action but not of human design" (Hayek 1967). This is a crucial point: The double movement is based on the interplay between a utopian social project, which has real influence on the transformation of society, and those forces which defend the reality society against the unintended results which the former provokes.

Polanyi offers an account of the double movement which, he admits, accepts the liberal *description*, but he puts an entirely different *interpretation* on it. "While in our view the concept of a self-regulating market was Utopian, and its progress was stopped by the realistic self-protection of society, in their view all protectionism was a mistake due to impatience, greed, and shortsightedness, but for which the market would have resolved its difficulties. The question as to which of these two views is correct is perhaps the most important problem of recent social history." (Polanyi 2001, 148). From Polanyi's point of view the belief in the self-regulation of the market system is utopian. A society in which the economic sphere would be truly separated from society would not only be absolutely exceptional in human history, it would also destroy human *society*. For sure, technical progress is in the general interest of society, but industrial specialization, the division of labor and productivity gains cannot be equated with markets.

In Polanyi's narrative 1) the double movement is phenomenon of the 19th-century civilization in Europe. It is not a universal category, but it depends on the institutional separation of the economy from society and the dominance of the liberal creed as the leading world view. The double movement which Polanyi analyzes is a particular feature of the 19th century in Europe. As we will see in a moment, it comes to an end in the interwar period. And 2) the roles are reversed. Economic liberalism does not provide a realistic vision of society, Polanyi argues, but a utopian principle without scientific foundation. It is grounded in the mistrust of reason and the human capacity to assume responsibility, on the one hand, and in the belief in the magical power of an anonymous system, on the other hand. But in reality there is no reason to worship the market: Why should a blind mechanism accomplish human purposes? Why should it be realistic to reject human responsibility for the human fate? The idea of economic self-regulation which accomplishes the goals of society as a whole is an absurd and illusionary prejudice which, as far as it can be realized, threatens to destroy human freedom and dignity. Personal freedom and responsibility are indivisible: If the economy would follow its own laws, nobody would be responsible for (unintended effects such as) unemployment, depression, unequal distribution of income and wealth, the loss of democracy, environmental destruction etc. Therefore, the countermovement which aims at the protection of society against the negative influences of the economy, even if it obstructs economic self-regulation, has to be regarded as a *realistic* answer to the *utopian* liberal project. Not the countermovement, but the utopian narrative of economic liberalism is to blame for the collapse of the European civilization.

In other words, the double movement could advance as long as the interplay of economic liberalism and the countermovement was able to defend and to bring to bear the interest of society as a whole. In the interwar period in Europe, the interaction was blocked by the restoration of the gold standard, which proved to be incompatible with the level of democracy achieved by the popular forces in their struggle to stave off the dangers involved in the market mechanism. The economy and political democracy, two manifestations of the life of society, developed into fortresses of the conflicting interests of the business class and the labor movement. The well-being of society as a whole was smashed between disparate objectives. The strengthening of the power of the international market system had squeezed the room for maneuver of national governments. The attempts to protect the sectional interest of particular branches and social groups undermined the working of the market process and of democracy. A deadlock was reached. The Great Depression, fascism and the World War were the visible expressions of a deeper transformation: the halt of the double movement sounded the death knell of 19th-century civilization in Europe. Not the ambitions of the countermovement, Polanyi makes clear in his narrative, but the liberal utopia of a self-regulating market system was to be blamed for the disasters of the 20th century.

3. What would a frank, consistent, intelligent, true, complete, practical story of the common man about the unsolved problems *of our time* have to take into account?

Obviously, Polanyi's narrative cannot be applied directly to the world at the beginning of the 21st century. We are living in a different historical epoch. Even though the market still plays a crucial role, today's conditions diverge from the civilization of the 19th century in Europe in various ways:

- The European civilization of the 19th century, characterized by the institutional separation of the economy from society, collapsed more than half a century ago.⁴
- Europe has lost its global key position. After World War II England's role has been taken over by the USA with its own history and its own institutional arrangements regulating the relationship between the economy and society.
- Classical economic liberalism has lost its relevance. The interpretations of Ricardo, Say and their students have been replaced by revised liberal narratives which were born as an answer to the disasters of the 20th century.

If we want to follow Polanyi's line of reasoning the obvious question to begin with is:

What is the leading narrative today? Does it have the character of a realistic account of the unsolved problems of our time or do we again have to face a utopian narration?

