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Polanyian reflections on capitalist crisis

Nancy Fraser

N°18 | august 2012

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Working Papers Series

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The author

Nancy Fraser is Henry A. and Louise Loeb Professor of Philosophy and Politics and at the New School for Social Research in New York. Currently Einstein Visiting Fellow at the Free University of Berlin, she holds the Chair «Rethinking social justice in a globalizing world» at the Collège d'études mondiales, Fondation Maison des sciences de l'homme.

She has published two books in French: *Qu'est-ce que la justice sociale? Reconnaissance et redistribution* (La Découverte 2005; 2nd edition 2011) and *Le féminisme en mouvements. Des années 1960 au néolibéralisme* (forthcoming from La Découverte in October 2012). Her English-language publications include *Scales of Justice: Reimagining Political Space for a Globalizing World* (2008); *Adding Insult to Injury: Nancy Fraser Debates her Critics*, ed. Kevin Olson (2008); *Redistribution or Recognition? A Political-Philosophical Exchange* (2003) with Axel Honneth; *Justice Interruptus: Critical Reflections on the "Postsocialist" Condition* (1997); and *Unruly Practices: Power, Discourse, and Gender in Contemporary Social Theory* (1989).

Citing this document

Nancy Fraser, *Can society be commodities all the way down? Polanyian reflections on capitalist crisis*, FMSH-WP-2012-18, august 2012.

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Informations et soumission des textes :
wpfms@msf-paris.fr

Fondation Maison des sciences de l'homme
190-196 avenue de France
75013 Paris - France

<http://www.msf-paris.fr>
<http://halshs.archives-ouvertes.fr/FMSH-WP>
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Abstract

In his classic 1944 book, *The Great Transformation*, Karl Polanyi traced the roots of capitalist crisis to efforts to create “self-regulating markets” in land, labor, and money. The effect was to turn those three fundamental bases of social life into “fictitious commodities”. The inevitable result, Polanyi claimed, was to despoil nature, rupture communities, and destroy livelihoods. This diagnosis has strong echoes in the 21st century: witness the burgeoning markets in carbon emissions and biotechnology; in child-care, schooling, and the care of the old; and in financial derivatives. In this situation, Polanyi’s idea of fictitious commodification affords a promising basis for an integrated structural analysis that connects three dimensions of the present crisis, the ecological, the social, and the financial. This paper explores the strengths and weaknesses of Polanyi’s idea.

Keywords

Polanyi, crisis, commodification, capitalism, neoliberalism, critique

La société est-elle totalement marchandisable ?

Réflexions polanyiennes sur la crise du capitalisme

Résumé

Dans *La Grande Transformation*, son ouvrage classique publié en 1944, Karl Polanyi a lié les origines de la crise capitaliste aux efforts pour créer des « marchés autorégulés » de la terre, du travail et de l’argent. En conséquence, ces trois fondements de la vie sociale ont été transformés en « marchandises fictives ». Le résultat inévitable, affirme Polanyi, a été de dépouiller la nature, rompre les communautés et détruire les moyens de subsistance. Ce diagnostic résonne fortement au XXI^e siècle : en témoignent les marchés émergents concernant le carbone et les biotechnologies, les soins aux enfants et aux personnes âgées, l’enseignement, les produits financiers dérivés. Dans cette situation, l’idée de Polanyi de marchandisation fictive procure un fondement prometteur à une analyse structurale intégrée qui connecte les trois dimensions de la crise actuelle, écologique, sociale et financière. Ce papier explore les forces et faiblesses de l’idée de Polanyi.

Mots-clés

Polanyi, crise, marchandisation, capitalisme, néolibéralisme, critique

A Crisis in Three Dimensions

We are presently living through a crisis of great severity and great complexity. Yet we lack a conceptual framework with which to interpret it, let alone one that could help us resolve it in an emancipatory way. Evidently, today's crisis is multidimensional, encompassing not only economy and finance, but also ecology, society, and politics. Of these dimensions, I want to single out three as especially salient. There is, first, the ecological strand of crisis, reflected in the depletion of the earth's nonrenewable resources and in the progressive destruction of the biosphere, as witnessed first and foremost in global warming. There is, second, the financialization strand of crisis, reflected in the creation, seemingly out of thin air, of an entire shadow economy of paper values, insubstantial, yet able to devastate the "real" economy and to endanger the livelihoods of billions of people. Finally, there is the strand pertaining to social reproduction, reflected in the growing strain, under neoliberalism, on what some call "care" or "affective labor," but what I understand more broadly as the human capacities available to create and maintain social bonds, which includes the work of socializing the young, building communities, of reproducing the shared meanings, affective dispositions, and horizons of value that underpin social cooperation. Taken singly, each of these strands of crisis is scary enough. Put them together, and you have a constellation that is truly alarming. It is the convergence of these three strands—the ecological, the financial, and the social—that constitutes the distinctive character, and special severity, of the present crisis.

