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Global Issues

From Polanyi to Pollyanna: The False Optimism of Global Labor Studies

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In recent years there has been a spate of interest in Karl Polanyi's *The Great Transformation* among social scientists in general, and among labor scholars in particular.[1] Nor is this surprising since Polanyi warned us of the dangers of what he called the 'liberal creed' – belief in the self-regulating market whose pursuit brought economic misery and cultural devastation to modern civilization. Written in 1944 *The Great Transformation* traces the rise of the self-regulating market – the relation between the idea and the practice – from the end of the 18th century, through the 19th and into the 20th century generating protectionist counter-movements which brought social democracy and the New Deal but also Fascism and Stalinism. The reaction to market fundamentalism could be as bad as the curse itself, leading Polanyi to believe that never again would humanity indulge in such a dangerous experiment. Yet that is what we now confront.

Like Marx, Polanyi could see the downside as well as the potentialities of markets. Indeed, there are powerful resonances between Marx and Polanyi – Polanyi draws on Marx's early writings on money and alienation as the basis of his own moral indictment of unregulated commodification. But there are also fundamental divergences between their commentaries. Time and again Polanyi rails against Marxian theories of history that are based on the law-like dynamics of modes of production and their succession through history. His critique is founded on the claim that commodification rather than exploitation is the central experience of capitalism.[2] Chapter 13 of *The Great Transformation* undertakes a sustained polemic against the Marxian notion of exploitation, which, he claims, actually diminished during the industrial revolution, and therefore cannot grasp what was propelling change. According to Polanyi what lay behind the struggles of nineteenth century Europe was not exploitation but cultural devastation wrought by the market. In Polanyi's formulation the commodification of land, money and labor – so-called fictitious commodities – threatened to destroy 'society', the elusive foundation of humanity, and generated spontaneous counter-movements to defend society. In this analysis, classes become effective actors, not in pursuit of their own interests, but when they defend the universal interest in sustaining society. The focus, therefore, shifts from exploitation to commodification, from production to markets, and from classes to society.

Polanyi suffers from a false optimism on four counts. First, he so believed in the power of ideas that he thought the discredited ideology of market fundamentalism could not take hold of our planet again. Second, he postulated a nebulous and under-theorized notion of society, which, in the final analysis, so he claimed, would summon up its own defense in the face of a market onslaught. Third, in his hostility to orthodox Marxism – especially toward its theories of history and the

centrality of exploitation – he lost sight of the imperatives of capitalist accumulation that lie behind the resurgence of markets. Finally, in focusing on the market and its countermovement he too easily reduced state to society, missing their complex interplay. These four elements of false optimism find their echo in recent labor studies that, while drawing on Polanyi's critical ideas of the market, have found hope in his postulation of a countermovement.

Accordingly, this essay is divided into two parts – two readings of Polanyi. The first part is a critique of optimistic renderings of Polanyi, especially renderings that appeal to and search for laborist counter-movements to market fundamentalism. As background I begin with some recent classics with an optimistic bent before turning to a longer treatment of *Grounding Globalization*, an award-winning book from South Africa. The second part of the essay is intended as an alternative, more pessimistic, reading of Polanyi. Locating his analysis of fictitious commodities in historical perspective, I seek to understand the peculiar nature of contemporary marketization and thereby problematize the possibility of global counter-movement, especially one centered on labor. The essay follows on the heels of the excellent articles in the first issue of the *Global Labour Journal* that dwell on the obstacles to labor protest in India and China.

False Optimism

There's no better place to begin than with Peter Evans, whose life-work has been in dialogue with Karl Polanyi. For much of his career he studied the political conditions of capital accumulation in developing economies, pointing in particular to the role of the state – first the tripartite alliance of state, national capital and international capital that produced dependent development in Brazil and then in a comparative study of India, South Korea and Brazil that showed how the most effective 'developmental' state, i.e. one that produces economic growth, is embedded in and autonomous from the economy. This corresponds well to Polanyi's notion of the 'market' as a political project that requires state regulation and direction.

Disturbed by the uneven benefits of capitalist accumulation that he had previously championed, Evans turned his attention to the forces that might challenge capitalist inequities. He explores Polanyi's second dimension – the so-called double movement, the countermovement to market expansion.[3] Here he insists that a counter-movement must go beyond local and national levels to reach a global scale – a scale of resistance unanticipated by Polanyi – to produce what he calls 'counter-hegemonic globalization'. He, therefore, searches for 'progressive' social movements with the potential to transcend national boundaries – environmental movements, women's movements and above all labor movements – but it is not clear in what way these movements are counter-hegemonic, that is to say, in what way they represent an alternative 'hegemony', nor what it is that they actually 'counter', nor that they effectively build transnational solidarity.

