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For a Sociological Marxism: The Complementary Convergence of Antonio Gramsci and Karl Polanyi

MICHAEL BURAWOY

The postcommunist age calls for a Sociological Marxism that gives pride of place to society alongside but distinct from state and economy. This Sociological Marxism can be traced to the writings of Gramsci and Polanyi. Hailing from different social worlds and following different Marxist traditions, both converged on a similar critique and transcendence of Classical Marxism. For Gramsci advanced capitalism is marked by the expansion of civil society, which, with the state, acts to stabilize class relations and provide a terrain for challenging capitalism. For Polanyi expansion of the market threatens society, which reacts by (re)constituting itself as active society, thereby harboring the embryo of a democratic socialism. This article appropriates "society" as a Marxist concept and deploys it to interpret the rise and fall of communist orders, the shift from politics of class to politics of recognition, the transition from colonialism to postcolonialism, and the development of an emergent transnationalism.

Keywords: *Marxism; class; society; hegemony; markets*

For many, the death of socialism, both in reality and in the imagination, has spelled the final death of Marxism. Nonetheless, Marxism continues to offer the most comprehensive critique of capitalism as well as a compelling guide to feasi-

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ble alternatives. Indeed, the longevity of capitalism guarantees the longevity of Marxism. But longevity also implies reconstruction. As capitalism rebuilds itself so must Marxism. It is after all a theoretical tradition that claims ideas change with the material world they seek to grasp and transform. Thus, every epoch fashions its own Marxism, elaborating that tradition to tackle the problems of the day. In this article I offer the outlines of a Sociological Marxism that emerges from the hitherto unexamined and unexpected convergence of the mid-twentieth-century writings of Karl Polanyi and Antonio Gramsci. That they both, *independently*, converged on the concept of “society” from very different Marxist traditions suggests they were grappling with something novel and important. Indeed, it is the thesis of Sociological Marxism that the dynamism of “society,” primarily located between state and economy, is a key to the durability and transcendence of advanced capitalism, just as its fragility proved to be the downfall of Soviet communism. I shall try to show how the elaboration of Sociological Marxism is also well adapted to the postcommunist age, one that is dominated by a triumphant global capitalism that is proving astonishingly effective in discrediting and dissolving all alternatives to itself.

I: SOCIOLOGY AND MARXISM

The relationship between sociology and Marxism has always been symbiotic. Classical sociology of the late nineteenth century and early twentieth century was, at least in part, a response to Marxism at a time when socialism was a viable and compelling movement in Europe. Marxism was the specter that haunted the Fin-de-Siècle intellectual landscape, shaping the terrain upon which Weber, Durkheim, Simmel, and Pareto would build their own original, theoretical edifices. The Russian Revolution took Marxism in entirely new directions, and once more forcing a reaction from bourgeois social theory. When the world divided into two blocks after World War Two, so sociology became the defender of the “free world” and an ideological counterpoint to Marxism-Leninism. It was during this period—the 1950s and 1960s—that American sociology enjoyed its greatest ascendancy, a new science with a new mission that snuffed out all pockets of Marxism. Subsequently, in the later 1960s and 1970s, the eruption of society drove sociology into its own crisis, while stimulating Marxism’s rejuvenation. In the 1980s sociology recovered by borrowing from Marxism, just as today Marxism’s escape from its postcommunist doldrums will depend, so I argue, on borrowing from sociology. Each Marxist offspring has its own originality and autonomy, irreducible to its parents.

of Polanyi. This article began with a disagreement with my friend, colleague, and collaborator, Erik Wright, over our joint exploration of Sociological Marxism. In his inimitable way, Erik has tried to set me straight with many pages of critical commentary and quite a few diagrams. If things are still fuzzy, then it’s certainly not his fault, but it may not be mine either. Finally, I’d like to thank the Russell Sage Foundation for giving me the peace of mind to rewrite this.

From Confrontation to Rapprochement

Talcott Parsons's mid-twentieth-century synthesis of sociological thought, based on the independent convergence of the writings of Durkheim, Pareto, Marshall, and Weber, was emphatic and triumphal in its dismissal of Marx's writings.¹ To the end of his life he regarded Marxian theory as an anachronistic utilitarianism whose significance was wholly confined to the nineteenth century.² Since the foundations were so deeply flawed, there was no point in considering the Marxist legacy. Structural functionalism, the codification of Parsonsian theory into a messianic science, therefore simply ignored Marxism, and not only its nemesis, Soviet Marxism, but all other varieties of Marxism as well.

Apart from the ideological enmity of the Cold War, there was a theoretical basis for their opposition—Parsonsian sociology, especially *The Social System*,³ focused on the lacunae of Soviet Marxism. It concentrated on "society" as an autonomous, all-embracing, homeostatic self-equilibrating system, whereas Soviet Marxism left no space for "society" in its theoretical scheme of base and superstructure. There was, therefore, no meeting ground between the two, the one bereft of economy and state, the other bereft of society.⁴ On the American side, theorists of the "end of ideology" celebrated the stabilizing power of "society," bulwark of liberal democracy, just as on the Soviet side the planned economy claimed for itself the boundless expansion of the productive forces and the rational distribution of resources. Both sides had their dissidents—C. Wright Mills and Barrington Moore infused their critical humanism with class analysis while the Budapest School and Kolakowski turned Hegel and the early Marx against totalitarian communism. Although harbingers of the future, at the time (in the 1950s) these were but minor currents in two oceans of conformity and euphoria. Both sides would be in for shock, first sociology, then Marxism.

Just when sociology seemed to have finally buried Marxism, the 1960s and 1970s took their revenge. The assault came not from a moribund Soviet Marxism but from where it was least expected, on sociology's own doorsteps. Social movements—free speech movements, civil rights movements, and antiwar movements—erupted to shatter pax Americana both at home and abroad. They put "consensus" sociology on trial, called into question sociology's Panglossian view of American society, and revived a living Marxism that elaborated new bodies of theory—*Monthly Review*'s theories of monopoly capitalism, theories of underdevelopment, the critical theory of the Frankfurt School, the English social history of class, German systems analysis, and the structuralism of French Marxism. Just as sociology had found no redeeming feature in Marxism, so now a rejuvenated Marxism took its turn to dismiss sociology tout court. The denunciation from radical and critical theory was uncompromising, charging that "consensus" was as "fabricated" within sociology as it was illusory in society.

Perry Anderson, then the brilliant polemicist and editor of *New Left Review*, went even further.⁵ Not content to attack the enemy without he turned on the

enemy within, attempting to purge Marxism itself of all bourgeois contamination. He excoriated the “Western Marxism” of Horkheimer and Adorno, Gramsci and Lukács, Sartre and Althusser as consorting with evil, as detached from the working class, and as lacking revolutionary vision. Anderson insisted that we return to the revolutionary road pioneered by Leon Trotsky. As I have argued elsewhere, there is much to be gained from the reexamination of Trotsky’s writings on the Soviet Union, but they are woefully adrift in the world of advanced capitalism.⁶ Reflecting the Russian and then Soviet world he knew best, Trotsky followed classical Marxism in denying the reality of society—both in theory and in practice. Written in a burst of revolutionary optimism, Anderson’s critique of Western Marxism brought the denunciation of bourgeois thought to a head, but brought to a head the denunciation toppled over. Anderson had stripped Marxism of the very conceptual tools it would need to confront the collapse of communism and the ascendance of global markets.⁷

Alvin Gouldner who correctly diagnosed the coming crisis of Western sociology had prefigured the Marxist assault.⁸ Moreover, the containment of the crisis broadly followed his prescription, namely to incorporate the best of critical Marxism. The Manichean “cold war” world in which sociology sought the nullification of Marxism was now replaced by constructive engagement and rapprochement. Losing confidence in its own battered foundations, losing credibility with the decline of the welfare state, sociology absorbed Marxism back into many of its realms. It had learned the lesson of the 1960s and restored economy and state to their rightful places alongside the analysis of society. A revived economic sociology attended to the transformation and degradation of work. Political sociology attended to the character of the capitalist state or the state in capitalist society. Stratification became concerned with questions of inequality and the centrality of class. Cultural sociology focused on the power of ideological domination. Comparative historical inquiry relied heavily on Marxist social history and its theory of history. At the other end of the sociological scale, ethnographers drew on Marxist theories of social reproduction. The grand theorists of the day, Bourdieu, Foucault, and Habermas, as well as feminism and race theory, were permeated by Marxism. The classics were reinterpreted—Durkheim and Weber became theorists of domination, critics of capitalism, and even advocates of socialism. No longer the calumniated other, Marxism was mined for treasures to invigorate a flagging and fragmented sociology. Inevitably, absorption blunted Marxism’s critical edge, but it also energized sociology.⁹

As sociology exited its crisis, Marxism entered its own. The 1990s witnessed the disintegration of communism, the global ascendancy of market fundamentalism, and the retreat of protest and revolution. Together they shattered what was left of the Marxist optimism of the 1970s. It is the thesis of this article that Marxism’s regeneration now depends on the incorporation of sociological ideas. In other words, the accommodation of Marxism and sociology should go both ways:

just as sociology borrowed Marxism's historical and comparative visions, so now Marxism must appropriate from sociology the liberative notion of society. Leaving behind the thirty-year confrontation, or what Antonio Gramsci might call a "War of Movement," Marxism and sociology have entered a very different engagement, what Gramsci would call a "War of Position." Rather than vanquishing the other, each seeks a hierarchical accord with the other—the accords differing according to who assimilates whom. It is the difference between Marxist sociology and Sociological Marxism. The two amalgams can, of course, live side by side in a state of mutual invigoration as well as antagonism.

The Genesis of a Sociological Marxism

This would not be the first time that Marxism has sought to appropriate sociology's critical moments. One might argue that Marx himself tried to incorporate sociological notions from Hegel and Saint-Simon, but it would be far fetched to say he had an elaborated notion of "society." As Alvin Gouldner avers society is, at best, a residual category in the writings of Marx and Engels.¹⁰ But he is, of course, referring to their writings on capitalism and not to their writings on communism, which is an altogether different matter. Whether it be the overcoming of alienation in the *Paris Manuscripts*, or the repeated insistence in *The German Ideology* that only in community will individuals cultivate their gifts in all directions, or the notion espoused in *The Communist Manifesto* of an association where the free development of each is the condition for the free development of all, or the more concrete vision of socialism Marx abstracted from the Paris Commune or his *Critique of the Gotha Program*, or the associated producers referred to in *Capital*, or even the idea of the withering away of the state found in Engels's *Socialism: Utopian and Scientific*—in all these places some notion of society is found at the center of communism. What Marx and classical Marxism failed to do was to undertake the complementary analysis of society under capitalism—a complementary analysis that might have led to a more coherent vision of communism. This is the project of Sociological Marxism.

When Marxism did harness sociology to its analysis of capitalism, paradoxically it did so to lament the *loss* of society! I am thinking of the "Western Marxists" of the interwar years who self-consciously assimilated sociology. This was a Marxism of defeat that took up the double challenge of why there had been no socialist revolution in the West and why the Russian Revolution had degenerated into dictatorship. In this double project, Western Marxism, most especially the Frankfurt School and its precursors (Korsch, Lukács), leaned heavily on the writings of Weber and Freud, appealing not to their theories of an autonomous society but to their theories of domination and rationalization—indeed, their theories of the eclipse of society. Wielding their renewed armory, Western Marxists turned against the mechanical Marxism of the Second International with its frictionless ride from capitalism to socialism and against the revolutionary dogmatism of

Marxism-Leninism. Befitting the times, the Frankfurt School developed gloomy theories of the (ir)rationality and durability of capitalism, and part of that gloom came from German sociology.

Still, there was another Western Marxism, which did not succumb to the despair of the time but drew on a heavy dose of idealist thought to establish the foundations of Sociological Marxism. Its two major exponents were Antonio Gramsci and Karl Polanyi, widely influential but nonetheless idiosyncratic in the seriousness with which they treated the notion of society. Even though they took very different paths, they exploited the idea of society to retain both socialist vision and a close connection to the working class. But first and foremost, “society” was a conceptual innovation to grasp the longevity of capitalism, its failure to succumb to the laws that Marx had laid down for it. In this way Sociological Marxism finally begins to grapple with the meaning of society, something sociology has singularly failed to do.¹¹

In Marxist hands society is not a general notion that applies transhistorically to ancient and medieval worlds, tribal and complex systems, traditional and modern orders, embracing all the separate and functionally independent institutions that together form a coherent and bounded whole. Rather, Gramsci and Polanyi endow their notions of society with historical specificity. For Gramsci, society is *civil society*, which is always understood in its contradictory connection to the state. Civil society refers to the growth of trade unions, political parties, mass education, and other voluntary associations and interest groups, all of which proliferated in Europe and the United States toward the end of the nineteenth century. At the same time, new forms of transportation (automobiles, railroad), communication (postal service, newspapers), and regulation (police) connected people to one another as well as to the state. On the one hand, civil society collaborates with the state to contain class struggle, and on the other hand, its autonomy from the state can promote class struggle.

For Polanyi society is what I call *active society*, which is always understood in its contradictory tension with the market.¹² Polanyi is not always clear about what populates active society, but in nineteenth-century England it includes trade unions, cooperatives, the organization of the factory movement to curtail the length of the working day, the Chartist movement to extend political rights, and rudimentary development of political parties. On the one hand, the market tends to destroy society, but on the other hand, society (re)acts to defend itself and to subordinate the market.¹³ Polanyi often refers to society as having a reality of its own, acting on its own behalf, whereas Gramsci understands civil society as a terrain of struggle. For both, however, “society” occupies a specific institutional space within capitalism between economy and the state, but where “civil society” spills into the state, “active society” interpenetrates the market. For both, socialism is the subordination of market and state to the self-regulating society, what Gramsci calls the regulated society.

Armed with this notion of society, Sociological Marxism distinguishes itself from sociology in four ways. First, “civil society” and “active society,” as I have already emphasized, are not timeless notions but specific historical products of European capitalism in the late nineteenth century. Indeed, “society,” in both its manifestations, appears precisely with the genesis of classical sociology, puncturing the latter’s universalistic claims. This is not to say we cannot talk of “society” before the late nineteenth century, but it has a different meaning and significance. In the modern era “society’s” strength or weakness, its particular configuration as well as relation to state and economy, has had fateful consequences for the development of both capitalism and socialism.

Second, society is not some autonomous realm suspended in a fluid of spontaneous value consensus. In specifying society as an institutional space, occupied by political parties, mass education, voluntary associations, trade unions, church, and even the family, Sociological Marxism focuses on the relations between market and society (Polanyi) and between state and society (Gramsci). Although it is not the focus of the writings of Gramsci and Polanyi, it would be wrong to assume that society has an integrity and coherence of its own. Rather it is traversed by capillary powers, often bifurcated or segmented into racial or ethnic sectors, and fragmented into gendered dominations. I will return to this issue in the conclusion.

Third, whereas today’s sociology has appropriated the related notions of “civil society,” “embeddedness” of markets, and “social capital” as conditions for the stability and effectiveness of capitalist institutions, for Sociological Marxism, society is Janus faced, on the one hand acting to stabilize capitalism but on the other hand providing a terrain for transcending capitalism. Thus, if Gramsci starts out from the way civil society, through its connection to the state, organizes consent and constricts class struggle, Polanyi starts out from the way active society counteracts the dehumanizing effects of the market economy. But they both end up asking how society can found an altogether new order of socialism—an order that subordinates both economy and state to a self-regulating community.

Fourth, Sociological Marxism draws on and expands sociology’s own antipathy to utilitarianism and totalitarianism. It turns sociology’s own universal claims, its theories of social action and community, into weapons of critique. Thus, Parsons’s theory of the social system with its marginalization of power, its underlying value consensus, its complementary role-expectations, and its homeostatic self-regulation, all designed to counter individualistic and rationalistic *descriptions* of modern capitalism, becomes, in Marxist hands, an incisive *indictment* of capitalism. The same can be said of such communitarians as Etzioni and Selznick, whose putative “communalism” far from being an approximation to actually existing America (or even its potentialities) becomes its crushing indictment. In marginalizing markets and states, sociology’s conception of society becomes an embryonic aspiration to socialism. In short, just as sociology has domesticated

Marxism by absorbing it, so *pari passu* Sociological Marxism seeks to harness sociology to its democratic socialist project!

In this article I show how Gramsci and Polanyi converged on the same idea from very different experiences, and how their divergent criticisms of classical Marxism gave rise to complementary perspectives on the connection of “society” to capitalism. I then bring the two perspectives together to shed light on successive periods of capitalism, on patterns of capitalist hegemony and counterhegemony, and on the multiple trajectories of capitalism in a global order. In the conclusion I advance an agenda for a Sociological Marxism in the postcommunist age—an agenda that thematizes society: first, in relation to the potentialities, failures, and aftermaths of state socialism; second, in relation to the rifts within societies of a racial character (advanced capitalism as well as colonialism); third, in relation to the boundaries of society with state, economy, and household; and fourth, in relation to the expansion of society beyond the nation-state.

II: BIOGRAPHIES OF SOCIOLOGICAL MARXISM

It is perhaps strange to link Gramsci and Polanyi. They are rarely seen as parallel or even connected thinkers.¹⁴ Gramsci, after all, is firmly located within the Marxist tradition, preoccupied with Lenin’s questions of power and domination, his unique contribution being to bring culture and ideology to the center of political analysis. Subjecting sociology to withering criticism, Gramsci’s kinship with Durkheim and Weber is easily missed.¹⁵ Polanyi, by contrast, is often associated with Weber’s analysis of economy and adopts as his own Durkheim’s signature tune, the “reality of society.” With Weber, Polanyi insists on the place of the state in forging and then regulating a market economy. Today, Peter Evans takes this Weberian Polanyi further with his concept of “embedded autonomy.”¹⁶ With Durkheim, Polanyi insists on the social underpinnings of the market, Durkheim’s celebrated non-contractual elements of contract, as well as non-contractual society. Mark Granovetter represents this Durkheimian Polanyi with his insistence on social networks as a precondition of market exchange.¹⁷ The connection of Polanyi to Gramsci is made all the more unlikely by Polanyi’s focus on the realm of exchange rather than production, and by Polanyi’s frequent dismissal of “popular Marxism.”¹⁸

We cannot be surprised, therefore, that these two giants of the twentieth-century social theory are never associated. Nonetheless, closer examination of their respective criticisms of sociology and of Marxism shows their commonality. Each objected to crude “positivism” in the works of sociologists and Marxists alike. Just as Gramsci reduced sociology to a crude causal atomism, iron laws of change, Polanyi reduced Marxism to its most economic variant.¹⁹ Their choice of “other” against which to define themselves was not insignificant, as we shall see, but nonetheless the characteristics of that “other” were quite similar in both cases, namely, a social science removed from lived experience, removed from his-

tory, removed from the collective will of classes, removed from the indeterminism of politics, and removed from the search for a new intellectual and moral order. This is their shared indictment, equally of vulgar Marxism and positivist sociology.

In this article I seek to show just how convergent was their thinking and, at the same time, how their divergences make complementary contributions—the one political and the other economic—to Sociological Marxism. Reaching beyond the polemical battles of their times, which make them look superficially different, I reinsert their theories back into their political biographies. Too often the writings of Gramsci and Polanyi have been ravaged like the carcasses of dead bodies—the most useful parts ripped from their meaning-giving integument and transplanted into ailing theories. I intend to restore these two bodies of theory in their totality and as they relate to one another. That requires exploring the economic, political, and ideological context that gave meaning to their parallel life projects. For these two figures their engagement with historical forces is inseparable from their theoretical development. Biography is therefore not some background filler but essential to grasping the integrity of their thought. Only once their Marxist commonality has been established can we turn, in the next section, to their different places in the Marxist tradition.

Divergent Social Origins

Gramsci and Polanyi hailed from opposite ends of Europe but also from opposite ends of the class structure.²⁰ Their eventual intellectual convergence is a resounding confirmation of their own faith in the human ability to transcend social origins. Gramsci was born in 1891, into a large, poor rural family in Sardinia. His father was a low-level bureaucrat, who disappeared into prison when Gramsci was seven on trumped-up charges of petty crime, leaving his mother to look after the seven young children. Gramsci, the fourth-born, was a hunchback from a very early age. Precluded from a normal child's life, deeply sensitive about his malformed body, he early on devoted himself to books and learning. But it was a painful—psychologically and physically—struggle to move from one school to the next, repeatedly interrupted by poverty. Finally, by dint of enormous determination he entered university in Turin, and there he led a wretched, tormented, and often lonely student existence.

Polanyi, by contrast, born five years before Gramsci in 1886, grew up in a prosperous upper-middle-class “Jewish” (although converted to Calvinism) family in Budapest. His father's wealth, made from a very successful railroad business, was channeled into the best private education that money could buy, with its bevy of tutors and governesses. Polanyi, the middle child of five, grew up in a distinguished and intensely intellectual milieu. His mother ran a salon for leading Budapest artists, writers, and radicals of the time. Culture and education came to Polanyi on a golden platter. How different from Gramsci! Yet both would end up

with similar socialist commitments—the one developed his intellect in and through suffering, while the other discovered suffering through the intellect.

