

KARL POLANYI'S HUNGARIAN WRITINGS

Karl Polanyi, Karl Polanyi: The Hungarian Writings, ed. Gareth Dale, trans. Adam Fabry (Manchester: Manchester University Press, 2016), 256 p. ISBN 9781784994259.

This collection of short writings, most of them penned by Karl Polanyi in the early twentieth century, is a timely foray into the powerful thinking of a young and passionate intellectual who was morally and practically wrestling with the social and political conditions of his time. The reason these meditations appear so relevant and prescient is because they haul us back into a historical period in which the great battles between progressive and reactionary forces were staged; battles that, perhaps, belong to the past but to which new generations, much to their chagrin, find themselves thrown back. And, like Polanyi, the engaged intellectual today must – yet again – work through subjects such as the paradoxical popular fascination with fascism, and separating the inspiring promises of socialism and the irrefutable discoveries of Marxist theory from dogmatic belief. Blending acute reflections on the ironies of history with an unrelenting search for the right praxis, Polanyi provides a template, as it were, for rethinking our own time.

In the introduction, Gareth Dale expertly engages the connections between Polanyi's biography and the vicissitudes of Hungarian politics of the early 20th century. Besides contextualizing these short writings, it also serves to illustrate an enormous flux of political ideas, disaffections, and inspirations that seemed to converge in representative personalities. Polanyi did not identify either with communism or liberalism, and relentlessly sought a third way – “a social arrangement in which democracy could be extended into the workplace” without completely abolishing markets (p. 24). Dale locates this desire in the divergent influences that shaped Polanyi's thinking: the romantic anti-capitalism of his mother Cecile, his father Mihály's British liberal creed, the anti-positivism of Georg Lukács, the revolutionary syndicalism of Ervin Szabó, and perhaps, most importantly, the Fabian socialism of Oscar Jászi. Another defining factor in Polanyi's intellectual and political trajectory was the fact that he, like many other radical intellectuals who grew up in *fin de siècle* Hungary, was Jewish. Dale brilliantly exposts the “peculiar dilemma” of the Jews who – although dominant economically and in the professions – had a pariah status if they remained Jews. If they converted, however, they could instantly become part of the establishment. But this was a morally troubling

compromise. Haunted by their intimate experience of oppression and marginalization, and oscillating between their parvenu and pariah status, Jewish radicals often chose the path of a “conscious pariah” to become advocates of a universal humanism (p. 4).

Albeit products of a historical and biographical context, these writings are by no means constrained by the particular. To the contrary, the good faith struggle with concrete historical and social conditions elevates them to a universal significance that resonates a century after they were penned. Dale has separated the interlacing threads of the writings into four different concentrations: religion and ethics; political ideas; world politics; and Hungarian politics, capped by some of Polanyi’s related correspondences. In the first section, one finds Polanyi comparing and contrasting religion and metaphysics and emphasizing their common failings. He is unapologetically critical of the hollowness of metaphysics and what he calls the “useless and mystifying concept” of truth (p. 44). For a materialist such as Polanyi, it is perhaps obvious that so-called truth is not innate to the thing but fundamentally shaped by an *interested* agent.

Polanyi finds echoes of his assertion of a dialectical relationship between mind and matter, of thought as the activity of an organism embedded in the world and pursuing its particular mode of enjoyment and survival, in the ideas of the physicist and philosopher, Ernst Mach. Thinking, he argues in his preface to Mach’s *Analysis of Sensations*, is “the process through which our thoughts adapt themselves to the facts” toward self-preservation, and in an economical way in view of the inherent limits of the consciousness (p. 46). While communist orthodoxy may have been critical of such “reactionary” philosophy,¹ for Polanyi, Mach’s work only demonstrated the material conditions of knowledge production. This critique of metaphysics foreshadows the tectonic critiques of Western philosophy and Cartesian rationality which were to soon appear in the form of Heidegger’s concept of “Being-in-the-world,” and later Husserl’s “lifeworld.” These critiques also worked their way into the associations of power and knowledge, painstakingly demonstrated by French poststructuralism and psychoanalysts such as Jacques Lacan.² And yet, we continue to live as much under the moral and intellectual suzerainty of fetishized truth/power today as we ever have, paradoxically proving these critical assertions and maintaining Polanyi’s nascent interrogations in their compelling freshness.