Evans brings back the state to promote economic development but lets it fly out of the window when it comes to organizing struggles – struggles the state confines to the national arena. The result is a 'counter-hegemomic' globalization which clutches at straws. There's simply no there there. Far from counter-hegemonic, his movements seem to be organized on the terrain and within the limits of capitalist hegemony. There is no sign that their 'small transformations', or better their small perturbations, are more than an adjustment to capitalism. Important though they are in their

own right, they are neither temporally cumulative nor politically (and geographically) connected, except perhaps momentarily when they assemble at the World Social Forum. Their activities may win the concessions, but they are concessions that forestall rather than prefigure any 'great transformation'.

By contrast, Beverly Silver ties labor struggles closely to capital accumulation as it advances through space and time.[4] Winning concessions does not lead to any 'great transformation', but to new strategems of capital. Her magisterial account of the history of labor since 1870 shows how capitalists compete with one another to drive down the costs of labor, engendering struggles that challenge the legitimacy of capital. Concessions ensue, thereby threatening profits. Capitalism lurches between crises of legitimation and crises of profitability, temporarily stabilizing itself with various 'fixes': spatial fix (relocation to new sources of cheap labor); process fix (technological innovation); product fix (turning to a new product or industry where profits are initially high); and, finally, financial fix (in which excess capital turns to financial outlets). Silver traces the movement of and struggles within textiles, the prototype of 19th century capitalism, and then of the auto industry as the prototype of 20th century capitalism, asking what will be the industry of the 21st century. She assumes that labor is always *interested* in resisting exploitation and its success depends on its *capacity*, that is the mobilization of two types of resources – structural and associational power. She, too, reveals an unstated optimism that exploitation always begets what she calls Marx-type struggles, or if not these then Polanyi-type struggles around the commodification of labor. In her analysis the latter are always a residual category, leaving unelaborated Polanyi's fundamentally different vision of capitalism, his very different theory of experience, and thus the different politics of contestation to which it gives rise.

Ching Kwan Lee's canonical text on China's new and old working class, *Against the Law*, advances Silver's account.[5] She gives equal weight to Marx-type struggles against exploitation by the young women who are employed in the electronics industry in the Chinese Sunbelt and to Polanyi-type livelihood struggles against commodification of the unemployed or underemployed industrial workers of the Rustbelt. Lee resolves the tension between Marxian and Polanyian struggles in empirical fashion, skirting the underlying theoretical divergences based as they are in very different conceptions of capitalism and its future. Although Lee, interestingly, ties the exploitation of labor in the Sunbelt to the partial commodification of land through the redistribution of property rights in rural areas, and thus moving in a Polanyian direction of alliances against the market, she makes no attempt to move her beleaguered state workers toward international solidarity. Indeed, Chinese 'decentralized legal authoritarianism' locks struggles into local political containers, so that they cannot even reach national solidarity let alone build international alliances.

Gay Seidman thematizes this issue. In her study of transnational consumer boycotts she questions the viability of a labor internationalism that does not give voice to labor.[6] Instead, she emphasizes the continuing importance of struggles to democratize nation states and to improve their labor regimes. Here she appeals to Polanyi to justify her focus on the state as a potentially positive force, advancing the interests of labor. Like Polanyi, however, she does not examine the relation of state and society to understand when the state might protect the interests of labor or when it might mount an assault on labor.[7] She follows the Nirvana Principle, according to which rejecting one solution, *ipso facto* makes its alternative preferable.[8] Just because international solidarity is both

infeasible and problematic does not of itself imply that focusing on the state provides any better solution. In the contemporary era states have been notoriously hostile to labor.

Nonetheless, many recent studies do support Seidman's insistence on the centrality of national struggles, successful or not. Thus, in her comparison of labor struggles in South Korea and the United States, Jennifer Chun focuses on successful classification struggles that prioritize the link between state and labor movement, making international solidarity difficult to accomplish or even imagine.[9] An interesting variant on this theme is Robyn Rodriguez's study of transnational migrants organized by a Philippine State that brokers deals with other states.[10] Here Migrante International, a grass roots movement of migrant workers, does organize transnationally – not by building relations with workers from other countries but by focusing its demands on the Philippine State. Hers is the exception that proves the rule. Once again the state frames and limits the context of struggle. All these studies, and many others too, call attention to an untheorized dimension in Polanyi – his tendency to reduce state to society – and how labor is locked into an interdependent and antagonistic relation with the state that set limits on the very possibility of transnational solidarity.