Polanyi and Gramsci were both influenced by elder brothers who were dedicated socialist revolutionaries, but their own first political actions were not socialist. As was typical for the radical intelligentsia of the South, Gramsci became a Sardinian nationalist, regarding the North as an illegitimate colonizing power. It was only after he had settled in the Northern industrial city of Turin and there saw the burgeoning workers' movement, while at the same time witnessing the violent repression meted out to the striking rural miners in Sardinia (1913), that he began to see the power of class—the potential unity of workers in the North and peasants in the South that was necessary to challenge the growing collusion of Northern capitalists with Southern landowners. Abandoning his university studies, he threw himself into the burgeoning Turin workers' movement. From his pen rushed eloquent pieces that spoke for liberatory goals, designed to nurture an embryonic working-class culture.

Polanyi's early political activities were also of a nationalist character. He formed the Galilei Circle in 1908 when he was still a university student, a broad organization demanding that Hungary cast off its feudal cloak and establish a thriving, open bourgeois society with a liberal polity and modern education. The Galileists, some two thousand strong as he later recounted, sought national cultural renaissance and mounted literacy campaigns for workers and peasants. Polanyi took an eager interest in the Russian Populist Movement, leading him for a short time in 1914 into the National Bourgeois Radical Party. The Austro-Hungarian empire disintegrated in 1919 after defeat in World War I, and a liberal regime assumed power in Hungary, followed in quick succession by the more radical but short-lived Republic of Soviets. Polanyi reflected on the unfolding events from the sidelines, leaving Budapest for Vienna in June 1919 before the Soviet Republic collapsed on 1 August 1919. Hostile to the notion of the Dictatorship of the Proletariat but realizing the limitations of liberal democracy, he took up a socialist third way to democratic freedoms.

Socialists against Marxism

If both Gramsci and Polanyi emerged from World War I as socialists, Polanyi more uncertainly than Gramsci, neither had much sympathy for the orthodox German Marxism of their time. Their socialism was a far cry from deterministic laws of history. They were both rhapsodic about the human capacity to fashion history in its own image. Both Gramsci and Polanyi imbibed the Italian and German idealism of their era, although both took their political inspiration from Russia—Polanyi from the Populists with their peasant base, Gramsci from the Bolsheviks with their proletarian support.

Gramsci was enthralled by the unfolding Russian Revolution. His famous article, written in 1917, "The Revolution Against *Capital*" is a paean to the

Bolsheviks who defied the historical laws Marx had assiduously laid out in *Capital*—laws that were the crutch of inaction for so many contemporary Marxists. For Gramsci, the Bolsheviks were not “Marxists.”

They have not used the works of the Master to compile a rigid doctrine. . . . They live Marxist thought—that thought which is eternal, which represents the continuation of German and Italian idealism, and which in the case of Marx was contaminated by positivist and naturalist encrustations. This thought sees as the dominant factor in history, not raw economic facts, but man, men in societies, men in relation to one another, reaching agreements with one another, developing through these contacts (civilization) a collective, social will; men coming to understand economic facts, judging them and adapting them to their will until this becomes the driving force of the economy and moulds objective reality.²¹

The Russian Revolution converted the young Gramsci to Marxism but not as a scientific doctrine but as a powerful ideology, a concrete fantasy that could capture the imagination of subaltern classes, galvanizing their collective will to bring history under their direction.²² But note the collective will is forged by “men in societies, men in relation to one another, reaching agreements with one another,” what Polanyi would later allude to as “the reality of society.”

Expressing his idealism in similar terms, Polanyi drew inspiration from the iconic Hungarian poet Endré Ady. On the occasion of the memorial to Ady in 1919, Polanyi wrote, “The truth is ‘that the bird soars despite rather than because of the law of gravity’ and that ‘society soars to stages embodying ever loftier ideas despite rather than because of material interests.’”²³ No less than Gramsci, Polanyi opposed the positivist encrustations of Marxism.

Never has there been such an absurd superstition as the belief that the history of man is governed by laws which are independent of his will and action. The concept of a future which awaits us somewhere is senseless because the future does not exist, not now or later. The future is constantly being remade by those who live in the present. The present only is reality. There is no future that gives validity to our actions in the present.²⁴

It was not the Bolsheviks, however, but the peasant-based Social Revolutionaries—the true inheritors of Russian Populism and soon to be vanquished by the Bolsheviks in power—who had captured Polanyi’s imagination. The influence of the Populists was surely one factor that led Polanyi to place a critique of the market at the center of his theorizing just as the influence of the Bolsheviks led Gramsci to engage the problem of the state.

Each looked for institutional exemplars to embody the “collective will” and ground their socialist beliefs. Gramsci searched for analogs to the celebrated Russian Soviets and found them in the Factory Councils of the Turin automobile industry. From 1919 to 1920 the Turin working class took charge of the city, leading to the abortive factory occupations of 1920. As editor of the newspaper *L’Ordine Nuovo*, Gramsci was deeply immersed in articulating the movement’s

aspirations. Without wider national support from trade unions and the Socialist Party, the movement fizzled out. This failed experiment would give Gramsci much pause for reflection throughout his life, leading him to recognize the power of capitalist hegemony on the one side and the need for an effective working-class party to challenge that hegemony on the other. A founding member of the Italian Communist Party and eventually its General Secretary, Gramsci would try to keep in touch with the most class-conscious workers, steering a course between the “bogus radicalism” of abstentionism and the “sterile reformism” of trade unions.

Although Polanyi always kept party politics at arm’s length, he was nonetheless deeply influenced by the municipal socialism of Red Vienna. Organized by the Austrian Social Democrats, theorized by Otto Bauer as “functional democracy,” it sought to give power to working-class organizations, and to elevate its class culture. In his notes to *The Great Transformation* Polanyi writes that the socialist administration of Vienna achieved “one of the most spectacular cultural triumphs of Western history.”²⁵

1918 initiated an equally unexampled moral and intellectual rise in the condition of highly developed industrial working class which, protected by the Vienna system, withstood the degrading effects of grave economic dislocation and achieved a level never surpassed by the masses of the people in any industrial society.²⁶

In its aspirations toward a worker democracy, it was akin to the Factory Council Movement in Turin—less radical but of longer duration. Polanyi himself had direct contact with the working class only through teaching at the Workers’ University. Most of his time in Vienna, from 1919 to 1933, was absorbed with journalism, for the *Bésci Magyar Ujság* (Viennese Hungarian News) and for the Austrian Financial Newspaper, *Oesterreichischer Volkswirt*, covering events in the United States, England, and the Soviet Union. Yet he found time to engage in a public defense of the feasibility of a socialist economy against the market fundamentalism of Von Mises. Where Gramsci’s intense political involvement had led him toward a critique of the state, Polanyi’s engagement with the economics of socialism led him to a critique of the market. But each, in their own way, was groping toward a socialist Third Road that they would elaborate in exile.

Into Exile: Theorists of Society and Socialism

Their hopes for a new socialist order were dashed when fascism arose from the ashes of failed revolutions—in Italy and in Austria. This would be fateful for both. Gramsci was put on trial for treason in 1926 and condemned to twenty years’ imprisonment. He would die in prison in 1937 but not before writing his celebrated *Prison Notebooks* that immortalized him as the towering figure of Western Marxism. His reflections on the failure of revolution in the West and the success of fascism carried him into an analysis of the Western world, against the backdrop of

the Russian and French Revolutions. Polanyi fled to England in 1933 when the ascendancy of Austrian fascism made his socialist outlook untenable. In 1940 he was invited to lecture in the United States. Unable to return to England, then under wartime siege, he took up a three-year appointment at Bennington College where he wrote the already gestating *The Great Transformation*. The subtitle of that book—*The Political and Economic Origins of Our Time*—could as well have been the subtitle of Gramsci's prison writings.

Both Gramsci and Polanyi stopped living "the life of the world" when fascism halted their political and intellectual activities. Their political formation had come to an end, but their intellectual originality still lay ahead. Gramsci was imprisoned in Italy at precisely the time Polanyi entered his own wilderness. In 1958, some six years before he died, Polanyi reflects back on his life: "The world stopped living for several decades. . . . So I am only now coming into my own, having somewhere lost 30 years on the way—waiting for Godot—until the world caught up again, caught up to me."²⁷ Gramsci's years in prison and Polanyi's years of exile were hardly wasted, however. Indeed, they produced some of the most fecund social science of the twentieth century.

This was when both had their "second encounter" with Marxism. For Gramsci it was a turn away from the voluntarism of his youth, away from Marxism as ideology to Marxism as science. He discovered a more deterministic Marxism that would comprehend the limits of the possible, the limits to class formation, the power of the state and ideology, and the sources of spontaneous consent to capitalism. Polanyi if anything moved in the opposite direction, entrenching his voluntarism with the discovery of Marx's *Paris Manuscripts*. From Marx's early philosophical writings Polanyi took away an analysis of the way capitalism destroyed the essential humanism of mankind and turned multifaceted individuals into one-sided, calculating individuals.²⁸ In line with Marx's political writings on France, Polanyi adopted the optimistic orthodoxy of the day—the incompatibility of capitalism and democracy. The world faced a stark choice between fascism (capitalism without democracy) and socialism (democracy without capitalism).²⁹ From Marx's economic writings Polanyi took away the crisis tendencies of capitalism, even if those crises had little to do with overproduction or the falling rate of profit.³⁰ Gramsci, by contrast, refused to speculate on the ultimate nature of human beings. He repudiated the stark alternatives of fascism or socialism, regarding capitalism as compatible with liberal democracy as it was with fascism. Finally, while capitalism might enter economic crises they are not life threatening. At best they offer a more favorable terrain for the dissemination of socialist ideologies but were most likely to be the vehicle through which capitalism restructured itself.

Despite their differences of interpretation, it would be difficult to exaggerate the importance of fascism for both Gramsci and Polanyi. This is especially salient for the development of Sociological Marxism, since it led both to seek the origins

and significance of that which fascism had distorted, mangled, absorbed, namely, “society.” Fascism led them back to the nineteenth century, to the inauguration of an entirely novel phenomenon that countered and contained the tendencies of capitalism toward self-destruction. For Polanyi, this “active society” had an autonomy of its own: from saving the market from its destructive tendencies, it would become a fetter on the market, threatening to transcend and subordinate it. For Gramsci, “civil society” was a new terrain of struggle that connected the state to the rhythms of everyday life. Whereas Polanyi was unclear about the institutional makeup of active society, Gramsci filled it out with political parties, print media, mass education, and all sorts of voluntary associations. For both Polanyi and Gramsci, liberal capitalism with its weak society gave way to an organized capitalism marked by a dense and complex “civil society” or “active society,” aided and abetted by a more elaborated and more interventionist state.

Instead of a unilinear expansion and contraction of capitalism, in which each country followed in line behind the leader, Gramsci and Polanyi allowed capitalism to develop in multiple directions, assuming diverse configurations of state, society, and economy. The question was not where the economic contradictions were deepest or the forces of production most developed but rather to explain the different paths to liberal democracy, social democracy, fascism, and Soviet communism. Both put the United States in a category of its own. For both, each national configuration corresponded, in large part, to the balance of class forces in society, and in particular to the capacity of some “dominant class” to represent the general or universal interest. If national society was the orienting unit of analysis, nonetheless both were only too conscious of the international arrangement of nation-states. Indeed, both saw fascism and the Stalinist transformation of the Soviet Union as, in part, a reaction to pressures from international economic and political forces.

While both embraced a global analysis, they never lost sight of the concrete lived experiences that propelled classes into action. Gramsci would theorize this lived experience as “common sense,” enclosing a kernel of “good sense” that represented the emancipatory potential of different classes. Polanyi was no less interested in the lived experience of different subordinate classes. For much of his life Polanyi was involved in some version or another of workers’ education, beginning with his Galilei Circle, moving on to his teaching at the Workers’ University in Vienna, and then in England he had a full-time job with the Workers’ Education Association. There he urged that adult education embark from the experiences of working-class life, and he called for the elaboration of popular culture.³¹ Like Gramsci, he understood the power of religion, although where Gramsci railed against the suffocating effects of Catholicism, Polanyi proclaimed the potentialities of Christian socialism.

In his last major work, *The Plough and the Pen*, a collection of Hungarian literature edited with his wife Ilona Duczynska, Polanyi pays tribute to Hungary’s

early populists and the humanist writers who inspired the 1956 revolt against communism. Polanyi is not here condemning communism but showing how it harbored an older, alternative Third Road to democratic socialism. Just as Gramsci's organic intellectuals would liberate "good sense" from the "common sense" under the grip of traditional intellectuals, so Polanyi's populist intellectuals would release the potentiality of communism against its orthodox defenders. Among the great Marxist theorists of the twentieth century, Gramsci and Polanyi are unique in the attention they pay to the role of intellectuals in elaborating popular consciousness, and connecting it to vistas of national and global history.

Neither Polanyi nor Gramsci ever lost sight of the possibility of a socialist future. And here too they converged—on a vision subordinating economy to "society," overseen by a responsive state with vastly reduced coercive powers. *The Prison Notebooks* have all too little to say about the future socialist order, or what Gramsci called "the regulated society." Still, there are unmistakable traces of the abiding influence of the Factory Council Movement that made industrial production the crucible of solidarity. His *L'Ordine Nuovo* writings are strongly reminiscent of Durkheim's organic solidarity—each achieves a connection to the whole productive process through participation in a hierarchical division of labor.³² Likewise Polanyi was influenced by the Municipal Socialism of Vienna—"functional democracy" as he called it—which he would also link to Guild Socialism, itself an inheritance from nineteenth-century socialism. Robert Owen was after all Polanyi's hero of the industrial revolution. Alone among the commentators on the industrial revolution, Owen underlined *society* as both problem and solution to the degradation and demoralization that had befallen working men.³³ Owen's plans for the self-sufficient community of working men based on "Villages of Cooperation" and a "Labor Exchange" were a precursor, exactly a century earlier, of Gramsci's network of Factory Councils.³⁴ If neither the Factory Councils nor Owen's Cooperative Movement realized its goals, nonetheless they both inspired a societal notion of socialism—a new moral and intellectual order that, if only for a short period, gripped the imagination of the working classes. Cognizant of the durability of capitalism, both Gramsci and Polanyi paid close attention to the mobilizing power of concrete fantasies. Only those Marxists possessed of supreme confidence in the inevitable and proximate demise of capitalism, only they, Marx and Engels among them, could dismiss Factory Councils or Owenism as utopian.

Gramsci's and Polanyi's engagement with failed revolutions in the West, the rise of fascism, and the Soviet Revolution trumped their opposite social origins, their divergent political trajectories, and their different national milieu to lead them independently to a similar Sociological Marxism.³⁵ They both envisioned a socialism built on the foundations of society, a separate space apart from but connected to both economy and the state. They may have both discovered society, but

here their convergence ceases since their foci and interpretations drew on very different Marxian lineages.

III: LINEAGES OF SOCIOLOGICAL MARXISM

Gramsci and Polanyi contribute to a common project—Sociological Marxism—but they do so from divergent rejections of classical Marxism. Their connection and reaction to classical Marxism came through the lineage of very different Marxists, Lenin on the one side and Lukács on the other. The theories of Lenin and Lukács represent incomplete breaks with classical Marxism—an incompleteness that paved the way for Sociological Marxism. Neither Gramsci nor Polanyi offers extended treatments of Lenin or Lukács—Gramsci was unequivocal in his admiration for Lenin while Polanyi would have found Lukács’s youthful writings substantially flawed.³⁶ Be that as it may, the speculative dialogues I construct below are useful in highlighting tensions in the thought of Lenin and Lukács—tensions that Gramsci and Polanyi resolved by conceptualizing civil society and active society respectively. The dialogues also serve to render Gramsci and Polanyi comparable by locating them along parallel branches of a common Marxist tradition. We begin, therefore, with the problems of classical Marxism, already present in the writing of Marx and Engels, before turning to the writings of Lenin and Gramsci and then Lukács and Polanyi.

Marxism after Marx

There is something quite fantastic and brilliant about Marx’s theory of the transition from capitalism to communism. He shows how three processes coincide in space and time. First, capitalism by virtue of its own systemic logic sows the seeds of its own destruction. That is to say competition among capitalists leads them to transform production through deskilling and technological innovation that has the consequence of expelling workers from production, increasing the reserve army of unemployed, bringing down wages, and finally leading to crises of overproduction on the one side and a falling rate of profit on the other. Crises follow one another, leading to bankruptcies upon bankruptcies, until only the largest (and therefore “fittest”) of capitalists remain.

Enter the second process. As the crises deepen, small capitalists disappear into the ever more homogenized and degraded working class; there is a concentration of wealth at one pole of society and the concentration of poverty at the other pole. Because they cannot control the crises and because they appear as mere coupon clippers, capitalists are deemed incompetent and superfluous. Class consciousness grows among the increasingly massive and homogenized working class. Class polarization leads to the intensification of class antagonisms: first in scattered struggles against individual capitalists, then in trade union combinations

across factories and even sectors, and finally at the national political level with the formation of a workers' party.

The culmination of this second process coincides with a third process—the maturing of the material conditions of communism in the womb of capitalism. The advance of technology provides the basis of the shortening of the length of the working day, while the formation of monopolies, trusts, and state ownership provide rudimentary planning. It just takes a final act of seizing state power to realize the communist order. In other words, socialism is a sort of immaculate conception in which three processes coincide: the deepening crises of capitalism, the intensification of class struggle, and the spontaneous creation of the material conditions for socialism.

Marxism after Marx tackles the obstinate fact that these processes did not occur or at least did not coincide. In other words, Marxism after Marx unpacks the simultaneity—both in space and in time—of these three processes. As the electoral power of the German social democracy increased and revolutionary momentum diminished, so Marxists balanced the tripod by putting their weight on one or other of its legs. Rosa Luxemburg was convinced that the economic crisis had arrived by the time of the outbreak of World War I but saw the problem in the reformism of the social democrats. She urged a more revolutionary politics in which extra-parliament struggles would supplement electoral politics. If the working class did not seize this opportunity she feared that the result would be “barbarism” rather than “socialism.” Kautsky disagreed. The final crisis had not yet arrived. He insisted on patiently building up the strength of the working class while waiting for capitalism to exhaust its potential. He threw his weight behind the inevitable self-limitation of capitalism. Bernstein departed from both. Against Luxemburg he argued that revolution was neither likely nor desirable. The working class was not the majority of the population; the class structure did not polarize but was increasingly blurred by middle classes. Any revolution would have to be organized by a minority that would end up subverting its dreams. Against Kautsky he argued that capitalism was not heading toward any final crisis. So Bernstein focused on the third leg—capitalism was not only spontaneously laying the basis of socialism but was actually becoming socialism. Through the inevitable expansion of democracy, capitalism would evolve into socialism. Bernstein's revisionism, first announced in 1899, grew in appeal as the trade unions became stronger and the Social Democratic Party gained electoral strength. But such piecemeal reform drew the party away from Marxism.

The writings of Lenin and Lukács bear traces of classical Marxism, but each in their own way broke with its laws of history. The one a revolutionary realist, sitting atop the Russian volcano, caught between the East and the West, transformed Marxism with his theories of imperialism, the state, and socialist transition. The other, a revolutionary romantic, writing at the time of the collapse of the Austro-Hungarian Empire and participating as Deputy Commissar of Public Education in

the ill-fated Hungarian Soviet Republic, laid the foundations of Marxist defeatism with his theory of reification. Lenin's writings spoke to revolutionary success, such as it was, in Russia, while Lukács's youthful writings would speak to revolutionary failures in the West.

From Lenin to Gramsci

Lenin is the most explicit in his reconstruction of classical Marxism. Let us consider each leg of our tripod.³⁷ *First, there is no final crisis of capitalism.* Lenin recognized that competitive capitalism could not last, but he also saw how capitalism was reconstituting itself historically into a monopoly form, while projecting itself unevenly across the globe. The two together—monopoly capitalism at home and plundering abroad—formed a new stage of capitalism, called imperialism. There are no longer any fixed laws that will bring about capitalism's final catastrophe. Instead of collapsing it becomes moribund or degenerate. Where Marx saw the end of early capitalism as the end of all capitalism, Lenin saw it as giving way to a new global era dominated by finance capital.

Second, class struggle does not automatically intensify. Imperialism creates an aristocracy of labor in the metropolis—where workers and capitalists forge a common interest in the exploitation of colonies. Anti-colonial struggles are prominent in the periphery, while in the core, without an effective vanguard party, workers cannot achieve anything more than trade union consciousness. In addition, liberal democracy makes its own ambiguous contribution to the mollification of class struggle: while it creates the best conditions for the expansion of class struggle it also mystifies the true character of capitalism, deluding workers, at least temporarily, that capitalism offers real choices. In short, class struggle is more likely to develop revolutionary forms where capitalism is backward rather than, as Marx and Engels predicted, where it is most advanced.

Third, capitalism does not spontaneously create the conditions of socialism, although it does create advanced techniques of production, such as Taylorism, that can be adopted under socialism. The replacement of private property with socialist relations of production, however, cannot be accomplished overnight. It is a drawn-out process that requires first the destruction of the capitalist state and then the creation of a new form of state, the Dictatorship of the Proletariat. The latter, by virtue of its radically democratic character, will wither away. If, as Lenin believed, capitalism does not enter into a final crisis and capitalism does not inherently produce a revolutionary working class, then the passage to socialism cannot be automatic. It can only be the result of a deliberate, collective effort. Without laws to guarantee the automatic demise of capitalism, Lenin turns his attention to politics and ideology and thereby anticipates a Sociological Marxism.

