SCALING IN POLANYI
Reconsidering the local in the age of neoliberalism

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ABSTRACT: There is an increasing interest into Karl Polanyi’s framework and method of analysis in understanding today’s problems of neoliberalism as well as in thinking about their solutions. In The Great Transformation, his magnum opus written in 1944, Polanyi took nation-states and to some extent the global monetary system as his units of analysis without focusing on local-level issues (be in the form of reasons of problems, or resistances, or alternative creations). Motivated to shed light on this lack of focus, this paper aims at contributing to the efforts of extending and widening his vision to incorporate different scales (local-national-global) in today’s world. The paper first acknowledges and highlights the local as a separate unit in contrast to national and global units; then it unpacks the concept of scale, the way in which the local-national-global dimensions interact with each other, and the importance of scaling up and down in looking at societal issues. Thereafter, it revisits the Polanyian framework and makes an initial foray to discuss the scale issue, with a focus on the local. It then reconsiders Polanyi’s three forms of integration—“exchange”, “reciprocity” and “redistribution”—in an attempt to flesh out the discussion, with some references to current problematic areas. Finally, it comes up with some policy suggestions and further research areas.

KEYWORDS: Embeddedness, Local, Neoliberalism, Polanyi, Scaling

1 The idea for this paper was formulated some time ago and some notes were even drafted in the company of Tuğçe Bulut and Yahya Madra, to whom I would like to express my gratitude—any credit that may be derived should go to them as well. In addition, Duygu Avcı, Asimina Christoforou and Hande Paker suggested constructive comments and İrem İnal provided assistance, for which I am very grateful. The usual caveat applies.
1. Introduction

The ideology of neoliberalism, which began to establish its hegemony in the late 1970s under the political leadership of Margaret Thatcher and Ronald Reagan, is presently threatening our civilization with increasing force (see, e.g., Harvey 2005, 2016; Klein 2008, 2014; Baker 2016). Finding ourselves in the twenty-first century with unprecedented concerns about the future all around the world—the widening inequality that separates the rich from the poor both in and among nation-states, the increasing and debilitating debt burden of developing countries, the growing instability that threatens the economic and political institutions of developed and developing countries, the increasing ecological degradation, mushrooming incidents of social unrest as well as actual and potential armed struggles—we are among the growing number of people who find Karl Polanyi’s framework and method of analysis attractive, fruitful and mind-opening, both in understanding today’s problems of neoliberalism and in thinking about their solutions. Polanyi’s *magnum opus*, *The Great Transformation* (Polanyi 2001), published in 1944, for many of us is not only a fascinating economic history book on the emergence of market society but as well as a critic of neoliberalism *avant la lettre* (see, e.g., Peck 2013). Polanyi, in his master work, took nation-states and to some extent the global monetary system as his units of analysis (see also Block 2001; Dale 2010; Polanyi-Levitt 2013), without explicitly focusing on local-level issues (be in the form of reasons of problems, or resistances, or alternative creations). Motivated to shed light on this lack of focus, we aim at contributing to the efforts of extending and widening his vision to incorporate different scales (local-national-global) in today’s world.

Although neoliberalism is traditionally seen as a marketisation drive (accompanied with a set of privatisation as well as financial and trade liberalisation policies, a flexibilisation move in the labour-market, and a detachment from right-based social policies), with a minimal role assigned to governments, we find this definition restrictive if not perfunctory. Instead, in this paper we will rely on a more comprehensive elucidation of it, so as to better capture the existing varieties of neoliberalism (as meticulously portrayed by Brenner, Peck, and Theodore 2010). From a theoretical-historical perspective, neoliberalism can be better defined as a drive towards the de-politicisation of the social and political realm through its economisation (Adaman and Madra 2002, 2014; Madra and Adaman, 2010, 2014, 2017f). This definition comprehends neoliberalism as making an attempt to solve all social and
political problems by reformulating them as economic ones, and thus creating appropriate economic incentives for every agent, under the crucial assumption that human beings comprehend and affirmatively respond to economic incentives. Neoliberal policies can therefore be seen as a derivative of the conceptualisation of human behaviour as an outcome of incessant cost-benefit calculus, conducted not only in the market environment but (following the path-breaking motto of Becker [1976]) in “all areas and aspects of life”—e.g., crime, education, health and even sexual life. Defined as such, neoliberalism can accommodate a rich palette of theoretical and political positions as well as a wide range of policy implications. Thus, apart from relying on markets, neoliberal thinking may well embrace positions that have been identified as interventionist—provided that economisation of the ensemble of social relations is ensured. Economisation, concomitantly, comes to mean an endless commodification process of all goods and services as well as all social behaviours—as evidenced in numerous examples from the neoliberal era, from carbon markets to school vouchers. Therefore, apart from the usual suspects of the Chicago (Friedman taking the leading figure) and the Austrian (Hayek taking the leading figure) schools of thought—as well as their collaboration through the famous right-wing think-tank Mont Pèlerin Society since its foundation in 1947 (Mirowski and Plehwe 2009)—the neoliberal ideology may indiscriminately accommodate any vision that departs from the individual-based, (utilitarian) cost-benefit outlook to all spheres of the social realm, with an aim at de-politicising (and thus commodifying) all aspects of human interaction (Madra and Adaman 2014, 2017f).

