It is no exaggeration to say that Fred Block and Margaret Somers are almost single-handedly responsible for reviving interest in Karl Polanyi’s intellectual and political legacy in American sociology. Their contribution has consisted not only in reminding sociologists of the power of Polanyi’s analysis of the rise of market society to make sense of our troubled times but even more importantly in resolving many of the difficult theoretical tangles that Polanyi gets himself into in the course of developing this analysis. Now their various essays, written over three decades, have been revised for publication in a single volume, supplemented with several new essays that introduce novel themes and also attempt to apply Polanyi’s conceptual apparatus to current social and political problems.¹

As a compilation of essays, the resulting volume defies easy summary—and I won’t attempt to offer a full treatment of the many important contributions that run through these chapters. An incomplete inventory would include the masterful exegesis of the complex argument of *The Great Transformation* presented in chapter 2; chapter 5’s valuable reexamination of the Speenhamland period in English social history; and a highly original, Polanyian-inspired consideration of free market ideology as a genre of utopian social theory, which is elaborated in chapter 4 but runs as a theme throughout the book. Alongside these contributions, I want to give special emphasis to two conceptual innovations that underpin Block and Somers’s entire analysis and I think represent their most enduring legacy to Polanyian scholarship: namely, their notion of the “always embedded economy” and the closely related concept of “ideational embeddedness.” But since my role as reviewer is not merely to praise but also to offer a critique, after introducing these concepts, I will take is-

¹ gratefully acknowledge helpful comments from Nitsan Chorev, Daniel Hirschman, Sandra Levitsky, Roi Livne, and William Sewell. In addition, I benefited from Fred Block and Margaret Somers’s generous and constructive reply to an earlier version of this article at an “Author Meets Critics” panel on their book at the American Sociological Association in August of 2016.

sue with how the first of these two concepts is deployed in unpacking the argument of *The Great Transformation*. I will suggest that Block and Somers apply the “always embedded economy” in a way that not only exists in some tension with the notion of ideational embeddedness but also underplays the contradictions between markets and democratic political institutions in modern capitalism.

Block and Somers’s first conceptual innovation, the “always embedded economy,” represents a rejection of the core postulate of neoclassical economics, namely, that the economy should be considered as analytically autonomous from the broader society. While the notion that the market is not a freestanding mechanism but necessarily embedded in broader social institutions is now widely accepted in economic sociology, it’s critical to remember that at the time Block and Somers were first developing their analysis, Polanyian scholars were mired down in a debate regarding whether markets should be considered as “embedded” or “disembedded” from society in modern capitalism.2 The debate stemmed from two divergent readings of Polanyi’s argument in *The Great Transformation*, in which he appeared to argue unequivocally that the self-regulating market would destroy society were it to come into existence and, at the same time, that the self-regulating market had in fact emerged as dominant over society beginning in the nineteenth century.3 The contradiction here, as many scholars have noted, is that Polanyi seemed to be arguing that the self-regulating market can’t exist and yet plainly does exist. Block and Somers acknowledge the ambiguity in Polanyi’s account, but they clear it away by pointing to Polanyi’s insistence that the self-regulating market was “utopian”:4 a project that could never be realized because the attempt to create the self-regulating market so fundamentally threatened social life that it generated a spontaneous reaction on the part of “society”—the protectionist countermovement—that quickly acted to impose various constraints on the market.5 So Block and Somers cede something to


4. Block and Somers’s analysis in chap. 4 of Polanyi’s “utopianism” extends well beyond the usual connotation of “unrealizability” to encompass a three-fold conception of utopianism as: (1) a normative ideal; (2) a scheme of implementation; and (3) a tragic impossibility. For purposes of tractability, I follow the standard interpretation in reducing Polanyi’s notion to the third dimension, but Block and Somers’s broader discussion merits a fuller treatment than I give it here.

