Galbraith's Farewell to Poverty

Karl Polanyi

... Not so long ago, the sage of Yale and the prophet of rugged individualism, taught his pupils that “Poverty was Nature surviving in Society”. Malthus and Ricardo had established an Iron Law of Wages, which made sure that Poverty could not disappear from Society as long as population was bound to press on man’s food supply. Fortunately, poverty fostered crime, pestilence and war – the positive checks on the growth of population, and hence the hope of stabilizing the curse of poverty. Economists firmly believed that assistance of the rich and starvation of the poor were the founts of capitalism, and that only the ruthless sweating enforced by the laws of competition could relieve the dearth of capital. Even Karl Marx whose healthy suspicion of Malthusian doctrine should have made him safe against the myth of inescapable poverty, was misled by the scenes of mass destitution to the point of accepting the delusion of an Iron Law of Wages. Hence the unanimity with which an increase of production was postulated as a maxim native to capitalism by rich and poor, the unenlightened and the enlightened minds. Over more than a century the dogma of material welfare ruled the souls, and the even growing efficiency of productive methods fostered by a scientific technology became the panacea. Luddism which hoped to save the worker from servitude to the machine by attacking bodily the knitting frames in Nottingham shops, was ridiculed for an epitome of ignorance which imagines it can dam the tide of technological progress like children who build sandcastles against the surging ocean. Progress was inescapable, and it meant a rising productivity due to ever growing efficiency. Competition under capitalism, planning under socialism, would increase the forces of efficiency. Nothing could withstand their triumph march because they embodied the vital interests of the whole of Mankind. Socialism itself was upgraded to the level of a science for having accepted the creed of progress through machinery. Communism, the fullness of a socialistic society, was promised as a fruit of abundance. “From everyone according to his abilities, to everyone according to his needs”. How otherwise could this hope be redeemed than in the promised land of affluence, and what other key would open its gates than rigid adherence to the discipline of efficiency?

In this formulation the fundamental demand of the present word was submerged and postponed to a distant and uncertain future. For freedom cannot be a supreme requirement as long as efficiency is enthroned as their arbiter of social ethics.

Galbraith inadvertently throws open the discussion the burning issue of the day – Freedom. Industrial society had all too long accepted efficiency as a material alternative to freedom. Neither capitalism nor socialism faced up to the issue of personal life, which became an ever more remote subservient to an ever greater material endowment of man. There seemed to be an end of the road to technological progress which carried with it an ever decreasing freedom.

Let us stop here, to think. How much abundance is needed to be free? The question is bedeviled by the organization of our economy which postulated efficiency as an absolute and thereby destroys the liberating forces of abundance in the womb. For no increase in goods allows us to stop the mill-race and reach sufficiency. The competitive system has roused the spectre of unemployment, which makes production a means of distributing income to the members of society, whether they personally need the goods produced or not. Destitution limited only by the “dole” is the condition of the unemployed. Not the abundance promised by super
production, but the averting of the loss income is the driving force. But quite apart from the daily requirement of the mass of the people – recession, depression, a general crisis, are the outcomes of a stoppage of business. The immediate consequence is that however “rich” the society grows in more or less “useful” products, the farther it is from the freedom to cut loose from the treadmill of money-motivations. True, leisure may grow, as “freedom from work”. But the change to a life where the alternative to a monetarized existence is merely the empty leisure of the “absence of work” is not the freedom man’s heart desires.

As a human society we want to be able to shape our common existence in a manner that enriches life. A manufacturing society must create work opportunities on pain of restricting employment. But the conditions we need more than most of the fantastic varieties of unwanted luxuries are the chance to be able to follow our inclinations, develop our talents, choose between money making and personal relations, enjoy the shaping of our own existence above the meaningless conformity to a commercialized entertainment industry. Even in the material field, not the manufactured objects but the collective services offer the prime enrichments of our daily life. What our children need is better education, a wider opening for self-improvement, the opportunities of travel, studying, researching, creative activity; what we all need is a broader contact with nature, art and poetry; the enjoyment of language and history, the perspectives of science and exploration, security against the avoidable accidents of life and above all a self-respecting person’s assurance that he can lead his life without a humiliating dependence upon an employer or upon the constructing interferences from a poorly educated, unenlightened community. Not another car, a more expensive suit of clothes, of sales pressured pseudo-commodities, but the services provided by the village, the town, the government, the voluntary association that add up to those preconditions of a true life.

This is one of the aspects of freedom. Each of these we could master. The invisible bar to freedom is the obsession of infringing on efficiency.

We should from the start, resist the insane response to the machine. For once accepted, it destroys the true fruit of the machine, the chance of freedom.

Technology should provide us with the minimum of material welfare, and that minimum should be attained by methods of maximum efficiency.

But does this entail the dominance of that one norm? No, efficiency must compete with the other norms that give meaning to life. They may demand – and often demand – a sacrifice of efficiency in one or another regard, to some definite limited extent....

Of all such norms freedom stands highest.

This article has been reproduced from an original version which is available in the Karl Polanyi Archive. Container No. 37, File 11.