In the The Great Transformation, arguing that land, labour and money would become “fictitious commodities” as an immediate consequence of an expanding “self-regulating” market economy—what he called the “first movement”—Polanyi warned us that this process, if pushed to its limits, would lead not only to the destruction of the social fabric but also the entire ecological system (in his parlance, “the land”). However, thanks to a life-affirming and hopeful attitude, Polanyi was convinced that such destruction could never happen: the movement towards self-regulating markets would simultaneously and spontaneously call forth a counter-movement of self-protection, in his words a “double movement”, in order to be able to protect humanity from a self-inflicted demise. The corollary of this is that societies would do their best to reembed the economy back into society (and ecology) so that it will cease to lay down its laws onto humanity. While Polanyi was writing his book (in the early 1940s), the neoliberal ideology was on the minds of perhaps only a few thinkers (remember that the Mont Pèlerin was instituted after World War II), yet his fascinating portrayals of the first and second movements would have much explanatory power in understanding the economisation move that this paper assigns a core meaning to in neoliberal thinking.
While Polanyi’s analysis of the 1940s in particular and his vision in general has been used widely—especially after the U.S. and the U.K. began to feel the impact of the neoliberal policies of the 1980s—to understand the dynamics of contemporary political economies (see, e.g., Alvater and Mahnkopf 1997; Stiglitz 2001; Adaman and Devine 2002; Adaman, Devine, and Özkaynak 2003; Burawoy 2003; Munck 2004; Buğra and Ağartan 2007; Dale 2010; Peck 2013; Polanyi-Levitt 2013; Block and Somers 2014, 2017), to our best knowledge, little work has been done to examine the various manifestations of the double movement at different social scales and spatial configurations. On the one hand, it is interesting to observe how the demarcation line between the global dimension and nation-states fluctuates. It is a truism that from an ontological point of view, more and more issues that were considered to be matters of national sovereignty are assuming a global character today; a process which is somewhat accelerated by the very fact that globalisation (especially in the age of widening use of internet) is eliminating the distinctive character of specific nation-states. But it is also a truism that nation-states may well fight back, claiming their existence and sovereignty, as is becoming more and more the case in today’s politics. Examples are abundant: the climate issue and how it has become one of the most important global (read human civilization) problems over the last decade or so is a case in point; yet it is up to nation-states to decide—by definition, to formulate collectively with others—to agree on the kinds of measures to be taken. On the other hand, and much more importantly for the aim of this article, local units, taking the form of civic engagement, have begun to play a much more important role in many senses of the word, mainly as forming resistance and occasionally creating alternatives to neoliberal ideology as manifested through a variety of policies. Given this observation, and recalling that Polanyi’s original unit of analysis was one single point, i.e., the nation-state, with in passing references to the international monetary system, we propose to explicitly consider the scale issue by revisiting Polanyi in the age of neoliberalisation.

In our quest to revisit Polanyi in the age of neoliberalism by putting the scale issue at the centre of our analysis, we will need to refer to his “forms of integration”, i.e., “exchange”, “reciprocity” and “redistribution”, vis-à-vis the tension (struggle) between “seductive” market forces and projects to reembed the economy into social domains, and the way in which this tension manifests itself at different scales. Reaffirming Evans (2014, 3), we think that Polanyi’s analysis of the double movement “remains a powerful analytical lens for examining the tensions of market society”. We further believe that an explicit consideration of the local-national-global scales in the Polanyian framework will provide some important clues to better understand the recent past and
today, and will hopefully open up new avenues for shaping our lives, today and tomorrow.

The structure of the paper is as follows. First, as a prelude, we acknowledge and highlight the local as a separate unit in contrast to the national and global ones; then we unpack the concept of scale, the way in which the local-national-global dimensions interact with each other, and the importance of scaling up and down in looking at societal issues. Thereafter, we revisit the Polanyian framework and make an initial foray to discuss the scale issue, with a focus on the local. We then reconsider the three forms of integration, in an attempt to flesh out the hitherto discussion, with some references to current problematic areas. Finally, we come up with some policy suggestions and further research areas.

2. The scaling issue and the attributes of the local

In most contemporary discourses, the local is either glorified as the incorruptible site of authentic resistance to the impersonal and homogenising forces of neoliberalism, or sneered at as the ultimately ineffectual seat of parochial backwardness and vilified for its imminent potential to be co-opted to the demands of a unilateralist and (national/global) neoliberal hegemony. In this paper, we try to steer clear from this polarisation. While affirming the utmost necessity of local projects aiming at democratising and enhancing self-government in polity and economy within a grounded, embedded, progressive and solidaristic agenda from below, and while recognising the potential the local has in forming resistance to the unilateralist demands of transnational corporations as well as nation-states’ impositions, we also underscore the necessity of constructing a democratic governance at a larger and wider scale, alternative to the particular form of neoliberalism imposed on our bodies, livelihoods, communities and cultures, as otherwise local units may have the danger of becoming parochial enclaves, their interaction ending in a chaotic environment. In so saying we are in fact reconfirming what Mohan and Stokke (2000, 247-48) suggested some time ago in their seminal article, that, (i) focusing so heavily on the local is likely to bring about the danger of underappreciating “both local inequalities and power relations as well as national and transnational economic and political forces”; but, equally important, (ii) a vision that does not pay attention to the local will bring about the danger of shadowing the factors that “empower” agents in their struggle against neoliberal ideology. Therefore, in order to better understand the dynamics of neoliberalism and also make proposals to counter its hegemony, we feel the need to revisit Polanyi’s *The Great Transformation* with a focus on the local. Prior to that,
however, the scale issue needs to be unpacked, because the question of how to define “the local” has no straightforward answer.