5. Of course, the countermovement need not only take a progressive form, but can also be reactionary (on this point, see Beverly Silver and Giovanni Arrighi, “Polanyi’s ‘Double Movement’: The Belle Époques of British and U.S. Hegemony Compared,” *Politics and Society* 31 [2003]: 325–55). Notably, Block and Somers
each side: yes, market liberals attempted to “disembed” the market, but they could not succeed in this endeavor, and as a result the market—even in the crucible of the nineteenth century—was “always embedded.”

The role of market liberals is particularly important in this regard, for the market is embedded not just in legal and political institutions, but also in ideas and discourse. Here I turn to Block and Somers’s second conceptual innovation—their notion of ideational embeddedness. Block and Somers suggest that economies require not simply a legal and political infrastructure, but also a knowledge regime—as Polanyi demonstrated in his analysis of the role of classical political economy in instituting the self-regulating market. Unlike the “always embedded economy,” the notion of ideational embeddedness has proven somewhat more disruptive to conventional approaches in economic sociology, which have tended to prioritize an understanding of embeddedness as material and organizational rather than cultural and discursive. But as Block and Somers decisively show, the conventional view relies on a one-sided appropriation of Polanyi that gives up critical ammunition in the contest with neoclassical economics. In particular, the necessity of embedding markets in competing knowledge systems means that economists’ core tenet that a “free market” is created through deregulation can appropriately be recast as a form of “re-regulation.” In other words, when we include ideas, belief systems, and cultural narratives among the social institutions that necessarily embed markets, the “free market” is not in actuality disembedded, but simply re-embedded in an ideational regime that asserts the primacy of the self-regulating market (a regime Block and Somers refer to as “market fundamentalism”). Critically, as Block and Somers observe, market fundamentalism has the capacity to create the very conditions it describes: “Economic theories and social science models do not represent and generalize already existing economic entities but rather make markets, economic practices, and indeed entire market societies.” Block and Somers themselves note the affinity here to notions of performativity that have become influential in social theory in recent years—a point I will return to momentarily.

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examine anti-globalization politics as an expression of a right-wing countermovement in chap. 7. This chapter was written well before the Trump phenomenon emerged, but it takes on new resonance in the context of the political drama of the 2016 presidential election and its aftermath.

6. Polanyi, Great Transformation, chap. 10.


While the notion of ideational embeddedness can be understood as specifying the content of the “always embedded economy,” I detect some tension between these two concepts. The tension becomes apparent in Block and Somers’s use of the “always embedded economy” concept to unpack Polanyi’s argument in The Great Transformation. In launching their analysis of The Great Transformation, Block and Somers quote perhaps the most famous passage in the book: “Our thesis,” Polanyi writes, “is that the idea of a self-adjusting market implied a Stark Utopia. Such an institution could not exist for any length of time without annihilating the human and natural substance of society; it would have physically destroyed man and transformed his surroundings into a wilderness.” 10 These two sentences encapsulate in a pithy form the line of argument that I described in explicating the “always embedded economy”: the self-regulating market is a “stark utopia”—an impossibility—because its realization threatens the very survival of humanity, thus engendering a protective countermovement that embeds the market. But Polanyi’s very next sentence, which is not quoted here by Block and Somers, reads: “Inevitably, society took measures to protect itself, but whatever measures it took impaired the self-regulation of the market, disorganized industrial life, and thus endangered society in yet another way.” 11 In other words, attempts to interfere with the self-regulating market introduce dysfunctions into the market system that in turn generate social and political crises. In substantiating this argument, Polanyi points to the role of newly enfranchised working classes in obtaining various forms of protective legislation in late nineteenth- and early twentieth-century Europe. While necessary to prevent what would otherwise be sure catastrophe, these measures undermined the dynamism of Western European economies—in Polanyi’s terms, they “impaired” the functioning of the market mechanism. For this reason, a bitter struggle over the repeal of these laws ensued. With neither the capitalist class nor the working class strong enough to prevail, the resulting political impasse opened the way for the fascists to come to power in Western Europe.