Under these conditions, one conclusion is axiomatic. A critical theory for our time must encompass all three of these crisis dimensions. To be sure, it must disclose the specificity of each. But it should also clarify the ways in which the ecological strand of crisis, the financialization strand of crisis, and the social reproduction strand of crisis are intertwined. Finally, it should explore the possibility that all three derive from a common source in the deep structure of our society and that all three share a common grammar.

Today, however, we lack such a critical theory. Our received understandings of crisis tend to focus on a single aspect, typically the economic or the ecological, which they isolate from, and privilege over, the others. For the most part, ecological

theorists isolate the crisis of nature from that of finance, while most critics of political economy fail to bring that domain into relation to ecology. And neither camp pays much attention to the crisis of social reproduction, which has become the province of gender studies and feminist theory, and which therefore remains ghettoized.

Today, however, such "critical separatism" is counterproductive. In the present context, when crisis is patently tridimensional, we need a broader, integrated approach that connects the ecological, the economic, and the social. Eschewing economism, on the one hand, and what I shall call "ecologism," on the other, we need to revive the project of large-scale social theorizing that tries to encompass all three dimensions of crisis and to clarify the relations among them. In elucidating the nature and roots of crisis, such a perspective would also seek to reveal prospects for an emancipatory resolution.

The thought of Karl Polanyi affords a promising starting point for such theorizing, his 1944 classic, *The Great Transformation*, elaborates an account of an earlier crisis that connects ecology, political economy, and social reproduction. The book conceives crisis as a multifaceted historical process that began with the rise of economic liberalism in 19th century Britain and proceeded, over the course of a century and a half, to envelop the entire world, bringing with it intensified imperial subjection, periodic economic depressions, and cataclysmic wars. For Polanyi, moreover, this crisis was less about economic breakdown in the narrow sense than about disintegrated communities, destroyed livelihoods and despoiled nature. Its roots lay less in intra-economic contradictions than in a momentous shift in the place of economy vis-à-vis society. Overturning the heretofore-universal relation, in which markets were embedded in social institutions and subject to moral and ethical norms, proponents of the "self-regulating market" sought to build a world in which society, morals, and ethics were subordinated to, even modeled on, markets. Conceiving labor, land, and money as "factors of production," they treated those fundamental bases of social life as if they were ordinary commodities and subjected them to market exchange. The effects of this "fictitious commodification," as Polanyi called it, were so destructive of habitats, livelihoods, and communities as to spark an ongoing counter-movement for the "protection of society." The

result was a distinctive pattern of social conflict, which he called “the double movement”: a spiraling conflict between free-marketeers, on the one hand, and social protectionists, on the other, which led to political stalemate and ultimately, to fascism and the second world war.

Here, then, is an account of crisis that avoids at least two forms of critical separatism. Eschewing both economism and ecologism, *The Great Transformation* interweaves an account of financial breakdown and economic collapse with accounts of natural despoliation and social disintegration, all subtended by intractable political conflicts that failed to resolve, indeed exacerbated, the crisis. Refusing to limit himself either to the economic, on the one hand, or to the ecological, on the other, Polanyi elaborated a conception of crisis that encompasses both those dimensions, as well as the dimension of social reproduction. By incorporating the latter, moreover, his framework is capable, at least in principle, of embracing many feminist concerns and, indeed, of connecting them to the concerns of political ecologists and political economists.

This point alone would qualify Polanyi as a promising resource for those who seek to understand the crisis of the 21st century. But there are other, more specific reasons for turning to him today. The story told in *The Great Transformation* has strong echoes in current developments. There is at least a *prima facie* case for the view that the present crisis was triggered by recent efforts to disencumber markets from the governance regimes (both national and international) established in the aftermath of World War II. What we today call “neoliberalism” is little more than the second coming of the very same 19th century faith in the “self-regulating market” that unleashed the crisis Polanyi chronicled. Now, as then, attempts to implement that creed are spurring efforts to commodify nature, labor, and money: witness the burgeoning markets in carbon emissions and biotechnology; in child-care, schooling, and the care of the old; and in financial derivatives. Now, as then, the effect is to despoil nature, rupture communities, and destroy livelihoods. Today, moreover, as in Polanyi’s time, counter-movements are mobilizing to protect society and nature from the ravages of the market. Now, as then, struggles over nature, social reproduction, and global finance constitute the central nodes and flashpoints of crisis. On its face, then, today’s crisis is plausibly

viewed as a second great transformation, a great transformation redux.