In his thorough investigation of the scale issue from an epistemological perspective, Manson (2008) rightfully argues that its definition involves a continuum that runs from realism to relativism. One pole is anchored in the realist ontological premise, which claims that reality is readily accessible to objective observers, independent of who these observers are. The other pole is the relativist ontology, which claims that reality is purely socially constructed, thus fully dependent on social processes through which knowledge is produced. Thus, while the local can be defined with a set of objective measures at one pole (as in the statement “settlements with a population is less than, say, 50,000 are to be defined as the local”), the second pole categorically rejects any objective measurement but instead argues that the local can only be found in the minds of people.

In this paper we opt for the “critical realist” position (à la Bhaskar 1978; see also Sayer 2000; Archer, Decoteau, Gorski, Little, Porpora, Rutzou, Smith, Steinmetz, and Vandenberghe 2016) that corresponds to a mid-point in the epistemological spectrum, which claims that although reality is out there in ontological terms, knowledge of it is socially constructed. Accordingly, scale identification should be based on the understanding that outside reality (in the form of, e.g., physical/geographical contours), which exists apart from our experience and knowledge of it, will nevertheless be subject to different interpretations of human thought.

At this point, Dirlik’s (2000) argument that local and global units should be envisaged as “processes” and the demarcation line between them be drawn accordingly, may help us operationalise the critical realist reading of scale. In some instances, some processes can easily be read as local—i.e., well-contoured and independent from the rest; and, symmetrically, others can easily be categorised as global—i.e., impacting a large portion of the world directly or indirectly. In other instances, however, local and global processes may well be thought as being intertwined (in line with the “two-way” hierarchy established in the literature—see, e.g., Escobar 2001; Gibson-Graham 2002, 2003a). In the latter, global processes may be seen as involving localisation (many of us would interpret the arrival of a McDonald’s outlet in our neighbourhood as a manifestation/realisation of globalisation in our vicinity); and, on the other hand, local processes may be seen as easily becoming a part of a larger, globalised web of networks (many of us would read the case of two workers’ cooperatives of different geographies joining their forces on a solidarity basis as a necessity in placing the local in a much larger picture). To recapitulate, in all of these cases although both the lines of demarcation and the nature of the two-way relationship between local and global units
correspond to ontological realities, they are subject to interpretation and thus framing. This is why they will inevitably vary from one agent to another. One can expect that variance will be small—even negligible—in some cases, and quite large in others.

The clarifications revealed by the epistemological visit above notwithstanding, we can now embark on categorising the attributes that the local may possess, which are all closely interdependent (see, e.g., Olson 1965; Ostrom 1990; Adaman and Devine 1996; Mohan and Stokke 2000; Fung and Wright 2003; Devine 2010). One is the capacity of the local in rendering the self-determination/self-government project (including but certainly not restricted to the economic realm) feasible, given the high level of local motivations to confront and solve their problems of their own. Because of the scale effect, local units may easily get involved in such engagements, especially when participatory decision-making procedures apply. Local self-governments will have much incentive to solve their own problems at the grassroots level. Negotiating problematic areas and reaching consensus would surely be easier to achieve when the size in question is small, given that local units are expected to enable agents to become directly involved in decision-making procedures in a deliberative manner. Hence, improving people’s general environment can be better achieved through intentional participation in the developmental phase, which is why solutions derived at the local are expected to be more just. In addition to opening an avenue for deliberative processes pertaining to the organisation of different aspects of public life, the second attribute of the local is the obvious capacity in dealing with the commitment issue when a collective action has to be undertaken. As much discussed, the commitment issue can be more easily addressed at the local level, given that small numbers are conducive to mutual respect and solidarity, and in the case of misbehaviour, easy detection and punishment. Third, in contrast to the homogenising global ideology, the local may enhance social interdependency by protecting their communal identities and cultural differences. Furthermore, locals will be much more open to new experiments, the impacts of which on the overall structure will then be gauged. Finally, the local would have the advantage of better articulating knowledge about their surrounding environment (as via individuals or groups or institutional entities), in contrast to a national or a global unit. Remembering that knowledge may be codifiable (objectifiable) as well as non-codifiable (tacit), one can argue that given the current state of information technologies, while the extensive circulation of codifiable information has become highly feasible, at least as a technical possibility, it is, by definition, impossible to tear non-codifiable knowledge out of its singular context of elaboration—i.e., the locality of its articulation. It is claimed that it is the local that will have an advantage, potentially, to make use of tacit knowledge in a much better way compared to a national or a global unit. Ensuring the direct participation of local
units as much as possible would create an environment that is conducive for them to negotiate the question at hand, a process that would render the articulation of tacit knowledge feasible.