Initially, in chapter 2, Block and Somers include the “impairment” thesis in their presentation of the argument of The Great Transformation, suggesting an affinity to Keynesian ideas about the role of “institutional rigidities” in impeding equilibrating mechanisms in the labor market. 12 But by chapter 3, Block and Somers disavow the impairment of the self-regulating market, suggesting that it represents a “contradic-

tion” in Polanyi’s thinking that cannot stand alongside the notion of the “always embedded economy.” Indeed, there does appear to be a contradiction, or at least a paradox: the self-regulating market, if left to itself, will destroy its own foundations; and yet attempts to embed the market sow the seeds of social and political conflict. As Block and Somers write, “If a purely self-regulating market system is an impossibility, how could it be that the lack of purity inevitably produces a crisis?” The key question is whether this contradiction (I prefer “paradox”) is a mistake, as Block and Somers suggest, or whether it is central to Polanyi’s analysis and in fact key to deeper meanings in the text.

I will suggest that the latter interpretation is the more appropriate one. Put simply, the argument that protective measures impair the market mechanism does too much work in Polanyi’s analysis to simply dismiss it outright. As I’ve just discussed, this argument is necessary to Polanyi’s explanation for the rise of fascism—the narrative arc that motivates Polanyi’s entire analysis in *The Great Transformation* (and that makes the book newly relevant today). Of course, it is equally clear that there are significant difficulties with this formulation. As Block and Somers suggest, in arguing that regulation interferes with the smooth operation of the market mechanism, Polanyi appears to mimic the very same economists that he critiques so vigorously elsewhere in the text. In this regard, there is more than a hint of reification in Polanyi’s treatment of the market, as numerous commentators have observed. But I would argue that Block and Somers’s notion of ideational embeddedness offers a more appealing resolution of this apparent contradiction than does scrapping a line of argument that Polanyi so clearly intended as central to the larger ambition of *The Great Transformation*. If we follow Block and Somers in attending seriously to the causal power of ideas, the notion that protective measures impair the operation of the market mechanism is not a “contradiction” but simply a reflection of the world that Ricardian political economy created in its image. In other words, to use language current in contemporary social theory, the self-adjusting market mechanism is “performativel: its effects are “real,” but they are the result of institutional design, not nature. In this regard, Polanyi’s apparent flirtation with his ideological opponents does not represent an unwitting endorsement of the neoclassical view but rather an attempt to interrogate the historical conditions under which economic

theories have the capacity to make themselves “true.” To be clear, as I’ve already suggested, Block and Somers are well aware of this aspect of Polanyi’s argument, and in fact it is central to their brilliant analysis of the rise of market fundamentalism presented in chapter 6. But this analysis remains decoupled from—and I think is ultimately inconsistent with—their rejection of Polanyi’s “impairment” thesis.

Of course, it is easy to understand why the interpretation that Block and Somers offer of the “always embedded economy” is attractive: it provides a politically palatable endorsement of economic regulation that is accepted by virtually all economic sociologists (myself included). The basic lesson of The Great Transformation, on this reading, is that markets must be regulated or destroy their own foundations. But if we consider Polanyi’s “impairment” thesis, the lesson is not quite so straightforward. Regulation may itself be as destabilizing as the failure to regulate. “Who could deny,” Polanyi writes in The Great Transformation, “that unemployment would sometimes be less if it were not for the out-of-work benefit provided by law? That private business is injured by the competition of public works? That deficit finance may endanger private investments? That paternalism tends to damp business initiative?” Polanyi puts the point more bluntly in an undated lecture delivered at Columbia University: “A market economy, if it works at all, works only as long as you do not interfere with prices—whether commodity prices, rent, wages, or interest.”