Grounding Globalization

From the point of view of surfacing the limitations of Polanyi and the tensions with Marx one of the most interesting books to appear recently is Edward Webster, Rob Lambert and Andries Bezuidenhout's (WLB), *Grounding Globalization*, which compares the responses of labor in three white goods factories, namely LG in South Korea (Changwon), Electrolux in Australia (Orange), and Defy in South Africa (Ezakheni).[11] There's no doubt about the importance of the book in focusing on the experiences of workers beyond the workplace, and placing them within an overall societal context. The comparative analysis among countries is important. But their political desires overwhelm their analysis when they claim to see in their case studies movements – Marxian and Polanyian – thwarting the tide of neoliberalism. The counter-movement becomes a mirage, a fantasy that disavows their intention to ground globalization.

The book opens with a most promising engagement with the 'Polanyi Problem and the Problem with Polanyi', posing five questions about society and the countermovement. (1) What is this society that spontaneously defends itself against the market? (2) What is the nature of the counter-movement to marketization? What reacts and under what conditions? (3) What place if any has labor in the counter-movement? (4) How should we conceptualize power in the double-movement, what sources of power can the movement draw upon? (5) At what scale should we think of the counter-movement – local, national or global? The trouble is that the third part of *Grounding Globalization* turns away from these questions, abandoning its original design as an excavator, digging in the trenches of society and exploring the lived experience of insecurity.

Let me be clear. The book is elegantly organized along Polanyian lines. Part I: Markets Against Society; Part II: Society Against Markets; Part III: Society Governing the Market? Thus, in Part I we are treated to a study of globalization for its real but different consequences – broadly speaking, consent to capitalism, leading to work intensification in South Korea; threatened closures in Australia; and livelihood strategies of survival in South Africa. In Part II WLB identify the following societal responses to capitalism: in Changwon the clandestine organization of a branch of

the National Labor Federation (KCTU), and the creation of a Center for Contingency workers; in Orange, a campaign against plant closure, involving an alliance of labor and farmers, support for an independent political candidate, and an unsuccessful attempt to link communities affected by closure within a global Network of Electrolux Action Committees; in Ezakheni they claim a social movement unionism that linked struggles for land and labor, an open budgeting experiment at the local level, and semi-formal community based organizations.

Table 1: Contrasting Great Transformations

	FIRST GREAT TRANSFORMATION	SECOND GREAT TRANSFORMATION
MARKETIZATION	*North*: Rapid Marketization and commodification *South*: Colonial Conquest and land dispossession	*North*: Rapid liberalization *South*: Structural Adjustment
PRODUCTION REGIME	*North*: Market despotism in the workplace *South*: Colonial despotism	*North*: Shift to hegemonic despotism *South*: Market despotism
COUNTERMOVEMENT	*North*: Emergence of workplace hegemony and construction of welfare state *South*: National Liberation Movement, leading to political independence and state corporatism	*North and South* : Embryonic global countermovement in the post-Seattle period – WSF, new global unionism

Source: based on Tables 3.1 (p. 53) and 3.2 (p. 55) in Webster, Lambert and Bezuidenhout (2008)

Grounding Globalization

This analysis portends significant insight into society – its meaning, its resilience, its defense, its relation to the state, but that's not what we get in Part III, 'Society Governing the Market'. As we see in Table 1 above, WLB conjure up the essential elements of a *Second Great Transformation*, by contrasting it with Polanyi's account of counter-movements in England in the 19th and 20th centuries, the *First Great Transformation*. Here again we have postulated an 'embryonic global countermovement', but what's the evidence for its existence? Here again we have a Polanyian teleology: a malignant past is first homogenized and then inverted into a radiant future. This false homogenization of history but also of geography (the dichotomous north-south distinction), becomes a flight of fancy into labor internationalism and utopian society – the one a Marxian dream, the other a Polanyian dream. Let us deal with each it turn.

WLB draw out two forms of labor internationalism, an old and a new. On the one hand, there was the labor internationalism, run by career bureaucrats operating in a centralized hierarchical organization, with restricted debate and a diplomatic orientation, focused only on workplace and trade unions, established by Northern male white workers. On the other hand, today, we have the

promise of a new labor internationalism driven by a political generation of committed activists, linked by decentralized networks, engaged in open debate, with a mobilizational and campaign orientation, focused on coalition building with new social movements and NGOs, dominated by workers from Southern Africa, Asia and Latin America.

