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Abstract

Restricting Suffrage, Contracting Rights:  
Variations on Polanyi's "Double Movement"

Polanyi (1944) analyzed a "double movement" of society against the market in the nineteenth century. In our populist moment of the twenty-first century, we may be witnessing a movement in the other direction, of defenders of the market against the welfare state. A key method of implementing such a strategy is the motive of protecting "electoral integrity," which may be in fact a rationale for restricting suffrage, especially among African American voters in central cities. The narrative of the stolen election of 2020, promoted by former President Donald J. Trump, may be providing the cover for targeting specific populations to disenfranchise them. Whereas expansion of suffrage in the nineteenth century was a method of supporting the working class, an opposite movement of contraction of suffrage may empower efforts to dismantle the welfare state and whatever is remaining of progressive taxation. The prospective costs of climate change, inequality, and inadequate provision of public goods like health and education may have led the "elites" to eschew any rhetoric of solidarity (Latour 2018). There is an expanding literature documenting increasing polarization of political parties and expressing fears for the future of electoral democracy. While the ravages of neoliberalism might otherwise have been expected to propel a movement to defend society once again, the prospect at present may be to "double down" on defense of the market, to achieve a new form of authoritarian minority governance. According to Latour, a durable movement for the protection of society must build an alliance of labor with ecologists, to defend the earth, which forms the material foundation of Polanyi's other fictional commodity, land.

Key Words: political parties, polarization, suffrage, double movement, ecology, populism, fascism

JEL B15, D72, K16, P16, N43

## I. Introduction: Unprecedented Period

President Biden held a democracy summit on December 8 – 10, 2021, in an effort to promote support for this form of the state, and to consolidate a visible set of international allies. Did this summit serve to inspire and recommit the US to democracy, in the face of evident shortcomings, or become evidence of hypocrisy, especially pointed out by China, which published a critique of US democracy based on public sources (Luce 2021)?

Rather than the assumed global model for enlightened governance, democracy is under threat. The domestic challenge is one result of Trump's campaign to challenge the legitimacy of Biden's election, and his continuing, unprecedented resistance to the smooth "transfer of power": There are competing campaigns, Stop the Steal vs. The Big Lie; the House Select Committee to investigate Jan 6 vs. "Patriot Purge," Tucker Carlson's Fox News special claiming that violence was a "false flag." There is overt politicization of election administration with "stolen election of 2020" rhetoric, along with QAnon conspiracy theories. There is a white-washing of January 6 insurrection by GOP leaders who claim that any violence was the provocation of Antifa. There are intimidation of election officials and threats of menace and violence even among members of the House of Representatives, resulting in the censure of Representative Paul Gosar.

Instead of double movement to protect people from the market, the direction since 2008 has been the reverse. Even with record income inequality, there has been a backlash against the usual remedies of increases in welfare, increase in progressive taxes, and rights to organize. There has been a greater political reaction to immigration, whether from the civil war in Syria in Europe or climate refugees from Central and Latin America. There has been a "lifeboat" mentality, of protecting oneself first (Ghosh 2021, 175-178).

## II. Character of American Democracy

There is a large and growing literature decrying the death of democracy in the US (Levitsky and Ziblatt 2018; MacLean 2017; Muller 2011), and daily updates in the news (Gellman 2022; Edsall 2021; Applebaum 2021; Leonhardt 2021). While the "death of democracy" is foretold in books and media, the Attorney General Merrick Garland has filed law suits against Texas for discriminatory redistricting and Georgia for restrictive changes in voter rules.

### A. Long Standing Issues

In order to understand this dire threat, there are two long-standing factors relating to the "politics of property" (Davis 2015).

First, there is an ambiguous view of "human rights," as conditioned by "property rights." Rather than prioritizing human flourishing (Davis 2020a, 17-18), the focus on "rights" is to protect property. Commentators parse "negative" property rights as more justifiable than "positive" human rights, which would guarantee certain specific minimal conditions for humans (Searle 2010, 193-194).

There is a property politics in the suburbs (Keil 2018), which has fed tax revolts and resistance to racial integration since the 1950s. There is resistance to gains from the "Black Lives Matter" movement after the George Floyd murder and trial. There is resistance to racial guilt with Critical Race Theory, and

“parental rights” is a Republican strategy in the debate over US history which precludes certain concepts from public school pedagogy.