This said, however, we wish to reiterate our position that local units may easily incite regionalism, by either not paying attention to the likely impacts of their decisions on other units (in the economics parlance, “externalities”) or simply failing to appreciate problems at the national or global levels. Thus, on the one hand, a kind of cooperation/coordination among locals emerges as a necessity, and on the other, locals should bear their (however small) responsibilities at the national and global levels. Let us not forget furthermore that a truly participatory environment cannot exist in localities where power is unequally distributed. If some are considered secondary, let alone marginalised, for gender, socioeconomic or other reasons, the advantages attributed above will seldom be realised. Yet provided that such inequalities are properly addressed, we invoke the local as worthy of attention because in the local we see a certain capacity; a capacity that will be indispensable to a participatory democratic project—if it can be actualised. At the same time, we call for caution, by arguing that we do not valorise the local per se for its intrinsic attributes or essential qualities; on the contrary, by definition the local is the heterogeneous and the differentiated, always constituted by a multitude of qualities, some desirable, others detestable.

3. Polanyi revisited on the issue of scale

3.1. Embeddedness, double movement and forms of integration

Polanyi’s holistic understanding that combines political, economic and social factors within an all-encompassing historical framework provides a plausible picture of modern market society. Suggesting a potential roadmap for the future that is more optimistic and realistic, rather than resentful or utopian—based on a non-doctrinaire, non-dogmatic and non-deterministic perspective—Polanyi’s outlook opens up an avenue to rearticulate the question of neoliberalism, with an emphasis on the interdependency between the global economy and local communities. As such, it provides a fruitful terrain to formulate alternative ways to neoliberalism that puts all the weight on the idea that all problems are solvable through incentivising agents’ behaviour.
Although in recent years there have been some degree of retreat to national borders (as exemplified in the election of Trump—see, e.g., Gill 2016), the reliance on trade liberalisation and capital flow continues to make neoliberalism an advocate of globalisation, but in a rather narrow way. It is usually suggested that the reality of globalisation is that international firms—in order to survive—shift the location of their activities to low-wage economies through the geographical reorganisation of production. The argument goes on to assert that globalisation is an efficient engine of growth, provided that certain control mechanisms are removed by means of deregulation, privatisation and trade liberalisation. According to this line of argument, globalisation “liberates” markets from their local restrictions and, as such, accelerates integration among them. That said, however, the problems of marginalisation of the unskilled or unfortunate; permanent and pervasive unemployment; the growing gap between the rich and the poor, both within and across nations; continuing ecological degradation—in short, the “other” realities of globalisation—demand our attention with increasing urgency. Moreover, the cultural homogenisation, or Americanisation if you like, just another reality of globalisation, plays a large role in shaping the lives, outlooks and cultures of people all around the globe. Nonetheless, the ideology of neoliberalism either does not perceive any problems, or if it does it either prefers to ignore them, or at best expresses the hope that once growth is achieved these problems will be better addressed.

As mentioned above, according to Polanyi, the advent of market society can best be characterised by the emergence of fictitious commodities. The self-regulating economy required the transformation of land, labour and money into commodities since the market economy entails the subordination of all substance of society to the logic of market—Polanyi’s first movement. Once these entities began to be treated as commodities, once their allocation was made through the price mechanism, the economy, argues Polanyi, became disembedded from its social contexts. Moreover, the commodification of money, by opening way to Haute Finance, enabled the logic of profit from all material constraints pertaining to exchange and production. Once money became a fictitious commodity, it enabled capital to become a real abstraction that has no regard for the source(s) of profit—e.g., profit from speculation. This does not mean that production has disappeared or trade of goods and services has become dispensable. Rather, it means that this most abbreviated form of the circuit of capital (to borrow a conceptual framework from Marx) has become an autonomous logic: money lending is no longer simply a functional activity for enabling production or exchange, but an activity in and of itself, with a logic of its own. Moreover, not only did this logic liberate money lending from being a functional supplement of the logics of production and exchange, but it also achieved dominance over the other two circuits of
capital, subsuming them. The majority of us remember the immense cost of speculative gains very well—as in the 2008 financial crisis (see, e.g., Martin 2013). The same logic, applied to labour and land (viz. the nature) has resulted in, respectively, social and ecological devastation, as evidenced by the current state of the world (Klein 2014; Harvey 2016). Not only does the divide between the “North” and the “South” continue to exist, income and wealth distributions within “developed” countries are deteriorating in the neoliberal era. For many commentators of Polanyi, this grim picture is the logic of current neoliberal regimes.

Polanyi also suggested that the social body would respond to the abstract and homogenising forces of marketisation by generating new ways to reembed economic life in society and the ecology. In other words, the self-regulating market society was ultimately an unrealisable, impossible utopia. He warned us, with no hesitation: “To allow the market mechanism to be sole director of the fate of human beings and their natural environment...would result in the demolition of society” (Polanyi 2001, 76). The social body will not be able to continue to reproduce itself unless the scope of the homogenising rationality of the market forces is restricted. Without reembedding the economy in the social, without letting other social logics and rationalities shape the economy, the social body will collapse. Because the self-regulating market is incompatible with a sustainable social order, tension arises between the efforts to establish and extend markets into all the domains of the social and the counter-movement—the double movement—to protect society from the infringement of market ideology: “Yet simultaneously a countermovement was on foot. This was more than the usual defensive behaviour of a society faced with change; it was a reaction against a dislocation which attacked the fabric of society, and which would have destroyed the very organization of production that the market had called into being” (Polanyi 2001, 136; see also Burawoy 2003; Gemici 2008). The source of Polanyi’s powerful argument about the countermovement can be found, as Block argued, in his “extreme scepticism about disembedding the economy” (Block 2001, xxviii).