For many reasons, then, Polanyi’s perspective holds considerable promise for theorizing today. Yet we should not rush to embrace it uncritically. Even as it overcomes economism and ecologism, *The Great Transformation* turns out, on closer inspection, to be deeply flawed. Focused single-mindedly on the destructive effects of “self-regulating markets,” the book overlooks harms originating elsewhere, in the surrounding “society.” Preoccupied exclusively with the corrosive effects of commodification *upon* communities, it neglects injustices *within* communities, including those, such as slavery feudalism, and patriarchy, that depend on social constructions of labor, land, and money precisely as *non*-commodities. Demonizing marketization, the book tends to idealize social protection, as it fails to note that protections have often served to entrench hierarchies and exclusions. Counterposing a “bad economy” to a “good society,” *The Great Transformation* flirts with communitarianism and is insufficiently sensitive to domination.¹

What is needed, then, is a revision of Polanyi’s framework. The goal should be a new, post-polanyian perspective that not only overcomes economism and ecologism but also avoids romanticizing and reifying “society” and thereby whitewashing domination. That precisely is the aim of the present lecture. Seeking to develop a critique that comprehends “society” as well as “economy,” I propose to examine one of Polanyi’s signature concepts, namely the fictitious commodity. I shall argue that while this idea affords a promising basis for an integrated structural analysis of the present crisis, it needs to be reconstructed in a form that is sensitive to, and critical of, domination.

Fictitious Commodification in *The Great Transformation*

Let me begin by sketching Polanyi’s idea of fictitious commodification. He contended, as I already noted, that 19th century industrial capitalism inaugurated a historically unprecedented relation between “economy” and “society.” Previously, markets had been “mere accessories” of

1. Don Robotham, “Afterword: Learning from Polanyi 2,” in *Market and Society: The Great Transformation Today*, ed. Chris Hann and Keith Hart (2009), p. 280-1

economic life, and no such thing as a separate “economy” had ever existed. Production and distribution were organized by “non-economic” institutions (for example, kinship, community, and state) and subject to non-economic norms (for example, religious, communal, and legal), which limited what could be bought and sold, by whom, and on what terms. The idea of a “self-regulating market,” subject only to supply and demand, was virtually unthinkable.

All that changed, however, with the invention of the utterly novel idea of a “market economy.” Decisively rejecting all previous understandings, proponents of this idea envisioned a separate economic system, institutionally differentiated from the rest of society, and entirely directed and controlled by market mechanisms. In this system, all production would be organized for sale on price-setting markets, which would be governed immanently, by supply and demand. Not just luxury goods, not just ordinary goods, but *all the inputs of production*, including human labor, raw materials, and money credit, would be traded on such “self-regulating markets.” Thus, the necessary conditions for commodity production would themselves become commodities. But that meant introducing the logic of market relations into virtually every aspect of social life. What was originally envisioned as a separate “economy” would inevitably colonize the surrounding society, remaking the latter in the image of the former. A “market economy” could only exist in a “market society.”

For Polanyi, however, this idea of a “market economy-cum-market society” is inherently unrealizable. To posit that labor, land, and money can be traded like ordinary commodities is to suppose that society can be commodities “all the way down.” But this assumption, Polanyi claimed, is “entirely fictitious,” and attempts to implement it are bound to backfire. In reality, labor, land, and money have a special, foundational status. Constitutive of the very fabric of social life, they also supply the necessary background conditions for commodity production. To treat them as ordinary objects of market exchange is thus to attack at once the “substance” of society and the indispensable presuppositions of a capitalist economy. The result could only be a crisis of society, on the one hand, and a crisis of economy, on the other. Society, in Polanyi’s view, cannot be commodities all the way down.

He writes:

To allow the market mechanism to be the sole director of the fate of human beings and their natural environment...would result in the demolition of society. For the alleged commodity “labor power” cannot be shoved about, used indiscriminately, or even left unused without affecting the human being who happens to [its] bearer...In disposing of a man’s labor power the system would, incidentally, dispose of the physical, psychological, and moral entity “man” attached to the tag. Robbed of the protective covering of cultural institutions, human beings would perish from the effects of social exposure [and] social dislocation...Nature would be reduced to its elements, neighborhoods and landscapes defiled, ...the power to produce food and raw materials destroyed. Finally, the market administration of purchasing power would periodically liquidate business enterprise, for shortages and surfeits of money would prove as disastrous to business as floods and droughts were in primitive society. (TGT 76)

As we shall see, this passage can be interpreted in more than one way. Nevertheless, its central point is beyond dispute: efforts to create a “market society,” composed of commodities all the way down, necessarily trigger crisis. Destabilizing nature, finance, and social reproduction, such efforts are bound to undermine both the constitutive elements of social life and the presuppositions of commodity production and exchange. They are also bound to provoke resistance.