Polanyi’s diatribe against religion is even more acerbic as he accuses it of betraying the lofty values of morality and corrupting “the wondrous resources of faith and trust” by treacherously blending them with zealous credulity, thereby poisoning the “mainsprings of human growth” (p. 49). Faith and trust are the very basis of moral being, of community and a caring self that is capable of empathy. Religion colonizes

¹ See chapter V of Vladimir Lenin, *Materialism and Empirio-criticism: Critical Comments on a Reactionary Philosophy*, in Vladimir Lenin, *Collected Works*, Vol. 14 (Moscow: Progress Publishers, 1972), pp. 17–362. Available at <https://www.marxists.org/archive/lenin/works/1908/mec/six5.htm>.

² See Jacques Lacan, *The Other Side of Psychoanalysis* (London: Norton & Co, 2007).

these most cherished qualities of the human being and deviously lends them to the most unthinking zealotry and superstition, stifling the growth of human society and civilization. Instead of a moral order inherited from religion, or based in inherited fallacies, Polanyi calls for a creative moral order founded by a free will that incorporates the lessons of historical materialism. Against the common accusation that free thinkers destroy the existing moral order without providing any alternative, Polanyi retorts that instead of following the dogma of a neurotic and classist inherited order, free will takes responsibility for not merely choosing between good and evil but also declaring “*what is good and what is bad*” (p. 54). No less inane, inoculating, and harmful, however, is the pervasive modern fatalism that society progresses and develops of its own accord, and that the role of politics is merely “to facilitate this development” (p. 57). This kind of *scientia occulta*, Polanyi argues, construes our own moral commands as but the “empty echoes of unfolding events.” He questions the circular belief that would have us incessantly defer the execution of social goals, apparently derived from society, to the development of society itself. Instead, Polanyi exhorts his audience to recognize the limitless value of conviction, and the immense power of a will that freely chooses what it ought to do. The solid mass of human convictions “acts not as a mirror to the world, but its foundations, walls, and cupola” (p. 59).

Polanyi's genius in juxtaposing the moral will with historical events is demonstrated particularly well in the essay, “The Calling of Our Generation,” an eloquent analysis of the moral crisis of the First World War. The great evil of this war, he reckons, was not the destitution, injuries, or sickness, but the boredom, the torment of souls over existence deprived of its meaning. It was a time of utter irony: from governing circles faking determination when in fact it was impossible to govern; opposition parties pretending to be against the war while disguising their support for the war as self-restraint in the national interest; peasants who were continuously shedding blood even as they got richer; and merchants whose craft had become as risky as the soldiers', where they traded in scarce, inferior goods that could as easily earn them a medal as land them in prison. But nothing, says Polanyi, was more disappointing than the conduct of the proletariat, which could alone be held to a higher moral standard. While the world waited expectantly for it to rise to the challenge, it too was found “burning in the sinful fevers of war” (p. 70). There was to be no repentance for this tragic moral failure either: the working class found itself in a privileged position and workers were able to keep their jobs as long as they kept the war industry going.

Polanyi repeatedly underscores the importance of reflecting on these events as these lessons from the depressing meaninglessness, which only appear in fleeting flashes of recognition, must not be forgotten. The witnessing must be committed to memory as it unfolds in the present, since, in retrospect, everything can be given meaning and glorified. But Polanyi feared – and who could blame him – that the true lessons of the war would be forgotten and the rulers would continue in their way “without faith and conviction,” silencing everyone who would search for the truth (p. 73).

For all his exasperation, Karl Polanyi of the “Hungarian writings” is at heart a believer and a romantic, qualities that he longs to inspire and applaud in the new generation – the youth from whom he dreams of tidal waves of change. His faith is revolutionary, Jesus of Nazareth being a towering example of such revolutionary love. He cites the Gospel: “Do not suppose that I have come to bring peace to the Earth. I did not come to bring peace but a sword. For I have *come* to turn the man against his father, and the *daughter* against her *mother*” (p. 75; Polanyi’s emphasis). And it is precisely this revolutionary love that he sees in the poetry of Endre Ady, in creative labor awakening the soul to the “seismic rumblings” of society. It was also at the core of his passionate involvement with the Galilei Circle, a putatively apolitical group of radical free thinking youth that sought “to learn and to teach” towards creating a new Hungary. However, like many a knight of faith—to use Kierkegaard’s eloquent phrase—Polanyi’s inspired imagination is left flummoxed by reality, particularly by what he saw as the failings of Bolshevism. Polanyi cannot help being discouraged by the Bolsheviks’ dogmatic insistence on the notion of the dictatorship of the proletariat. He finds such assertions of faithfulness to Marx opportunistic, as the Bolsheviks had quite willingly ignored Marx in other regards. For example, they had adhered to the old order of nationalism, ignoring Marx’s radical globalism, and continued to follow a capitalist economic model that ignored the central tenet of the internal contradictions of capital accumulation.