What are the foundations of this new labor internationalism? We are presented with the discursive maneuvers of SIGTUR (Southern Initiative on Globalization and Trade Union Rights), but what have they to do with the workers of Ezakheni, Orange and Changwon? Surely, if we are to think about labor internationalism we need to think through the experience of work in these factories (about which in the final analysis we do not learn a great deal), the lateral connections between workplaces, both the connections of interdependence (e.g. the role of outsourcing) and the relations of solidarity (built through common struggles). We need to look at the commodity chain and its weak links, but also the possibility of building ties with other fractions of the workforce that are not connected to the white goods industry. If, on the one hand, we need to have a deeper comprehension of the lived experience of insecurity, on the other hand we need a far more elaborated interrogation of the nature of 'neoliberalism'. We need to examine the forces behind the restructuring of the white goods industry globally, and the obstacles this creates for any industry based organizing. Yes, manufacturing may still matter, but what's the basis for thinking that industrial sector is the appropriate unit for organizing? Are WLB shining their torch in the right place?

WLB are good at moving vertically, locating the experience and response to neoliberalism within their national contexts, but they don't explain why these national contexts do not become a steel frame that shuts out possibilities of labor solidarity within countries let alone between countries. Could it be, as Seidman argues, that labor internationalism may undermine the very national projects that have greater promise of success? In South Africa, for example, as Webster et al. know only too well, the trade union movement is on the defensive, losing jobs to foreign lands and to the informal sector. Should unions, who represent wage labor, a shrinking labor aristocracy, be building ties with unions in other countries, or creating broader solidarities with informal sector workers in South Africa? Should the metal workers be concerned about labor brokers exploiting the national labor market, or should they be helping to defend workers against plant closures in the United States? Whatever unions should be doing, the workers described in *Grounding Globalization* seem to be largely trapped in localism.

If the Marxian dream of internationalism is dashed on the rocks of localism, what is the fate of the Polanyian societal counter-movement? Here WLB talk of a new vision of nature and of work, of the socially responsible corporation, of an active democratic society, of a new fair trade system, of a new global politics. As a manifesto for a new world it has little to do with labor in the age of insecurity, at least, on the evidence of the book's forgoing chapters.

Finally, between the alternative worlds of internationalism and counter-movement there is an unexplored tension. On the one hand, there is the Marxian project of labor internationalism that tries to link working classes across factories, localities, nations, regions and the world, united by their common exploitation. On the other hand, there is the Polanyian scheme which unites participants in a counter-movement against the commodification of land, money and labor, a counter-movement based on experience of the market as distinct from experience of production. But which is the most

salient experience – *exploitation* which potentially brings together workers as wage laborers across geographical scale or *commodification* which brings together workers, expropriated farmers, people struggling for access to water and electricity?

Where one sits in relation to this question – exploitation vs. commodification – will dictate the strategy one deploys in moving forward: building alliances of workers across national boundaries or local alliances among those suffering from commodification. Whichever project we follow – and they are both deeply problematic – our theoretical frameworks need to dwell on the obstacles to contestation rather than on embryonic global countermovement or counter-hegemonic globalization. We first need a more realistic analysis of production and marketization on a world scale in order to discern chinks in the capitalist armor, before celebrating internationalism or countermovement.

Reconstructing Polanyi

This second part of the paper offers a preliminary sketch of a different rendering of Polanyi – an historicized account of capitalist globalization that centers on the commodification of labor, money and nature and their inter-relations. The argument is premised on commodification being the key experience in our world today, and that exploitation, while essential to any *analysis* of capitalism, is not *experienced* as such.[12]

My point of departure is Polanyi's failure to anticipate a subsequent round of market fundamentalism. Humanity had learned its lesson, he claimed, the self-regulating market had brought disaster to all. So it was not something that would ever be repeated. He couldn't have been further from the truth. Beginning in the 1970s with the oil crisis, humanity has faced another wave of marketization that has brought devastation but, with some interesting exceptions, no real significant counter-movement, at least so far. Why did Polanyi not anticipate another wave of marketization? My argument is that in rejecting Marxism, he rejected the very idea of capitalism with its imperatives for accumulation and new sources of profit. The re-embedding of markets in the North, during the postwar period, was costly for capital, which responded with an offensive against labor, the environment and money, all in the endless pursuit of profit.[13]

This renewed marketization creates profound problems for Polanyi's conceptualization of history. Like the Marxism he criticizes, he has his own teleology. *The Great Transformation* reduces a complex historical account to a single cycle: market devastation followed by counter-movement and regulated decommodification. Once this teleology doesn't work, once the relegation of evil to the past and good to the future is rejected, then one can see the history of capitalism as a succession of great transformations and a complex intertwining of marketization and counter-movement, but with no definite end in sight. Even following Polanyi's own account we can discern, at least, two distinct waves of marketization, and two great transformations between the end of the 18th century and the middle of the 20th century.