The Great Transformation recounts the process by which 19th century British commercial interests sought to commodify labor, land, and money. In Polanyi’s account, their actions set in motion a far-reaching crisis in three dimensions. First, the attempt to create a “self regulating market” in “labor power” demoralized “the human being who happened to be its bearer.” Fracturing communities, splintering families, and fraying social bonds, it disturbed the processes of social reproduction on which markets rely. Second, land enclosures, free trade in corn, and the importation of cheap foodstuffs upended agriculture and sapped the lifeblood of rural communities, even as industry pillaged the world and gouged the earth in pursuit of “raw materials,” while polluting the air and water. “Reducing nature to its elements,” and “defiling neighborhoods and

landscapes,” the new economic regime endangered both the ecological conditions of production and the living conditions of human beings. Lastly, unbridled speculation in currency and credit instruments destabilized the money supply, causing the value of money to fluctuate wildly, wiping out savings, discouraging investment, and depriving producers and consumers alike of their ability to plan for the future. Thus, the commodification of money undermined the temporal preconditions for social and ontological security, as well as the financial preconditions for capital accumulation. For Polanyi, then, the result of fictitious commodification was crisis. Simultaneously social, ecological, and economic, this was a crisis for nature and society as well as for capital.

Commodification, Domination, and Emancipation

Polanyi's idea of fictitious commodification is remarkably prescient. Whatever its merits for the period he chronicled, his identification of nature, labor and money as central nodes of crisis is highly pertinent to the 21st century. Equally important, his conception relates those three flashpoints of crisis to a common dynamic. Thus, the notion of fictitious commodification affords the prospect of an integrated crisis theory that encompasses in one fell swoop the concerns of ecologists, feminist theorists, and political economists. Capable of connecting those bodies of thought, it promises to overcome the separatisms that currently divide, and weaken, critical theorizing. In effect, this concept locates all three strands of critique as interconnected moments of a broader critique of capitalism.

As usually interpreted, however, Polanyi's account of fictitious commodification rests on some dubious underpinnings. These stem from the claim, made repeatedly in *The Great Transformation*, that a commodity is a good (or service) produced for sale. Basing his argument on this definition, Polanyi contends that labor, land, and money cannot be genuine commodities because none was produced for sale. Neither labor nor land is produced at all, he claims; and although money is a human creation, it has the status of a social convention, akin to language, not that of an object produced for sale. When traded, therefore, none of the three behaves like a true commodity. In each case, an original condition of *not having*

been produced for sale destabilizes the process of marketization. Absent the proper origins, the would-be commodities can only be “fictitious.”

Let us call this the “ontological interpretation” of fictitious commodification. It is problematic, I think, because essentialist, ahistorical, and insensitive to domination. Appealing to an original condition, the condition of not having been produced for sale, the ontological interpretation posits that to commodify labor, land, and money is to violate their essential nature. As a result, it obscures their historicity—covering over the fact that none of the three is ever encountered pure, but only in forms that have always already been shaped by human activity and imbued with cultural meanings and normative significations. This interpretation fails to register, too, that social constructions of labor, land, and money have typically encoded forms of domination, many of which long predate their commodification—witness feudalism, slavery, and patriarchy, all of which, as I noted before, depend on constructions of labor, land, and money precisely as non-commodities. Then, too, the ontological reading orients the critique of commodification overwhelmingly to its disintegrative effects on social communities, focusing above all on its tendency to destroy existing solidarities and social bonds. Associating change exclusively with decay and decline, it overlooks the possibility, noted by Marx, that marketization can generate emancipatory effects, by dissolving modes of domination external to the market and creating the basis for new, more inclusive and egalitarian solidarities. Conversely, the ontological reading occults the fact that struggles to protect nature and society from the market are often aimed at entrenching privilege and excluding “outsiders.” Ignoring hierarchy and exclusion, it lends itself to a defensive project: protecting extant constructions of labor, land, and money, along with the domination inhering in them, from marketization. Precluding consideration of tradeoffs, it discourages efforts to reckon the pluses and minuses of such complex historical developments as the introduction of markets into authoritarian command economies or the opening of labor markets to women and former slaves. All told, the ontological reading inflects the critique of crisis with a defensive, conservative thrust that is at best insensitive to, and at worst complicit with, forms of domination that are not grounded in market mechanisms.