Lenin presents his theories as though they had universal applicability, but, as Gramsci shows, in crucial ways they reflect the world in which he was engaged, the Russian absolutist regime with its backward forces of production and weak

“civil society.” Even if Lenin appreciates the strategic importance of democracy, working-class support for imperialism, and the durability of capitalism, he still does not penetrate the distinctiveness of the West as opposed to Russia.³⁸ It is left to Gramsci to show how a strong civil society, found within advanced capitalism but not within Russia, creates obstacles to the mission of the vanguard party—how civil society orchestrates the coordination of interests between capital and labor, how civil society deepens bourgeois democracy’s power to domesticate revolutionary tendencies. In short, he thematizes the significance of society—a concept entirely absent in Lenin—for the prosecution of revolution.

Since capitalism neither sows the seeds of its own destruction nor inevitably deepens class struggle nor *spontaneously* creates the foundations of the new order, so Gramsci focuses on politics and ideology that now form a relatively autonomous realm that embraces state and society. Gramsci brings the latent insights of Lenin into focus by periodizing capitalism not according to its economic stages—early-advanced, competitive-monopoly, laissez-faire—imperial, liberal-organized—but according to its superstructures. What distinguishes advanced from early capitalism is the elaboration of a civil society closely connected to an expansive state. This is Gramsci’s momentous, theoretical breakthrough.

From Lukács to Polanyi

If Lenin-Gramsci represent one trajectory from Marx, the movement into the realm of politics and ideology, Lukács-Polanyi, represents an alternative lineage but one that remains rooted in the economy. Here the shift is from production to exchange, from alienation to commodification.³⁹ Lukács launches his brilliant analysis of capitalism from Marx’s famous excursus on commodity fetishism at the beginning of *Capital*. For Marx, market exchange serves to obscure the centrality of production, which contains the hidden secret of capitalism’s law-like demise while also the locus of exploitation and class formation. Production defines both the trajectory and experience of capitalism. The market is but the medium through which the forces and relations of production drive capitalism to its socialist destiny. For Lukács, by contrast, commodification is not epiphenomenal but the defining experience of capitalism, extending to all realms and all classes. Turning relations into commodities, or what he calls reification, is the essence of capitalism. Reification, moreover, invades production to shape the experience of work itself, forming a (false) class consciousness. On the one hand, capitalists cannot see beyond their noses and drive capitalism to its doom, while, on the other hand, workers, equally engulfed by reification, are unable to grasp their collective interest in communism. Or in the language of Lukács, capitalists are *objectively* unable to recognize their fate even as they confront it *subjectively* in the ever persistent threats to their individual survival. Workers, on the other

hand, are *subjectively*, and therefore only temporarily, prevented from seeing their *objective* historical mission.

But this revolutionary inevitability is confined to the realm of philosophy. If Lenin offered only fragmentary accounts of how monopoly capitalism might *stall* revolutionary impetus, Lukács offers only weak and ad hoc reasons as to how workers might see through their reified experience to grasp revolutionary opportunities. Lukács writes of industrial workers being reified only in their manual work but not in their mental lives, of deepening crises of capitalism that will somehow demystify capitalism as it brings it to a halt. He proposes that a vanguard party protect its cadre from reification while it transmits a communist vision to the working class. These gestures are the abiding traces of classical Marxism, designed to counter the dismal implications of his theory of reification. But Lukács is grasping at straws. He cannot offer a convincing analysis of revolution that matches the power of his reification analysis, and the latter would rightly become his lasting legacy. Thus, the Frankfurt School elaborated Lukács negative side into a critical theory, in which domination and instrumental rationality deny revolutionary subjectivity, even as revolution becomes all the more “objectively” possible, even necessary.

Just as Gramsci historicizes Lenin’s theories of capitalism, pointing to the specificity of the West and the rise of society, so Polanyi performs a similar historicizing operation on Lukács’s philosophical analysis. Polanyi examines the history of the market, its genesis, its reproduction, and its decline, mainly in England but to a lesser extent in other Western European countries. He shows how commodification itself threatens the viability of capitalism by denying land, labor, and money their proper functions. The commodification of land threatens agriculture and the environment, the commodification of labor threatens to so degrade workers as to disable them, and the commodification of money threatens to create such uncertainty for capital as to make modern business impossible. In Polanyi’s analysis capitalism can only survive through the constitution of “active society” as protection against the destructiveness of commodification. In Lukács’s homogeneous totality of reification, there is no resistance, no counterpoising of anything except a mythical working class that becomes the simultaneous object and subject of history. Polanyi, by contrast, counterpoises active society to the market economy, a society that is impelled by the self-protection of classes to organize against their degradation. Active society possesses some of the mythical qualities of Lukács’s working class, a simultaneous object and subject of history, but, as we shall see, it also has some very concrete attributes that provide the basis of Sociological Marxism.

Three Postulates of Sociological Marxism

Both Polanyi and Gramsci converge from very different Marxian legacies on a similar conception of society as both the container of capitalism’s contradictions

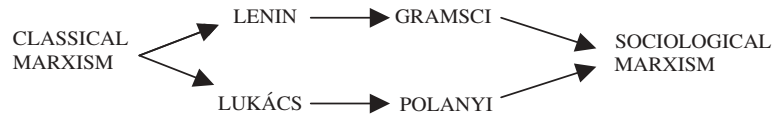


Figure 1. Lineages of Sociological Marxism.

and the terrain of its transcendence. Figure 1 summarizes the different trajectories. That Gramsci and Polanyi converge on a similar framework—the interrelation of state, economy, and society—from such dissimilar points of departure underlines the significance of the real social processes that distinguish advanced capitalism from an earlier capitalism, processes that are now assuming global rather than simply national proportions. In the remainder of the article we trace the different paths along which Gramsci and Polanyi traveled to their unremarked common framework, and how these paths led to complementary contributions to Sociological Marxism.

The three foundational claims of classical Marxism will be replaced by three postulates of Sociological Marxism. In discussing each postulate we begin with a Gramscian formulation, point to its shortcomings, and show how Polanyi might come to Gramsci's aid.

1. Instead of the capitalist economy sowing the seeds of its own demise, capitalism creates an active society or civil society that contains but does not end tendencies toward crisis and contradiction. Whereas Gramsci makes civil society central to his analysis, he has little comprehension of its genesis, why it might appear in some nations and not in others. By looking upon society as a reaction to the market, Polanyi points to a theory of its origins.
2. Instead of class struggle intensifying with the polarization of class structure, class struggle is organized on the terrain of active society or civil society. Whereas Gramsci has a convincing analysis of hegemony as the organization of class struggle within limits of capitalism, he does not have a theory of counterhegemony. While Polanyi does not comprehend the power of capitalist hegemony, his displacement of experience from production to exchange creates the grounds for a potential counterhegemony.
3. Instead of the spontaneous maturing of the conditions of socialism as capitalist forces of production are fettered, socialism is a political project—the subordination of the economy to self-regulating society. Given that there is no inevitable final crisis of capitalism and class struggle does not necessarily intensify, so diverse political projects form within capitalism—fascism, social democracy, as well as socialism. For Gramsci, three factors shape political trajectories: historic legacies, the balance of class forces in organic crises, and national models as carried by intellectuals. If Gramsci's analysis centers on the national level, Polanyi's analysis of reactions to markets operates at local, national, and global levels.

Sociological Marxism dispenses with historical materialism—laws of motion of individual modes of production and the linear succession of one mode of production after another—and replaces them with the coexistence of multiple capitalisms and emergent socialisms within a single world economy. Sociological Marxism, however, does not do away with all determinism. Far from it, institutional structures of economy and polity still set limits on historical outcomes. Precisely how this determinism of limits works is the subject of the rest of this article. The next three sections deal with each postulate of Sociological Marxism: (IV) the genesis and function of society, (V) the organization of hegemony and counterhegemony, and (VI) national trajectories in a capitalist world order. Each section treats Gramsci and then Polanyi, before attempting a synthesis of the two.

IV: SOCIETY: GENESIS AND FUNCTION

The defining divergence of both Polanyi and Gramsci from classical Marxism is the periodization of capitalism based not on its economy but on the appearance of active society/civil society. For Polanyi, society counters the market, while for Gramsci, it is an extension of the state. For both, it acts as the foundation of a new form of “organized” or “regulated” capitalism, creating new possibilities and obstacles for a world within and beyond capitalism. But where does this “society” come from? How is it born? Here the two theorists part company: Gramsci has surprisingly little to say about its origins, whereas Polanyi traces it to the market revolution but in so doing makes a series of questionable assumptions and claims.

Gramsci: The Political Functions of Civil Society

Gramsci’s prison writings are an attempt to come to terms with the failure of revolution in the West, and more specifically with the rise of fascism in Italy. After the occupation of the factories in Turin fizzled out and after the various postwar struggles of workers in other European countries, especially in Germany, came to naught, his theoretical attention turned increasingly to the importance of political parties, ideology, and the state. He identified the rise of a new form of domination, hegemony.

The “normal” exercise of hegemony on the now classical terrain of the parliamentary regime is characterised by the combination of force and consent, which balance each other reciprocally, without force predominating excessively over consent. Indeed, the attempt is always made to ensure that force will appear to be based on the consent of the majority.⁴⁰

Force never disappears but recedes in visibility as the arena of consent expands. Force moves offstage to be mobilized against individual deviants and in anticipation of moments of crisis.⁴¹ If sociologists contrast social order sustained by “value consensus” with a social order sustained by fear of coercion, Gramsci’s

hegemony explicitly connects the two. Thus, consent is not to be understood as the sociologist's "spontaneous consensus" that holds society together but rather as something that is organized through specific institutions and always (and necessarily) backed up by the potential application of force.

Specifically, the new form of domination finds its positive institutional expression in the *expansion of the state* to embrace what Althusser later calls "ideological state apparatuses," including specifically education and the law but also, what Gramsci merely glimpsed, namely welfare agencies. Hegemony is not just "political," however, it is also "civil"; that is to say, it involves not just the expansion but also the *extension of the state* to the newly constituted civil society, the complex of institutions and organizations that stand between state and economy. Gramsci, thereby, introduces a new periodization of capitalism, one that is no longer defined by the transformation of the economy but by the presence or absence of a sturdy civil society connected to an expanded state.

The rise of a civil society, connected to the state, marks not only different periods of capitalism but different regions of capitalism. It applies to "modern States" but not to backward countries or colonies.⁴² Here Gramsci draws the distinction between "East" and "West."

In Russia the state was everything, civil society was primordial and gelatinous: in the West, there was a proper relation between State and civil society, and when the State trembled a sturdy structure of civil society was at once revealed. The State was only the outer ditch, behind which there stood a powerful system of fortresses and earthworks: more or less numerous from one State to the next, it goes without saying—but this precisely necessitated an accurate reconnaissance of each individual country.⁴³

If early capitalism, colonialism, or "backward states" such as Russia might succumb to frontal assault, what Gramsci called War of Movement, then advanced capitalism calls for an entirely new strategy, a War of Position, that would slowly conquer the "trenches" of civil society before seizing state power.

The massive structures of modern democracies, both as State organisations, and as complexes of associations in civil society, constitute for the art of politics as it were the "trenches" and the permanent fortifications of the front in the war of position: they render merely "partial" the element of movement which before used to be "the whole" of war, etc.⁴⁴

Civil society smothers any attempt to seize state power directly, so that revolutionary activity involves the slow, patient work of reorganizing associations, trade unions, parties, schools, legal system, and so forth. The political strategy of War of Movement, what we might call "classical revolution," the rapid and incisive conquest of the State, belongs to an earlier period,

in which the great mass political parties and the great economic trade unions did not yet exist, and society was still, so to speak, in a state of fluidity from many points of view: greater backwardness of the countryside, and almost complete monopoly of political and State power by a few cities or even by a single one (Paris in the case of France); a relatively rudimentary State apparatus, and greater autonomy of civil society from State activity; a specific system of military forces and of national armed services; greater autonomy of the national economies from the economic relations of the world market, etc.⁴⁵

Whenever Gramsci talks of state and civil society he refers to their *political functions* with respect to the organization of class struggle. Indeed, by his definition the state, potentially, could embrace any institution: “the State is the entire complex of practical and theoretical activities with which the ruling class not only justifies and maintains its dominance, but manages to win the active consent of those over whom it rules.”⁴⁶ To talk of functions, however, avoids the question of origins. Where does this new sturdy civil society with its close connection to the state come from? At different points Gramsci hints “that the continuous development of the economic apparatus of production” requires raising the “civilization and morality of the broadest popular masses,”⁴⁷ but the exact mechanisms, leading to this new configuration of ditches, fortresses, and earthworks, are never studied. As so often with functional analysis, institutions appear because they have to!

Gramsci may be silent about the mechanisms for the general expansion and extension of the modern state, still he is very interested in the source of one of its specific forms, namely Italian fascism, in which the state absorbs and regulates civil society. His analysis focuses on fascism’s class origins: first, the absence of peasant revolt; second, a repressive agrarian social structure inaccessible to working class; and third, a reactionary coalition of landed classes and bourgeoisie.⁴⁸

Gramsci’s point of reference is the French Revolution in which the Jacobins harnessed a revolutionary peasantry under the leadership of the bourgeoisie.

The Jacobins, consequently, were the only party of the revolution in progress, in as much as they not only represented the immediate needs and aspirations of the actual physical individuals who constituted the French bourgeoisie, but they also represented the revolutionary movement as a whole, as an integral historical development. For they represented the future needs as well, and, once again, not only the needs of those particular physical individuals, but also of all the national groups which had to be assimilated to the existing fundamental group.⁴⁹

The Italian counterpart to the Jacobins, Garibaldi’s Action Party, was spineless and dependent, unable to make up for the backwardness of the Italian bourgeoisie. It failed to champion land reform that might have girded the peasantry into a revolutionary force. Instead of leading the bourgeoisie in a forging of national hegemony, it became involved in a competitive struggle with the conservative Moderate Party that held political sway in the movement for the unification of Italy, the *Risorgimento*. This national unification was, from Gramsci’s comparative per-

spective, a top-down affair, a *passive revolution*—a revolution without a revolution, a molecular process known as *trasformismo*. It did not establish a vibrant civil society that would have been the bulwark of liberal democracy.

The legacies of passive revolution were not only a weak civil society but also a limited socialist movement. Bereft of revolutionary traditions, the Southern peasantry was held in a feudal vice by their overlords, clerics, teachers, and civil servants, an array of *traditional intellectuals*. When the industrial workers of Northern Italy had their revolutionary moments after World War I, they were isolated. They could not extend their factory occupations beyond the narrow confines of Turin not only because the peasantry was inaccessible but because they faced a reactionary power bloc forged between the southern landed classes and the northern bourgeoisie. Still, after the First World War, class struggle did intensify, but the political crisis that ensued had a fascist rather than a socialist denouement. The socialists and then communists lost control (if they ever had it) of civil society, giving way to fascism that turned society into an instrument of its dictatorship.

What Gramsci offers is a comparative history of the particular configurations of state and civil society found in advanced capitalism but not a more general theory of the origins of civil society. For a study of the general mechanisms of its appearance, Gramsci substituted a functional analysis, a theory of how capitalism was well served by civil society. Still this was a revolutionary breakthrough in Marxist thinking, elaborating Lenin's theory of the state by, first, *expanding* the meaning of the state to include positive as well as repressive apparatuses and, second, *extending* the state to include civil society. He discovered a new form of domination, hegemony, that transformed both the meaning and the strategy of socialism. Even if he did not have a well-elaborated theory of the origins of the institutions of hegemony, he did suggest a line of argument that gave centrality to class forces and class alliances. Polanyi takes the analysis of the class origins of society much further by shifting the terrain of examination from the political to the economic and, within the economic, from production to exchange.

Polanyi: The Economic Genesis of Society

As we know Polanyi's point of reference was not Italy but England, not politics and the bourgeois revolution but economics and the market revolution, not the formation of a national bourgeoisie but the formation of national markets. Still, the lynchpin of his analysis is "society," or more precisely "active society." Moreover, its appearance coincides temporally with Gramsci's civil society.

In the half-century 1879-1929, Western societies developed into closely knit units, in which powerful disruptive strains were latent. . . . Since society was made to conform to the needs of the market mechanism, imperfections in the functioning of that mechanism, created cumulative strains in the body social.⁵⁰

A market economy requires an active society. With the ascendancy of the market as the dominant mode of economic regulation, society molds itself to the market and thus becomes a conduit of its tensions and contradictions.

Instead of economy being embedded in social relations, social relations are embedded in the economic system. . . . For once the economic system is organized in separate institutions, based on specific motives and conferring a special status, society must be shaped in such a manner as to allow that system to function according to its own laws.⁵¹

But what does it mean for society to allow the market to function “according to its own laws”?

It means that three key factors of production—labor, land, and money—must be protected against commodification. To reduce labor to a commodity that is bought and sold is to destroy its distinctively human character upon which depends its usefulness. Equally, to commodify land is to threaten the environment and agriculture whereupon land also loses its use value. Finally, to commodify money is to create such uncertainty as to imperil the very process of exchange. Once again, reduction to exchange-value undermines use-value. Society must react against the market’s tendency to create these three fictitious commodities. “This was the one comprehensive feature in the history of the age [nineteenth century].”⁵² What guarantees society’s reaction, what promotes social protection against commodification? Are we back again, with Gramsci, to a crude functionalism, in which “the reality of society” enters *deus ex machina* to *spontaneously* contain commodification? Not quite! Societal restraints on the market are impelled by class forces that are historically contingent.

Polanyi rests his case for the class origins of society on the peculiar history of England. He devotes much space to Speenhamland, a rudimentary system of welfare that subsidizes wages and creates a dependent working class stripped of self-organizing capacity. With Speenhamland’s repeal in 1834 an anemic working class is thrown into the jaws of the market, forcing it to fight for its very existence.

If Speenhamland had prevented the emergence of a working class, now the laboring poor were being formed into such a class by the pressure of an unfeeling mechanism. If under Speenhamland the people had been taken care of as none too precious beasts deserve to be, now they were expected to take care of themselves, with all the odds against them. If Speenhamland meant the snug misery of degradation, now the laboring man was homeless in society. If Speenhamland had overworked the values of neighborhood, family, and rural surroundings, now man was detached from home and kin, torn from his roots and all meaningful environment. In short, if Speenhamland meant the rot of immobility, now the peril was that of death through exposure.⁵³

For the working class to survive, it had to organize itself in its self-defense. “The abolishment of Speenhamland was the true birthday of the modern working class, whose immediate self-interest destined them to become the protectors of society

against the intrinsic dangers of the machine civilization.”⁵⁴ This demoralized, lethargic, disoriented working class spontaneously sprung to life in defense of “society,” against the onslaught of the market.

In this account the creation of a resilient active society is coterminous with the creation of such working-class institutions as trade unions and cooperatives, as well as passing legislation, such as the factory acts, that limit labor’s commodification. In short, once the old community was destroyed, society expanded under the seismic pressure of class forces. But do such class forces always spring to the defense of society? Reading Polanyi’s description of England one might think so, but turning to his analysis of colonialism one readily realizes that there are specific conditions for the birth of society. In colonialism, the weakness of society’s reaction prompts a cultural and social catastrophe that destroys precapitalist community of kinship, neighborhood, profession, and creed, in other words, all forms of indigenous, organic society.⁵⁵ One condition in particular, absent but necessary for a resilient society, is sovereignty. Without an independent state, argues Polanyi, colonial society could not protect itself against ravaging international trade and imperialism.⁵⁶ This is what distinguishes the European power from its colonies.

We can now see further parallels between Gramsci and Polanyi. Just as Gramsci distinguished between “West” and “East” on the basis of the strength of civil society, so Polanyi distinguishes between England and her colonies on the basis of society’s reaction to the market. The parallels continue into the origins of the cases that are of most immediate interest to them, namely two pathological forms of society—political despotism (fascism) in the one case and market despotism (self-regulating market) in the other. Just as Gramsci was preoccupied with the consequences of *passive revolution* that characterized the top-down Italian Unification in the second half of the nineteenth century, so Polanyi was preoccupied with another species of passive revolution, the *reactionary paternalism* of the Speenhamland system of parish welfare. Just as Gramsci saw the Risorgimento as an elite maneuver that kept the peasantry firmly subordinated to feudal hierarchies, so Speenhamland was introduced at the end of the eighteenth century to trap labor into bondage to local landed classes. Both the Risorgimento and Speenhamland were designed to prevent revolution (political and market, respectively), and both depended on the pacification of the subaltern classes.

The parallels don’t stop here. Let us take a closer look at the Speenhamland system—a system of poor relief that subsidized wages by bringing them up to a minimum level, based on the price of bread. With wages guaranteed, employers had every interest in paying workers only the barest minimum and turning them over to the parish for the rest. The system was demoralizing for workers because they had no incentive to contribute labor, their life-giving force, since their incomes did not depend upon it. As the drain on the resources of the parish increased so the “aid in wages” and the minimum they could sustain fell further

and further below subsistence. Far from abolishing indigence, dependency, pauperism, and work shirking, Speenhamland made it universal. If the intent was to protect workers from the labor market, in reality it drew every shred of independence from the sinews of the working class. Polanyi spares no language in condemning Speenhamland as an abomination, the source of popular demoralization, a crime against humanity, lacerating the laboring class and leading to the worst form of dependent pauperism. In its hands “the right to live” became a “sickness unto death.”⁵⁷ Its corrosive effects prompted the liberal creed of Malthus, Ricardo and Townsend, a utopian faith in the market as universal panacea that then underwrote the abolition of all outdoor poor relief in the new Poor Law of 1834.