Read out of context, these statements are jarring, as it is not difficult to imagine contemporary neoclassical economists making similar assertions in arguing for a strict policy of laissez-faire. But Polanyi is not making policy recommendations here; he is instead analyzing the manner in which, *once the idea of the self-regulating market gains hold*, institutions are structured such that attempts to interfere with the market mechanism really do produce dysfunction. To reiterate, this is not because the market actually exists as an autonomous entity (as neoclassical economists claim), but because the institutional rules that govern interactions in the market beginning in the nineteenth century require this result.

16. I should be explicit here that Polanyi does not himself directly mobilize this argument in the way I am suggesting, but I believe this reading is consistent with the spirit of his text, albeit inflected by more recent developments in social theory.

17. Notably, both Block and Somers and Gareth Dale treat Polanyi as a “failed prophet”—but for having made opposite “predictions.” For Block and Somers, Polanyi’s failed prediction is that, with the advent of the New Deal, regulated capitalism would bring an end to chronic instability in market society (Power of Market Fundamentalism, 218); Dale, in contrast, points to the New Deal as disconfirming Polanyi’s view that regulated capitalism was doomed to fail (Karl Polanyi, 88). That these prominent Polanyi scholars, starting from opposite assumptions about whether it is regulated or unregulated capitalism that is ultimately unstable, read Polanyi in such divergent ways suggests the deep ambiguities in the text.

18. Polanyi, Great Transformation, 150.

This last observation relates to the primary problem associated with Block and Somers’s formulation of the “always embedded economy”: while the concept usefully provides a concrete research program for cataloging variation in forms of market embeddedness, it tends to obscure what is distinctive about the place of the market in modern capitalism. In other words, it is difficult to align the “always embedded economy” with a historical narrative in which the role of the market in society is fundamentally transformed beginning in the nineteenth century.20 In this regard, it is necessary to confront the broader severing of the economic from the political that Polanyi (along with many other theorists of modernity, including Marx, Maine, Tönnies, and Weber) suggests distinguishes nineteenth-century market society from all prior historical experience.21 Here we should proceed with caution: this severing is an institutional one, not an indication that Polanyi viewed “economy” and “polity” as reified spheres in some foundational sense.22 In this regard, it is probably unfortunate that the literature has tended to describe this transformation using the language of “disembeddedness” rather than Polanyi’s own preferred terminology of “institutional separation.”23 The language of disembeddedness suggests a view of the market as a freestanding mechanism, not an institutional ordering, as Polanyi clearly intended.

More specifically, the institutional separation of the economic from the political (and other domains of social life) represents the splintering apart of a preexisting social unity, a formulation that suggests deep affinities between Polanyi’s analysis and Marx’s view of alienation under capitalism.24 In previous social formations, Polanyi

20. Block and Somers attend closely to historical change in the organization of market societies in their revisioning of the Speenhamland period, and in many other details of their rich account of the rise of market fundamentalism over the course of the nineteenth and twentieth centuries. As such, I should be very clear that I am not leveling the charge of “ahistoricism” at them in some broad sense. What I am suggesting is that as a result of their positioning the “always embedded economy” against the notion of “disembeddedness,” Block and Somers encounter difficulties in fully grasping the rupture that marks the nineteenth century as a singular departure from previous forms of social organization.


tells us, there was no uniquely “economic” motivation undergirding the market as a separate realm of human experience. Consider, for example, Polanyi’s discussion of the organization of land and labor under feudalism and the guild system, respectively:

Under feudalism and the guild system land and labor formed part of the social organization itself. . . . Land, the pivotal element in the feudal order, was the basis of the military, judicial, administrative, and political system; its status and function were determined by legal and customary rules. Whether its possession was transferable or not, and if so, to whom and under what restrictions; what the rights of property entailed; to what uses some types of land might be put—all these questions were removed from the organization of buying and selling, and subjected to an entirely different set of institutional regulations.