Today, neoliberals embrace a utopian vision similar to that of the nineteenth-century liberals, calling for de-politicising the entire economic sphere, with a revived faith in the powers of the supposed economic rationality of atomistic individuals and an ideological commitment to the market idea. Polanyi’s understanding greatly contributes to the efforts to demonstrate that the neoliberal ideology is neither natural nor neutral and that it is in fact reinforced by institutions working for the interest of (transnational) capital. As (transnational) capital assumed importance, the shrinking of social obligations of erstwhile welfare states have become the building blocks of the reorganisation of domestic economies according to the requirements of a neoliberal
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Such processes of disembedding are continuing to mould societies more and more into a simple market gathering activity, where atomised individuals are expected to learn and simulate the rational actor model in their interaction with one another, whether these interactions be economic or not (see, e.g., Kayatekin and Ruccio 1998; Yaghmaian 2002; DeMartino 2003; Madra and Adaman 2014, 2017f).

Before further unpacking our question, however, we need to turn our attention to Polanyi’s “forms of integration” in order to have a complete picture (Polanyi 1977). To map the flow of material means and services within a society, Polanyi introduced reciprocity, redistribution and exchange as the forms of integration, the functioning of which necessitates the existence of symmetry, centricity and markets, respectively. Although redistributive and reciprocative systems, according to Polanyi, had been very actively in operation during feudal and manorial times while markets played a marginal role, markets started to gain relative importance towards the end of feudalism; in the early years of the mercantilist period, international trade was still embedded in social relations and controlled by the social authority. With the rise of capitalism, i.e., the nineteenth century, markets started to assume a greater role in societal life, and the currently dominant neoliberal ideology thus glorifies the market ideology and highlights the exchange form of integration. Yet Polanyi also added quite explicitly that while some social formations might be dominated by others, these forms co-exist, co-exist and will continue to co-exist with different degrees of prominence.

With regard to the emergence of reciprocity, redistribution and exchange, Polanyi also made it clear that “[t]he effective functioning of forms of integration depends upon the presence of definite institutional structures” (1977, 37)—such as the presence of a market mechanism in the case of exchange, or the existence of a public authority in the case of redistribution. This acknowledged, however, the relationship among forms of integration and institutional structures should not be viewed mechanistically, as Schaniel and Neale (2000) warned us. Furthermore, as discussed in Adaman and Madra (2002, 1050), “although each form of integration can function only if it is supported by a definite institutional structure, the specific attributes of these

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2 In passing, we should also note that Polanyi’s analysis of the three fictitious commodities teaches us that the neoliberal vision of automatic market adjustment at the global level is a hazardous dream that will result in “catastrophic dislocation” if it would come true. The complete liberalisation of economic activities is not only practically impossible, as the management of fictitious commodities requires the intervention of a regulatory body, such as the IMF—a paradoxical institution of globalisation, which advocates the belief in the free-market system yet constantly interferes in exchange rate markets—but also morally wrong since “liberalization could impose enormous risk on a country” if it were “borne disproportionately by the poor” (Stiglitz 2001, x).
institutional structures will vary across time and place with the socio-cultural setting”. That is to say, the market mechanism may well involve some degree of reciprocity, or redistribution and reciprocity may go hand in hand in some cases—where it is difficult to separate one from the other.

It is now time to consider the processes of double movement. Today, the need to open economic decisions to political negotiation and to achieve a greater degree of social, hence political, control over the forces of neoliberal ideology is increasingly being perceived as a matter of urgency. Democratising global and national governance structures and ensuring they embrace participatory decision-making systems will undoubtedly be one of the major tasks of this century, since societies will continue to revolt against the opium of the modern ages—the grand deception that is the idea of a self-regulating market ideology. It is at this very conjecture that we want to bring about the spatiality dimension, by primarily asking the following question: how the local will play a role in these processes?

3.2. The double movement in the age of neoliberalisation

In The Great Transformation Polanyi discussed the double movement almost exclusively at the scale of nation-states: “Within the nations we are witnessing a development under which the economic system ceases to lay down the law to society and the primacy of society over that system is secured” (Polanyi, 2001, 259). It is true that by naming money as one of the three fictitious commodities, Polanyi did in fact consider the issue of globalisation in his writing. In considering the countermovement, however, Polanyi, for historical reasons, preferred to focus his attention on activities at the national level. As such, for Polanyi, the “entity” that was protecting itself from the forces of the seductive market system in the nineteenth and early-twentieth centuries was largely national societies, organised under nation-states (see also Silver and Arrighi 2003).