Curiously, Gramsci condemned the rural hierarchies in much the same terms, numbing the peasantry into passivity, subjugating them to all manner of traditional intellectuals, from school teachers to petty officials, from clergy to the grand intellectuals of the Mezzogiorno. He too contrasted the stifling rural communities with the exploding working class, exploited but nonetheless free to forge history on its own terrain. Gramsci was hopeful for a rural-urban alliance of subaltern classes, while Polanyi considered the abolition of Speenhamland to be sufficient to liberate the working class. In the end the Risorgimento deepened into fascism, whereas Speenhamland was swept away in the market revolution.

Synthesis: Class and the Birth of Society

Both Gramsci and Polanyi superseded classical Marxism according to which capitalism—necessarily and in law-like fashion—sows the seeds of its own destruction. In our Sociological Marxism, capitalism produces not its own liquidation but a society that lays the foundation of a new form of capitalism—a capitalism conjoined with society. Figure 2 summarizes the differences between Gramsci and Polanyi. Gramsci’s *civil society* combines with the state to absorb political challenges to capitalism. Gramsci, therefore, describes a transition within capitalism from political dictatorship to political hegemony, which occurs in the West but not the East. Polanyi’s *active society* thwarts the commodification of labor, land, and money. Here the transition is from a market despotism to market regulation, which occurs in Europe but not in its colonies. The origins of both political dictatorship (fascism) and of market despotism (self-regulating market) are passive revolutions that demobilize subaltern classes. In both Gramsci and Polanyi, a thriving “society” is associated with mobilized subaltern classes. But here we come to the abiding puzzle of both theories: what comes first, classes or society?

Gramsci simply avoids the problem by talking of the functions of civil society, and the way its connection to the state provides the terrain of class formation. We simply don’t know where society comes from. Polanyi, on the other hand, is more courageous but ends up in a cul de sac. Polanyi *is* concerned with the origins of society. For him, society is the product of class mobilization, especially working-

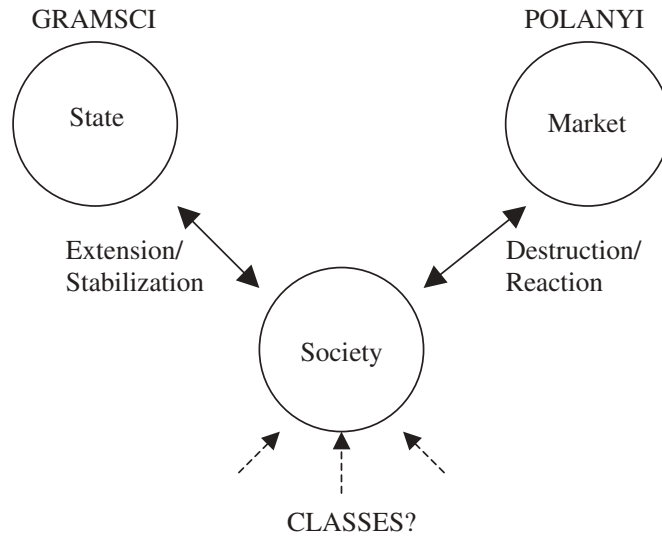


Figure 2. Genesis and function of "society."

class mobilization, as it defends itself against commodification. So the question is pushed back to the origins of such class mobilization. Here Polanyi takes the view that the self-regulating market so threatened the existence of workers—they had nothing to lose but their chains—that they overcame the debilities inherited from Speenhamland to organize themselves into a class. But how could such a disorganized group of workers so abruptly, so spontaneously spring to life as a class? How is it that they spring to life in England but not in the colonies, where the market lays society to waste?

Polanyi was working with an antiquated notion of class formation in which disorganization miraculously leads to organization. He was writing before Edward Thompson's transformative *The Making of the English Working Class*,⁵⁸ which underlines the importance of working-class traditions for class formation, in particular those of the "free born Englishman." For a class to mobilize it needs "resources"—cultural, political, and economic. It needs capacity. In Polanyi's account, where might such resources come from? Recent historiography suggests that Polanyi's reading of Speenhamland was erroneous. He exaggerated the devastation wrought by Speenhamland. Block and Somers, for example, show that Polanyi was too easily taken in by the "liberal creed." Speenhamland did not produce low productivity, low wages, and moral degradation.⁵⁹ Even more crucial, however, is the inconvenient fact that the abolition of Speenhamland did not coincide with the Factory Movement, Chartism, Cooperative Movement, Owenism, since their stronghold was in the North of England, whereas the legacies of Speenhamland were strongest in the South! Indeed, it wouldn't be too far-fetched to draw a parallel between the North-South divide in England with the same

divide in Italy—agrarian feudalism and Speenhamland in the South, industrial communities in the North. Working-class mobilization was forged not from anomie and desperation but from organizational legacies of proto-industrialization of the North.

Today we have to correct Polanyi by saying that the context of industrialization, and in particular attempts at the commodification of labor, set the stage for class mobilization, but it was the preexisting community that shaped the drama that would unfold, and indeed whether there would be any drama at all. The English working class could not be regarded as a blank slate, defenseless against market forces. It was already embedded in community, which gave it the weapons to defend itself and advance active society in its own name. Indeed, in Margaret Somers's fascinating study, the formation of the nineteenth-century English working class depended upon a preexisting "civil society," or what she more usually calls a "public sphere," that was largely under the control of subaltern classes.⁶⁰ She shows that such a participatory democracy had already appeared *before* the industrial revolution where there was pastoral rather than arable agriculture. In the context of pastoral agriculture, political control was delegated to the village and workers could turn the legal system to their advantage. They developed a community of rights that was a precursor to class formation. Market expansion with the industrial revolution may have galvanized the working class, but it did not create it *de novo*.

What then are we to make of Polanyi's analysis of colonialism, where society is defenseless against the market—the counterpoint to English resilience? How was it that colonialism was so much more devastating than Speenhamland for class formation? Here too we have to correct Polanyi's account. Polanyi relied on colonial histories of South Africa, histories written before Edward Roux, Jack Simons and Ray Simons, and Charles van Onselen had shown how Africans contested capitalism, limited their own degradation, and were present in the making of their own history. There were limits to market devastation, and Africans did forge a powerful working class. But it did not arise *ex nihilo*. Ruinous though colonialism was, it did not reduce the "noble savage" (*sic*) to "a nondescript being without self-respect or standards, veritable human refuse."⁶¹

The colonial order not only failed to destroy indigenous society, it made active attempts to uphold such a society. The colonizers themselves set limits on the intrusion of the market into African communities. Colonial rule sought to *protect* indigenous communities as reservoirs of cheap labor on the one side and for reasons of political stability on the other. Squeezed into smaller land areas, disadvantaged in their competition with white farmers (who received all sorts of price subsidies and monopolies), and above all subject to taxation, Africans were compelled to seek employment in the towns.⁶² Once they arrived on the mines (or other employer), however, they sold their labor power as single workers with limited residence rights in the urban areas. Wage rates were set below subsistence,

which ensured cheap labor for capital but also compelled the urban worker to retain ties to the rural community where his family eked out a separate subsistence existence. The longevity of colonial systems of segregation and indirect rule *depended on the vitality* of an indigenous society to prevent the urban concentration of workers who might have posed (and eventually did) a political threat to apartheid. If the concern for profits on the one side and for political stability on the other set limits on the colonial plundering of community, these also set down the roots for the formation of classes that would, in the end, be the undoing of apartheid.

From what we now know about both England and South Africa we can hold onto the Polanyian and Gramscian idea that society and class have a symbiotic relation—the one requires the other. But in holding that the market was an originating force that generated society out of nothing, Polanyi was belying the historical record. To compensate for his flawed history of society he conjured up a flawed theory of class formation. This theory of *ex nihilo* class formation also ended up overestimating what the working class could in fact accomplish. That is to say, in overlooking the importance of organizational legacies he not only misunderstood the origins of class but also missed the way such legacies might shape, limit, and inhibit class projects. Gramsci, by contrast, was not overly bothered by questions of origins but had a more realistic (and pessimistic) understanding of the symbiosis of class and society.⁶³ That symbiosis was understood not through the intervention of the market but through the intervention of the state. In concentrating on the triumvirate—class, state, and society—Gramsci was not so much focused on the market as a material force but as an ideological force, a weapon of ideological class struggle! To understand Gramsci's triumvirate we need to tackle his second dimension of hegemony.

V: CLASS: HEGEMONY AND COUNTERHEGEMONY

The second postulate of classical Marxism is the intensification of class struggle. Class actors and class interests are given by shared relations to the means of production, that pit dominant against subordinate classes in ever-deepening irreconcilable class antagonism, which in turn becomes the motor of history. Both Gramsci and Polanyi reject this *economist fallacy* (Polanyi's term) in favor of a (second) notion of *hegemony* (Gramsci's term), which now refers to the way society organizes classes as such—their meaning, their capacities, their interests, their alliances—and thus the potential for the transformative class struggle. They may reject the automatism of classical Marxism, but Gramsci and Polanyi nonetheless retain class analysis, using conventional Marxist class *categories*—landed classes, peasantry, workers, manufacturers, traders, bankers, and so forth, all defined by relations to the means of production. However, there is no necessary tendency toward class polarization; there is no presumption about class interests,

capacities, alliances, and so forth, which are shaped by the overall national political configuration.

Gramsci: Hegemony and Production

Whether it be Kautsky, Luxemburg, Bernstein, or Marx and Engels themselves, classical Marxism invests economic structure with a self-generating dynamics. Indeed, one of classical Marxism's strengths is that it offers plausible theories of social change, although in hindsight they often bear a close resemblance to metaphysics. While there are still traces of teleology in Gramsci, he makes a momentous effort to start afresh with cross-sectional analyses of complex, historical conjunctures. If there is an inspiration for his conjunctural analysis, then surely it is Marx's analysis of the political situation in France between 1848 and 1852, namely, his *Class Struggles in France* and *The Eighteenth Brumaire*. Even more so than Marx, Gramsci is intent on theorizing the *limits and possibilities* of social change rather than its inherent direction, and the *opportunities* for class formation and class struggle rather than presuming any motor of history.

Under the heading of "analysis of situations," Gramsci examines the balance of forces, or what he calls "*relations of force*." On the one side, there is a relation of "social forces" that emerge from the economic structure and exist independent of human will.⁶⁴ As he says, no one can alter "the number of firms or their employees, the number of cities or the given urban population."⁶⁵ In the economic realm, a refractory, material reality sets limits on what is possible. You can't have a working-class revolution if there are no wage laborers. On the other side, there is the relation of military forces, first in the strict technical sense (objective means of state violence) but also in the subjective sense of preparation and commitment of military personnel.⁶⁶ The social and the military represent the two outside limits within which oscillate the relation of political forces, which Gramsci understands as the "degree of homogeneity, self-awareness, and organization attained by various social classes."⁶⁷

Within the political moment, class formation can be analyzed into three *levels* of collective political consciousness. The first level is the *economic corporate* in which members of a class act in their local economic interests, for example, as this or that branch of the manufacturing class or working class. Here we find business associations or trade unions. The second level is the level of *economic class* in which classes pursue their interests collectively but only at an economic level. Manufacturers might fight for cheap food (e.g., through the repeal of the "Corn Laws"), for the organization of banking, or simply for enhanced political representation. Workers might form a trade union federation or even a party to struggle for laws that protect collective bargaining, minimum wage legislation, insurance, and so forth.

Finally, there is a third level, the purely political level, or the *hegemonic level* in which a class presents its own interests as the interests—present and future—of all. Here we have the operation of a hegemonic ideology, which is a system of ideologies organized into a hierarchical system. To be an effective hegemonic force, a dominant or potentially dominant class must make economic concessions to elicit the consent of a subordinate or allied class. But these concessions must not touch the essential, and in the case of capitalists they must leave profit intact.⁶⁸ Gramsci is here elaborating a second dimension of “hegemonic” domination. If the first dimension was the combination of force and consent that distinguishes hegemony from dictatorship, the second dimension refers to a configuration of class domination in which negotiated compromise replaces irreconcilable interests, in which cooperative antagonism replaces zero-sum conflict.

In addition to these two analytically distinct dimensions of hegemony, there is also the distinction between capitalist hegemony (the rule of capitalists) and socialist hegemony in which the working class and its allies become the universal class, governing through a combination of force and consent. Gramsci only hints at the latter, about which I will say more below. When discussing “hegemony,” therefore, he is almost invariably referring to *capitalist* hegemony. In the above analysis of the three levels of class formation his illustrations are entirely from the process of the formation of the capitalist class. Indeed, all the interesting interpretations of Gramsci’s notion of class hegemony presume he is writing about capitalist hegemony. Thus, Adam Przeworski undertakes an elaborate discussion and modeling of the significance of class compromise under capitalism—its significance not just for the coordination of interests within the economy but how it underpins the stabilizing effects of capitalist democracy.⁶⁹ Chantal Mouffe shows how flexible is hegemonic ideology and that it has to be seen as a hierarchical combination of disparate elements rather than, as it is too often understood, a dense cloud that descends from above to envelope all subaltern classes.⁷⁰ Mouffe’s interpretation is that the working class cannot develop an ideology of its own but has to work within the system of existing ideologies, expanding, elaborating, and valorizing those that are most consonant with its interests. Adopting notions of social justice, of equality, of democracy, the working class or rather its organic intellectuals deepen and radicalize them. That is to say, class struggle is not a struggle between ideologies—capitalist versus socialist—but takes place on the terrain of hegemonic ideology.

One can see why Gramsci might be reticent in postulating a potential self-originating counterhegemony—an alternative hegemony based on the experiences and interests of the working class. It would be very difficult for the working class to present its interests as universal. Without the material resources of capitalists, it cannot make material concessions to allied classes, but it still has to persuade the peasantry and middle classes to struggle for socialism. All it can do is claim (promise!) that the long-run interests of allies lie with socialism and working-

class hegemony. Turning to the institutional bases of hegemony there are further difficulties. Where the capitalists have the state to organize a calibrated combination of force and consent, the working class has only the Modern Prince, that is the Communist Party, to forge equality, justice, and democracy in the trenches of capitalist civil society. Listen to Gramsci describing it.

A totalitarian policy is aimed precisely: 1. at ensuring that the members of a particular party find in that party all the satisfactions that they formerly found in a multiplicity of organizations, i.e. at breaking all the threads that bind these members to extraneous cultural organisms; 2. at destroying all other organisations or at incorporating them into a system of which the party is sole regulator.⁷¹

Even if by totalitarian we mean “totalistic” or “all encompassing,” this is still a tall order for the Modern Prince! Gramsci imagines that the Communist Party will be able to nurture an alternative, democratic civil society within its midst or under its surveillance and in this way hopes to reconcile “totalism” and socialist hegemony. If the War of Position requires enormous sacrifices and reserves of patience, if it is conducted on the terrain of civil society and capitalist ideology, and if it cannot appeal to force, then one begins to appreciate just how difficult is the socialist project.

There are moments when Gramsci does break his silence about an alternative moral and intellectual order, a “counterhegemony” if you will, based on the unique experience of the working class. Organic intellectuals must, he says, combat a worker’s common sense “inherited from past and uncritically absorbed” that leads to “moral and political passivity,” and at the same time elaborate the kernel of good sense that workers share with one another, namely the “practical transformation of the world.”⁷² In the following passage Gramsci offers a rare and unambiguous embrace of the world of production as the grounds for an ascending socialist alternative to capitalist hegemony.

Conformism has always existed: what is involved today is a struggle between “two conformisms,” i.e., a struggle for hegemony, a crisis of civil society. The old intellectual and moral leaders of society feel the ground slipping from under their feet; they perceive their “sermons” have become precisely mere “sermons,” i.e., external to reality, pure form without any content, shades without a spirit. This is the reason for their reactionary and conservative tendencies; for the particular form of civilisation, culture and morality which they represented is decomposing, and they loudly proclaim the death of all civilisation, all culture, all morality; they call for repressive measures by the State, and constitute resistance groups cut off from the real historical process, thus prolonging the crisis, since the eclipse of a way of living and thinking cannot take place without a crisis. The representatives of the new order in gestation, on the other hand, inspired by “rationalistic” hatred for the old, propagate utopias and fanciful schemes. What is the point of reference for the new world in gestation? The world of production, of work. The greatest utilitarianism must go to found any analysis of the moral and intellectual institutions to be created and of the principles to be propagated. Collective and individual life must be organized with a view to the

maximum yield of the productive apparatus. The development of economic forces on new bases and the progressive installation of the new structure will heal the contradictions which cannot fail to exist, and, when they have created a new “conformism” from below, will permit new possibilities for self-discipline, i.e. for freedom, including that of the individual.⁷³

Socialism calls for expanding production in a way that is compatible with the emancipation of the working class, presumably along the lines of the Turin factory councils. “It is precisely in the organisms which represent the factory as a producer of real objects and not of profit that he [‘the collective worker’] gives an external, political demonstration of the consciousness he has acquired.”⁷⁴ Gramsci is quite orthodox, then, in pointing to production as the crucible of an alternative hegemony. To be sure the capitalist division of labor reduces the worker to “analytical movements of detail,” but by the same token workers can realize their potentiality as a collectivity by recognizing their place in the national and international division of labor. Here lies the kernel of good sense in the worker’s common sense, the social substratum in the economic fragmentation, the counterhegemony fighting to free itself from the all pervasive capitalist hegemony.

But is this productivist ideology sufficient to galvanize a working-class War of Position in the trenches of civil society, binding allied classes to itself? Wasn’t this precisely the problem in the fate of the council movement that other classes were not “moved” by the ideas of a production-centered world? As for the working class itself, apart from the period after World War I, has it ever returned to the council idea? Was this not a peculiar period, not only of political crisis but of the reign of skilled workers within the emerging automobile industry? Once Fordism arrives any temptation toward extolling production is snuffed out. Italian workers did not embrace Fordism as a new higher form of production, as Gramsci had hoped, but opposed it with paralyzing strikes in the 1960s and 1970s. Without an ideology to found a new order, without material concessions to attach its allies, and without a state to organize its domination through a combination of force and consent, how can the working class ever replace capitalist hegemony with its own? If Gramsci convinces us of the power of capitalist hegemony, does Polanyi discover some chinks in the armor?

Polanyi: Societal Interest and the Market

Although Gramsci is hostile to any deterministic laws of history, there is no doubt that there is a preferred end point, namely socialism, and it is from this standpoint that he views all trajectories of history. As we shall see, the same is true of Polanyi, and he too privileges a conjunctural view of history in which alternative trajectories are always possible. Indeed, his close attention to English history on the one side and his concern with multiple outcomes in other countries—

communism, fascism, and social democracy—underscore his own revulsion for any inevitability about the future. There was nothing necessary about the emergence of the market as we saw in his quite contingent account of the rise and fall of Speenhamland. Only once the “self-regulating” market was ascendant in England did it spread across the globe, albeit unevenly, generating different waves of reaction and different political solutions, one of which, at least, was potentially socialism.

Instead of Gramsci’s analysis of the three moments of any conjuncture (economic, political, and military), Polanyi shifts the focus of his analysis to a completely different realm, to his three fictitious commodities (land, labor, and money). Commodification destroys their true character. As we have already observed, this triple commodification sets the stage for the mobilization of classes against the corrosive effects of markets. In England, workers counter the dehumanization of labor with the cooperative movement, trade unionism, and Chartism. Through several channels manufacturers are, thereby, prevented from pursuing blind selfish interest. With respect to land, the agrarian classes introduced environmental laws and tariffs to protect their interests in agriculture. With respect to money, the interests of all classes are affected. Fluctuating exchange rates on an open world market have devastating consequences for businesses and thus for all. There is a common national interest in the constitution of national currencies protected by a central bank.

If commodification sets the stage for the reaction of classes, what determines the actual mobilization of classes and the organization of class interests once the active society appears? Is there an equivalent to Gramsci’s three levels of class formation? Just as Gramsci regarded narrow economic-corporate or even economic class interests as a limited basis for class organization, so Polanyi repeatedly says that the mobilization of “sectional” or “narrow class interest” cannot deliver intended results.⁷⁵ As in Gramsci’s notion of hegemony, Polanyi’s classes are more effective when they defend the general interest. But here is where Polanyi and Gramsci part company. This general interest is not another name for the interests of capitalism, but it represents a societal interest. “Ultimately, what made things happen were the *interests of society* as a whole, though their defense fell primarily to one section of the population in preference to another.”⁷⁶ Thus, in nineteenth-century England the landed classes often represented the societal interest against commodification. They were at the forefront of legislation to regulate the length of the working day and thereby represented the interests of the working class against exploitation. At other times, it appears that the working class was at the forefront in defending its own interests as societal interests. Capitalists, too, could be at the vanguard of defending the general interest when they oppose open exchange rates. Classes compete with one another to represent their own interests in terms of the preservation and expansion of society.

This is what Polanyi presumably means when he writes, “The fate of classes is much more often determined by the *needs of society* than the fate of society is determined by the needs of classes.”⁷⁷ When classes struggle for their own sectional interests they are going to be ineffectual, but when they struggle to defend or expand society, then they are likely to be much more successful. In other words, for Polanyi, society is the transcendent historical category and not class! That is why he so strongly insists on “the reality of society,” and why we refer to his “society” as “active society.” He substitutes the movement from “society-in-itself” to “society-for-itself” for the conventional “class-in-itself” to “class-for-itself.” Socialism is none other than the society realizing its potential: “Socialism is, essentially, the *tendency inherent* in an industrial civilization to transcend the self-regulating market by consciously subordinating it to democratic society.”⁷⁸

There’s more than a whiff of teleology here! Socialism may not be inevitable, but “an inherent tendency of industrial civilization” is not far off. We are reminded of Eduard Bernstein’s evolutionary socialism with its law-like expansion of democracy from the political to the economic arena. On the other hand, there are a few hints here and there that the transition is not going to be an easy ride and that the elimination of private property is not a smooth, frictionless process.