What is needed, then, is another interpretation of fictitious commodification, one that is historicized, non-defensive, and sensitive to domination. A useful model, I suggest, is Hegel's argument, in *The Philosophy of Right*, as to why society cannot be contract all the way down. In that work, Hegel argued that a sphere of contractual relations is possible only on the basis of a background of non-contractual social relations; efforts to universalize contract necessarily undermine it, by destroying the non-contractual basis on which it depends. Adapting Hegel's argument, we might define fictitious commodification as the attempt to commodify the market's conditions of possibility. Understood in this way, attempts to fully commodify labor, land, and money are conceptually incoherent and inherently self-undermining, akin to a tiger that bites its own tail. For structural reasons, therefore, society cannot be commodities all the way down.

Let us call this the "structural" interpretation of fictitious commodification. Unlike the ontological interpretation, this one does not suppose an original condition of labor, nature, and money that inherently resists commodification. It directs attention, rather, to the tendency of unregulated markets to destroy their own conditions of possibility. It construes those conditions, moreover, as socially constructed and historically specific, hence, as potentially intertwined with domination and as subject to contestation. It reminds us, accordingly, that what commodification erodes is not always worth defending, and that marketization can actually foster emancipation by weakening traditional supports for domination. Freed from the communitarian bias of the ontological reading, the structural interpretation makes possible a more complex critique of capitalist crisis. Sensitive not only to desolidarization, but also to domination, it enhances the critical force of the concept of fictitious commodification.

Let me elaborate. The structural reading of fictitious commodification foregrounds the inherently self-contradictory character of free-market capitalism. It is analogous in that respect to Marx's idea of the tendency of the rate of profit to fall. But unlike Marx, Polanyi identifies not one, but three contradictions of capitalism, the ecological, the social, and the financial, each of which underpins a dimension of crisis. For Polanyi, moreover, each of the three contradictions unfolds by way of a common logic: each pertains to a necessary

condition of production, which capitalism simultaneously needs and tends to erode. In the case of the ecological condition of production, what is at stake are the natural processes that sustain life and provide the material inputs for social provisioning. In the case of social reproduction condition, what is at stake are the sociocultural processes that supply the solidary relations, affective dispositions and value horizons that underpin social cooperation, while also furnishing the appropriately socialized and skilled human beings who constitute "labor." In the case of the monetary condition of production, what is at stake is the ability to conduct exchange across distance and to store value for the future, hence the capacity to interact broadly in space and in time. What is at stake in each case is sustainability: the sustainability of capitalism, on the one hand, and that of society and nature, on the other hand.

In principle, then, each strand of crisis lends itself to a structural critique, focused on sustainability. And indeed, as a matter of fact, three different variants of such critique are presently circulating. An ecological variant claims that neoliberalism's increasingly invasive subsumption of nature as a fictitious commodity today is irreparably eroding the natural basis that sustains life and supplies the material inputs for commodity production. A feminist variant holds that the increasing commodification of women's labor, on the one hand, and of "care," on the other, is depleting the capacities for social reproduction on which the supply of "labor power" and society as such depend. Marxian and Keynesian variants claim that financialization is destroying the monetary presuppositions for capital accumulation, as well as the possibility of politically organized social protection and public provision of social welfare.

Each of these critiques is powerful and deserving of further development. But each captures only one strand of a larger totality, and each needs to be connected to the others. Far from being neatly separated from one another, the three dimensions of crisis are inextricably interwoven in the deep grammar of capitalist society. Let me suggest how they might be connected via Polanyi's notion of fictitious commodification. By reading this notion structurally, I want to show how we might decouple his three-dimensional critique of capitalism's unsustainability from the communitarian ethos to which he unwittingly joined it; and how we might link it instead to a critique of domination.

Fictitious Commodification in the 21st Century

I begin with the commodification of labor. Here, Polanyi was surely prescient, laying the basis in 1944 for a feminist critique of capitalism, albeit one that he himself did not develop. Not confining himself to criticizing exploitation, he situated labor's commodification in a broader perspective, the perspective of social reproduction, which concerns maintenance of the social bonds that are indispensable both to society in general and to market exchange in particular. Adopting this perspective, Polanyi understood that proletarianization is as much about ruptured communities and frayed solidarities as about exploitation and immiseration. He understood, therefore, that unbridled commodification of labor threatens the universe of meanings, affective dispositions and value horizons that underpin society and economy, while also jeopardizing the supply of appropriately skilled and socialized "labor power" that capital requires. He understood, finally, that under conditions of rampant proletarianization, social reproduction is bound to be a flashpoint of crisis and site of struggle. As Polanyi saw it, the result could only be an epochal battle between two social forces: on one side, the party of free-market liberalism, bent on ripping labor out of its lifeworldly context and turning it into a "factor of production" in the service of profit; on the other side, the party of social protection, set on defending the lifeworlds, families, and communities that have always enveloped labor and suffused it with social meaning.