Polanyi has no tolerance for dictatorship, whether of the proletariat or as an intermediary measure. Socialism is to be cherished only insofar as it stands for greater equality and freedom than exists, and is based on faith in the human ability to morally change, progress, and flourish. The Russian communists, he believed, failed because they gave in to the false idea of an immutable selfish human character, and only had “*confidence in the enforced laws of development*” (p. 102, Polanyi’s emphasis). This for him was a “hopeful fatalism,” practicing a politics based on the incitement of hatred, envy, and profiteering instead of reaching out to the forces of human ideals and morality (*ibid.*). The social democrats fell to the same methods, adopting brutal tactics of violence, intimidation, and overbearing political power and terror, defiling the universal moment without a clear road to moral transformation.

Unlike the theoretical artifice of the eventual withering away of the state, Polanyi favored the British Labour Party’s propositions of guild socialism. This proposal suggests the evolution of trade unions along the lines of guilds during the Middle Ages. It envisions a federation of hundreds of millions of workers – including peasants, industrial workers, and administrators across the world – bound in solidarity by respect for one another’s craft. Trade unions would have to change into associations based on industrial sectors (instead of professions) and would have legislative and executive powers, with the state having its own attenuated role. These inspirations reflect Polanyi’s uninhibited search for a new politics and new answers, while at the same time expressing his political loyalties, which are split between an appreciation for Marx’s presentation of the revolutionary character of the proletariat and a distaste for Marx’s deterministic

inclination for excessive bureaucratization and forced centralization. Instead, he betrays a soft spot for Bakunin's burning love of freedom and of a society organized "from the bottom up in completely free and independent associations [...] without governmental paternalism" (p. 125).

These essays on religion and political ideas are followed by an interesting collection of essays on world politics and the philosophy of history, beginning with a critical reflection on the politics and possibility of pacifism. Polanyi emphasizes the incompatibility of durable peace in a world where sovereign nations struggle for narrow self-interests. Any legal order based on conciliation between contending powers in such a context would be short-lived, even when compared to a militarist truce at the terms of the victorious powers. Asserting the fundamental irreconcilability of nations with the realized unity of modern humanity, Polanyi warns of wars to come, where peace is only guaranteed by deterrence and the strength of armies. Polanyi's ability to see events that will unfold in the decades to come is evident in a foreboding essay on "fear," where he warns of the fears that drive the powerful, whether they be classes or nations, to resist change. They fear the vengeance of the hitherto downtrodden. There is no way out of this great fear, except for a sturdy and honest democracy that will not tolerate any tyranny, even if directed against past tyrants. Only then could humanity renew itself with a fresh start, and a true democracy to come.

Progressive change, however, is also thwarted by the lack of trust, whether between classes or between peoples, as evident in the comic jostling between post-war European powers, more or less clueless about their own politico-economic status. Driven by a mish-mash of principles and narrowly defined interests, they alternately bragged about their economic strength and their resolve to pay their debts, and warned of looming bankruptcy in a chaotic state of affairs. This bedlam was reflected in the confused laws and demands of the League of Nations, its sorry overtures for peace in a Europe primed for war. There was a clamor for dictatorship, particularly in countries traumatized by defeat and humiliation. The weaker the institutions of democracy in a society, the greater seemed its faults and shortcomings, and the louder were cries for the abolition of universal suffrage. But Polanyi keeps his hopes in the idea of democracy and its ultimate triumph alive, while bemoaning the widespread apathy about historical progress that had left the great minds troubling themselves with minor questions and lesser ones to deal with the fundamental problems of society as a whole. While technology and the physical powers available to humans had grown tremendously, social structures had been left woefully inadequate such that humanity resembled a group of toddlers supplied with acids, razors, and bombs.

Polanyi's faithful romanticism flows out most convincingly in his appreciation for the utopian socialism of the British writer H.G. Wells. Like Wells, he cherishes the ideal of a world state where a cacophony of mutually destructive petty interests is replaced by a politics integrating the world. Yet, as a sociologist, he is well aware that such dreams are closer to religious belief than to concrete political projects capable of subverting

the challenges of class, racial conceits, and hypocrisy. Polanyi describes with élan the duplicity of racist corporatists and politicians in the Weimar Republic as they inflicted suffering and profited off the very “race” they extolled. They would extinguish the democratic freedoms of their people, and spy and murder for anyone, “so long as they could build their own class rule on the ruins of the German republic” (p. 160). He is no less observant about the racist maneuvers of the British Empire in India as much as in South and East Africa, where politicians effortlessly changed their cloaks. The exploited became exploiters, the defenders of democracy abroad turned into defenders of racist privileges in domestic politics, thus playing into the cynical politics of British imperialism.