From the point of view of the economic system, it [socialism] is, on the contrary, a radical departure from the immediate past, insofar as it breaks with the attempt to make private money gains the general incentive to productive activities, and does not acknowledge the right of private individuals to dispose of the main instruments of production.⁷⁹

Polanyi never addresses how this “radical departure from the immediate past,” this rupture, will take place. His failure to interrogate and problematize the transition to socialism is rooted in his failure to appreciate the strength of class *domination*.⁸⁰ Talking of a tendency inherent in industrial civilization rather than in *capitalism*, Polanyi overlooks capitalists struggling with all their strength against the abolition of private property or clinging to the pursuit of profit.

For Polanyi, *any* class can represent its interests as the general or societal interest *within* capitalism. It is not the prerogative of capitalists! In other words, Polanyi may talk about classes representing a general interest, but this is not a means to consolidate domination; it is not *hegemony*.⁸¹ Where Polanyi talks of a common or *coincident* interest, joining all classes, Gramsci talks of the *coordination* of antagonistic class interests. We can see the difference between Gramsci and Polanyi in their treatment of the English landed classes. Both recognize that the landed classes represent a general interest when they fight on behalf of the working class for the shortening of the length of the working day. However, where Polanyi sees that general interest as a common societal interest shared by all classes, Gramsci sees the general interest as the enlightened interest of the capitalist class, which will prevail as long as there is capitalism.

The class relations created by industrial development, have induced the bourgeoisie not to struggle with all its strength against the old regime, but to allow a part of the latter's façade to subsist, behind which it can disguise its own real domination.⁸²

Where Polanyi sees "society" (active society) as the grounds for solidarity among all classes, Gramsci sees "society" (civil society) as the arm of capitalist hegemony. This hegemony is so powerful that the transition to socialism requires an arduous, difficult, and perhaps even impossible War of Position. Undoubtedly, bourgeois democracy provides a more fertile terrain for a War of Position than does authoritarian capitalism, such as fascism, but there is no hint of any inherent tendency for bourgeois democracy to become radical democracy. The power of capitalist hegemony, working through the connection of state and civil society, has to be transformed through extended struggles into a fundamentally new moral and intellectual order—the so-called regulated society. The socialist end point is similar in both cases—an economy subjugated to the self-organizing society—but Gramsci is far more pessimistic about its realization.

Synthesis: Production versus Exchange as the Grounds for Struggle

Gramsci so appreciates the power of capitalist hegemony that, ultimately, he is at a loss to understand how it can be undermined. Workers don't have the wherewithal—the material resources or access to the means of coercion—to conduct an effective War of Position. Their one weapon seems to be the organic intellectuals who, through their close ties to the working class, might develop a political ideology that would forge a collective will around an alternative hegemony. According to Gramsci such an ideology must be based on the centrality of the practical transformation of nature, centered in the organization of production. Today this is less than convincing. In a prescient essay on "Fordism and Americanism," Gramsci describes how under Fordism hegemony is born in the factory and how this is also tied to the political backwardness of the American working class. Fordism was exported around the world, and although its initial transplantation met with resistance, once it took root it once again became the basis of consent to capitalism. Production can no longer be regarded, if it ever could be, as the foundation of some counterhegemony.⁸³

Polanyi, on the other hand, may not appreciate the power of capitalist hegemony, but he does, paradoxically, supply a more convincing rationale for counterhegemony. Rather than production, it is the experience of the market that can appeal to all classes. The market appears to workers as the loss of jobs, impoverishment, longer working hours, and sweatshop conditions. To the peasantry the market is responsible for the loss of land and forced entry into wage labor. The market appears to the landed aristocracy as the degradation of space and the importation of cheap food. To capitalists the anarchy of the market threatens their survival with ever stiffer competition, increasingly of a global character. Women

Table 1
Hegemony and Counterhegemony in Gramsci and Polanyi

	Hegemony	Counterhegemony
Realm of production	<ol style="list-style-type: none"> 1. Production as site of the organization of hegemony. 2. Capitalist accumulation as material basis of hegemony. 	Gramsci's thin notion of counterhegemony based on the illusory, productivist vision of an alternative moral and intellectual order.
Realm of exchange	Polanyi's thin notion of hegemony, giving rise to illusions about the weakness of capitalism.	<ol style="list-style-type: none"> 1. Commodification as site of anti-capitalism. 2. Universal interest in restriction of market.

face the market in the speedup at work as at home, the double shift. Everyone suffers from the market inasmuch as unrestrained it leads to the destruction of the environment, global warming, toxic wastes, the colonization of free time, and so forth. The question remains, however, as to what might be the class character of such a "counterhegemony." Can the working class, however understood, be the hegemonic force in the organization of such a counterhegemony? Table 1 summarizes the strengths and weaknesses of Gramsci's and Polanyi's understandings of hegemony and counterhegemony.

Gramsci makes a convincing case that accumulation based on capitalist relations of production is the material basis of capitalist hegemony but errs in thinking that production, or at least the experience of production, can also provide the basis of counterhegemony. Along with Marx, for Gramsci the market is epiphenomenal, obscuring the productive core of capitalism that spells the demise of the old order and the basis of the new one. Whereas alienated and degraded labor may excite a limited alternative, it does not have the universalism of the market that touches everyone in multiple ways. It is the market, therefore, that offers possible grounds for counterhegemony. We see this everywhere but especially in the amalgam of movements against the many guises of globalization.⁸⁴ From the standpoint of building Sociological Marxism, Gramsci has a theory of hegemony but fails to provide convincing grounds for a counterhegemony, whereas Polanyi gives us a signpost to an architecture of counterhegemony even as he fails to appreciate the obstacles it must face.

VI: STATE: NATIONAL TRAJECTORIES IN A GLOBAL ORDER

So far we have replaced the first two propositions of classical Marxism. First, instead of the tendency of capitalism to generate the conditions of its own demise, we have capitalism generating society that contains and absorbs tendencies toward self-liquidation. Second, instead of the polarization and deepening of class struggle, we have the organization of struggle on the terrain of hegemony. We now

come to the third proposition of classical Marxism: as capitalism destroys itself, it simultaneously creates the material foundations for the new socialist order. While it is true that for both Gramsci and Polanyi socialism has to be initiated within capitalism, nonetheless both see this process as a prefigurative *politics* of self-conscious collective organization. Prefiguring socialism, however, is neither spontaneous nor inevitable.

Classical Marxism's third proposition is the capstone of its linear vision of history in which socialism comes first to the most advanced capitalist country—where the conditions of the new order are most developed. Every country queues up for socialism in accordance with its maturity. Like planes on a runway they ascend into the skies in strict serial order, each with its eyes on the one ahead. As Marx famously told the Germans, “de te fabula narratur”—in England you will find the story of your future.⁸⁵ Sociological Marxism dispenses with such mechanical conformity and recognizes the independence of economic and political developments so that rather than lining up for a singular future, advanced capitalism spreads out along different arteries, each with different possibilities. Political rather than economic crises are the switchmen that direct countries along different tracks. Moreover, the specific resolution of crises in one nation can redirect the trajectory of other nations. This is the final nail in the coffin of linear history—not only is there no single dimension of maturity along which nations can be arranged, not only is the engine of development made up of economic and political forces, but pressures and obstacles to development spring from other nations and from location in the global order itself.

These departures from linear history are to be found in Gramsci as well as Polanyi. Teleology is rejected in favor of a *telos*, an ultimate subjective goal, against which different trajectories are evaluated. Gramsci is always asking what are the conditions and possibilities for the transition to socialism from any given national social formation. Certainly, some countries offer greater opportunities than others. Likewise, Polanyi evaluates different alternatives to the self-regulating market on the basis of the degree of freedom they offer. In one respect, however, Polanyi and Gramsci do differ. Whereas Gramsci sees national trajectories as configurations of state and civil society, Polanyi sees them as (im)balances between economy and active society. This is closely tied not only to their different Marxist frameworks but also to their primary national focus—Italy in the case of Gramsci and England in the case of Polanyi—from which they launch their comparative histories.

Gramsci: Configurations of State and Civil Society

I introduced Gramsci's concept of civil society as the basis of his periodization and classification of capitalisms. Under early capitalism, civil society is weak and autonomous from the state, whereas under advanced capitalism, it spreads its net over ever wider terrain, connecting everyday life to the state through the expan-

sion of education, transportation, postal services and telecommunications, policing, party politics, mass media, and so forth. For Gramsci, bourgeois democracy is the norm for advanced capitalism with its “proper balance” between state and civil society. Fascism is still the anomaly in which state absorbs civil society, shattering its autonomy, regulating its pulse. The boundary between state and civil society disappears. Fascism is to be distinguished from socialism by the tendency of the latter to dissolve the coercive apparatuses of the state, expanding freedom through a self-regulating society.⁸⁶ The contrast between fascism and socialism represents alternative paths for Italy after World War I, but they are framed by further comparisons, especially with the United States and the Soviet Union. In explaining these diverse configurations of state and society, Gramsci draws on three sets of causes: (1) historical legacies (sedimentations of the past); (2) organic crises precipitated by class struggle; and (3) the challenges nation-states pose for one another. We will deal with each in turn.

Like so many European intellectuals in the interwar years, Gramsci evinces a fascination with “America,” as an economically advanced but politically retarded society. Without feudal legacies to contend with and, thus, without the corresponding parasitical classes whose consent has to be organized by the state, the United States could effectively rationalize its economy and its superstructures.

America does not have “great historical and cultural traditions”; but neither does it have this leaden burden to support. This is one of the main reasons (and certainly more important than its so-called natural wealth) for its formidable accumulation of capital which has taken place in spite of the superior living standard enjoyed by the popular classes compared with Europe. The non-existence of viscous parasitic sedimentations left behind by past phases of history has allowed industry, and commerce in particular, to develop on a sound basis.⁸⁷

Fordism is the quintessential form of capitalist rationalization that begins from the organization of production and extends outwards to embrace ideology and politics. Made possible by historical circumstances, this is how Gramsci characterizes Fordism:

It was relatively easy to rationalize production and labor by a skilful combination of force (destruction of working-class trade unionism on a territorial basis) and persuasion (high wages, various social benefits, extremely subtle ideological and political propaganda) and thus succeed in making the whole life of the nation revolve around production. Hegemony is here born in the factory and requires for its exercise only a minute quantity of professional political and ideological intermediaries. The phenomenon of the “masses” . . . is nothing but the form taken by this “rationalized” society in which the “structure” dominates the superstructures more immediately and in which the latter are also “rationalized” (simplified and reduced in number).⁸⁸

Where hegemony is organized in production through an effective combination of force and consent, civil society is not so important in organizing consent to capi-

talism. The trenches of civil society need not be so developed. Thus, the supremacy of the economic in the United States requires a thinner civil society than elsewhere, so that we may indeed substitute the idea of “mass society” for civil society.

Without dissident classes to organize, the state itself never needs to rise to a hegemonic level but remains at the economic-corporate level, directly promoting the economic interests of capital.⁸⁹ Indeed, the struggle for hegemony has not even begun as workers are still busy defending their craft traditions—a struggle that took place in Europe already in the eighteenth century. Without the revolutionary struggle for political liberty that had dominated Europe, American workers are politically backward. “To this should be added the absence of national homogeneity, the mixture of race-cultures, the negro question.”⁹⁰ Gramsci has, therefore, no illusions about the emancipatory implications of advanced forces of production: with its hyperrationalized capitalism, the United States is politically more backward than any other advanced country—seen from the standpoint of socialism. Yet these same advanced techniques of production are not inherently restrictive. In the hands of class-conscious Italian workers, especially if organized in factory councils, Fordism could be deployed with socialist effect.

At the opposite extreme from the United States is Russia: a backward economy mired in feudal legacies combined with political precocity. Here a socialist revolution substitutes for both the Italian passive revolution and the French bourgeois revolution. But, in this case, socialism can only be built *after* the revolution and by fostering a socialist hegemony from above. The party state must plant the seeds of civil society and hope they will take root even in an infertile soil. For groups without prior moral and intellectual development, ascent to state power

must serve to determine the will to construct within the husk of political society a complex and well-articulated civil society, in which the individual can govern himself without his self-government thereby entering in to conflict with political society—but rather becoming its normal continuation, its organic complement.⁹¹

The danger is that such postrevolutionary “statolatry” be “abandoned to itself,” become “theoretical fanaticism,” or be conceived of as “perpetual.”⁹² This, presumably, is Gramsci’s coded critique of Stalinism. But again, we note that, for Gramsci, economic factors do not, in any simple linear way, limit what is politically possible.

So far, Gramsci’s analysis of Italy, Russia, and the United States in the twentieth century looks like the comparative sociology of Barrington Moore who decipheres the class origins of democracy and dictatorship by comparing the histories of different countries, with national outcomes assumed to be unambiguous, fixed, and independent of one another.⁹³ But the next two steps take Gramsci beyond such conventional Marxist sociology. Historical legacies provide the terrain of class struggle that in turn can generate crises that divert countries from one politi-

cal form to another. Of *economic* crises Gramsci writes that they are merely potential terrains for the dissemination of alternative ideologies and are opportunities for the dominant class to reassert its hegemony.⁹⁴ Political or *organic* crises are of greater importance since they are often turning points in national histories.⁹⁵ These crises of hegemony, brought about through class struggle, take on two forms, either an irreparable division within and among the dominant classes or a catastrophic balance of power between dominant and subordinate classes. It is not always clear to which type of hegemonic crisis Gramsci is referring, although Italian fascism would appear to have won the day against socialism in the postwar catastrophic balance of power between capital and labor.⁹⁶ Organic crises or crises of hegemony are historic junctures when legacies and structures lose their resilience, their obduracy, and the future has a surprising openness. These are times when alternative trajectories are indeed possible, when democracy may give rise to fascism or socialism, when state socialism may give rise to capitalism or democratic socialism.

Historical legacies can be disturbed not only by hegemonic crises but by the impact of transformations in other countries that can present objective constraints or new ideologies.⁹⁷ That is to say the history of a given country is not just an isolated and independent “case” used along with other cases to decipher the factors contributing to specific political outcomes but may also transform national ideological terrains. Following any successful national revolution there is an era of “passive revolution” in which ruling classes of other nations guard against any revolutionary repetition in their own country—a reactionary period in which some new combination of coercion and concession is the order of the day.⁹⁸

Thus, after the French revolution reaction sped across Europe bolstering the political ascendancy of landed aristocracies in Britain, Germany, and Italy but also in France itself, starting with Thermidor and ending with the Paris Commune of 1871.

It was [only] then that the new bourgeois class struggling for power defeated not only the representatives of the old society unwilling to admit that it had been definitively superseded, but also the still newer groups who maintained that the new structure created by the 1789 revolution was itself already outdated; by this victory the bourgeoisie demonstrated its vitality *vis-à-vis* both the old and the very new.⁹⁹

In other words, 1871 marked the final transcendence of passive revolution in post-revolutionary France and the consolidation of bourgeois hegemony.

Similarly, after the Russian Revolution, reactionary classes used the dangers of socialism, or “Bolshevism,” to consolidate power in fascist regimes on the one side but also, where the balance of power favored it, in forms of social democracy, and in the United States in the New Deal. Although Gramsci is cautious in his interpretation of the shift in Soviet policy at the end of the 1920s toward central

planning and forced collectivization, this too could be interpreted as part of the same era of “passive revolution” that brought fascism to Italy and Germany.¹⁰⁰

Not only political but also economic threats reverberate across the world. Fascism was the only way Italian capitalism, held back by its traditional landed and petit bourgeois classes, could compete with economies built on more rationalized superstructures, especially of the United States where capitalism luxuriated in the absence of feudal residues.¹⁰¹ Fascist leaders, backed by fearful traditional classes, consolidated their rule by mobilizing hostility to Americanism and modernism in order to corporatize their economy and withstand international competition. The Italian working class by contrast, at least according to Gramsci, embraced Americanism in its Fordist incarnation as the progressive side of capitalism. So the advanced economy of the United States presented not only economic competition for Europe but also the ideology of Americanism, mobilized, pro and con, by class antagonists. Today, another ideology of Americanism, not Fordism but neoliberalism, has similarly become the battleground as market ideology is appropriated by dominant classes of less developed countries to receive aid, to stimulate the economy, and to channel the rage of the disenfranchised.

It is not always ruling classes that adopt or resist foreign ideologies. In his early writings Gramsci noted that the Russian working class did not have to go through all the stages of struggles but could directly appropriate the lessons learned and ideologies created by the more advanced European working classes. The Russian working class could skip ideological stages and start where the English working class left off.¹⁰² They could adopt Marxism directly as an ideology that would galvanize the collective will of oppressed classes. Today, we note that neoliberalism has galvanized transnational movements against globalization. “Anti-globalization” is a quite portable ideology.

Although Gramsci had a notion of a world of interdependent and interacting nation-states, this world did not have a logic of its own. Certain nation-states or a bloc of nation-states could be hegemonic, organizing the world into a hierarchy of sorts, but he had no notion of transnationality or supranationality as opposed to internationality. The nation-state always remained the essential unit of analysis, the site of confluent historic and foreign forces, and the crucible of hegemonic crises.¹⁰³

Polanyi: Divergent Reactions to the Market

Gramsci offers a common matrix with which to compare different nations, tracing their divergent trajectories to historical and conjunctural factors that set the terrain for class struggle and possible futures. In the final analysis, there is no underlying dynamics to history: there is no analysis of the contradictions within the economy between forces and relations of production, and class struggle becomes contingent on an array of political and ideological factors. Polanyi restores a Marxian dynamics to world history, not by returning to forces and rela-

tions of production but by examining how societal reactions to the market in successive periods shape the terrain of class struggle.

From these two angles, then, do we intend to outline the movement which shaped the social history of the nineteenth century. The one was given by the clash of the organizing principles of economic liberalism and social protection which led to deep-seated institutional strain; the other by the conflict of classes which, interacting with the first, turned the crisis into a catastrophe.¹⁰⁴

Let us see how his analysis works itself out concretely with reactions to the market, first at the *local level*, then at the *national level*, and finally at the *international level*.

“Social history in the nineteenth century was thus the result of a double movement: the extension of the market organization in respect to genuine commodities was accompanied by its restriction in respect to fictitious ones.”¹⁰⁵ But how did this restriction take place? Polanyi devotes most space to the English case where reaction against Speenhamland incubates the liberal creed, eulogizing the market as universal panacea. The reform bills of the 1830s unleash the market without restraint, forcing workers in particular but also other (landed) classes to fend for themselves as best they can, erecting barriers to commodification. The market unleashes a torrent of class mobilization that rushes in to (re)constitute society. “While *laissez-faire* economy was the product of deliberate state action, subsequent restrictions on *laissez-faire* started in a spontaneous way. *Laissez-faire* was planned, planning was not.”¹⁰⁶ Trade unions, Chartism, the cooperative movement, Owenism are local reactions to the devastation wrought by the market. But setting out along local tributaries, they eventually flow into national movements.

It turns out, however, that Polanyi’s history is specific to England, the locus of the first national market. In four critical pages, he outlines the difference between England and the “Continent” where the Industrial Revolution arrives half a century later.¹⁰⁷ There the incursion of the market is much more gradual and less violent and gives rise to a very different constellation of class forces. Whereas in England, workers were coerced into wage labor by their expropriation from the means of subsistence, for example, through the Enclosure Movement, on the “Continent” they were seduced into wage labor by its pecuniary rewards. The status of worker was much higher on the Continent. They became a political force entranced by class ideologies that led to the early formation of socialist parties; “Marxian ideologies crystallized the outlook of the urban worker.”¹⁰⁸ In England, workers retained a voluntaristic, self-help approach to their fate. “On the Continent trade unions were a creature of the political party of the working class; in England the political party was a creation of trade unions.”¹⁰⁹ In their class alliances they were also different. Whereas in England the landed classes represented the interests of workers against the bourgeoisie, on the Continent, workers, pos-

sessed of higher status and self-esteem, were more likely to support manufacture against the landed classes.

It is at this point Polanyi brings in the state, something of secondary importance in his analysis of England. And we now see why. On the Continent, the building of a unified nation-state takes longer and only finally occurs in the later part of the nineteenth century when it obtains active support from the working class through party representation. The crystallization of class forces within the state was reflected in legislation favorable to workers—social insurance, labor legislation, extension of franchise—protecting them from the ravages of the market. Casting their eyes over the Channel, European workers understood only too well what they needed to avoid. Rather than building society with its own hands, as the English workers did, on the Continent the state took the initiative on behalf of workers in forging society's self-defense. And here in a few pages tucked away at the end of chapter 14 of *The Great Transformation* we discover the historical basis for the divergence of Polanyi's and Gramsci's Sociological Marxism. *Polanyi's theory of active society reflects the voluntarism of the English working class in the middle of the nineteenth century, whereas Gramsci's theory of the extension of the state into civil society reflects the Continental, and in particular the Italian, experience of state building toward the end of the nineteenth century.*¹¹⁰

So far we have only considered restrictions on the commodification of labor and land,¹¹¹ both of which take place in a more or less haphazard fashion through the second half of the nineteenth century. We turn now to the restriction on the exchange of national currencies. In an era of free trade fluctuating rates of exchange create havoc not only for business but for every group in society.¹¹² Protection against the international monetary system, and in particular against the gold standard, becomes a national project, spearheaded by a national bank regulating exchange rates. As the pressure builds on national economies, so the temptation to withdraw from the gold standard increases. The reassertion of laissez-faire worldwide in the 1920s is followed by a severe reaction in the 1930s with countries successively withdrawing from the gold standard. The international monetary system falls apart like a house of cards. Those countries, specifically Germany and Austria, that were defeated in World War I and had large reparations to pay were the first to exit.