Much has changed since then. We can classify the changes that have occurred after the writing of The Great Transformation under three categories, some of which are interrelated: (i) The neoliberal economy has grown beyond the control of individual nation-states, as there are nowadays a set of issues that systematically escape the control of nation-states: global financial flows, the debt burden of developing countries, environmental crises, elements of security and defence, new forms of communication, to name a few (see, e.g., Beck 2000, 2011; Sklair 2001; Scholte 2005). This acknowledged, however, we should remind ourselves that the role nation-states
play in this globalised environment may fluctuate historically, and as of today a tide of nationalism is on its way. (ii) Paternalistic governance modalities (under different welfarist regimes), in the form of redistribution and rights-based service delivery policies, have been declared bankrupt since the 1980s (see, e.g., Svallfors and Taylor-Gooby 1999). Apart from the neoliberal hegemony that labelled any redistributive policy as a sin, the top-down, hierarchical governance modality that was in place in almost all welfare regimes in the aftermath of World War II was certainly an element of discontent among large parts of societies. Furthermore, evidence was accumulating that governments may easily get into rent-seeking activities and that bureaucrats may simply become corrupt. (iii) Civil society, and particularly NGOs, started to play a greater role in the public sphere, nationally and internationally (see, e.g., Tamiotti and Finger 2001; Friedman, Hochstetler, and Clark 2005; Edwards 2009; Joachim and Locher 2009). It is a well-documented fact that civil society has been very successful at engaging in political life at the local level.

As mentioned briefly above, in the age of neoliberalism, globalisation does in fact need local units, as they constitute its sites of surplus extraction and realisation (in the forms of, inter alia, sweatshops, mining sites, local/national financial markets). As a result, the local has become the site of encounter, contestation and antagonism. Yet the local has also become a site of resistance as well as of alternative creation. Additionally, there may exist links from the local to the web of global market networks as well. Let us be concrete. On the negative side, a local cooperative may resist many elements of neoliberal ideology in its local setting, but when it is forced to, say, import some components for its production from another country, it will most likely find itself as a part of the global, neoliberalised market system. On the positive side, the same cooperative may equally find a way to bypass the market system and instead form a platform of network with other similar structures at the global level and engage with them on the basis of solidarity. Furthermore, to the extent that the sovereignty of nation-states wane, the local, emancipated from the control of nation-states, may emerge as an actor in its own right within the shifting coordinates of international law and institutions of governance. Hence, all in all, neoliberalism, through its tendency of globalisation, has been proliferating local identities. Yet at the same time, through importing its homogenising consumerist culture and economistic fallacy, it has equally been threatening them. It is this dialectic that should be taken as the point of departure for our analysis.
4. Democratic governance: the double movement at different scales

4.1. Setting out the agenda

As already claimed, we believe that the local is neither incorruptible nor imminently vulnerable to co-optation. In some representations, the protection of the social body in response to the disembedding and dislocatory forces of commodification rests almost exclusively on the shoulders of the local. In contrast, in other representations, the local is associated with the ephemeral, the transitory and the unsustainable. For us, the local is neither the only and the most privileged site of counter-hegemonic movements of resistance and of alternative creation, nor the ultimately dispensable distraction that the anti-neoliberal movements need to stop worrying about.

We believe that counter-hegemonic double-movements need to produce realisable social projects at all spatialities; from the local, to the regional, all the way up to the global. In this quest, as mentioned above, although some initiatives may have well-defined boundaries at the local level, others have to be contextualised in a larger picture. For the latter, we believe that counter-hegemonic projects need to produce an integrated agenda; one that operates across different spatial scales. There are several reasons for this. We can think of three reasons that may elaborate our position.

The first is about the viability of the counter-hegemonic initiatives of the locals. In order to render local emancipation projects sustainable in the long run, there may arise a need to link them regionally, nationally and even globally with one another. Only within such a network of mutual interaction and cooperation will local projects be able to continue to sustain themselves as viable entities; otherwise, they will be subject to the coercion of seductive market forces. This therefore translates to a call to expand solidarity networks to wider geographies. Furthermore, as discussed above, from an ontological perspective, there may be different views on drawing the boundaries of different scales—only an integrated approach would be able to unite them all. Second, we believe that emancipatory counter-hegemonic initiatives at the local levels have a responsibility for others. Ethically, a local participatory democratic arrangement cannot be isolationist and an exclusionist democracy cannot be a genuine one. Local projects of emancipation have to open their borders to others who desire or demand to be a part of them. Finally, we believe that the technological developments in transportation and above all telecommunications have been altering the ontology of the scale, which needs to be taken into account. As such, one may claim that human interaction at the local level has already become, at least in potential, national and even global, as there is the possibility of either observing what is happening in different localities or
disseminating whatever you have been producing at your locality to a wider circle of people and societies. All put together, if we desire social realms be democratised, and in that sense neoliberal hegemony be challenged, then we have to produce concrete and realisable agendas for democratisation at all scales and spheres of sociality.