But for all its insight, Polanyi's perspective also harbors a major blindspot. What he failed to note was that the construction of "labor power" as a fictitious commodity rested on the simultaneous co-construction of "care" as a non-commodity. The unwaged labor of social reproduction supplied wage labor's necessary conditions of possibility; the latter could not exist, after all, in the absence of housework, child-raising, schooling, affective care, and a host of other activities that maintain social bonds and shared understandings. But the division between paid "productive" labor and unpaid "reproductive" labor was overwhelmingly a gendered division, which underpinned modern capitalist forms of women's subordination. Missing this deep-seated structure of gender domination, Polanyi effectively inscribed the ideal of the "family wage" at the heart of his understanding of

"social protection." What was protected here was less "society" as such than a societal form premised on gender hierarchy.

The effect was to skew Polanyi's understanding of the grammar of social conflict. Neglecting the history of feminist struggles against "protection," which included demands for women's right to employment, among other things, he failed to see that struggles around labor's commodification were actually three-sided: they included not just free marketeers and proponents of protection, but also partisans of "emancipation," whose primary aim was neither to promote marketization nor to protect society from it, but rather to free themselves from domination. Emancipation's ranks have included feminists, to be sure, but also the billions of slaves, serfs, peasants, racialized peoples and inhabitants of slums and shantytowns for whom a wage promised liberation from slavery, feudal subjection, racial subordination, social exclusion, and imperial domination, as well as from sexism and patriarchy. Such actors vigorously opposed the oppressive protections that prevented them from selling their labor power. But they did not on that account become proponents of free-market liberalism. Rather, their struggles constituted a third pole of social movement, above and beyond the two poles identified by Polanyi. Not just marketization and social protection, but also emancipation. Hence not a double movement, but what I've elsewhere called a "triple movement."

This revision enables a better understanding of the "labor" dimension of the current crisis. By introducing the problematic of male domination and women's emancipation, we can grasp crucial aspects of the present constellation that are occulted in more orthodox Polanyian accounts. It is true, of course, as these accounts suggest, that wage labor is everywhere in crisis as a result of neoliberal globalization—witness astronomical rates of unemployment, attacks on unions, and the involuntary exclusion of roughly two-thirds of the world's population from official labor markets. But that is not all. In a further turn of the screw, much of the formerly unwaged activity of social reproduction is now being commodified—witness, the burgeoning global markets in adoptions, child-care, babies, sexual services, elder care, and bodily organs. Now add to this the fact it is increasingly women who are being recruited today into waged work. Thus, neoliberalism

is proletarianizing those who still do the lion's share of the unwaged work of social reproduction. And it is doing so at the very moment when it is also insisting on reduced public provision of social welfare and curtailed state provision of social infrastructure. The overall result is a deficit of care. To fill the gap, global capitalism imports migrant workers from poorer to richer countries. Typically, it is racialized and/or rural women from poor regions who take on reproductive and caring labor previously performed by wealthier women. But to do this, the migrants must transfer their own familial and community responsibilities to other, still poorer caregivers, who must in turn do the same—and on and on, in ever longer “global care chains.” Far from filling the care gap, the net effect is to displace it—from richer to poorer families, from the Global North to the Global South.

Here we see a new, intensified form of fictitious commodification. Activities that once formed the uncommodified background that made commodified labor possible are now themselves being commodified. The result can only be intensified crisis, as the tiger bites ever more deeply into its tail.

No wonder, then, that struggles over the social construction of “family and work” have exploded over recent years—witness the rise of feminist movements and women's movements of various stripes; of grass-roots community movements seeking to defend entitlements to housing, health care, job training, and income support; of movements for the rights of migrants, domestic workers, public employees, and of those who perform social service work in for-profit nursing homes, hospitals, and child care centers. But these struggles do not take the form of a double movement. They are better grasped, rather, as three-sided struggles, encompassing not only neoliberals and social protectionists, but also proponents of emancipation, including those for whom exploitation represents an advance.

Consider, next, the commodification of nature. Here, too, Polanyi was prescient, laying the basis in 1944 for an ecological critique of capitalism *avant la lettre*. He understood that nature is an indispensable precondition both for social life in general and for commodity production in particular. He understood too that unbridled commodification of nature is unsustainable, bound to impair both society and economy. He understood, finally, that, reduced to a factor of production and subjected to unregulated market exchange, nature

is destined to become a node of crisis. Such treatment is bound, moreover, to provoke resistance, sparking movements to protect nature and human habitats from the market's ravages. Here, too Polanyi envisioned a “double movement,” a two-sided battle between environmentalists and free marketeers.