In each case, withdrawal from the international monetary system was accompanied by the subordination of the domestic market to the state. This took different forms. In the United States it was the New Deal legislation that protected land and labor, in the Soviet Union it was collectivization and central planning, and in Germany and Austria the solution was a fascist one in which both market and society were subordinated to the state. As with Gramsci the trajectory was not freely chosen but was the product of the way historical conditions shaped class struggle.

In Germany, a catastrophic balance of class forces, what Gramsci would call a crisis of hegemony, created the opening for fascism.

Labor entrenched itself in parliament where its numbers gave it weight, capitalists built industry into a fortress from which to lord the country. . . . Eventually, the moment would come when both the economic and the political systems were threatened by complete paralysis. Fear would grip the people and leadership would be thrust upon those who offered an easy way out at whatever ultimate price. The time was ripe for the fascist solution.¹¹³

The international economy transmits the pressures for transformation, but the form of that transformation is determined by placement in the world economy and the balance of class forces under the specific national exigencies. We get no more than hints of this in other cases, the American case of the New Deal and the Soviet case of collectivization and planning, but the idea is laid out in the German case.

Polanyi does not have the analysis of conjunctures as fully worked out as Gramsci's three "moments" (economic, political, and military) and three levels of class formation, but he does infuse transformation and transition with a dynamic analysis of the tendencies and countertendencies to the development of markets at local, national, and global levels. This singular contradiction, the so-called double movement, underlies divergent solutions and national trajectories to make nonsense of any linear history based on national precociousness.

Synthesis: A New Global Order?

Is that where Polanyi and Gramsci leave us—a conjunctural analysis of the trajectory of nation-states? Is there no logic to the global order that contains these states? Polanyi has more to offer us here than Gramsci whose analysis is steadfastly rooted in the nation-state. The opening chapter of *The Great Transformation* lays out a nineteenth-century world order, made up of four interconnected components: the self-regulating market, the liberal state, the gold standard symbolizing the rule of finance capital, and the international balance of power that for a century had prevented the outbreak of major wars. In the twentieth century this order breaks down. Under the impulse of class struggle against the commodification of labor, the self-regulating market is replaced by the regulated market and the liberal state by the interventionist welfare state. Under the impulse of national protectionism against the fluctuating value of money, the gold standard collapses in the 1930s and with it the old balance of power. World War II gives way to a new balance of power organized around the two world powers of the United States and the Soviet Union. Writing in 1944, he hoped that the postwar order would embrace a democratic socialism. If not exactly in line with his hopes, the immediate postwar period would exhibit openings to the left that would be squashed and then reenergized in the 1960s and 1970s. Since then the world has turned back-

wards, resurrecting Polanyi's nineteenth-century "self-regulating market" as a blueprint for the future—or such is the prevailing aspiration.

Polanyi would find this very puzzling. He thought the defeat of market ideology in the 1930s—the wide recognition that markets need to be regulated if their destructiveness is to be contained—was permanent. "In retrospect our age will be credited with having seen the end of the self-regulating market."¹⁴ He was wrong because he did not see market utopianism as an arm of political domination, nationally and globally—an ideology that could be resurrected time and again irrespective of its ignominious consequences. What will be the reaction to the reincarnation of the liberal creed? We will first recap Polanyi's account of the successive responses to the self-regulating market to discover what they might portend for the future. Finally, we will contrast Polanyian optimism with a more pessimistic Gramscian alternative.

As we have seen, Polanyi's account of different national responses to the self-regulating market can be seen as a movement from local, to national, to international levels. The market revolution first took root in England where the response was a spontaneous reactive growth of society that especially protected labor against commodification. The responses were rooted in the local although they could combine into a national movement. The second response to the self-regulating market took place later in the nineteenth century, preeminently on the Continent of Europe. This was state regulation not only through welfare legislation but also tariffs and land laws that protected agrarian classes. The third response, triggered by the gold standard that was wreaking havoc with national economies, was withdrawal from the international economic system in favor of economic autarky. There are some signs of a similar resurgence of national protectionism today but nothing of the scale of 1930s reassertion of state regulation and planning, whether based on social democracy, state socialism, or fascism. Instead, one can detect a return to Polanyi's first market reaction, namely, spontaneous self-defense of society. Only now the self-defense is of a transnational character, linking together nongovernmental organizations (NGOs), environmental movements, women's movements, labor networks—a veritable transnational public designed to protect constituencies against market devastation. Table 2 summarizes these historically successive societal and state reactions to the market.

Such an optimistic bottom-up picture derives from Polanyi because once again he does not have a strong notion of capitalist hegemony, neither at the national nor at the global level. Even his nineteenth-century international order, strong though it must have been to endure for so long, is held together on the basis of organic interdependence and the balance of power among states. He has little sense of the power of imperialism or the hegemony of world powers that would ground a Gramscian reading of the world order.

Giovanni Arrighi and Beverly Silver bring Gramsci to Polanyi's world system analysis in a particularly interesting way.¹⁵ Briefly, they argue that the Washing-

Table 2
Successive Reactions to the Market

	Reaction to National Markets	Reaction to Global Markets
Reaction of society	1. Local community: middle-nineteenth-century England	4. Transnational public: the emergent future
Reaction of state	2. Regulatory state: late-nineteenth-century continental Europe	3. Autarkic state: 1930s fascism, communism, social democracy

ton Consensus and neoliberal order followed a crisis of U.S. “hegemony” in the 1970s. This crisis was rooted in the exhaustion of the old mode of accumulation based on internalizing transaction costs in the modern corporation and manifested itself in rising levels of class struggle in the advanced capitalist world. In the short run, the crisis was the occasion for restructuring capitalism in ways more favorable to U.S. capital—deregulation at home, opening trade abroad, stripping the welfare state of income guarantees, and so forth. Through a Gramscian lens, then, neoliberalism appears to be a “passive revolution” at the global level, a conservative and defensive transformation instigated from above. Instead of the New Deal Order and Pax Americana, built on the basis of concessions to domestic labor and even to Third World countries, capitalism now offers its more brutal side, its largely uncontested military might. U.S. dictatorship replaces global hegemony. The decline of U.S. hegemony is marked in the economic sphere not only by the exhaustion of an old regime of accumulation but also by the rise of finance capital searching for new investment outlets. The new order, argue Arrighi and Silver, will be based on the dynamism of the new flexible modes of accumulation in China and East Asia.

Here, then, we are presented with two perspectives. On the one hand, we have a new dictatorship from above, centering on a U.S. security state, collaborating with supranational hegemonic entities such as the World Trade Organization, World Bank, International Monetary Fund, and the United Nations. On the other hand, we can also observe transnational movements from below. Terrorist networks organize one possible War of Movement against imperial powers but especially the United States, whereas the knitting together of movements from different corners of the world (anti-globalization, feminist, environmental) prosecutes a War of Position. If this is correct, then the present conjuncture poses the ever more urgent question of the relationship between War of Position and War of Movement—a question Gramsci sidestepped but to which we will return.

VII: SOCIOLOGICAL MARXISM IN THE AGE OF POSTCOMMUNISM

We come now to the final part of this article, which seeks to bring Sociological Marxism out of the twentieth century and into the twenty-first. So far we have

excavated Sociological Marxism from the writings of Gramsci and Polanyi, focusing on the way they broke with the three tenets of classical Marxism. Instead of a self-destroying capitalist economy, Sociological Marxism emphasizes the constitution of society, mediating between state and economy. Instead of the self-expansion of class struggle, Sociological Marxism focuses on a hegemonic system of classes, the coordination of class interests through compromises and alliances. Instead of spontaneously generated conditions of socialism, Sociological Marxism substitutes divergent national trajectories within a singular world capitalism. In focusing on the foundational claims and historical origins of Sociological Marxism, we have paid only glancing attention to the world rushing by. We have been walking backwards into the future. We must now turn around and face the future. With the premises of Sociological Marxism we must build a Marxism for the contemporary age, a Marxism for Today. What is the payoff for theoretical exegesis?

Tasks of a Marxism for Today

What is this age in which we are living, the era beyond Hobsbawm's Age of Extremes? From a Marxist point of view, a transition between modes of production, to use orthodox language, is the arbiter of an epoch. In that respect this is surely the Age of Postcommunism. The transition from socialism to capitalism is the transition that classical Marxism never seriously contemplated. In its view, once established socialism would be here to stay. But then classical Marxism did not have to consider either the peculiarities of state socialism or the struggle between capitalism and socialism on a world scale.¹¹⁶ Some would dismiss Chinese or Soviet socialism as some form of state capitalism and therefore not worthy of special analytical and historical attention. I believe, on the contrary, that the Soviet Union and its satellites, for better or worse, were a species of socialism from which many lessons can still be learned. In the frame of Sociological Marxism, we ask whether "society" existed in the Soviet Union, what form it took, and with what consequences. What difference did the presence or absence of "society" make for the direction of development of the Soviet Union, its ultimate demise, and its aftermath? That is the first task for a Marxism for Today.

The collapse of communism has done irreparable damage not only to the credibility of socialism but also to the popular appeal of social democracy. In the postcommunist era progressive struggles have moved away from distributional politics to focus on identity politics or what Nancy Fraser calls a politics of recognition. A Sociological Marxism for today must accommodate this important shift but without losing sight of class. This means that we can no longer look upon society as a coherent and seamless whole. Instead, we have to see it as cut up into racial and ethnic segments that have to be understood in specific historical contexts. We begin with colonialism because of the starkness of the bifurcation but also because we need to examine the meaning of "society" in peripheral formations as

well as in advanced capitalism. We have also to think more deeply about society's boundaries with the state and economy, on the one side, but also with the private sphere occupied by the family/household, on the other side, and how needs are transmitted and accommodated across boundaries. Finally, we have to recognize that societies are more elastic than ever, stretching beyond national boundaries—unmoored from states, linked through transnational NGOs, forged by diasporic communities, and stimulated by social movements. In all these respects we can take Gramsci and Polanyi as point of departure but not as point of conclusion. They put society on the Marxist map, but they no more than glimpsed its expanse, its contours, its ravines, and its mountains. In exploring society in all its contemporary dimensions I hope to discover “real utopias,” however embryonic, that will reawaken the socialist imagination.

Communism: Collapse and Aftermath

Let us begin by stating the obvious. In placing society at the center of their Marxist visions Gramsci and Polanyi gave socialism a new democratic meaning. Unlike so many of their predecessors, they did not believe that socialist freedom could be secured by an unmediated or party-mediated relation of state and economy. Gramsci proposed a societal regulation of production through a system of factory councils, while Polanyi proposed the subjugation of market to society, or what Diane Elson and others have called a “social market.”¹¹⁷ In both arrangements society is an autonomous sphere for articulating and aggregating needs, and ensuring democratic responsiveness of leaders to lead. Without such an autonomous social realm, socialism easily degenerates into a form of authoritarianism or, better, “statism.”

Not only does socialism degenerate into oppressive statism, but without a resilient society socialism cannot survive the crises it generates. The parallels between early capitalism and state socialism are worth pursuing here. Early capitalism succumbed to deepening economic crisis as the forces of production were fettered by the relations of production, that is, as competition generated crises of profit and overproduction. Organized capitalism, with a central role for the state, arose to equilibrate the economy. In the same way, state socialism, to be sure in some countries more than others, incorporated the market to offset the limitations of the administered economy. That is how state socialism survived economically. Economic crises only threaten an order when they turn into organic crises, that is political crises. To contain those political crises, however, it had to accomplish the same as capitalism, namely generate an elaborate civil society. While civil society did appear at different times and in different forms, it was never sufficiently consolidated to found the socialist hegemony that Gramsci had hoped for.

But why were his hopes dashed? Polanyi teaches us that society is created in response to markets, and although markets did begin to flourish in the 1920s in the Soviet Union, they were extinguished with the introduction of planning and col-

lectivization. Without markets society is limited and unstable. The market reforms in Eastern Europe, especially Hungary, did generate a rudimentary societal hegemony, although this was not strong enough to withstand the assault on state socialism. Today, in China, markets are also creating a dynamic if unstable society, leading in as yet unclear directions—a new form of socialism, or more likely a new form of capitalism (state capitalism)? This reflects China's specific strategy of transition in which markets were incubated by the party state—so different from Russia's strategy of shock therapy. Indeed, one might say that Russia replicated the Bolshevik strategy of War of Movement, which aimed to destroy the old socialist order as the precondition for the spontaneous growth of a new capitalist order. The Chinese strategy, on the other hand, has been a War of Position from above, a passive revolution—transformation as a way to avoid revolution.

Thus, not just the Bolshevik Revolution but Russia's market transition hold out painful lessons for Sociological Marxism. Markets may be necessary for the development of "society," but they may not be sufficient. The postsocialist transition to the market in the former Soviet Union has not gone along with a "Great Transformation" but with what I call a "Great Involution."¹¹⁸ Instead of labor resisting commodification with the development of trade unions and cooperatives, it retreats to the household economy; instead of landed classes organizing protection of farming through tariffs and subsidies, agriculture has been repeasantized; instead of money being regulated by a national bank, enterprises have turned to barter. While Russia's insertion into a global economy boosted financial and natural resource industries at the pinnacle of the economy, this has come at the expense of poverty, degradation, and a retreat from the market for the majority. Not much active or civil society here. Rather the opposite, a rather passive, defensive society, retreating from market and state. The experiences of postsocialist Hungary and Poland, for example, have been different for there societal legacies were stronger and the market transition less catastrophic. Subordinate classes were better equipped to defend themselves and were more readily included in national reconstruction.¹¹⁹

We should not turn Polanyi's double movement into an inexorable law. We need to examine the conditions for its operation. Markets do not invariably generate a vibrant active society. Ten years of market transition in postcommunist Russia have not stimulated dynamic social reaction to shock therapy but have produced instead a massive retreat from the market. The same can be said for much of the Third World. Depending on historical context, market expansion can be followed by reaction or withdrawal, by a great transformation or a great involution. Sociological Marxism's task is to understand under what conditions and in what form state and society will hold up the market juggernaut, throw up barriers to or rush headlong away from the commodification of land, labor, and money.

From Colonialism to Postcolonialism

In developing the foundations of Sociological Marxism we focused primarily on Polanyi's and Gramsci's insights into the nature of advanced capitalism. Yet their own societies failed to fit this mold. They drew attention to the backwardness of their native Hungary and Italy but always relative to the future that lay with Western Europe and the United States. Looking in the other direction, East rather than West (South rather than North), their analysis of the European periphery could be taken to the Third World. Gramsci's disquisition on Italy's Southern Question and his later "Notes on Italian History," for example, contain the ingredients for the study of peripheral nations, the articulation of modern industrial sector, and a semi-feudal agrarian sector. Gramsci's own interest lay in the obstacles to a revolutionary alliance of workers and peasants, the sort of alliance that he believed lay behind the Russian Revolution. Like his Bolshevik predecessors, he was of no doubt that the working class harbored the only true revolutionary potential.

Polanyi, on the other hand, facing a not too dissimilar social structure in Hungary, drew the opposite conclusion. Whether because he was of urban bourgeois stock and could therefore more easily romanticize rural life or because he came under the sway of Russian Populists, Polanyi, from his youth until his dying days, never abandoned his belief in the revolutionary potential of the peasantry. His last book, *The Plough and the Pen*, edited with his wife Ilona Duczynska, was devoted to the Hungarian Populists who had created a literature, an ethnography, and a radical sociology of the peasantry. In Polanyi's view, these Populists, together with the Reform Communists, were the creative energy behind the Hungarian Revolution of 1956—the rebirth of a "work-in-progress," seeking "a union of freedom and socialism."¹²⁰

Although both Polanyi and Gramsci were only too well aware of the colonizing power of the Austro-Hungarian Empire, neither thought of their own countries in the same terms as the colonies of Africa and Asia. It would fall to Frantz Fanon to weld Polanyi's populist sentiments to Gramsci's Marxist method.¹²¹ Although there is no indication that he had ever read Gramsci, Fanon adopts a strikingly similar analysis of social situations, identified by their economic, political, and military relations of force and their different levels of class formation. Fanon sets out, however, from a society bifurcated into two segregated worlds—the world of the colonizers and the world of the colonized. There is no singular civil society but a dominant tier connected to the colonial administration in a relation of hegemony and a subordinate tier connected to the colonial administration via traditional chiefs and dictatorial rule. The anti-colonial struggle is twofold: on the one hand, a struggle against the colonial order, and on the other hand, a struggle for hegemony *within* the colonized society. The latter political struggles among the colonized gave decolonization its trajectory.

As in Gramsci, Fanon projects alternative paths into the future. The first road to decolonization is directed by an urban bloc; led by the National Bourgeoisie; composed of African elites, technicians, teachers, and civil servants; and supported by the small working class. All the National Bourgeoisie desires is to replace the colonizers with themselves but leaving the underlying social structure intact.¹²² This is what Gramsci might call a passive revolution. The second road to decolonization, the road of National Liberation, brings to mind Polanyi's Populist Movement. It centers on the revolutionary peasantry, led by radical intellectuals, who have been expelled from the cities for their dissenting politics. But can they garner sufficient support? With the colonials throwing their weight behind the national bourgeoisie, these two "historical blocs"—urban and rural, centered on a national bourgeoisie and a revolutionary peasantry—vie for the support of the remaining groups, the lumpenproletariat and the tribal leaders. The outcome of this struggle for hegemony, for leadership within the colonized, determines the path of decolonization, whether it be bourgeois or socialist, reformist or revolutionary.

As in Gramsci intellectuals play a critical role, and as in Gramsci there are two types: the traditional intellectuals who support decolonization in order to prevent social transformation and the organic intellectuals of the peasantry seeking the revolutionary overthrow of colonialism, ushering in a new socialist order. A successful struggle for socialism always combines, and here Fanon is clearer than Gramsci, a War of Position from within the indigenous society with a violent War of Movement against colonialism. Through the War of Position in particular, the National Liberation Movement seeks to build a democratic, participatory society, insulated from the exigencies of world capitalism. His vision is akin to the democratic socialism of Polanyi and the regulated society of Gramsci.

Could this ever come to pass? Fanon offers a Gramscian analysis of the constraints on "politics" posed by military and economic forces, but the analysis is unrealistic. He assumes, first, that international capital would be prepared to offer reparations for its past plundering of colonialism and, second, that metropolitan countries would sit idly by as socialism is constructed. Despite the atrocities of the Algerian settlers, Fanon betrayed a naive faith in the ultimate humanity of the colonizers, in the influence of French intellectuals, and in the sincerity of human rights talk at the United Nations.

If the National Liberation struggle is defeated and the National Bourgeoisie assumes power, Fanon anticipates the worst. Dependent on international capital, without material resources of its own, it cannot erect its own hegemony. It becomes a caricature and appendage of the metropolitan bourgeoisie, compensating for its insecurity with conspicuous consumption, fending off opposition by shifting from democracy to despotism, from the party state to the one-man dictatorship. The postcolonial order crushes civil society and degenerates into statism. Despite twists and turns over the past forty years, Fanon's pessimistic scenario has

been broadly corroborated. Standing at the end of decolonization, firmly implanted in the postcolonial era, it is not clear that Fanon's National Liberation was ever feasible.¹²³

Reflecting on a depressing half-century of decolonization, the school of South Asian Subaltern Studies—Guha, Spivak, Chatterjee, Chakrabarty—claims struggles against colonialism were fought on the unseen marshes of Western ideology. The choice between National Liberation and the National Bourgeoisie was an illusory choice, formulated in a moment of decolonizing euphoria. Both visions were intoxicated by a vision of national independence that could only lead in one direction—"domination without hegemony." To account for the failed promise of Indian independence Partha Chatterjee, for example, appropriates Gramsci's notion of the "passive revolution"—"revolution without a revolution."¹²⁴ The Indian Congress Party's modernizing project from above is analogous to the molecular transformations organized by Italy's late-nineteenth-century Moderate Party, stifling insurgency from below, substituting the state for a weak bourgeoisie. Rather than embracing Western ideals, postcolonialists propose that anti-colonial movements would be better advised to unearth alternative visions, buried in experiences of the colonized. Concerning the character of these visions—what they might be and how feasible they are—postcolonial theory is largely silent.¹²⁵

In extending Gramsci to the Third World, Fanon reverses the class bases of revolution and reaction. In the colonial context the working class is a pampered labor aristocracy, committed to the defense of its privileges, whereas the peasantry, with nothing to lose, harbors a spontaneous radicalism. Fanon considers the constellation of class interests to be a function of the colonial context. In his view of the "West," he follows Gramsci: civil society is thick and bourgeois hegemony is deep; the peasantry is politically backward while the working class is still the vanguard of revolution. His extension of Gramsci to the Third World leaves Gramsci's perspectives on the First World untouched. This is not the conclusion of Fanon's Western interpreters. From Malcolm X to Huey Newton, the radical wing of the U.S. Civil Rights Movement gives pride and place to the excluded and oppressed—the wretched of the earth. They are *always* more revolutionary than the exploited and integrated. When applied to the United States, Fanon's analysis of colonialism makes the dispossessed African Americans of the blighted urban ghetto the revolutionary force, rather than its sedated working class. In their heyday the Black Panthers, for example, combined War of Position and War of Movement to reconstitute a black civil society while assaulting white power. Here, too, revolutionary optimism had a sad denouement, although it taught all the virulence of racism.

