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General vs. Special Purpose Language: A Key to the Double Movement

Let me preface my remarks by revealing that I am not a Polanyi scholar, but merely a Polanyi dilettante. I have no doubt been influenced more than I can imagine since my first readings of *The Great Transformation* in 1962 while a graduate student at Columbia University and then at the University of Texas two years later in a class taught by Terry Neale, who had been one of Polanyi’s students at Columbia in the late 1940s.

One of Polanyi’s ideas that has remained relatively dormant in me for decades is the distinction between all-purpose and special purpose money which he made in his 1957 paper “The Semantics of Money Uses”.¹ It was at a late 1990s Polanyi conference in this building that a presentation by Julie Graham provided a key to unlock my puzzlement about the distinction between what I call general purpose money and special purpose money: non-equivalence. In effect, special purpose money is reserved for the sacred and general purpose money for the profane. On a recent rereading of Polanyi’s 1957 essay, I sense that my rendering may not be consistent with what Polanyi wrote. Nonetheless, when one is convinced one presses on. In this case with the encouragement of Kari Polanyi Levitt who thinks that I am on the right track. Rest assured that if there is blame to be assigned on what I am about to develop, she deserves none. Reproduced in George Dalton, ed. *Primitive, Archaic and Modern Economies: Essays of Karl Polanyi*, 1968.

A radio show that entertained me as a child was “The Shadow”, who was an individual who had the “power to cloud men’s minds so that they could not see him.” In a like manner, we have a discourse, both public and private, that increasingly fosters the eclipse of collective action by its celebration of the advantages which can be gained by virtually unfettered greed. The verbal and visual images that bombard us 24/7 essentially tend to condition citizens to perceive the world in the same manner as do the robber barons.

What’s in a word? Words may lead or may mislead. They are a bundle of connotations that have been shaped by repetition, by familiarity and by punishment. The role of language to lead and mislead is the subject of critical discourse analysis as well as a school of thought known as General Semantics which originated with Count Alfred Korzybski. Specialized terminology is also

¹ Reproduced in George Dalton, ed. *Primitive, Archaic and Modern Economies: Essays of Karl Polanyi*, 1968.

at the heart of the persistence of scientific paradigms. William Blake wrote of seeing a “World in a Grain of Sand”. In a like manner words shape our behavior and our perceptions. As Edward Said has remarked one of the main functions of language “is to preserve the status quo and to make certain that things go smoothly, unchanged, and unchallenged” and “the result is that the mind is numbed and remains inactive while language that has the effect of background music in a supermarket washes over consciousness, seducing it into passive acceptance of unexamined ideas and sentiments.” (Edward W. Said, *Representations of the Intellectual*, 1994, pp. 27-28)

The Anthropocene: The Human Age

The challenge that presumably engages all of those participating in this conference is that of re-embedding the economy in society. I submit that the ongoing environmental crisis which has led to our epoch being spoken of by an ever-increasing number of scientists as the Anthropocene requires that we dethrone the language of economics and finance with all their associated connotations which give them a stranglehold on politics and society and relegate them to the place of a special purpose language.

To be precise, today’s dominant discourse is increasingly shaped by what Paul Krugman calls the Austerians, those for whom public sector budget deficits are necessarily evil independent of the state of employment and income. The belts of the common people are to be tightened, while those in the upper 0.1% of the world’s income recipients order extra bottles of Veuve Clicquot to serve on their yachts and private jets or at one of their many highly protected gated estates.

Concentrations of income and wealth are nothing new, but the magnitude and the ease of accumulating and the acceptance of enduring inequality is new (Thomas Piketty, *Capital in the Twenty-First Century*, 2014). Still popular rhetoric denies the extent to which entire societies can be destabilized by inequalities of income and power. Governments everywhere reduce tax rates, not having learned the importance of not breaking ranks, a lesson well known to self-interested oligopolists. Among the effects of inevitably reduced government revenues are the eroding of welfare programs, social solidarity and political integrity. The time has long since come for world level initiatives that aim at convergence rather than competition (Frankman, *World Democratic Federalism*, 2004).

I believe that institutions and policies firmly rooted in national sovereignty are not merely obsolete, but are growing more dangerously so with each passing day. The 17th century Westphalian system centered on state sovereignty may have been reasonably suited to the now eclipsed Holocene Epoch. Indeed, it may not have been suitable even then. As Keith Hart has written: “the Internet may be finally what the democratic revolution of the seventeenth and eighteenth centuries was waiting for before it was diverted into the reactionary project of nationbuilding.” (*Money in an Unequal World*, 2000, p. 8)

Linguistically, politically and socially we must install a general purpose language in which community, cooperation and respectful interaction with each other and the global environment

occupy a central place. Today the fate of communities and the future of the planet and its life forms hinge on the adoption of a significantly changed discourse and a reconfiguring of our systems for governing human activity on the Earth. Our challenge today is to build an open global order along the lines that some of the visionaries who were writing during World War II and since have proposed, but taking account of the effects of the ongoing revolution in information technology and automation and of other emerging crises, including the environmental ones.