In Polanyi's history of Britain, the first wave of marketization is marked by the attack on the Speenhamland system, introduced in 1795 to subsidize wages with grants tied to the price of bread, a gross interference with the working of the labor market that was finally lifted in 1834 with the New Poor Law that eliminated outdoor relief. From then on labor became an actor on its own

behalf, fighting against its commodification. In the beginning working class struggles, such as Chartism, were unsuccessful but when labor relinquished its radical bite in the latter half of the century and especially after the depression (1873-76) it gained decommodifying concessions – recognition of trade unions, reduction of the length of the working day, child labor laws, unemployment compensation and even the beginning of pensions. This was the First Great Transformation.

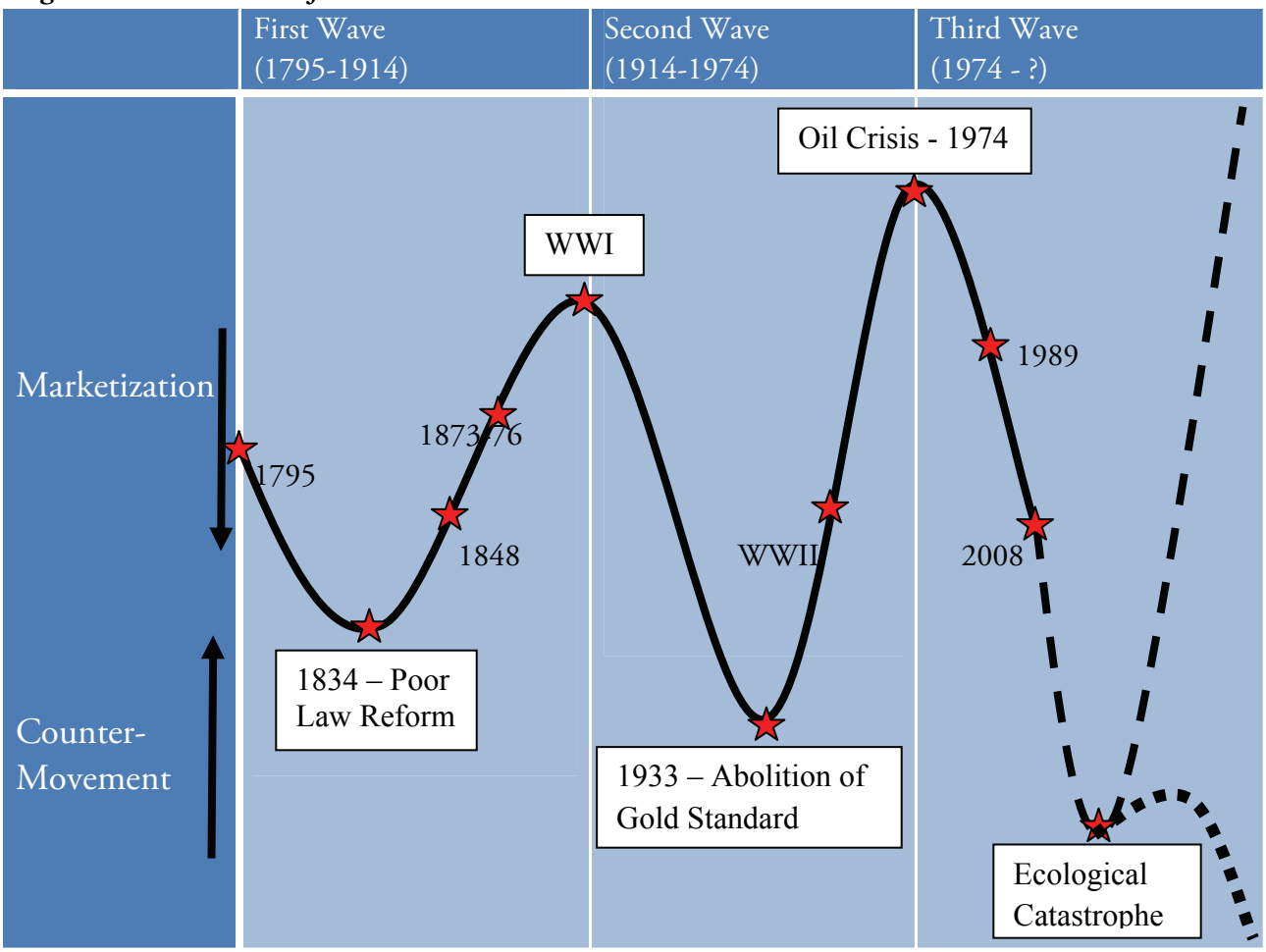
After World War I, marketization develops a second wind through international trade governed by the gold standard along with a renewed assault on the labor movement, insurgent in many European countries in the immediate aftermath of the war. The counter-movement that spread across Europe and North America through the 1930s and afterwards, first moved to decommodify money by insulating national currencies and then built the social protection of labor in diverse forms of political regime – from fascism to Stalinism, from New Deal to Social Democracy. This Second Great Transformation of welfare capitalism as well as the international monetary system organized under Bretton Woods saw to the regulation of the market. It was also the period of decolonization followed by state directed development in Africa and Asia. It was the period of uncontested state planning in the Soviet Union, Eastern Europe and China. Throughout the world the marketeers were in hiding and on the defensive. It was widely assumed that the market had to be regulated in the societal interest. This takes us up to the 1970s, whereupon an extraordinary reversal took place – market panaceas asserted themselves in the Thatcher and Reagan ideological revolutions, in the Washington Consensus, in structural adjustment, and in reform communism and finally in communism's collapse. Thus, state regulation gave way to a third wave of marketization in the middle 1970s, following the oil crisis.