The same was true of the organization of labor. Under the guild system, as under every other economic system in previous history, the motives and circumstances of productive activities were embedded in the general organization of society. The relations of master, journeyman, and apprentice; the terms of the craft; the number of apprentices; the wages of the workers were all regulated by the custom and rule of the guild and the town.25

As these passages indicate, in the medieval manors and towns of Western Europe, an individual pursuing her livelihood did much more than tend to her “economic” interests. As Polanyi also suggests in his writings on non-Western economies, the same point applies broadly across the vast sweep of human history.26 In premodern societies, individuals engaging in “economic” activity simultaneously sought political power, solidified familial networks, worshiped a deity, and pursued sexual/erotic relationships. In other words, until the emergence of market society in the nineteenth century, the “economy” was fully coterminous with politics, kinship, religion, and sexuality, among other facets of social life; beginning in the nineteenth century, the market broke loose from these other domains and began to impose its singular logic upon them.27


25. Polanyi, Great Transformation, 72–73.


27. Granovetter’s well-known critique of this formulation suggests that Polanyi exaggerates the extent to which premodern economies were “embedded” and modern market economies are “disembedded”
Polanyi’s observation is no mere anthropological curiosity. The institutional separation of economy and polity is manifested in the growing contradiction between workers’ attempts to assert power through democratic political institutions and capitalists’ exercise of power in the market.28 Indeed, herein lies the explanation, I believe, for Polanyi’s seemingly paradoxical belief that with regard to market regulation, we are damned if we do, and damned if we don’t. The paradox is only an expression of deeper pathologies contained in the relationship between markets and democratic political institutions under capitalism—pathologies that I think Block and Somers pass over much too quickly. These pathologies cannot ultimately be resolved through regulation (however necessary regulation may be to prevent sure catastrophe in the immediate term), but only by overcoming the institutional separation between the economic and the political and “re-embedding” the market.30

Notably, this “re-embedding” can occur in one of two ways. As Polanyi explains, “Basically, there are two solutions: the extension of the democratic principle from politics to economics, or the abolition of the Democratic ‘political sphere’ altogether.”31 In other words, one solution, which Polanyi names “socialism,” overcomes the separation of the economic from the political by eliminating the economy as an autonomous sphere and subsuming the market into political life. In contrast, the “fascist” solution resolves the separation by suppressing democracy and absorbing politics into the market.32 Unfortunately, Polanyi’s analysis doesn’t offer many clues as to how we might assess the likelihood of either of these two scenarios. Observing the events of the mid–twentieth century, Polanyi merely notes, “If (as happened in America) the leaders of finance and big business stand discredited, the movement is toward the dic-

32. See also Polanyi, Great Transformation, chap. 21.
tatorship of the political powers . . . ; if popular government is under a shadow [as happened in Germany], the move is toward the dictatorship of the owners of the capital enterprise and industrial undertakings.”

Here I think we can fruitfully return to Block and Somers’s two key concepts—the “always embedded economy” and ideational embeddedness—for guidance. My argument in this essay has been that while I find some inconsistency in how Block and Somers apply these concepts in interpreting Polanyi’s argument, they can in fact be made consistent, and in doing so provide new tools that help us to better understand the dynamics of capitalist societies. The basic intuition of the “always embedded economy” that all economies are organized through social practices and institutional rules is not only correct but absolutely essential. Block and Somers’s notion of ideational embeddedness elaborates on this critical insight by pointing to ideas, belief systems, and cultural narratives as key among the social institutions that embed economies. As we have seen, this attention to culture and discourse allows Block and Somers to suggest that the “free market” is not actually disembedded but rather embedded in the ideational regime of market fundamentalism. Further, Block and Somers follow Polanyi in suggesting that economic theories create their own reality, meaning that the attempt to establish a self-regulating market institutionalizes the economy in such a way that the core axioms of neoclassical economics are made (at least approximately) “true.” If we follow this line of argument to its logical conclusion, the notion of ideational embeddedness requires acknowledging the possibility that social protection may in fact impair the operation of the market—not because the market actually exists in nature as a fully autonomous mechanism, but because institutions have been arranged to produce this effect.

