

BOOK REVIEW

From the Great Transformation to the Great Financialization: On Karl Polanyi and Other Essays, edited by Kari Polanyi Levitt (Zed Books, London, 2013, ISBN: 9781780326481, £17.99 p/b, pp. 292).

Kari Polanyi Levitt is a renowned development economist and the only child of Karl Polanyi and Ilona Duczynska. Her best known works include groundbreaking studies on the impact of foreign direct investment in host countries (Levitt, 1970), and dependent development and industrialization in the Caribbean (Best & Levitt, 2009). This anthology of 14 highly readable essays contributes to a tidal wave of renewed scholarly interest in her father's critique of self-regulating capitalism and free market utopianism across the social sciences (Gray, 1998; Stiglitz, 2001; McRobbie & Levitt, 2005; Bugra & Agartan, 2007; Hann & Hart, 2009; Dale, 2010; Harvey, Ramlogan, & Randles, 2014; Block & Somers, 2014). It aims to provide readers with a wide-ranging, accessible, and authoritative account of the relationship between Polanyi's ideas and the theory and practice of economic development today.

The chapters are mostly based on academic presentations delivered by Levitt during the 1990s and 2000s. The first eight essays ('Polanyi on Capitalism, Socialism and Democracy') consist of reflections on the life and work of Polanyi. The next three essays ('The Global South from Conquest and Exploitation to Self-reliant Development') track continuity and change in global capitalism over the very long run from its origins in European mercantilism to the 2008 economic crash. The last three essays deal with changes in the intellectual paradigms that have shaped postwar development economics and policymaking. The book also includes a brief biography of Levitt by Harry Veltmeyer and a 13-page afterword by Samir Amin.

Levitt's discussion of Polanyi's key concepts, such as 'fictitious commodities', 'embeddedness', and 'double movement', yields a compelling explanation of the new world disorder that emerged after the Cold War and its tendencies towards possible self-destruction. According to her, the most salient feature of this world is the contradiction between neoliberal capitalist globalization and the struggle of non-European peoples to make their own history after five centuries of dependency on the West. Inspired by Polanyi's (2001) analysis of the role of Ricardian-style liberalism in collapsing the 19th-century liberal international order (1815–1914), her argument is that neoliberal globalization is pushing capitalism's fictitious commodification of labour, land, and money to its utopian limit. This results in the degradation of nature, culture, and society, and produces new forms of resistance to the organization of economic life on the basis of pecuniary gain.

Viewed through this Polanyian lens, the successive stock market crashes, bank failures, and sovereign debt crises, as well as growing inequality within and between countries, which have marred global capitalism since the 1980s illustrate the fundamental social and political contradictions of the neoliberal project to construct a self-regulating global market order. Faced with the mounting social costs of reproducing capitalist globalization, rentier bondholders and neoliberal intellectuals demand more of the same policies—liberalization, deregulation, privatization, reduced capital taxation, and cuts to social spending—that generate these costs in the first place. In response, new political movements in both the South and the North struggle to reclaim enclosed land, subordinate deregulated labour and financial markets to popular control, and bring an end to global inequality and underdevelopment. For Levitt, this dialectic of power from above and resistance from below highlights the anti-democratic nature of neoliberalism, which increasingly transfers sovereignty from states to technocratic market-enabling supranational governance institutions shielded from democratic accountability.

Leading interpretations of Polanyi's political orientation within the existing scholarly literature seek to highlight his affinity with 'embedded liberalism' in postwar Europe (Ruggie, 1982; Block, 2003). Levitt challenges this incumbent scholarly wisdom by claiming that '[a]lthough not a Marxist, he was much less a social democrat' (41). An associational socialist who nonetheless agreed with Marx's fundamental critique of alienation under capitalism, Polanyi would not have endorsed the proposition that postwar European welfare capitalism, with its active government regulation of labour and finance, successfully re-embedded the capitalist economy in social relations. Neither would he have regarded the remnants of this 'European social model' as constituting a genuine alternative to Anglo-American neoliberalism. What social democrats misunderstand, according to Levitt, is that state regulations of this kind reinforce rather than challenge the centrality of the market. Furthermore, their effect is short-lived, as the crisis of Keynesian social democracy in the 1970s amply demonstrates. Rather than a capitalist world in which states act to correct market imperfections and maintain a skilled, high-wage proletariat, Polanyi advocated an end to the regulation of humanity and nature by the commodity form and the relegation of exploitative markets for labour, land, and money to the very margins of social reproduction (see also Lacher, 1999).

Unfortunately, Levitt's emphasis on Polanyi's socialist pedigree stands in stark contrast to her continued commitment to a variant of dependency theory. Her analysis of the relationship between declining Western power, the rise of the BRICS (Brazil, Russia, India, China and South Africa), and the prospects for Third World development does not envisage a global society liberated from the domination of market forces. Instead, it is solely concerned with the success of non-European societies in increasing their relative market power in a conjuncture of intensified international competition. It is, therefore, not clear whether for Levitt semiperipheral states such as China, India, and Brazil represent a genuine alternative to market self-regulation along capitalist lines, or have been restructured so as to conform to the requirements of neoliberal globalization. Ultimately, she remains caught between two conflicting conceptions of social progress: on the one hand, a statist critique of the viability of neoliberal development strategies within the context of an international system structured by the core-periphery logic of global capitalism; on the other, a libertarian socialist critique of all development strategies that seeks to run faster on the treadmill of international accumulation instead of stepping off. This fundamental ambiguity suggests a need for further research intended to unpack the relationship between Polanyi's ideas and the basic concept of development.

Even if Levitt remains equivocal about the possibilities for realizing Polanyi's optimistic vision of a 'world of diverse economic and social systems coexisting in managed inter-regional exchange' (11), this does not detract from the value of her book for researchers and students. *From the Great Transformation to the Great Financialization* offers readers profound insights into the logical structure and political implications of Polanyi's basic concepts, as well as a thought-provoking journey through a lifetime's scholarly reflection on problems of development and underdevelopment. As such, it will likely become a key reference point for all those compelled by current circumstances to re-examine the historical legacy and contemporary significance of Polanyi's thought.

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