What can we say about this third wave of marketization and the possibilities of a Third Great Transformation? In this heuristic model each successive wave of marketization is characterized by a new combination of fictitious commodities. In the first wave the (de)commodification of labor takes the lead, in the second wave we see the intersection of the (de)commodification of labor and money with money taking the lead. The third wave is characterized by the articulation of the (de)commodification of labor, money and nature, in which the (de)commodification of nature will ultimately take the lead. Figure 1 presents a graph of the three waves, with speculative dotted lines indicating possible futures.

So far the third wave has delivered new and wild forms of the commodification of money, turning it from a medium of exchange into a tool of profit making, based in derivatives, futures, and securitization of loans, and operating through hedge funds largely outside the control of states. This has brought with it a renewed recommodification of *labor* – a retreat from the commodification of *labor power* – together with a destructive decommodification of labor as it is pushed out of wage labor into the informal sector. Increasingly, exploitation is a privilege rather than a curse, especially in the South but also in the North with growing unemployment and underemployment. The fall of communism in 1989 and 1991, and the financial crises in Latin America, Asia and finally reaching the shores of the US in 2008 have only consolidated third-wave marketization which, so far, in many ways does look similar to the second wave of marketization. Indeed, we can even see parallel state responses, whether in the form of Islamic and Socialist revivals that can be seen as attempts to regulate markets in the Middle East and Latin America, or the austerity programs that are spreading

through Europe, especially in its peripheries. Writing in the first issue of the *Global Labor Journal*, John Harris sees a similar Polanyian 'counter-movement' from above orchestrated by the state.[14]

Figure 1: Three waves of marketization



Source: Author

The true character of third-wave marketization, however, has still to be stamped with the deepening commodification of nature, that is of land, water and air. This is, of course, already proceeding apace, all over the world, most visibly in the semi-periphery in countries such as South Africa, China, India, Brazil. Land expropriation can be found in most of the South, perhaps nowhere more dramatic than in India. In reaction to second-wave marketization we find the era of state-led Nehruvian modernization, the expropriation of land *without* commodification (most notoriously for the construction of dams), while third-wave marketization has brought in its train expropriation *with* commodification, epitomized by Special Economic Zones.[15] Elsewhere, for

example in countries as far apart as South Africa and Bolivia, the commodification of water and electricity has attracted much popular protest, while the commodification of air through carbon trading has brought the environment into public attention throughout the world.

These commodifications of nature have a dramatic impact on survival and, thus, on the commodification of labor. Privatizing water or land puts more pressure on the demand for wage labor, intensifying its subjugation. New instruments of finance facilitate the unregulated commodification of energy supplies, illustrated in the operation of Enron, again outside the control of the state. We might speculate that the crisis of third-wave marketization will develop through successive environmental crises generated by unnatural disasters – climate change, tsunamis, earthquakes, oil spills, nuclear accidents, toxic waste – unnatural in either their origins as well as their consequences.