Whatever the relevance of the details of Fanon's colonial analysis to advanced capitalism, one thing is clear: we can no longer cling to an integral or solidaristic conception of society. This applies to Polanyi even more than to Gramsci. We have to abandon the purity and innocence of Polanyi's society, which he counter-

poses to the destructiveness of the market. For Polanyi the battle between society and the market is a battle of the Gods, between good and evil. Gramsci is less euphoric about civil society, and its capacity to blossom into socialism. In being harnessed to the state, civil society becomes a vehicle of domination as well as a terrain of contestation. But even in the Gramscian scheme, domination is based on the connection of institutions to the state, often through intellectuals, rather than an intrinsic feature of the civil terrain itself. We have distinguished conceptually between on the one side broad lines of division, such as race and class, that traverse the whole of civil society and on the other side micro-powers, congealed in institutions such as the workplace and family, scattered throughout civil society. We have considered the bifurcation of civil society into a racial order; we must now consider the fragmentation of civil society into a galaxy of patriarchies.

The Private and the Public

Gramsci approaches the question of gender through a functional analysis of the prerequisites of a modern industrial economy. In his essay on "Americanism and Fordism," Gramsci describes how the new forms of production pioneered by Ford called for a corresponding regulation of sexuality to best conserve the energies of the worker. The monogamous family, tightly controlled by management, would be the institution for regulating sexuality. Polanyi looks upon the family from the opposite point of view, from the standpoint of the protection of society rather than from the standpoint of the accumulation of capital. To what degree does the family hold back the destructiveness of the market, the commodification of labor power? But neither Gramsci nor Polanyi is concerned with the implications of the family's internal organization for politics.

We can build a feminist bridge to Gramsci through Simone De Beauvoir's *The Second Sex*, which saw women as imprisoned in households, their only connection to the civil society beyond being through their men.¹²⁶ Until women left the domestic sphere in their own right, there could be no genuine feminist movement. Unlike the social situation of blacks or workers, there is no way of building solidarity across the scattered hegemonies¹²⁷ that bind individual women to individual men. It was in part the power of her own writing, its effectiveness as ideology and as theory, that inspired women to detach themselves from their men, forging a feminist movement that transcended the galaxy of patriarchies. How was this possible?

If there was a place of greater freedom, of potential gender equality, in De Beauvoir's scheme, then it was the public sphere where she herself became a towering figure. Her public sphere turns Gramsci's civil society into a place of communication among intellectuals, where alternative ideologies clash, come into conflict, and some combination of them prevails in an unstable equilibrium. Nancy Fraser has explored such ideas in her feminist analysis of needs interpretation.¹²⁸ Civil society is once more bifurcated, but this time the line of division is

not based on a social relation but on the spatio-functional distinction between the public sphere on the one side and the private sphere on the other.

Following Jürgen Habermas, the public sphere designates “a theater in modern societies in which political participation is enacted through the medium of talk. It is the space in which citizens deliberate about their common affairs.”¹²⁹ Fraser more usually calls it the “social” sphere to mark her difference from Habermas, underlining the fluidity of its boundaries and its terrain of contested need interpretation. The private sphere becomes a residual category, a sphere outside and beyond political deliberation, which includes both the official economy and the domestic. While Fraser focuses for the most part on the domestic, there is an unstated and for our purposes important comparison with the economy. Gramsci took for granted that needs issue from the economic realm into the social where they are interpreted and contested as class interests until one or some combination prevails, whereupon they become claims upon the state. At this point, they are turned into policies administered by the state in ways that often depoliticize the original demand. One might think here of legislation around union recognition, collective bargaining, or unemployment insurance.

Fraser’s originality lies in her parallel analysis of the way needs “leak” or “run” out from the domestic into the social sphere, where they may or may not be validated, articulated, and satisfied.¹³⁰ Whereas the interests of labor are now widely recognized and have their own established organs of representation, the needs of mothers and housewives are still in the process of being affirmed. The struggle, therefore, is first over the validation of women’s needs as politically legitimate. The women’s movement has pioneered these claims by making sexual harassment, rape, wife beating, and the double shift the subject of political discourse in the social sphere, compelling the state to create agencies to administer these needs. The struggle has been uphill inasmuch as conservative forces, also operating in the public sphere, seek to reprivatize these runaway needs, returning them to the domestic enclave from where they came.

Reprivatization is the first line of conservative defense against runaway needs. The second line of defense is not to validate needs but to politically neutralize their satisfaction. Social movements may be successful in compelling the state to intervene on behalf of women, but the administration of needs can be divisive and depoliticizing. It is from this point of view that Fraser explores welfare policy. The U.S. government has created two tiers of welfare—one associated with rights of employees and the other associated with the claims of stigmatized dependents. The system discriminates against women and minorities inasmuch as they are more likely to find themselves in the lower tier where they are treated as undeserving supplicants rather than entitled members of a labor force. More generally, the state administers both tiers by turning what were originally social movement activists into cases—normalizing, surveilling, and examining them as clients.

This process of depoliticization may stimulate a reactive politicization within the social sphere, but this is not the norm.

Fraser's feminist analysis adds much to Gramsci, not only by centering gender domination but more generally by problematizing the boundaries of state, civil society, and the private spheres. There is much ambiguity in Gramsci about just where those borders lie, and Fraser makes explicit what is implicit, namely that the borders are themselves subject to political contestation—drawing the line between that which is a legitimate object of politics and that which is private and outside political concerns. Feminists have struggled to make the domestic political. Equally, at the other end, attempts to sharply demarcate civil society from the state, turning civil society into a talking shop without political bite, have been sharply contested. Many feminist struggles in civil society have focused on controlling the conditions of reproduction—expropriating the state's monopoly over rights of abortion, for example, and putting decisions into the hands of the people they affect. This surely is what a War of Position is all about.

The borders between spheres are crucially patrolled and transgressed by intellectuals, and here too Fraser could potentially reunite with Gramsci. On the one hand, there are organic intellectuals who carry needs from the private into the social, or extend the political functions of the social into the private. On the other hand, there are traditional intellectuals who domesticate needs by forcing them back into the private sphere or administering them as experts. For all her talk about talk, there is little talk about the talkers, the intellectuals, and the relations they have to the groups they represent. In so doing, she makes the problematical assumption that feminist intellectuals are identical with the women they purport to represent.

Transnational Society?

Sociological Marxism has to consider the genesis and functions of society; the multiple configurations of market, state, and society; how these affect and are in turn affected by the balance of class forces. It goes beyond Gramsci and Polanyi when it considers the structure of society as a terrain of struggle—its bifurcation by race and its fragmentation into patriarchies. As we have seen it must also consider the shifting boundaries of society, itself part of a political struggle. Finally, Sociological Marxism must explore the way society is stretched beyond national confines to compose a transnational society, made up of diasporic communities with ethnic or national bases, of NGOs for the expansion of, for example, human rights, environmental protection, or even labor interests, perhaps including economic networks within or outside multinational corporations. Here too we have to consider the structure of its terrain and its relation to transnational agencies constituted from above, such as the United Nations or the World Bank, as well as to nation-states.

Polanyi and Gramsci command an extraordinary stretch from the lived experience of different classes at a local level, to the mobilization of classes on a national terrain, to the way class intersects national trajectories in an international order. But neither considers the transnational character of society. Yet here too, as we saw at the end of section VI, we can stretch Gramsci and Polanyi to generate new insights into the idea of the transnational society. From a Polanyian perspective, we can think of the way transnational society is forged in response to commodification generally but in particular to the commodification of land, labor, and money. But we must be very careful not to romanticize this transnational society. It, too, is a very uneven political terrain, populated by hierarchies of power, sloping down from center to periphery, and having its own fissures and ravines.¹³¹ From a Gramscian perspective, we can think of transnational society in its relation to supranational state-like agencies, but that connection contains struggles against capitalism as often as it provides grounds for its transcendence.

Given the difficulty of the terrain, what might such a transcendence entail? The socialist transition can no longer be understood as the collapse of an entire order to be replaced by a completely new one. It no longer springs from the coincidence, in time and space, of economic contradiction, class struggle, and the seeds of the new. Nor will the socialist transition of tomorrow be centered on the nation-state alone but will include local struggles, of disparate kinds, connected across national boundaries in a simultaneous War of Position and War of Movement. This calls for a new type of Marxist, not the legislator of classical Marxism who would formulate the laws of the collapse of capitalism, or the organic intellectuals of a working class revolution, but the ethnographic archeologist who seeks out local experiments, new institutional forms, real utopias if you wish, who places them in their context, translates them into a common language, and links them one to another across the globe.¹³² The War of Position calls for the transcendence of the legislator by the interpreter, to use Zygmunt Bauman's terms, but a traveling interpreter who is always excavating new terrains.¹³³

This latest global and still inchoate struggle for socialism may be no more successful than its predecessors. The more clearly it articulates itself, however, the stronger will be the critique of capitalism and the more humane will be the world in which we live.

NOTES

1. Talcott Parsons, *The Structure of Social Action* (New York: McGraw-Hill, 1937). Just as Parsons derived his voluntaristic theory of action by orchestrating a convergence of Weber, Durkheim, Pareto, and Marshall, so I'm trying to derive a common Sociological Marxism from the convergence of Gramsci and Polanyi. However, where Parsons dismissed Marxism, I draw on sociology's liberatory moments.

2. Addressing a plenary session on Karl Marx at the 1965 annual meeting of the American Sociological Association, Parsons concluded, "Karl Marx was probably the greatest social theorist whose work fell entirely within the nineteenth century. His place in

intellectual history is secure. As a theorist in the specifically scientific sense, however, he belongs to a phase of development which has been superseded. In sociology today, to be a Marxian, in the strict sense that denies any substantial theoretical progress since Marx, is not a tenable position." Parsons, "Some Comments on the Sociology of Karl Marx," in *Sociological Theory and Modern Society*, by Talcott Parsons (New York: Free Press, 1967), 135. When Parsons refers to "theoretical progress since Marx" you can be sure he was not thinking of Marxism's advance over Marx! He delivered this address just before the renaissance of Marxism overturned and bypassed Parsons's own theoretical edifice. As Parsons once said of Spencer, who now reads Parsons?

3. Talcott Parsons, *The Social System* (New York: Free Press, 1951).

4. Just as Marxism would incorporate "society," so Parsons would develop his famous AGIL scheme that would treat Adaptation (economy), Goal attainment (polity), Integration (community or "society"), and "Latency" (family and other organizations that support values) as separate institutional spheres. See, for example, Talcott Parsons and Neil Smelser, *Economy and Society* (New York: Free Press, 1956); Talcott Parsons, "An Outline of the Social System," in *Theories of Society*, by Parsons et al. (New York: Free Press, 1961), 30-84; and Talcott Parsons, *Politics and Social Structure* (New York: Free Press, 1969).

5. See Perry Anderson, *Considerations on Western Marxism* (London: New Left Books, 1976).

6. See Michael Burawoy, "Two Methods in Search of Science: Skocpol versus Trotsky," *Theory and Society* 18 (1989): 759-805.

7. To celebrate the one hundredth issue of *New Left Review*, Perry Anderson undertook a long and detailed dissection of Gramsci's notion of "hegemony," pointing to internal inconsistencies that engulfed his overestimation of the importance of consent, his underestimation of the repressive power of the state, his overlooking of the different forms of state, and accordingly his leaning toward reformist politics in anticipation of the dreaded Eurocommunism. What was salvageable in Gramsci's analysis, so Anderson claimed, had been already said in its reformist guise by Kautsky (in his debates with Luxemburg) or in its revolutionary guise by Trotsky. The article ends with an homage to Trotsky's theory of dual power. Still, none of the Marxists whom he claims prefigured Gramsci's theory of hegemony saw its connection to civil society, or thematized civil society as the mark of advanced capitalism, and thus none could be regarded as a founder of a Sociological Marxism. See Anderson, "The Antinomies of Antonio Gramsci," *New Left Review* 100 (1976-77): 5-80.

8. See Alvin Gouldner, *The Coming Crisis of Western Sociology* (New York: Basic Books, 1970).

9. Some, such as Parsons himself, might argue that such a Marxist sociology existed already in the 1950s in the writings of, for example, Seymour Martin Lipset and Daniel Bell. See Talcott Parsons, "The Point of View of the Author," in *The Social Theories of Talcott Parsons*, edited by Max Black (Englewood Cliffs, NJ: Prentice Hall, 1961), 362. To be sure, unlike Parsons, both were seriously engaged with Marxism and the question of socialism. In his 1981 addition to *Political Man* ("Second Thoughts and Recent Findings"), Lipset refers to his political sociology as an "apolitical Marxism" because it relied on "some Marxist theoretical and methodological assumptions," including the category of class. See Lipset, *Political Man* (Baltimore: Johns Hopkins University, 1981), 459. But in his formulation of the "end of ideology" he saw U.S. society as having overcome all the major problems of industrialism and, therefore, could be regarded, if not a species of socialism itself, then as near as one could or should ever get. Contemporary "Marxized" sociology has a much stronger critical edge, although here too, in its more recent variants,

the retention of a critical rhetoric hides substantive shifts away from Marxism. Thus, the focus on markets leaves production behind, the fashionable interest in classificatory struggles leaves class behind, social movement theory turns from concerns with social change to a general theory of the causes of collective action, while political sociology brackets capitalism and reverts to questions of citizenship and liberal democracy. With the changing political winds, sociology is once again crying adieu to Marxism.

10. Alvin Gouldner, *The Two Marxisms: Contradictions and Anomalies in Development of Theory* (New York: Seabury, 1980), chap. 12.

11. As Fred Block put it to me in his comments, “[Your paper] points to the absurdity that the sociological tradition has failed for 150 years to give us an adequate or useful conceptualization of ‘society’—ostensibly, the main object of its analysis.”

12. It should be clear how my use of the concept “active society” is different from Amitai Etzioni’s *The Active Society* (New York: Free Press, 1968). Etzioni’s notion of “active society” is the mutually enhancing balance between “responsive community” and “individual needs.” This is a rather abstract utopia, reminiscent indeed of Marx’s notion of communism. Unlike Polanyi’s active society that is a reaction to the degradation brought about by the market, Etzioni’s is a reaction to nothing. Instead it is an immanent property of the postmodern order. Still, as will be seen, Polanyi’s society also has a utopian quality in the way he sometimes understands it as an actor in its own right.

13. These two notions of society—civil society and active society—overlap, but they are not identical. Moreover, Gramsci and Polanyi’s use of them is shot through with ambiguity. I have taken a certain license in specifying the meaning of “active society” as analogous and overlapping with “civil society.” In an unpublished manuscript, Berkeley Fleming has reproduced part of an exchange between Karl and Michael Polanyi around the manuscript of *The Great Transformation*. Michael Polanyi tries to fathom his brother’s use of “society” as an entity that is historically emergent and separate from the market. Only in this way can Karl sustain the idea that the market tends to destroy the very society that is its prerequisite. See Fleming, “Three Years in Vermont: The Writing of Karl Polanyi’s *The Great Transformation*” (unpublished manuscript presented to the Eighth International Karl Polanyi Conference, Mexico City, Mexico, 2001), 20-21. Polanyi’s view of society as distinct and autonomous from the market is reinforced by his repeated reference to the “reality of society.” Following John Lie, I believe that Polanyi’s market is not embedded in but contained by a separate *society*. At the same time there are always *social underpinnings* to the market, that is common understandings and trust, often grounded in networks, that make exchange possible. But social underpinnings or Durkheim’s non-contractual elements of contract are not what Polanyi meant by society. See Lie, “Embedding Polanyi’s Market Society,” *Sociological Perspectives* 34 (1991): 219-35.

14. I know of two exceptions. Giovanni Arrighi and Beverly Silver combine Polanyi and Gramsci (with a little help from Schumpeter) in their analysis of the dynamics of the capitalist world system. Like so much World Systems analysis, their synthesis sidelines “society,” which lies at the core of Sociological Marxism. See Silver and Arrighi, “Polanyi’s ‘Double Movement’: The *Belle Époques* of British and U.S. Hegemony Compared,” *Politics & Society* 31, no. 2 (2003). I return to Arrighi and Silver in section VI. Another exception is Vicki Birchfield who has discerned complementarities in Polanyi’s account of the reaction of society to the market and Gramsci’s account of political domination and hegemonic ideology. See Birchfield, “Contesting the Hegemony of Market Ideology: Gramsci’s ‘Good Sense’ and Polanyi’s ‘Double Movement,’” *Review of International Political Economy* 6, no. 1 (1999): 27-54.

15. Gramsci is very critical of the “scientific” pretensions of sociology to develop laws of society. He is equally contemptuous of the idea of society, “autonomous” from the state:

"It is obvious that all the essential questions of sociology are nothing other than the questions of political science. If there is a residue, this can only be made up of false problems, i.e. frivolous problems." *Selections from the Prison Notebooks* (New York: International Publishers, 1971), 244. Curiously, of all the modern social science classics, Samuel Huntington's *Political Order in Changing Societies* (New Haven: Yale University Press, 1968) is perhaps the closest to Gramsci. Conservative though he is, Huntington has an uncanny appreciation for the power of hegemony, even if he does not use the concept. He is also very critical of political sociology for missing the political dimensions of society and its connection to the state. Although Huntington makes no reference to Gramsci, not coincidentally he takes much from Lenin.

16. Peter Evans, *Embedded Autonomy* (Princeton: Princeton University Press, 1995).

17. Mark Granovetter, "Economic Action, Social Structure, and Embeddedness," *American Journal of Sociology* 91 (1985): 481-510.

18. Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time* (Boston: Beacon, [1944] 1957), chap. 13.

19. Gramsci reserved his greatest critical venom for Bukharin's *Theory of Historical Materialism: A Popular Manual of Marxist Sociology*, which, from Gramsci's point of view, best represented the "sociological" tradition within Marxism, taking it to task for its spurious objectivity, its economic determinism, the vacuity of its so-called empirical laws, the abstraction of its concepts, and the idealism of its "materialist" methodology that never engages the world (*Selections from the Prison Notebooks*, 419-72). Gramsci was at pains to demarcate his own (sociological) Marxism, or what he called "Philosophy of Praxis," from what Bukharin himself called "Marxist Sociology."

20. For Gramsci's life, I have relied on Giuseppe Fiori, *Antonio Gramsci: Life of a Revolutionary* (London: New Left Books, 1970). For Polanyi's life, there is no single source but I have drawn from articles in three edited collections: Kenneth McRobbie, ed., *Humanity, Society and Commitment* (Montreal: Black Rose Books, 1994); Kari Polanyi-Levitt, ed., *The Life and Work of Karl Polanyi* (Montreal: Black Rose Books, 1990); Kenneth McRobbie and Kari Polanyi Levitt, eds., *Karl Polanyi in Vienna* (Montreal: Black Rose Books, 2000).

21. Gramsci, *Selections from Political Writings, 1910-1920* (London: Lawrence and Wishart, 1977), 34-35.

22. I'm here alluding to Gramsci's definition of "political ideology expressed neither in the form of cold utopia nor as learned theorizing, but rather by a creation of concrete phantasy which acts on a dispersed and shattered people to arouse and organize its collective will" (*Selections from the Prison Notebooks*, 126).

23. Cited in Fred Block and Margaret Somers, "Beyond the Economistic Fallacy: The Holistic Social Science of Karl Polanyi," in *Vision and Method in Historical Sociology*, edited by Theda Skocpol (Cambridge: Cambridge University Press, 1984), 50.

24. Kari Polanyi-Levitt and Marguerite Mendell, "Karl Polanyi: His Life and Times," *Studies in Political Economy* 22 (1987): 22.

25. Polanyi, *The Great Transformation*, 288.

26. *Ibid.*

27. Cited in Polanyi-Levitt and Mendell, "Karl Polanyi," 12.

28. At one point Polanyi makes it clear that he is criticizing vulgar Marxism while remaining committed to the abiding truth of Marx's early philosophical works. He counterpoises Classical Marxism to "the essential philosophy of Marx centered on the totality of society and the noneconomic nature of man" (*The Great Transformation*, 151).

29. This is presented in rather crude form in an article written before *The Great Transformation*: "Mankind has come to an impasse. Fascism resolves it at the cost of a moral and

material retrogression. Socialism is the way out by an advance toward a Functional Democracy"; "Marxism Restated," *New Britain*, 4 July 1934. Far from discarding this view Polanyi later deepens it with the notion of society: "The discovery of society is thus either the end or the rebirth of freedom. While the fascist resigns himself to relinquishing freedom and glorifies power which is the reality of society, the socialist resigns himself to that reality and upholds the claim to freedom, in spite of it" (*The Great Transformation*, 258A).