When attention is turned to the local level, we should like to argue that it provides a suitable terrain to experiment with alternative, counter-hegemonic forms of organising economic livelihoods. In our times, it is in the local that we have a higher chance and better opportunity to learn many valuable lessons for organising the production and distribution of economic values in democratic and solidaristic forms, which may be then linked to wider networks of counter-hegemony—thus the need to look at the areas/issues at the local level where double movement initiatives can be launched. As such, the local experiments should be seen not as a distraction but as necessary components of anti-neoliberal movements. Similarly, resistance to neoliberal policies is more likely to spring up at the local level. Thus, to sneer at local projects or to see them as dangerous distractions that consume the all too precious energies of anti-neoliberal movements is highly problematic, to say the least. Social actors in a local environment will find their terrain a convenient environment to follow a democratic process, which is assumed to bring about three advantages (Devine 2010): (i) the interests of all concerned will be considered without any one interest being allowed to dominate; (ii) the process will be a learning process (through the articulation of tacit knowledge) in which social actors may modify their positions and new knowledge is created; (iii) participants’ commitment to implement policies will be better secured at the local level. Therefore, the local should be claimed. Yet as touched on above, that claim can be plausible if and only if power inequalities at the local level are adequately addressed.

4.2. Local initiatives

Societal responses at the local level are numerous (Ritzer 1993; Adaman and Madra 2002; Appadurai 2002; Community Economies Collective 2002; Gibson-Graham 2002, 2003a, 2003b; Wise, Salazar, and Carlsen 2003; Caffentzis 2010; Federici 2012; Gibson-Graham, Cameron, and Healy 2013; Miller 2013; Parker, Cheney, Fournier, and Land 2014; Satgar 2014; Midnight Notes Collective and Friends 2016). Local resistance to the consequences of trade liberalism, to start with, can now be found almost everywhere. Social movements mostly in developing countries aiming at preserving their environment against multinational/national mining or waste dumping companies have had some heroic success stories. Indigenous coffee farmers fight for a place in the global
market; and there are coffee shops that are linked to these producers. Another area of activity has been sweatshop workers’ demand for safe working conditions and basic labour rights; and here too some consumers’ associations are keen to shoulder a watchdog responsibility. In some localities, farmers and townspeople organise to prevent the flood of imported grain from driving them off the land. Similar actions are being taken at production sites. Through urban community gardens, local people aim at regaining control over food production. Many alternative production units try to follow a different logic than the profit maximisation of the neoliberal era. In addition to the many cooperatives all over the world, there exist some cooperative conglomerates as well. Given the importance the finance sector assumes today, local solutions have also emerged in this area that aim at supporting local people without necessarily following the dicta of the financial system, offering loans to the poor in order to save them from the vicious cycle of poverty, as opposed to the international banking system that overlooks the disadvantaged segments of society. A similar organisation is the “Local Exchange Trading System (LETS)”, a local currency originated in Comox Valley, Canada, which is devised to function both as an economic and a communication medium to rebuild cooperative and reciprocal relations.

These are all ways of organising economic life outside the seductive power of the market idea. Here, we are observing cases of democratic governance at local government levels, people directly engaging in local politics. We can also include all sorts of community-based voluntary help and solidarity movements, such as communal kitchens. The common denominator in these examples is that local societies react to the bitter extension of the market idea over all kinds of human activities, seeking to reembed the economy in social relations by the instruments of democratic governance, along the principles of ecology, justice and gender equality. The neoliberal system, which endeavours to destroy the substance of society by removing all social and political controls on the economy and insists on the transfer of decision-making power on economic issues to “de-politicised” institutions, is by definition incompatible with participatory democratic mechanisms where those who will be affected by the decision need to be given at least a chance to have a say in the making of the decision. The rules of the neoliberal economy, therefore, are not negotiated and controlled by society; on the contrary, they are dictated to society by the rule of the market idea, as well as by “impartial” experts from national and international organisations that are by and large exempt from democratic fray, assume neutrality, yet work to ensure the economy functions along the lines of the market ideology.

Therefore, on the one hand, neoliberalism via its globalisation tendency brings about deleterious effects on governance worldwide but at the same time creates new
openings for governance. At this juncture, we should like to argue that in local units, democratic governance can be extended and expanded more easily. As Munck (2002, 19) suggested, Polanyi “would be looking to ordinary people for democratic alternatives to current forms of [neoliberalism and globalisation, and] would also be attuned to the new politics of postdevelopment and its stresses on indigenous cultures and on the overriding need for sustainability”. Yet at the same time, we strongly claim that governance in the era of globalisation must also include a transnational element. Although it may be seen as wishful thinking, socio-political forces should be able to assert their democratic control over nation-states as well as the global financial markets and over global political life. Held (1995) early on warned us that democracy can only be adequately entrenched if democratic public law is enacted in the local as well as in the wider global order and if a division of powers and competences is recognised at different levels of political interaction and interconnectedness. A similar point has recently been made by Block and Somers (2014), according to whom expanded democracy at the local level can be seen as a starting process through which parliamentary democracies can be revitalized, as citizens will become more effective in holding their representatives to account. At a global level, on the other hand, international convention should involve various actors—states, intergovernmental organizations, international non-governmental organizations, as well as social movements. Only when their active participation is secured, then global problems can be addressed properly. Thus, all in all, a democratic political order must embrace diverse and distinct domains of authority linked both vertically and horizontally. Turning back to Held: “[A]utonomy can prevail in a political community if, and only if, it is unimpeded by threats arising from the action (or non-action) of other political communities, or from the networks of interaction which cut across community boundaries” (p. 226).