If we want to answer these questions, first of all we have to realize that in the post-World War II era we have to deal not with one, but with *two* competing narratives. Both are of

⁴ Recall that at the time Polanyi was not alone with this judgement. Walter Lippmann (The Good Society), Peter Drucker ('The Future of Industrial Man'), Joseph Schumpeter ('Capitalism, Socialism & Democracy'), Karl Popper ('Open Society and its Enemies'), Ludwig Mises ('Omnipotent Government'), Friedrich Hayek ('Road to Serfdom') agreed with this interpretation. Only at the beginning of the 1950 neo-liberal as well as social-liberal authors began for strategic reasons to deny the revision and to underline the continuity of economic liberalism instead.

US origin (New Deal and its opponents), even if they are strongly influenced by the beliefs of economic liberalism in two respects: firstly, by the European impact on the early USA and, secondly, by the direct exchange of ideas between liberal economists, philosophers and journalists from both sides of the Atlantic in the late 1930s and the following decades (Lippmann-Colloquium, Mont Pelerin Society etc.). Both liberal narratives may be considered *revisionist versions* of what Polanyi had to cope with. I will call them *neo-liberalism* and *social-liberalism*.

Both versions of revisionist liberalism developed in parallel and existed side by side for decades. Nevertheless, it is reasonable to say that social-liberalism prevailed in the Western world in the political arena up to the 1970s, while neo-liberalism got the upper hand in the 1980s. The two revisionist forms of economic liberalism share several basic assumptions. To list the four most important postulates:

- Both versions of revisionist liberalism concord on the failure of *laissez-faire*.⁵ Both recognize the relevance of the state and the need of conquering the political realm (parliaments). They agree that the business class has to overcome what Hanna Arendt (referring to pre-war Europe) called the ‘false modesty’ of the bourgeoisie (Arendt 1958, 313).
- In both narratives the idea of separating the economy from society has been replaced by the vision of some kind of co-operation between the two spheres through mutual interference. Society is expected to keep control insofar as the rules of the market are respected.
- The two versions of revisionist liberalism take for granted that the market system is the only conceivable non-totalitarian answer to the challenges of a

⁵ In the interwar period *Laissez-faire* was pronounced dead not only by Keynes but also by Lippmann, Hayek, Friedman and other protagonists of neo-liberalism: “The whole effort to treat *laissez-faire* as a principle of public policy ... was based on so obvious an error that it seems grotesque” (Lippmann 1944, 186). “Nothing has done so much harm to the liberal cause as the ... the principle of *laissez-faire*” (Hayek 2006, 18).

technological civilization. They agree that the mechanism of supply and demand is the only available solution to the problem of freedom in a complex society.

- Last but not least, both visions are utopian, even if in different ways. Neo-liberalism continues to trust in the self-regulating properties of the market system under the condition that property rights are sufficiently defined and protected by the state. Social liberalism cherishes the idea that the national state would be strong enough to keep the ever more globalized market system under control.

But there is also one fundamental difference between both. This is their judgement on social protection.

- While neo-liberalism stresses the negative impact of protection on the economic system, social liberalism underlines the necessity of the defense of nature and society against the unhuman consequences of the self-regulating market system. By the former the defense of society is regarded as a fatal conceit; by the latter social protection is considered an indispensable dimension of social progress. Neo-liberalism supposes that the interest of society as a whole is best served if markets are self-regulating; social-liberalism trusts in protection by the national states. The neo-liberal narrative blames the social-liberal efforts to strengthen society vis-à-vis the market system for the negative economic results (such as unemployment, over-indebtedness or sluggish growth). The protagonists of social-liberalism hold neo-liberal governments that promote deregulation, liberalization and excessive globalization accountable for financial crises, ever increasing inequality of wealth and the loss of well-paid jobs.
- Both interpretations are one-sided. Neo-liberalism plays down the negative consequences of the self-regulating market system on society and nature. Social-liberalism neglects the weakening of the self-regulating system which results from protective intervention in the price mechanism.

The coexistence of two versions of revisionist liberalism which disagree on the meaning of self-regulation of the market, social protection and welfare policy has the consequence

that the political struggle takes a *fundamentally different shape* compared to what Polanyi discovered in the civilization of the 19th century. For sure, the post-World War II struggle has the character of a double movement, but of a double movement which takes place *within* the framework of revisionist economic liberalism. Therefore, I will refer to the struggle between neo-liberalism and social-liberalism as the *tamed* double movement of the postwar era.