30. My interpretation of Polanyi's second encounter with Marxism is diametrically opposed to Block who argues that *The Great Transformation* constitutes Polanyi's "epistemological break" with Marxism. Block claims that Polanyi repudiates the Marxist base-superstructure model and the notion of a relatively autonomous economy in favor of an unstated but implicit thesis that economic relations are always embedded in social relations. See Block, "Karl Polanyi and the Writing of *The Great Transformation*," *Theory and Society* (forthcoming). However, to recognize that the economy is made up of social political and ideological relations and practices is by no means to reject Marxism. See Michael Burawoy, *The Politics of Production: Factory Regimes under Capitalism and Socialism* (London: Verso, 1985). Moreover, to reduce Polanyi to "the always embedded market economy" is to reduce his work to a static sociology that is more profoundly expounded in Durkheim, Simmel, and Weber. It fails to do justice to the originality of Polanyi's Marxist analysis of capitalist dynamics, the celebrated "double movement" of market and society. As I will argue throughout this article, *The Great Transformation*, rather than a break with Marxism, is a novel elaboration of a Sociological Marxism, the perfect companion to Gramsci's Marxism.

31. For Polanyi's lifetime involvement in socialist education see the excellent article by Marguerite Mendell, "Karl Polanyi and Socialist Education," in *Humanity, Society and Commitment*, 25-52. Indeed, one might say that Polanyi was a precursor of Richard Hoggart and the Birmingham School of Cultural Studies.

32. Durkheim writes that the "normal" division of labor gives its detailed laborers meaning and sense of purpose by connecting them to a larger goal, but he adds the proviso, "For this he has no need to take in the very vast areas of the social horizon; it is enough for him to perceive enough of it to understand that his actions have a goal beyond themselves"; *The Division of Labor in Society* (New York: Free Press, [1893] 1984), 308. For Durkheim too much understanding would be dangerous while for Gramsci it is liberatory! That is, for Gramsci the point of the factory councils was to enlarge the intellectual horizons of the worker almost without limits: "Starting off from this original cell, the factory, seen as a unit, as an act that creates a particular product, the worker proceeds to the comprehension of ever vaster units, right up to the level of the nation itself. . . . At this point the worker has become a producer, for he has acquired an awareness of his role in the process of production, at all levels, from the workshop to the nation and the world" (*Selections from Political Writings*, 110-11).

33. Polanyi, *The Great Transformation*, 127-29.

34. This parallel between Owen's New Lanark and Gramsci's Turin has to be qualified! New Lanark after all was the creation of Owen, father figure and owner of the mill around which the community was organized whereas the Turin Factory Councils were the creation of a workers' movement. Until his plans for alleviating poverty and degradation were rejected by parliament Owen hobnobbed with the rich and wealthy. His ideas were originally of a conservative Tory character in that they promoted the idyll of a harmonious but hierarchical society. As his thought took a more radical direction criticizing the political economy of his day, especially Ricardo and Malthus, his plans and communities became a beacon for "socialism." Indeed, Owenism became a genuine social movement to combat the rigors of industrialism although Owen himself would remain allergic to any

notion of class struggle. See Robert Owen, *A New View of Society and Report to the County of Lanark*, edited with an introduction by V. A. C. Gatrell (Harmondsworth, UK: Penguin, [1813 and 1821] 1970); G. D. H. Cole, *Robert Owen* (Boston: Little, Brown, 1925).

35. There is no reason to believe that Gramsci could have known Polanyi, although he did know Lukács, seemingly secondhand. See *Selections from the Prison Notebooks*, 448. Polanyi died in 1964, just before the resurgence of interest in Gramsci.

36. Polanyi and Lukács were childhood friends—Lukács was born in 1885, one year before Polanyi. They moved in the same circles. Lukács would later be a regular visitor to Polanyi's mother's literary salon. See Éva Gábor, "The Early Formation of Polanyi's Ideas," in *Karl Polanyi in Vienna*, 297, and Ilona Duczynska, "I First Met Karl Polanyi in 1920," *Ibid.*, 309. At the memorial to the poet Endré Ady, Polanyi debated the virtues and defects of "communism" with Lukács. See György Litván, "Karl Polanyi in Hungarian Politics (1914-1964)," in *The Life and Work of Karl Polanyi*, 33. Although they must have been in Vienna at the same time after 1919, there is no suggestion that they had much to do with one another—the one an ardent communist, the other an independent democratic socialist.

37. Here I am drawing on a number of basic Lenin texts, *The Development of Capitalism in Russia* (1899) *Collected Works of Vladimir Il'ich Lenin*, vol. 3 (Moscow: Foreign Language Publication House, 1960); *What Is to Be Done?* (1902) in *Selected Works of Vladimir Il'ich Lenin*, vol. 1 (Moscow: Progress Publishers, 1970), 119-272; *Imperialism: The Highest Stage of Capitalism* (1917), in *Ibid.*, 667-768; *State and Revolution* (1917), in *Ibid.*, vol. 2., 283-376; *The Proletarian Revolution and the Renegade Kautsky* (1918), in *Ibid.*, vol. 3, 65-149; and *Left-Wing Communism: An Infantile Disorder* (1920), in *Ibid.*, vol. 3, 345-430.

38. As Perry Anderson points out in detail, Russian Marxists, and especially Lenin, had already used the concept of hegemony to refer to the working class's leadership of allied classes in a democratic revolution. To use it to represent capitalist domination, however, was quite novel. See Anderson, "Antinomies," 15-18.

39. I am referring here to Georg Lukács, *History and Class Consciousness* (Cambridge: MIT Press, 1971), a collection of essays first published in 1922. In 1967 Lukács wrote a new preface where he famously retracts what he calls his youthful "messianic utopianism."

40. Gramsci, *Selections from the Prison Notebooks*, 80.

41. *Ibid.*, 12. To emphasize the moment of consent, Gramsci sometimes identifies the new form of domination as "hegemony protected by the armor of coercion" (*Ibid.*, 263).

42. *Ibid.*, 243.

43. *Ibid.*, 238.

44. *Ibid.*, 243.

45. *Ibid.*, 243.

46. *Ibid.*, 244. In deploying such a *functional* definition of the state Gramsci is merely declaring all institutions of civil society (family, school, etc.) to be political in that they have effects on the reproduction of capitalist domination. The *institutions* of the state are, of course, distinct from those of civil society, although the distinction takes on a very different form under fascism as compared to liberal democracy. As will be seen in the conclusion, the boundaries between state institutions and civil society are themselves the product of political contestation. That is to say, the boundaries vary over time and space.

47. *Ibid.*, 242.

48. Barrington Moore's magisterial comparison of France, England, United States, Japan, China, and India named the same factors as predisposing toward fascism. Democracy, on the other hand, requires an independent bourgeoisie and/or peasant revolt. We shall

see, however, that Moore's analysis suffers from flaws that Gramsci avoids, namely assumptions of the independence of nations and unchanging trajectories along a predefined path once modernity arrives. Moreover, Moore does not have the elaborate theory of class interest, class formation, and class alliance that so centrally preoccupies Gramsci. See Moore, *Social Origins of Dictatorship and Democracy* (Boston: Beacon, 1966).

49. Gramsci, *Selections from the Prison Notebooks*, 78.

50. Polanyi, *The Great Transformation*, 201. See also *Ibid.*, 82.

51. *Ibid.*, 57.

52. *Ibid.*, 76.

53. *Ibid.*, 83.

54. *Ibid.*, 101.

55. *Ibid.*, 163.

56. *Ibid.*, 182-83.

57. *Ibid.*, 101.

58. Edward Thompson, *The Making of the English Working Class* (London: Victor Gollancz, 1963).

59. Fred Block and Margaret Somers, "In the Shadow of Speenhamland: Social Policy and the Old Poor Law," *Politics & Society* 31, no. 2 (2003).

60. See Margaret Somers, "Citizenship and the Place of the Public Sphere: Law, Community, and Political Culture in the Transition to Democracy," *American Sociological Review* 58, no. 5 (1993): 587-620.

61. Polanyi, *The Great Transformation*, 157.

62. Indeed, one might say that the African peasantry had an interest in the further expansion of the market, in fostering free competition between white and black farmers, and in dissolving the protection awarded to the settlers.

63. Gramsci also had his optimistic, teleological side. While he appreciated the conservatizing power of inherited ideas, he also thought that intellectuals, armed with living Marxism, would be able to dissolve the dross of inherited "common sense," thereby liberating the proletarian distillate of "good sense."

64. Gramsci, *Selections from the Prison Notebooks*, 180.

65. *Ibid.*, 181.

66. *Ibid.*, 183.

67. *Ibid.*, 181.

68. *Ibid.*, 161.

69. Adam Przeworski, *Capitalism and Social Democracy* (Cambridge: Cambridge University Press, 1985).

70. Chantal Mouffe, "Hegemony and Ideology in Gramsci," in *Gramsci and Marxist Theory*, edited by Chantal Mouffe (London: Routledge Kegan Paul, 1979), 168-204.

71. Gramsci, *Selections from the Prison Notebooks*, 265.

72. *Ibid.*, 333.

73. *Ibid.*, 242.

74. *Ibid.*, 202.

75. See Polanyi, *The Great Transformation*, 154, 156.

76. *Ibid.*, 162, emphasis added.

77. *Ibid.*, 152, emphasis added.

78. *Ibid.*, 234.

79. *Ibid.*, 234.

80. The same failure is found in his notion of the state. It was instrumental in giving birth to the self-regulating market, but once established the reaction of society took the driving seat and the state became overseer: "the vital need for social protection, the repre-

sensation of which commonly falls to the persons in charge of the general interests of community—under modern conditions, the governments of the day” (Ibid., 154). There is no sense here of the state as a capitalist state or that the “general” interest might be “illusory,” a representation of the enlightened interest of capital. Rather the state is the instrument and guardian of “society.”

81. Polanyi does seem to be developing a concept of “hegemony” in an obscure article in *New Britain*: “There is no magic quality in the interests of a group of persons that would cause masses of other people with opposing interests to follow the lead of that group. . . . It is not the force of their own interests that makes a group successful. Indeed, the secret of success lies rather in the measure in which the groups are able to represent—by including in their own—the interests of *others* than themselves. To achieve this inclusion they will, in effect, often have to adapt their own interests to those of wider groups, which they aspire to lead.” “Marxism Restated,” *New Britain* 4 July 1934. Gramsci could not have put it better himself! This does give some support to Fred Block’s view that Polanyi later takes a step away from Marxism toward a more Durkheimian view of society in *The Great Transformation*. See Block, “Karl Polanyi and the Writing of *The Great Transformation*.”

82. Gramsci, *Selections from the Prison Notebooks*, 83. See also Ibid., 115, 216.

83. For an elaboration of this view see Michael Burawoy, *Manufacturing Consent: Changes in the Labor Process under Monopoly Capitalism* (Chicago: University of Chicago Press, 1979), and *The Politics of Production*. Giovanni Arrighi and Beverly Silver take a different approach, arguing that resources (workplace bargaining power and organizational or associational power) are a key to variations in working-class mobilization over the past century in different countries. To this Marxian view Silver adds a Polanyian moment, namely that capitalism swings between crises of profitability and crises of legitimacy. Crises of profitability lead to the intensified commodification of labor (degradation, falling wages, unemployment, etc.), which in turn leads to a countermovement of working-class militancy and decommodification (protection of labor through unions, welfare state, etc.). They assume that the spontaneous interests of labor lie in challenging capitalism—a challenge that will be effective insofar as workers are either driven to the wall or have an abundance of resources. In their daring resurrection of Classical Marxism, there is no interrogation of the interests of labor, or more generally of the way class interests are organized in society (as well as by state and economy)—the project that lies at the center of Sociological Marxism. See Arrighi, “Marxist Century, American Century: The Making and the Remaking of the World Labor Movement,” *New Left Review* 179 (1990): 29-63, and Silver, *Forces of Labor: Workers’ Movements and Globalization since 1870* (Cambridge: Cambridge University Press, 2003).

84. See, for example, Marcos Ancelovici’s account of the Association for the Taxation of Financial Transaction for the Aid of Citizens (ATTAC), a prominent anti-globalization movement found in many countries. In Ancelovici’s interpretation, ATTAC in France uses a variant of anti-market ideology, what he calls “Politics against Global Markets,” to mobilize its membership. ATTAC’s origins and organization, on the other hand, are better understood in terms of the specific national terrain of French politics, where it targets the state by activating civil society, constituting what Ancelovici calls “Associational Statism.” Transnational corporations, international finance, supranational agencies threaten human society, but their impact is mediated by configurations of state and civil society that remain the effective locus of political domination and reconstruction. In other words, Polanyi furnishes the ideology while Gramsci captures the political formation and strategy of ATTAC. See Ancelovici, “Organizing against Globalization: The Case of ATTAC in France,” *Politics & Society* 30, no. 3 (2002): 427-63.

85. Lenin and even more importantly Trotsky amended the linearity hypothesis of Marxism. From *Results and Prospects* (New York: Pathfinder, [1906] 1969) to *The History of the Russian Revolution* (London: Pluto, [1936] 1972), Trotsky is consistent in showing how the combined and uneven development of capitalism leads to revolutions in the periphery. On the one side, competing with states that are built on more advanced economies, the Russian state expropriates a disproportionate amount of surplus from the fledgling capitalist economy and thereby strangles it. On the other side, there is a weak dependent bourgeoisie (supported by foreign finance capital) but a militant proletariat, recently ripped out of its feudal integument and transplanted into the most advanced forms of capitalist production. A revolution is necessary to move the forces of production forward, and the only available revolutionary agent is the working class. In the final analysis it can only be successful in promoting economic development if supported by revolution in the West.

86. Gramsci, *Selections from the Prison Notebooks*, 268.

87. *Ibid.*, 285.

88. *Ibid.*, 285-86.

89. This is quite consistent with the arguments of the Wisconsin School of American History, associated with William Appleman Williams, Gabriel Kolko, and James Weinstein.

90. Gramsci, *Selections from the Prison Notebooks*, 287.

91. *Ibid.*, 268.

92. *Ibid.*, 268.

93. Moore, *Social Origins*.

94. Gramsci, *Selections from the Prison Notebooks*, 184, 234-35.

95. *Ibid.*, 219-23.

96. Working in the Gramscian tradition, others have argued that German National Socialism was the product of divisions in the ruling power bloc, just as the collapse of the Portuguese Republic and the ascendancy of Salazar's authoritarian regime resulted from the disorganization of the dominant classes, driven in different ways by Portugal's semi-peripheral economic status in the world system. See David Abraham, *The Collapse of the Weimar Republic* (Princeton: Princeton University Press, 1981), and Kathleen Schwartzman, *The Social Origins of Democratic Collapse; the First Portuguese Republic in the Global Economy* (Lawrence: University of Kansas Press, 1989).

97. Gramsci, *Selections from the Prison Notebooks*, 182.

98. *Ibid.*, 118-20.

99. *Ibid.*, 179.

100. *Ibid.*, 120.

101. *Ibid.*, 120.

102. Gramsci, *Selections from Political Writings*, 36.

103. Gramsci, *Selections from the Prison Notebooks*, 240-41.

104. Polanyi, *The Great Transformation*, 134.

105. *Ibid.*, 76.

106. *Ibid.*, 141.

107. *Ibid.*, 173-76. It would seem that "Continent" refers mainly to Central Europe (Austro-Hungarian Empire, Germany), although parts of the argument also apply to France and Italy.

108. *Ibid.*, 174.

109. *Ibid.*, 176.

110. An interesting contemporary, comparative analysis of market, society, and state, which is also broadly Polanyian in its framework, is Gosta Esping-Andersen's *The Three Worlds of Welfare Capitalism* (Princeton: Princeton University Press, 1990). Esping-

Andersen distinguishes between liberal, social democratic, and conservative welfare regimes as different modes of decommodifying labor. He explains their divergences in terms of institutional legacies, the strength of the working class, and class coalitions. A parallel but more Gramscian analysis is Claus Offe's *Contradictions of the Welfare State* (Cambridge: MIT Press, 1984), which takes accumulation as point of departure. Thus, Offe sees the state as recommodifying labor and, at the same time, reproducing the contradictory relations of capitalism, which then generate social movements on the terrain of civil society. Democratic socialism more or less drops out of Andersen but not from Offe.

111. In fact Polanyi does not have much to say about the protection against the commodification of land, which tends to be reduced to a matter of tariffs that protect home agriculture.

112. *The Great Transformation*, 205.

113. *Ibid.*, 235.

114. *Ibid.*, 142. I am reminded, once again, of Talcott Parsons's attempt to consign Marxism to the nineteenth century at the very moment it was springing to life in the 1960s—both in the West and in the East, in the North and in the South. As ideologies of capitalism and anti-capitalism, neither the liberal creed nor Marxism will disappear before capitalism.

115. See Giovanni Arrighi and Beverly Silver, *Chaos and Governance in the Modern World System* (Minneapolis: University of Minnesota Press, 1999); Arrighi, "Antisystemic Movements and Gramsci's 'Piedmontese Function'" (manuscript, Department of Sociology, Johns Hopkins University, 2002); Silver and Arrighi, "Polanyi's 'Double Movement.'" "

116. Trotsky is once again an exception. His *Revolution Betrayed* (New York: Pathfinder, [1936] 1972)—appropriately subtitled *What Is the Soviet Union and Where Is It Going?*—examined the class character of the Soviet Union to determine whether it would move forward to socialism or backward to capitalism. The process was unfinished and the future unclear because so much depended on the balance of international forces. Indeed, nineteen years after the revolution, in 1936, he still regarded the existence of the Soviet order as precarious as his own.

117. Diane Elson, "Market Socialism or Socialization of the Market," *New Left Review* 172 (1988): 3-44.

118. Michael Burawoy, "Transition without Transformation: Russia's Involuntary Road to Capitalism," *East European Politics and Societies* 15, no. 2 (2001): 269-90.

119. There is no space to go further into a Polanyian analysis of the market transition in Russia and Central Europe. But see Maurice Glasman, *Unnecessary Suffering* (London: Verso, 1996) and David Woodruff's remarkable *Money Unmade: Barter and the Fate of Russian Capitalism* (Ithaca, NY: Cornell University Press, 1999).

120. Ilona Ducyńska and Karl Polanyi, *The Plough and the Pen* (London: Peter Owen, 1963), 13.

121. I'm thinking here of Frantz Fanon, *The Wretched of the Earth* (New York: Grove Weidenfeld, [1961] 1991).

122. Fanon's earlier book, *Black Skin, White Masks* (London: Pluto, [1952] 1986) depicts the psychology of such an aspirant bourgeoisie. As Fanon tries to come to terms with the unexpected racism he faces in France, he begins to see his homeland of Martinique through, what was for him, a novel lens of unconscious, internalized oppression. According to Fanon, it would take the catharsis of violent revolution to dislodge feelings of inferiority from the inner recesses of the black man's psyche.

123. South Africa is an obvious counterexample. Here industrialization advanced much further under colonialism, creating a militant working class that was at the heart of a simul-

taneous War of Position and War of Movement to end apartheid. See Gay Seidman, *Manufacturing Militance: Workers' Movements in Brazil in South Africa, 1970-1985* (Berkeley: University of California Press, 1994). Notwithstanding its different class basis, the anti-colonial struggle still bore fruit in a postcolonial regime, which has set about absorbing and crushing civil society, attaching the labor movement to a neoliberal project. One might say that this vindicates Fanon's view of the conservatism of labor in the postcolonial context, but that would also miss the complexity of the national and global forces at work. See Edward Webster and David Adler, "Towards a Class Compromise in South Africa's 'Double Transition': Bargained Liberalization and the Consolidation of Democracy," *Politics & Society* 27, no. 3 (1999): 347-85.

124. See Partha Chatterjee, *Nationalist Thought and the Colonial World: A Derivative Discourse?* (London: Zed Books, 1986).

125. Again there are important exceptions. Of particular interest is the case of Kerala where a strong and popular Communist Party has led development through redistribution and popular mobilization. Its success was based not on resurrecting some subaltern vision but by first destroying feudalism and then continuing to expand a participatory civil society. See Patrick Heller, *The Labor of Development: Workers and the Transformation of Capitalism in Kerala, India* (Ithaca, NY: Cornell University Press, 1999), and "Moving the State: The Politics of Democratic Decentralization in Kerala, South Africa, and Porto Alegre," *Politics & Society* 29, no. 1 (2001): 131-63.

126. Simone De Beauvoir, *The Second Sex* (New York: Vintage, [1949] 1989), pt. V.

127. See Inderpal Grewal and Caren Kaplan, eds., *Scattered Hegemonies* (Minneapolis: University of Minnesota Press, 1994). They coined this felicitous term.

128. See, in particular, Nancy Fraser, *Unruly Practices: Power, Discourse, and Gender in Contemporary Theory* (Minneapolis: University of Minnesota Press, 1989), and *Justice Interruptus: Critical Reflections on the "Postsocialist" Condition* (New York: Routledge Kegan Paul, 1997).

129. Fraser, *Justice Interruptus*, 70.

130. See Fraser, *Unruly Practices*, chap. 7 and 8.

131. See, for example, Millie Thayer's analysis of transnational feminism. Thayer, "Transnational Feminism: Reading Joan Scott in the Brazilian Sertão," *Ethnography* 2, no. 2 (2001): 243-72.

132. An important endeavor in this regard is Erik Wright's Real Utopias Project. See, in particular, Archon Fung and Erik Wright, eds., *Deepening Democracy: Institutional Innovations in Empowered Participatory Governance* (London: Verso, 2003). See also Michael Burawoy et al., *Global Ethnography: Forces, Connections, and Imaginations in a Postmodern World* (Berkeley: University of California Press, 2000).

133. Zygmunt Bauman, *Legislators and Interpreters* (Cambridge, UK: Polity, 1987).

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