Second, democracy in the US was always limited by the separation of powers, where the Founders drew upon lessons from Europe. Polanyi describes the interpretation of the Chartist movement as a threat to “the institution of property on which all civilization rested...The American Constitution...forewarned by the English industrial scene, isolated the economic sphere entirely from the jurisdiction of the Constitution, [and] put private property thereby under the highest conceivable protection...In spite of universal suffrage, American voters were powerless against owners” (Polanyi 1944, 225-226).

Early in the book, *The Great Transformation*, Polanyi presents his “thesis...that the idea of a self-adjusting market implied a stark utopia (Polanyi 1944, 3, 150). “A self-regulating market demands nothing less than the institutional separation of society into an economic and political sphere...A market economy must comprise all elements of industry, including labor, land, and money...But labor and land are no other than the human beings themselves of which every society consists and the natural surroundings in which it exists. To include them in the market mechanism means to subordinate the substance of society itself to the laws of the market” (Polanyi 1944, 71). “The commodity description of labor, land, and money is entirely fictitious” (Polanyi 1944, 72), but paradoxically has real effects. The enforcement of the commodity “fiction” requires the action of the liberal state, and can lead to resistance (Polanyi 1944, 72-76, 131-132), in the interests of society as a whole (Polanyi 1944, 151-162). The protectionist or collectivist reaction can interfere with the action of the market, leading to gridlock and an opportunity for fascist resolution (Polanyi 1944, 134, 236-243).

Polanyi calls the belief in the self-regulating market the “liberal creed,” as if it were a matter of faith, which became “fanatical”.

Economic liberalism was the organizing principle of a society engaged in creating a market system. Born as a mere penchant for non-bureaucratic methods, it evolved into a veritable faith in man’s secular salvation through a self-regulating market...The liberal creed assumed its evangelical fervor only in response to the needs of a fully deployed market economy. (Polanyi 1944, 135).

Other analysts have also endeavored to understand the ontology of the “market.” What Poovey calls a “modern fact” is a “reifying abstraction” like the “market,” verified by numbers, like prices and quantities. This “epistemological unit” has a real effect on human behavior (Poovey 1998). By influencing behavior, this abstraction *becomes true*, verifiable by impartial observers according to the norms of science. Hayek also supports the notion of a type of truth which emanates from the market, superior to human knowledge. For Hayek, writing in the same period as Polanyi, “society” is the artificial social construction, while the market is a spontaneous order (Brown 2019, 30-39, 96-98). Margaret Thatcher, a follower of Hayek, made an epistemological claim that “society” does not exist. With a lighter tone, Nobel Prize winners Akerlof and Shiller propose that the Reagan’s promotion of the idea of a “free market” was a “phish” (Akerlof and Shiller 2015, 149-151).

When the market system breaks down due to protective reaction, the likely “collectivist” options are fascism or communism.

“The fascist attack on popular democracy merely revived the issue of political interventionism that haunted the history of market economy, since that issue was hardly more than another name for the separation of the economic from the political sphere” (Polanyi 1944, 223).

Because labor is not a real commodity, “popular democracy [is] a danger to capitalism (Polanyi 1944, 226), threatening the “absolute confidence in the continuity of the titles to property...[which] is essential to the functioning of the market system” (Polanyi 1944, 234). Socialism would threaten the separation of the market and society, and the requirement to subordinate society to the market (Polanyi 1944, 234). In much of Western Europe, like the US, twentieth century democracy was limited by constitutional protections (Muller 2011, 4-5, 18-21).

For Polanyi, fascism was a collectivist counter-movement to the liberal market economy. As a historical phenomenon in early twentieth century Europe, it was characterized by appeals to a “superior” race eager to restore its historic greatness. It provided an alternative to socialism for elites and offered the mass population a unity with a charismatic leader, instead of bourgeois individualism or Enlightenment reason (Muller 2011, 93-117). Violence may have felt justifiable to counter the violence of the market.

Observers of the present period liken the current situation to political stalemate, with the contested US election in 2000 and slim majorities in Congress. After the Great Financial Crisis of 2008, there were opposition movements of both left and right. The Tea Party, and Occupy Wall Street, and Trump vs. Sanders, were competing types of “populists” (Davis 2020b), waging “revolutions”, one right-leaning, one socialist. The economy had not fully recovered when hit with another stoppage due to Covid -19 in March, 2020. The financial stimulus by the Federal Reserve lead to speculation on the market by some and loss of livelihood for others.