4. The rise of neo-liberalism

Since the 1980s the neo-liberal creed has gained the upper hand not only in the Western World. Therefore, it is reasonable to define the years up to the 1970s the *social-liberal epoch* (or in institutional terms: the age of the planning system (Galbraith 1973)) and the last four decades *the neo-liberal epoch* (the age of finance-led capitalism). In this paper I do not have the possibility to discuss the reasons for this shift. Nevertheless, it may be sufficient to call to mind that in the 1970s the conflict between the international market system (free trade and open finance, ‘GATT’ and ‘Bretton Woods’) and protection by national state agencies produced a twofold dilemma. It led to a reduction of national policy space, and it resulted in a destabilization of the international economic system. As became obvious during the 1970s, the social-liberal agenda did not offer a realistic approach to overcoming the contradictions between the global market system and the national welfare state. In principle, the conflict could be resolved in two ways: A) strengthening the national state to the detriment of the international economic system *or* B) globalizing the economy at the cost of national protection and policy space. For

reasons which we cannot discuss in this place, at the end the second solution prevailed. If this vision of the occurrences of the 1970s is meaningful, there are good reasons for excluding any possibility of a restoration of the social-liberal leadership in the foreseeable future.

But no matter how we explain the downfall, there is no doubt that the neo-liberal agenda has been the driving force of social change since the 1980s. Its main objective is to overcome the contradiction between the global market system and national social policy (protection) by

1. weakening the welfare state and other government instruments of social protection,
2. commodifying and financializing society as a whole (including the transformation of social protection into business: *private* insurances, *privatizing* health care, *private* pension schemes, emission trading etc.),
3. pushing on with (financial) globalization so as to limit the policy space of national governments further.

5. The paradox of neo-liberalism

If we want to understand the ongoing transformation, we have to go back to the paradox in which the neo-liberal agenda is grounded: On the one hand, the neo-liberal vision of the relationship between the economy and society presupposes the capacity of the government to lay down the rules which are indispensable for fruitful competition. Property rights have to be defined by the state. The rule of law has to be guaranteed. Taxes have to be collected in order to finance its activities etc. Otherwise no market

system is possible. On the other hand, by strengthening the market vis-à-vis the state in order to limit the latter's capacity of protecting society, political control over the economy *as such* (including its own power!), is undermined. The stronger neo-liberal political influence in a state, the more it reduces its own room for maneuver. The demand for radical tax cuts which, if realized, would undermine the state's economic existence, has become the symbol of the neo-liberal agenda.

The neo-liberal approach presumes that the self-regulation of the market automatically achieves the objectives that are in the interest of society as a whole. *It can only be successful if its utopia passes the test of reality.* If this would be not the case, by strengthening the self-regulation of the market system the neoliberal agenda inevitably would increase the extent of unexpected adverse effects and undermine the capability of state institutions to reduce the negative impact on the living conditions of large parts of the population. The consequences would be not only: deepening financial and economic crisis, over-indebtedness, increasingly unequal income distribution, ecological disasters (pollution, global warming), growing international tensions etc. By 'freeing' the market from state control, neo-liberal policy also would ty its own hands. In other words: It would 'cut the branch it is sitting on'.

But this is exactly what we can observe during the last decades. By weakening the influence of the government vis-à-vis the economy neo-liberal political forces are undermining their own position. *The utopian belief in self-regulation of the market system is taking revenge.* What good is it that the economy and the state co-operate through mutual interference, if one of them (the political realm) is more and more constrained by economic and financial chains? What is the point of maintaining political

leadership in parliaments if the governments gradually lose their ability to impose their will on the globalized market system? Social-liberal forces try to defend the influence of governments. But they have no plan of how to reconcile stronger government intervention with the globalized economy. By undermining political control, the political forces of revisionist liberalism fall back to a point that comes close to the position of the European governments in the interwar period. Therefore, it is no surprise that in the last years Polanyi's analysis of the collapse of the European civilization seems more and more familiar to us today. It is the consequence of the fact that we are approaching the closing stages of the postwar II epoch.

6. The conditions today: parallels and differences to the interwar period in Europe

With the weakening of political influence the Polanyian conflict between society (democracy) and the market system is back again. At the end of the 1920s European governments became increasingly defenseless vis-à-vis the International Gold Standard; today's governments (whether they adhere to the neo-liberal or the social liberal creed) are more and more constrained by globalized markets and finances. With a political sphere that loses room for maneuver the *tamed* double movement diminishes in significance. Social-liberalism loses the policy space which would be necessary for protecting society effectively.