As complex natural processes have long and unpredictable lead times, the Precautionary Principle takes on particular importance. Were we to abruptly stop the use of all fossil fuels tomorrow, we might at best be able only to slow somewhat the pace of planet-wide change, but not the direction. Perhaps the most quoted passage in Karl Polanyi's *The Great Transformation* appears on the initial page of Chapter 1:

. . . the idea of a self-adjusting market implied a stark utopia. Such an institution could not exist for any length of time without annihilating the human and natural substance of society; it would have physically destroyed man and transformed his surroundings into a wilderness. In fact, we don't have a self-adjusting market, but rather the myth of one. And the shaping of society based on that myth is having even more dramatic planet-wide effects than Polanyi might have ever foreseen 70 years ago.²

A number of writers have rightly focused on the destructive power of the concepts of fictitious labor and fictitious capital. My view is that clarity of social purpose may well await a firm demarcation between special purpose and general purpose language. We are first and foremost human, not labor, nor even human capital, nor do we define ourselves as consumers, although purchases may be an element in our well-being. The function of education is to create a humane society, not to increase someone's estimate of a composite capital stock through the expansion of the human capital component thereof. The human dimension merits enhancement, irrespective of economic considerations. Instead of discussion of re-embedding the economy in society, we must reassert the primacy of society, at home and around the world. Attention should be given to the provision of basic income and development of human capabilities.

The planet-wide effects of climate change cry out for a changed discourse. Economics, with its customary simplifying assumptions, such as *ceteris paribus* and *pari passu*, is ill-prepared to meet the emerging challenges. I believe in the desirability of extending rights to a social protection floor and basic income for all. To not do so is likely to lead to human suffering of an unparalleled extent in a world of disappearing jobs. Designing and negotiating such initiatives should start now to head off humanitarian disasters. Elsewhere I have argued for completely open borders, with a social protection floor and human rights available to all, with remaining residency requirements for entitlements either reduced to a bare minimum or eliminated entirely.

² "Replantear el discurso: De la restricción a la libre Migración" *Ola Financiera* (no. 19, 2004), 77-86.

The promise of automation and robotics is nothing less than the emancipation of each and every one of us to be truly human: that is to give full expression to our empathic selves, to be exposed to possibilities which we may pursue as our inclinations dictate. The shift should be from labor market policy to a human fulfillment strategy to support for all the fullest expression of our humanity. Shaping true world citizens with rights and obligations that span national boundaries is one of the key challenges of our times.

It is time to recognize that we live in one world and not merely one world market. Like it or not, we are bound together in a myriad of ways that leave no country independent of others. There are, of course, local idiosyncrasies that should be protected as part of our human heritage, but our circumstances cry out for mutually reinforcing responses that narrow the differences in well-being and opportunity between jurisdictions.

Labor is a subset of our common humanity and quest for well-being. In the extension of rights as in scientific principles, parsimony should be a basic principle. Arrangements should be shaped that provide a maximum of freedom, that enhance life chances, that in a real sense leave none behind by recognizing and accommodating human diversity. We all have a place on this planet and all merit an entitlement, insofar as no one is a self-made person. We are all products of our environments, of our socialization, of the panoply of our experiences. The path for all is to the full expression of humanity and a right to acquire competence.

Citizens of the World: Stand and Be Recognized

The paradigm for the Anthropocene is that of ever-changing, ever-incompletely understood complex interdependence. The trust that is invested in each of us by that paradigm is that we are each the keepers of our planet and of our planetary siblings. The 21st Century must be about the federated citizen, in his/her multiple associations in one's immediate entourage(s), to the neighborhood through the many levels of the global hierarchy, to the level of world citizen with portable rights, some immutable and some reflecting the values of a particular jurisdiction or organization, consistent with the issue specific, ever shifting, principle of subsidiarity. We increasingly recognize that we now live in a world that is interconnected in almost every imaginable sense and growing more so daily. Today financial flows truly know few limits, ideas freely flow and trade in goods is largely free of obstacles. As most nations try to achieve a cost advantage, the absence of either world level policy and/or generalized policy harmonization leaves the people of the world to be pawns of the Vested Interests. The burden of maintaining the pretense of sovereignty in the context of a generalized race to the bottom falls heavily on the common people. The response to the possibility of jobs and production moving offshore is often to cut taxes, cut wages, and/or divert public funds to subsidies to the firms that have one foot out of the door. These rear guard actions are misguided *sauve qui peut* responses to a global collective action challenge.

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Community engagement and restraining excess are two sides of the coin of our very survival in the Anthropocene. The overwhelming scientific consensus has not yet been able to unite the world in undertaking concerted, coordinated, comprehensive responses. That is the supreme challenge for us all. A future where growth is predominantly non-material and where innate human needs are nurtured may well be the only path to sustainable development which addresses the social, the environmental and much transformed 'economic' ends.

There has been an outpouring of recent books celebrating empathy and altruism not just as a philosophical or religious option, but as an innate trait (de Waal, *The Age of Empathy*, 2009). That empathy should be nurtured and promoted, rather than stifled and distorted. "No one left behind" should be the solemn commitment, from the local through to the global. We need to heed the counsel of Alexis de Tocqueville: "The first duty imposed on those who now direct society is to educate democracy; to put, if possible, new life into its beliefs . . ." (de Tocqueville, *Democracy in America*, 1969, p. 12).