If Block and Somers’s cultural and discursive reading of Polanyi allows us to overcome what appears to be a key contradiction in his work—his simultaneous affirmation and rejection of the existence of the self-regulating market—so does it also offer a useful vantage point from which to consider the horizon of contemporary politics. What is alternately terrifying and exhilarating about Polanyi’s analysis when we examine the current conjuncture is that while Polanyi clearly intended his two “solutions” to the institutional separation of the economy to apply to different societies at discrete historical moments—Roosevelt’s New Deal versus Nazi Germany—both paths appear equally possible in Trump’s America. Are we witnessing the emergence of a reinvigorated civil society or the steady suppression of democratic political institutions? Depending on one’s basic capacity for optimism or pessimism, there is ample evidence to support both tendencies. One the one

33. Polanyi, *For a New West*, 203.
side, from mass marches, to town halls, to the quotidian operations of the Democratic Party itself, we have seen an infusion of energy into grassroots political activism unmatched at least since the Civil Rights and Vietnam War–era mobilizations, and potentially surpassing these movements in the breadth of mobilization and the vigor of resistance. Here, the tendency is for the democratic political sphere to encompass “the whole of society.” The opposite tendency is equally striking, as the lines between business and government increasingly blur in the Trump regime. The institutions of the US state now appear as an extension of Trump’s far-flung business empire; the White House has been “branded.” The premise of Trump’s government seems to be the wholesale transfer of tactics from business to politics, with little recognition that these have typically been understood as separate systems, with distinct logics of operation and serving fundamentally different purposes. America will now get the best “deal,” with President Trump as dealmaker-in-chief. Foreign heads of state will be subjected to same “hard bargain” as the chief executives of Boeing, Lockheed Martin, and General Motors. Taking liberties with one of Polanyi’s felicitous formulations, here the clear tendency is for society to become “one big firm.”

If the contest in Trump’s America is between a reinvigorated democratic politics that will re-embed the market and an overgrown economy that swallows the body politic, we know that the choice between these alternatives is not merely a function of the external environment, a reflection of whether “finance” or “popular government” is under the longer “shadow.” Rather, as Block and Somers demonstrate, the institutional orders of the market and democratic politics each contain their own distinctive epistemologies—their own knowledge claims—that shape the aspirations and affiliations of citizens. But of course, the clear lesson of Block and Somers’s analysis is that these knowledge claims do not compete on a level playing field, and the unique advantage of market epistemology is its ability to root itself in

35. As Jared Kushner, President Trump’s son-in-law and senior advisor, recently commented, “The government should be run like a great American company. Our hope is that we can achieve successes and efficiencies for our customers, who are the citizens.” See “Trump Taps Kushner to Lead a SWAT Team to Fix Government with Business Ideas,” Washington Post, March 26, 2017.
36. Polanyi writes about the constitution of society as “one big market” in the nineteenth century (Great Transformation, 75). Trump evidently prefers the hierarchical, authoritarian logic of the corporation to the decentralized, anarchic sphere of market exchange, sometimes to the consternation of traditional laissez-faire Republicans. Paradoxically, this transposition of corporate logics onto the state returns to but inverts the origin of the private corporation as an arm of government. Now it is the government that is the arm of the corporation. See David Ciepley, “Is the U.S. Government a Corporation? The Corporate Genesis of Modern Constitutionalism,” American Political Science Review 111 (2017): 418–35, for a fascinating application of this idea to the development of US constitutionalism.
37. Polanyi, For a New West, 203.
an institutional configuration that is self-validating. In short, in a regime of “alternative (market) facts,” democrats will have their work cut out for them.

In this context, Block and Somers’s generative and creative excavations of Polanyi’s writings—in which their focus is less on uncovering “what Polanyi truly meant” than it is on what use we can make of Polanyi’s provocative formulations—have rendered a considerable service both to social theory and to progressive politics. As the culmination of these efforts, The Power of Market Fundamentalism has not only given readers access to a forgotten sociological “classic” but itself marks the arrival of a new classic.

39. Ibid., 8.