But is Polanyi himself immune to the temptations of ethnicity, and able to get past the politico-analytical dead ends of identity? There are no easy answers to this question that consumes a social body “like a feverish inflammation.” Indeed, it is sobering to find such an undoubtedly well-meaning and careful scholar brazenly prescribe Magyar cultural hegemony as the only viable path to democratic modernization for Hungary (p. 189). Minorities must submit, against their will if necessary, to the cultural domination of the Magyars as they are the only group with progressive traditions. Moreover, Polanyi’s emphasis on a radical bourgeois party as the leader of a progressive political coalition, as opposed to the leadership of the working class, appears even more unorthodox for a left intellectual. At that stage of Hungary’s development, he believes in the importance of a bourgeois party to fight against feudalism and for basic freedoms and welfare, thereby allowing the socialist party to focus on workers’ interests. But this is not merely a tactical issue for Polanyi because he disagrees with any idea of a revolution or *Zukunftsstaat* under the dictatorship of the proletariat or even the priority given to the industrial working class in Marxism. To the contrary, Polanyi is a firm believer in the institutions of democracy, the importance of private property, and he focused on reforming *this* society in the here and now with intellectual workers playing the leading role. As the founder of the Radical Party, he advocated an internationalist social order based on transcendence of ideological illusions, where labor, including intellectual labor as the most “exhausting, excruciating, and productive” form of labor, receives its full reward (p. 193). But intellectual workers, Polanyi acknowledges, are no more immune to selfish, blind interests and irrational passions than the industrial proletariat. Nationalistic ideology lures the proletariat, industrial and intellectual alike, even more than the capitalist insofar as the former “possesses nothing but this; he owns nothing but the people’s song that he whistles [...] of which he has been taught to be proud” (p. 198). Polanyi believes that true social transformation is only possible through a rejuvenated camp where intellectual and manual laborers unite and work together.

Whether one agrees or not with these ideas (though they surely warrant reflection and debate, and they remain pressingly relevant), Polanyi stands tall among the great intellectuals of the twentieth century who turned politics into an act of aesthetic judgment as much as one of practical reason. He inhabits a liminal space, traversing and

participating in global, historical social processes while having the most sympathetic regard for subjective time. Both these elements shine in the short collection of letters that caps this wonderful book. The letters to Georg and Maria Lukács show Polanyi's aesthetic side, a person contemplating, listening, and staring at life's paradoxes. A couple of them written in mourning reported the funeral of Leo Popper who died at the tender age of 25, and are vivid and overwhelming in the description of the parents' melancholia.

Hungarian Writings is an impressive illustration of Polanyi's intellectual triumphs as well as his disquiet at the agonizing ridiculousness of historical events as they unfolded about a century ago. While Polanyi's intellectual insights are inarguably compelling, Dale points out a utopian sentiment, a "casual jostling" of "utopian" and "realist" commitments, which makes him treat the state as a neutral platform for the double movement.³ Perhaps this is no more than echoing Polanyi himself who, in an extraordinary letter to Oscar Jászi written from a hospital bed in 1950, excoriates himself for letting down a whole generation of Hungarian youth by taking the Galilei Circle in an "anti-political direction" due to his shortsightedness and "lack of realism" (p. 228). "Who bears responsibility for this? I do." But perhaps this is overly harsh; we are also wiser today to the failings of the so-called realists as well as to the tragic social and human costs of realism in the 20th century. Instead, it is precisely the unfettered passion and freshness of his idealism, the courage of youth, faith that wills to move mountains, and candor that comes not from received dogma but revolutionary love, that are most compelling and timeless about these writings.

A century after most of them were written, *The Hungarian Writings* remind us of the inertia of history and the difficulty of progress, of the habitual pettiness of nations and groups, and of the suicidal temptations of fascism. These are accounts of depressing and dreary repetitions. Yet, the thrilling sharpness of the writings and the indomitable faith of their author fills one's heart and calls to action. For, as Camus put it, and Polanyi wouldn't disagree, the struggle itself is enough. "One must imagine Sisyphus happy."

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³ Gareth Dale, *Karl Polanyi: A Life on the Left* (New York: Columbia University Press, 2016), pp. 284–285.