Having defended the line that counter-hegemonic engagements should be conducted at different scales, we are now ready to spare a few lines on the forms of integration in the age of neoliberalism. Before addressing this issue, however, we would like to spell out two caveats. The first pertains to the tendency to indiscriminately valorise all counter-movements. Indeed, Polanyi himself distinguished between different projects of social self-protection. Therefore, we maintain that social

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3 As will be remembered, the example we can give is his well-known difference between socialism and fascism. In an attempt to provide an explicit definition of socialism, Polanyi suggested that it “is, essentially, the tendency inherent in an industrial civilisation to transcend the self-regulating market by consciously subordinating it to a democratic society” (Polanyi 2001, 242; emphasis added); whereas he claimed that the fascist would resign “himself [sic.] to relinquishing freedom and glorify power which is the reality of
movements should be solidaristic in character, enhance good governance, and support transparency and accountability. Second, we are worried about defining emancipatory social movement simply as the other, as the negation of neoliberalism. Although resistance has certainly a value in and of itself (cf. Scott 1985), an emancipatory social movement cannot be defined as a moderating, controlling force—furthermore, it should have a concrete social agenda that dismantles the existing state of affairs and enacts a new society.

4.3. Forms of integration and democratic governance

Let us elaborate the scenario we have mentioned above, in which a workers’ cooperative, chartered around the principles of ecologic sustainability, gender equality, democratic organisation, self-management, solidarity, justice and social responsibility, has successfully sustained its operations over many years in a locality. Let us further assume that competition has recently forced this cooperative to get into business with a contractor in a developing country. The dilemma the cooperative is facing, then, is whether to demand the same set of principles with the foreign contractor or to engage with the contractor without questioning its operational principles (for a similar discussion on the well-known Basque cooperative Mondragon, see Gibson-Graham 2003b). To formulate this dilemma in more abstract terms: what would be the uses of Polanyi’s forms of integration, within the contemporary context within which we have, on the one hand, in the disembedding pressures of neoliberalisation and, on the other hand, in the resistance and the efforts towards construction of alternatives both at the local and the global levels? To what extent and through which mechanisms can the cooperative in question resist the neoliberal position that claims the dominance and in fact the naturalness of exchange relations over redistribution and reciprocity?

Anyone who resists the homogenising aspect of globalisation should equally resist the economic fallacy that reduces all human interaction to a form of exchange. Thus, the other two modes, reciprocity and centricity, should be claimed for. We also have to be very vigilant in making sure that the political contexts within which these new forms of reciprocity and redistribution are enacted will embody the principles of participatory governance and solidarity. After all, if we are in favour of controlling the economy to meet the needs of individuals and society in an ecologically-sustainable way, redistribution should by definition be playing a major role. Similarly, if we are in favour
of deliberative decision-making procedures as well as support processes where social actors negotiate among themselves and promote cooperation and solidarity, then reciprocal activities should be assuming importance. Within this broader vision, our above-discussed cooperative can step out of the forced choice imposed on it. Thus, the *modus operandi* of the production and distribution of economic values and the use of resources must be conducive to, and compatible with, the politicisation and democratisation of the economic sphere. To be blunt, we believe that deliberative mechanisms, rather than market forces, should be in operation.

The forms of integration enable us to conceptualise the different modes through which distinct social sites can be linked and integrated. These social sites could be individual consumers; but they could equally be production sites (firms, households), social and political sites (NGOs), or cultural sites—all in different localities. We believe that Polanyi’s forms of integration, if articulated together with participatory democratic theory that supports solidarity and cultural differences, will furnish us with a significantly elaborate framework to think of the local as part of something beyond the local, something global, not a pre-given or imposed one, but a democratically-constructed and negotiated global that does not obliterate the local.

5. Concluding remarks

Our discussion has made the argument that reembedding the economy into society in a humane, just and ecologically-sustainable way, as Polanyi guided us, is possible through enhancing democratic governance at the local levels in addition to the deliberative and representative assemblies of the wider national and global order. We expressed our sympathies for the local due to its potential to foster self-government, protect cultural differences and enhance participatory democracy. We also underlined, forcefully, that since local units are interrelated and interdependent, a more general process of negotiation should be constructed among them—and this, under the umbrella of national and global institutions of negotiation and governance.

Nonetheless, it is our firm belief that the shape and contours of a counter-movement that we feel comfortable with will become clear—to the extent that this is possible—through the patient study and analysis of concrete instances of counter-hegemonic projects. In this spirit, our theoretical discussion of principles or axioms (rather than ideals or utopias) will be supplemented, or better informed, by a discussion of concrete examples and theoretical advances. We have also indicated that the appropriate *mélange* and characteristics of the three forms of integration, viz., exchange, redistribution and reciprocity, would play an important role in the process of
the double movement. Acknowledging the fact that neoliberalisation promotes the dominance of exchange over the other two forms, we proposed assigning a greater role to redistribution and reciprocity, with the reservation that they should not be of a coercive nature. Hence, if we are sincere in following Polanyi’s footsteps in controlling and directing “the economy to meet our individual and collective needs” (Block 2001, xxxviii; emphasis added) by using instruments of democratic governance, we should then be vigilant about explicitly questioning the current distribution of power and begin to inquire how to redistribute it in egalitarian and sustainable ways.

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