In periods of gridlock like the present, is the questioning of truth part of the partisan battle, and the need to establish new principles of behavior and organization? For example, in the midst of a global pandemic, the President of the United States famously declared that COVID-19 was a “hoax”. Is a public that is conditioned to believe in three “fictional commodities” prepared to believe anything? In spite of lack of evidence of fraud in the 2020 election, there is a growing “Stop the Steal movement” which is intent on influencing state and local election procedures for 2022 and beyond (Homans 2021; Gellman 2022). Echoing Polanyi’s early twentieth century warning, the comparison of Donald J. Trump with Fascists has been made frequently. The specific threat posed by climate change to “fossil capital” provides an added impetus and resources to the current version of “fossil fascism” (Malm 2021, 223-238).

## B. More Recent Factors

There are three more recent factors.

First is the impact of neoliberalism, along with the appeal to religion in politics to restore “family values” (Brown 2019; Cooper 2017).

Second, financialization and speculation have become more accepted and widespread. The “double movement” is a result of the individualization as a disciplinary device (Polanyi 1944, 128, 163-165, 258A-258B), but then is reflected in paradoxes of economics and politics (Davis 2020a, 185-195). For example,

the financial decisions of the individual investor are pursuant to one's own future returns, but are then influenced by the "animal spirits" and "expectations" of other investors. In the age of instant communication on social media, there are "meme" stocks which are only lucrative because of the coordinated behavior of other like-minded investors (Tett 2021). When land, labor, and money are all "fictional" commodities, their "real" value is socially determined, which is subject to influence and manipulation. In the era of "science wars" as well as culture wars and history wars, the notions of "fake news" and "alternative facts" become more plausible.

The public/private divide no longer isolates the public sphere from commercial motives, in the era of money in politics (Mayer 2016), as a result of the sequence of Supreme Court rulings such as the 2010 Citizen's United and the decision in 2013 to allow Voter Rights protections to lapse. The migration of advertising to the internet instead of newspapers and magazines has served to impoverish mainstream investigative journalism. The role of social media such as Facebook and Twitter, along with talk radio and cable (Fox News) allows for misinformation and polarization. The aggressive style of partisanship and media savvy has characterized the Republican Party, with Newt Gingrich and Steve Bannon, recalling McCarthy in the 1950s (Zelizer 2020).

Third, there is a feeling of loss of control in a global economy run by finance, with backlash against government and college-educated knowledge workers instead of financial "elites". In spite of Trump's rhetoric, there are persistent fears of job loss due to outsourcing, automation, and the gig economy (David Autor, et.al. 2020; Juliet B. Schor 2020; Rosenbluth and Weir 2021).

Rather than "separation of powers," there is an increasing concentration of wealth, media ownership, means of persuasion in both "private" marketing and "public" politics (Starr 2004). There is less distinction between marketing, professional journalism, and politics with cynical media moguls who have become adept at political influence, such as Rupert Murdoch, Silvio Berlusconi, and now Trump as TV celebrity. There is a collapse of separation of the public and private sphere, as marketing savvy is used in political campaigns, and citizens lack access to accurate information and critical commentary on the functions of the state. Now oligarchy can prevail with a wider role for money in politics (Mayer 2016; Starr 2019). Profit-oriented social media companies can induce "information cascades" rather than rational markets.

### C. Breakdown of the Economy

The operation of the three "fictional" commodities is once again under threat. For labor, the disappearance of jobs to outsourcing and automation makes wages lower and job security weaker. For land, the threat of climate change makes real estate values more vulnerable and food crops less predictable. The sense of national security and sovereignty is conditioned by global flows of both labor and capital. For money, the operation of the Central Bank has been challenged after the financial crises of 2008 and 2020. Instead of a buffer between markets and business (Polanyi 1944, 137-138, 192-200, 216-217), central banking can now be by-passed by crypto currencies which are decentralized and unregulated, with fixed rate of growth and ostensibly secure public verification.

Like Polanyi's discussion of the interwar period, with the futile attempts to restore the Gold Standard, one wonders whether the hegemonic US dollar will succumb to currency competition, and Pax Americana will break down, with increasing military threats from China and Russia, as well as North Korea and Iran.

### III. Prospects

In a period of institutional transition, if not “great transformation”, does the very notion of “truth” become hotly contested in partisan battles? Will the “liberal creed” be replaced by other forms of “fanatical faith”?

President Biden’s strategy has included economic security after Covid, and proposals to address climate change and the challenges of dual-earner families. Perhaps the democracy summit was an attempt to provide “meaning” and values, as well.

On the other hand, polarized political parties may serve as a new form of identity, solidarity, and values, aided by religion and moralization of sex, in backlash against “individualism” (Davis 2020b).

The future may hold a “Second Coup” attempt by Trump in 2024 (Gellman 2022), on the one hand, or a new form of “democracy” based on people, not property and markets, on the other.

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