Towards a Sustainable and Socially Just Transformation: Reflections on Polanyi and the Emergence of New Forms of Governance and Social Relations in Uncertain Times

John Thompson1, Maja Göpel2, David Manuel-Navarrete3, and Moriz Remig4

1The STEPS Centre, University of Sussex (STEPS Centre) – Institute of Development Studies University of Sussex Brighton BN1 9RE, United Kingdom
2Wuppertal Institute for Climate, Environment and Energy, Germany (WICEE) – Wuppertal Institute for Climate, Environment and Energy im ProjektZentrum Berlin der Stiftung Mercator, Neue Promenade 6 10178 Berlin, Germany
3Global Institute of Sustainability, School of Sustainability, Arizona State University, USA (ASU) – School of Sustainability Arizona State University PO Box 875502 Tempe, AZ 85287, United States
4Institute for Advanced Sustainability Studies, Potsdam (IASS) – Berliner Str. 130 D-14467 Potsdam, Germany

Abstract

In his classic 1944 book, The Great Transformation, the Hungarian political economic historian Karl Polanyi traced the roots of the capitalist crisis to efforts to create ‘self-regulating markets’ in land, labour and money, a multifaceted historical process that began with the rise of economic liberalism in 19th century Britain and proceeded to envelop the entire world over the course of a century and a half, bringing with it intensified imperial subjection, periodic economic depressions and cataclysmic wars. The result was to redefine these three fundamental bases of social life as ‘factors of production’, as if they were ordinary commodities, and to subject them to market exchange. In Polanyi’s view, the effects of this ‘fictitious commodification’ despoiled nature, ruptured communities and destroyed livelihoods. While his diagnosis had its shortcomings, it nevertheless has strong resonance at a time of a new capitalist crisis in the early 21st century, instigated in part by a continuing promotion of self-regulating markets and their expansion into new areas, at a time of increasing globalisation, harmonisation and standardisation. This new crisis is leading to massive, unprecedented ecological, economic and political dislocation, with global consequences. Yet we lack a conceptual framework with which to interpret it structurally, let alone one that could help us resolve it in a way that fosters sustainability and social justice. In this context, Polanyi’s ideas (and those who draw ideas and inspiration from him) afford a promising basis for a more integrated structural analysis that connects three key dimensions of our present crisis – the ecological, the social and the economic – and opens up opportunities for a critical reflection on governance solutions as to how we can bring about ‘sustainable transformations’ at a time of increasing complexity and uncertainty.

∗Speaker
†Corresponding author: j.thompson@ids.ac.uk

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The aim of this dialogue session will be to draw insights and inspiration from the work of Polanyi and his critics in order to assess these three dimensions of crisis, clarify the relations among them and identify opportunities for moving beyond them. The goal will be to connect some critical political economy thinking in development to the resilience transformation discourse and to engage in identifying some fruitful ideas for research cross-fertilization.

After briefly introducing Polanyi’s ideas and their relevance to the transformation agenda, questions to be addressed in this session include:

- From an embedded system perspective, how can more resilient socio-ecological systems and governance arrangements emerge that resist the power of an overarching market system that promotes fictitious commodification?
- How can we rethink the relationships between states and markets, especially in context of discussions on the new ‘developmental state’?
- How can governance solutions for ecosystem services (e.g. Payments for Environmental Services) bring about resilience if they do not break with the path dependencies of current forms of commodification?
- How do findings from wellbeing studies relate to the market system’s drive for ever-more productivity and competition of social processes that affect people’s relationship with nature and ecological processes?
- Does an empowering narrative for regime shift have to explicitly reject the commodification discourse and its apparently atomising effects?

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