The heuristic model presented in the graph above shows a deepening of successive waves of marketization and a more dramatic restructuring that follows in part due to the intensification of commodification, but also due to the forms of and synergies among the commodification of different fictitious commodities. The graph raises the question of whether there are candidates for fictitious commodity other than nature, labor and money. Could 'knowledge' be a fictitious commodity as some have argued? For Polanyi a fictitious commodity is an essential factor of production which was never meant to be commodified and whose commodification destroys its essential character. In brief, we might say that a fictitious commodity is one which, by turning it into an object of exchange undermines its use value. Turning land into a commodity destroys the community which lives on and from it, turning labor into a commodity destroys its productive capacity, turning money into a commodity threatens its use as a medium of exchange. But knowledge? What happens to its use value when it becomes an object of exchange? Certainly, when knowledge is commodified, bought and sold, it is no longer a public good. It becomes intellectual property, privately owned, but does that change its character? Intellectual property rights may have led to the transformation of the production of knowledge, geared to those who can afford to pay for it, but does that distort it? One might argue that market pressures are driving universities to collaborative relations with industry that are at odds with their original purpose, but does that make knowledge a fourth fictitious commodity?[16]

As it stands this scheme assumes waves of marketization spreading throughout the world, transformative of the South as well as of the North. Even if such claims can be made the scheme does not recognize the differential impact of such marketization on different geopolitical regions. *The Great Transformation* focuses largely on England in the first wave of marketization, extending this to Europe in the second wave marketization, and today there is no alternative but to include the whole planet, which in turn compels us to also situate Polanyi's analysis of the first two waves and their counter-movements globally. While Polanyi does write about colonialism in South Africa as an extreme form of cultural devastation brought on by marketization, he actually misses the limits of and resistance to the commodification of land, labor and money and the specificity of first and second wave-marketization in the colonial world. A preliminary step would recognize the distinction between core and periphery in which the colonial periphery becomes a source of raw materials that entails the partial commodification of land and labor. Then, second-wave marketization can be characterized as imperialism in which the relations of core and periphery continue to revolve around

access to raw materials, but now also revolve around crises of overproduction in the core requiring market access to the periphery. Just as the counter-movements in Europe and North America invoked state autonomy and regulation of the market, so correspondingly we can see decolonization, and the national development projects that followed, as counter-movements in the periphery, leading to dependency orchestrated through trade.

How then can we characterize third-wave marketization in global terms? We can call it the era of globalization in which the commodification of labor, money and nature – labor migration, finance capital as well as environmental degradation – for the first time takes on a truly transnational character that is often outside the control of the state. But third-wave marketization, coming on the heels of the Second Great Transformation that centered state regulation, has very different effects depending on national legacies and national strategies. Thus, the Soviet Union, capitulating before third-wave marketization, took the market road to market capitalism. With wanton destruction of the state and the planned economy, Russia's newly formed dominant class hoped that capitalism would spring fully-formed out of the ashes of state socialism. If capitalism emerged, it was capitalism of a very special type in which the expansion of the realm of exchange and an unregulated commodification of money destroyed the industrial economy, forcing labor into a reliance on subsistence. This was not revolution or evolution but involution.

What sort of counter-movement was this? Certainly, it was nothing like 19th century England or even 20th century Europe. This was a retreat to a pre-capitalist economy as Polanyi would describe it, a retreat from money to barter, retreat from wage labor to domestic production based on reciprocity, a retreat from collective farms to peasant production. In China, by contrast, third-wave marketization was strongly mediated by the state. There was no attempt to destroy the state but rather to incubate the market within the interstices of the state. The Chinese dominant classes had learned the Polanyian lesson that market society requires state regulation. To be sure it has been accompanied by the growth of inequalities, but, so far, 'cellular' social protest has been effectively absorbed by the state as opportunities to exploit the market have multiplied.[17]

That being the case what possibilities are there for the counter-movement to third-wave marketization? If the counter-movement to the first wave starts out from the local and reaches the national and the countermovement to the second wave starts out at the national and reaches for the global, the countermovement to the third wave must begin at the global level for it is only at that level that it is possible to contest the destruction of nature, let alone tackle the global machinations of finance capital. Although the effects of the degradation of the environment will be uneven and unequal, ultimately all will be affected, rich and poor, north and south. Some sort of global counter-movement may be necessary for human survival, but there is no historical necessity for it to appear. It has to overcome deep-seated geopolitical, but especially national containers as well as temporal constraints, especially the short time horizons engineered by marketization. A counter-movement to prevent ecological disaster would require immediate sacrifices for long term and uncertain gains. Perhaps long time horizons can only be imposed by authoritarian rule – the Polanyian nightmare of global fascism. There may be small counter-movements, small rather than great transformations, mopping up operations after every (un)natural disaster, but it is not clear how a succession of small transformations will turn into a great transformation. To the contrary, palliative care might forestall *any* collective commitment to contain capitalism's rapacious tendencies. The choice may no longer

be limited to 'socialism or barbarism', but be extended to socialism or barbarism or death. Optimism today has to be countered by an uncompromising pessimism, not an alarmism but a careful and detailed analysis of the way capitalism combines the commodification of nature, money and labor, and thereby destroys the very ground upon which a 'counter-movement' could be built.