Without question, this perspective is pertinent today. In the 21st century, commodification of nature has proceeded far beyond anything Polanyi imagined—witness the privatization of water, the bioengineering of sterile seeds, and the patenting of DNA. Such developments are far more intrusive, and destabilizing, than the land enclosures and free trade in corn he wrote about. Far from simply trading already existing natural objects, these forms of commodification generate new ones; probing deep into nature, they alter its internal grammar, much as the assembly line altered the grammar of human labor. Adapting terminology used by Marx, one could say that such new forms of fictitious commodification effect not just the “formal subsumption,” but the “real subsumption,” of nature into capitalism. Hence, nature truly is now produced for sale. In addition, the depletion of the earth's non-renewable resources is far more advanced today than in Polanyi's time—so advanced, indeed, as to raise the prospect of full-scale ecological collapse. Finally, the neoliberal cure for the ills of markets in nature is more markets—markets in strange new entities, such as carbon emissions permits and offsets, and in even stranger meta-entities derived from them, “environmental derivatives,” such as carbon emissions “tranches,” modeled after the mortgage-backed CDOs that nearly crashed the global financial order in 2008 and now being briskly traded by Goldman Sachs.

No wonder, then, that struggles over nature have exploded over recent years—witness the rise of environmental and indigenous movements, locked in battles with corporate interests and proponents of “development,” on the one hand, and with workers and would-be workers who fear the loss of jobs, on the other hand. If there were ever a time when nature was a flashpoint of crisis, it is today. But these conflicts, like those surrounding labor and care, do not take the form of a simple two-sided struggle between neoliberals and environmentalists. Like labor, nature is now a site of conflict for a complex array of social forces, which also include labor unions and indigenous

peoples, ecofeminists and ecosocialists, and opponents of environmental racism. Here, too, in other words, not a double, but a triple movement. Also encompassing movements for emancipation, such struggles belie romantic ecofundamentalist perspectives that would flat out prohibit commodification of nature, just as the feminist critique of patriarchal protection belied romantic communitarian approaches that would ban commodification of the labor of care. In this case, too, accordingly, what is needed is a structural critique, divested of all nostalgia and linked to the critique of domination.

Consider, finally, the commodification of money. In this case, too, Polanyi was remarkably prescient. In the 21st century, financialization has achieved new heights of dizziness, far beyond anything he could have imagined. With the invention of derivatives, and their metastasization, the commodification of money has floated so free of the materiality of social life as to take on a life of its own. Untethered from reality and out of control, “securitization” has unleashed a tsunami of insecurity, nearly crashing the world economy, bringing down governments, devastating communities, flooding neighborhoods with under-water mortgages, and destroying the jobs and livelihoods of billions of people. As I write, moreover, financialization is threatening to destroy the euro, the European Union, and any pretense of democracy, as bankers routinely overrule parliaments and install governments that will do their bidding. No wonder, then, that politics is everywhere in turmoil, as movements both on the Left and the Right, mobilize to seek protective cover. More perhaps even than in Polanyi’s time, finance is at the center of capitalist crisis.

Here, too, however, Polanyi’s perspective harbors a major blindspot. He identified the modern territorial state as the principal arena and agent of social protection. Granted, he appreciated that the regulatory capacities of states depend importantly on international arrangements. Thus, he rejected the early 20th century free trade regimes that had deprived European states of control over their money supplies and prevented from adopting policies of full employment and deficit spending. But the best alternative Polanyi could envision was a new international regime that would reinstate national currency controls and thus facilitate protective policies at the national level. What he did not anticipate was that the “Embedded

Liberalism” (Ruggie 1982) established after the War would serve some states better than others. In that era of decolonization, imperialism took on a new, indirect, “non-political” form, based on unequal exchange between newly independent ex-colonies and their erstwhile masters. As a result of this exchange, the wealthy states of the core could continue to finance their domestic welfare systems on the backs of their former colonial subjects. The disparity was exacerbated in the neoliberal era, moreover, by the policies of structural adjustment, as international agencies like the IMF used the weapon of debt to further undercut the protective capacities of postcolonial states, compelling them to divest their assets, open their markets, and slash social spending. Historically, therefore, international arrangements have entrenched disparities in the capacities of states to protect their populations from the vagaries of international markets. They have shielded the citizens of the core, but not those of the periphery. In fact, the national social protection envisioned by Polanyi was never in fact universalizable to the entire world; its viability in the Global North always depended on value siphoned off from the Global South. Thus, even the most internally egalitarian variants of postwar social democracy rested on external neo-imperial predation.