In other words, the economic and social conflicts which the world has to face in our days are structurally similar to what we know from Polanyi's analysis. Nevertheless, there are also some fundamental differences.

- The further development of modern science and technology, of the global division of labor and of mass production add new problems such as weapons of mass destruction, mass communication, big data and climate change to the agenda.
- Today the political power is mainly in the hands of the business classes. As far as social protection is supported it is done not by conviction, but by necessity to keep the majority in the parliaments.
- Society as a whole has been commodified and financialized. In the 19th-century society in Europe not only the state, but also law, family life, culture, science, ethics etc. continued to follow, at least in principal, their own logic institutionally separated from the economy. The commodification of society as a whole has the consequence that all spheres, the terms of conduct and the behavior of its members have been adapted to the market.⁶ Even social protection has become the business of insurances, pension funds and other capitalist enterprises. As a consequence, the political struggle today is more heterogeneous and multifarious compared to the class struggle which dominated in the 19th-century societies in Europe. Therefore, the struggle is no longer mainly a fight between different spheres and subsystems of society, between business and the state, but it also arises *within* each of the various realms of society that are threatened by the assault of revisionist liberalism. Conflicts emerge on the most different fronts. Status remains a central issue. But status is less connected with class membership than with various group affiliations, with ethnic, cultural, racial, gender identities and the question of recognition.

⁶ In his 1947-article Polanyi anticipates with great clarity how a fully commodified market society would look like: "State and government, marriage and the rearing of children, the organization of science and education, of religion and the arts, the choice of profession, the forms of habitation, the shape of settlements, the very aesthetics of private life – everything had to comply with the utilitarian pattern, or at least not interfere with the working of the market mechanism. But since very few human activities can be carried on in the void, even a saint needing his pillar, the indirect effect of the market system came very near to determining the whole of society"(Polanyi 1947, 115).

- Left wing forces beyond social-liberalism are disorientated, fragmented, politically weak and disorganized. This is a consequence of the fact that a) as long as the tamed double movement prevailed they were marginalized and excluded from the political process and that b) in a commodified society the defense of individuality, culture, national identity and religion are pivotal points of social conflicts.

As a consequence, the political struggle today has a fundamentally different character compared to the 19th-century civilization in Europe. Neo-liberal forces and social-liberal politicians agree on the priority of safeguarding the post-war market society. But there is no guarantee that in the next decade they will be able to hold the reins of power. The phenomena which Colin Crouch (2004) describes in terms of post-democracy are clear signs of the crisis of revisionist liberalism. Not even the economic problems have been resolved. To pick out only one example: In view of the amount of debt already reached, it is not clear at all whether the government's room for maneuver in the next financial crisis will be large enough to safeguard the banking system for another time. Indeed, it cannot be excluded that the liberal forces lose the majority in one parliament or another. In this case, a new deadlock between the political realm and the economy cannot be excluded. As long as the political forces that oppose neo-liberalism adhere to the obsolete logic of the tamed double movement and the left-wing opposition is weak, disorientated and unprepared, right-wing nationalist parties and groups have an easy task.

7. In lieu of conclusion

What we need today is a real understanding of the nature of the current transformation of society, an understanding of the facts which answers to the unresolved problems of our times. Science alone is incapable of accomplishing this task. Only a new, up-to-date narrative that gives meaning to the fight for the protection of society from the point of view of the common man could be able to do so. Such a narrative would at least have to recognize:

1. the challenges of a technological society to human freedom (peace, climate change, nuclear threat, mass media, artificial intelligence etc.)
2. the fact that classical liberalism, bolshevism, social-liberalism and neo-liberalism were not more than particular, historically limited experimental answers to these challenges *that have demonstrated their limits*
3. the insight that we do *not* have a ready answer to the challenges of a technological society, that probably there is no universal solution, but only regional responses
5. the absurdity of the idea that the market system is able to assume responsibility and to act in the interest of society as a whole: only human beings (and not blind mechanisms) are able to choose, to make decisions and to act freely by taking into account the consequences of the choices on other human beings
6. the fact that socialism is not a question of the ‘good society’, but of *creative adjustment* to the conditions of a technological civilization defending personal freedom and democracy.

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