NOTES

[1] Karl Polanyi (1944) *The Great Transformation: The Political and Economic Origins of Our Time*. New York: Farrar&Rinehart; and (2001) Boston: Beacon Press.

[2] Marx and Polanyi may not be so different in their account of the experience of capitalism. Marx always insisted on the mystification of exploitation, leaving open the possibility of struggles around commodification. However, Marx thought that exploitation set the limits and direction of the dynamics of capitalism – something Polanyi does not consider.

[3] Peter Evans (2005) 'Counter-Hegemonic Globalization: Transnational Social Movements in the Contemporary Global Political Economy', in T. Janoski, A. Hicks and M. Schwartz, *Handbook of Political Sociology* (pp. 655-670). New York: Cambridge University Press; and Peter Evans (2008) 'Is an Alternative Globalization Possible?', *Politics and Society* 36(2): 271-305.

[4] Beverly Silver (2003) *Forces of Labor: Workers' Movements and Globalization Since 1870*. Cambridge: Cambridge University Press.

[5] Ching Kwan Lee (2007) *Against the Law: Labor Protests in China's Rustbelt and Sunbelt*. Berkeley and Los Angeles: University of California Press.

[6] Gay Seidman (2007) *Beyond the Boycott: Labor Rights, Human Rights, and Transnational Activism*. New York: Russell Sage Foundation.

[7] This relation between state and society is as complex as that between market and society. Polanyi only focuses on the latter, for the former we need to turn to other traditions. See Michael Burawoy (2003) 'For a Sociological Marxism: The Complementary Convergence of Antonio Gramsci and Karl Polanyi', Politics and Society 31(2): 193-261.

[8] This was classically at work in the mind of Russians, struggling against state socialism, who assumed that, because planning was dysfunctional, markets must be efficient. Dismantle state planning and Nirvana will appear. Nirvana turned out to be Purgatory but with no assured exit.

[9] Jennifer Chun (2009) *Organizing at the Margins: The Symbolic Politics of Labor in South Korea and the United States*. Ithaca and London: Cornell University Press.

[10] Robyn Rodriguez (2010) *Migrants for Export: How the Philippine State Brokers Labor to the World*. Minneapolis: University of Minnesota.

[11] Edward Webster, Rob Lambert, Andries Bezuidenhout (2008) *Grounding Globalization: Labour in the Age of Insecurity*. Oxford: Blackwell.

[12] The mystification of exploitation was at the center of my analysis of capitalist production in *Manufacturing Consent* (Chicago: University of Chicago Press, 1979) – a book that was nonetheless profoundly flawed by its inadequate examination of global markets and states.

[13] See, for example, David Harvey (2005) *A Brief History of Neoliberalism*. Oxford: Oxford University Press.

[14] John Harriss (2010) 'Globalization(s) and Labour in China and India: Introductory Reflections', *Global Labour Journal* 1(1): 9-10.

[15] I have been very influenced by discussions with Michael Levien and his article 'India's Double Movement: Polanyi and the National Alliance of People's Movements', Berkeley Journal of Sociology 51(2007): 119-149. Similar perspectives emerge from the articles by V.K. Ramachandran and Vikas Rawal, Rohini Hensman, and Barbara Hariss-White in the first issue of the *Global Labour Journal* 1.1 (January 2010).

[16] See Ayşe Buğra and Kaan Ağartan (eds) (2007) *Reading Karl Polanyi for the Twenty-First Century: Market Economy as a Political Project*. Part III. New York: Palgrave.

[17] This is also the conclusion I draw from articles in *Global Labour Journal* 1.1 (January 2010): Xiao-Yuan Dong, Paul Bowles, and Honquin Chang, 'Managing Liberalization and Globalization in Rural China: Trends in Rural Labour Allocation, Income and Inequality' (pp. 32-55); Marc Blecher, 'Globalization, Structural Reform, and Labour Politics in China' (pp. 92-111); and Pun Ngai, Chris King Chi Chan and Jenny Chan, 'The Role of the State, Labour Policy and Migrant Workers' Struggles in Globalized China' (pp. 132-151).

BIOGRAPHICAL NOTE

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