Today, moreover, as many on the Left have long warned, and as Greeks have discovered to their dismay, the construction of Europe as an economic and monetary union, without corresponding political and fiscal integration, simply disables the protective capacities of member states without creating broader, European-level protective capacities to take up the slack. But that is not all. Absent global financial regulation, even very wealthy, free-standing countries find their efforts at national social protection stymied by global market forces, including transnational corporations, international currency speculators, financiers, and large institutional investors. The globalization of finance requires a new, post-westphalian way of imagining the arenas and agents of social protection. It requires arenas in which the circle of those entitled to protection matches the circle of those subject to risk; and it requires agents whose protective capacities and regulatory powers are sufficiently robust and broad to effectively rein in transnational private powers and to pacify global finance.

No wonder, then, that present-day struggles over finance do not conform to the schema of the double movement. Alongside the neoliberals and national protectionists that Polanyi foregrounded, we also find alter-globalization movements, movements for global or transnational democracy, and those who seek to transform finance from a profit-making enterprise into a public utility, which can be used to guide investment, create jobs, promote ecologically sustainable development, and support social reproduction, while also combating entrenched forms of domination. Such actors represent a new configuration, which aims to integrate social protection with emancipation.

What all of this shows, I believe, is that Polanyi was right to identify labor, land, and money as central nodes and flashpoints of crisis. But if we are to exploit his insights today, we must complicate his perspective, connecting a structural critique of fictitious commodification to a critique of domination.

Conclusion

Let me close, however, by returning to a point I stressed at the outset. The purpose of centering our understanding of crisis on nature, social reproduction, and finance is not to treat these three dimensions separately. It is rather to overcome critical separatism by developing a single comprehensive framework, able to encompass all three of them and thus to connect the concerns of ecologists, feminist theorists and political economists.

Far from being neatly separated from one another, the three strands of capitalist crisis are inextricably interwoven, as are the three corresponding processes of fictitious commodification. I have already noted the neoliberals are pressing governments everywhere to reduce deficits by slashing social spending, thereby jeopardizing the capacity of families and communities to care for their members and to maintain social bonds; thus, their response to financial crisis is undermining social reproduction. Likewise, I have mentioned the new speculation in environmental derivatives. What such “green finance” portends is not only economic breakdown, but also ecological meltdown, as the promise of quick speculative super-profits draws capital away from the long-term, large-scale investment that is needed to develop renewable energy and to transform unsustainable modes of production and forms of life that are premised on fossil fuels. The resulting

environmental destruction is bound to further disturb processes of social reproduction and will likely produce some nasty effects—including zero-sum conflicts over oil, water, air, and arable land, conflicts in which broader solidarities give way to “lifeboat ethics,” to scapegoating and militarism, and perhaps again to fascism and world war. In any case, we do not need to rely on such predictions to see that finance, ecology and social reproduction are not neatly separated from one another, but are deeply and inextricably intertwined.

This sort of analysis illustrates four major conceptual points that have been central to this lecture and that I would like to restate now in closing. First, a critical theory for the 21st century must be integrative, oriented to understanding the present crisis as a whole. We make a good start at developing such a perspective by adopting Polanyi’s idea of fictitious commodification, so as to connect three major dimensions of crisis, the ecological, the social-reproductive, and the financial, all conceived as constitutive moments of a crisis of *capitalism*. Second, 21st century critical theory must go beyond Polanyi by connecting the critique of commodification to the critique of domination. We make a good start here by rejecting the standard ontological reading of fictitious commodification, with its defensive communitarian overtones, in favor a structural reading, which is sensitive not only to desolidarization but also to domination. Third, a critical theory for the 21st century must develop a conception of the grammar of social struggle that goes beyond Polanyi’s idea of a double movement. Factoring in struggles for emancipation, alongside those for marketization and social protection, it must analyze the struggles of our time in terms of a triple movement, in which those three political projects combine and collide. Finally, to mention a point only hinted at here, a critical theory of contemporary crisis needs a complex normative perspective that integrates the leading values of each pole of the triple movement. Such a perspective should integrate the legitimate interests in solidarity and social security that motivate social protectionists with the fundamental interest in non-domination that is paramount for emancipation movements, without neglecting the valid concern for negative liberty that animates the most principled and consistent free-market liberals. Embracing a broad, integrative understanding of social justice, such a project would serve at once to honor Polanyi’s insights and remedy his blindspots.

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