

EMANCIPATORY ECONOMIC DEGLOBALISATION: A POLANYIAN PERSPECTIVE

DESGLOBALIZAÇÃO ECONÔMICA EMANCIPATÓRIA: UMA PERSPECTIVA A PARTIR DE POLANYI

ANDREAS NOVY

Vienna University of Economics and Business, Department of Socioeconomics, Vienna, Austria

A B S T R A C T : The article explores the potential of a Polanyian analysis for overcoming the current Manichean opposition between cosmopolitan globalizers and reactionary nationalists. For long, Karl Polanyi has inspired socio-economic thinking in different ways. First, his reflections on the end of the first period of globalization in the 1930s offer insights for analysing the current political-economic situation. Furthermore, Polanyi contributes to an institutional analysis and utopian thinking towards a civilization for all. His approach enables a combination of a critique of current neoliberal globalization as a renewed version of the “liberal utopia” with a cultural and ecological critique of capitalism as a mode of production and living. In this respect, Karl Polanyi may be contrasted to Friedrich Hayek, both contemporaries of Red Vienna, an ambitious project of local socialism as a step towards a “good life for all”. The social and cultural struggles in Vienna during the 1920s and 1930s offer insights for current confrontations worldwide, but especially in Brazil where the reformist attempts of civilizing capitalism were confronted with severe opposition. Instead of the false polarization between globalization and nationalism, policies “for the select few” are opposed to policies “for all”. Finally, Polanyi’s reflections will be used to shed light onto the current impasse resulting from the illegitimate deposition of president Dilma Rousseff.

K E Y W O R D S : deglobalisation; Polanyi; liberal utopia; market societies; Red Vienna.

R E S U M O : *O artigo explora o potencial de uma análise baseada em Polanyi para superar a atual oposição maniqueísta entre globalizadores cosmopolitas e nacionalistas reacionários. Por muito tempo, Karl Polanyi tem inspirado o pensamento socioeconômico atual de diferentes maneiras. Em primeiro lugar, suas reflexões do final do primeiro período de globalização, na década de 1930, oferecem elementos para a análise da atual situação político-econômica. Além disso, Polanyi contribui para uma análise institucional e um pensamento utópico em torno de uma civilização para todos. Sua abordagem permite uma combinação de uma crítica da globalização neoliberal atual como uma versão renovada da “utopia liberal” com uma crítica cultural e ecológica do capitalismo como modo de produção e de vida. Nessa direção, Karl Polanyi pode ser contrastado a Friedrich Hayek, ambos contemporâneos da chamada Red Vienna, um ambicioso projeto de socialismo local como um passo em direção a uma “vida boa para todos”. Aclamado por Polanyi, tal projeto foi contestado por Hayek, o qual se tornaria, mais tarde, um dos principais idealizadores do neoliberalismo. As lutas sociais e culturais em Viena durante as décadas de 1920 e 1930 oferecem insights para os confrontos atuais em todo o mundo, mas especialmente no Brasil, onde as tentativas reformistas de civilizar o capitalismo foram confrontadas por uma oposição severa. Em vez da falsa polarização entre globalização e nacionalismo, as políticas “para os poucos selecionados” se opõem às políticas “para todos”. Finalmente, as reflexões de Polanyi são usadas para lançar luz sobre o atual impasse resultante da deposição ilegítima da presidenta Dilma Rousseff.*

P A L A V R A S - C H A V E : *desglobalização; Polanyi; utopia liberal; sociedades de mercado; Red Vienna.*

DOI: <https://doi.org/10.22296/2317-1529.2017v19n3p554>

For decades, the struggle against neoliberalism and finance capitalism has been at centre stage in political debate (HARVEY, 2005). Over the last years, however, it has increasingly been overshadowed by a broad variety of reactionary movements. Secure pillars of western civilization have been questioned by an authoritarian turn as well as shifts towards post-truth politics. Therefore, the current political and economic situation is increasingly perceived as a complex and threatening turmoil. From Hungary to Turkey, from Brazil to Japan, there is a clear trend towards authoritarianism, controlled and illiberal democracy, in some cases even dictatorships – while neoliberalism seems to be well alive, using crises for its rejuvenation (PECK, 2013). In this article, the oeuvre of Karl Polanyi, born 1886 in Vienna, a Hungarian-Austrian intellectual who died in Canada in 1964¹, will be re-read to grasp the deep ongoing changes which share systematic similarities with the transformations of the 1930s – an epoch in which the rise of fascism and communism went hand in hand with the decline of liberalism and its illusionary economic policies. The key objective of this article is to reflect on the liberal illusion of borderless globalization and to problematize the dominant narrative of a civilizational confrontation between globalizers and patriots – most recently Macron against Le Pen -, the latter framed once again as the “new barbarians” (POLANYI, 2001[1944], p. 7).

This article is structured in four sections. Section 1 presents three readings of Polanyi which offer multiple, but intertwined perspectives for a better understanding of today’s challenges and potentials. First, for most of his career Polanyi was not an academic, but an autodidactic analyst of capitalism with a deep interest in reformist policies. His broad economic analyses enrich a post-disciplinary political and cultural framework in line with Cultural Political Economy (SUM; JESSOP, 2013, p. 483). Second, he had the deep ethical and political conviction that capitalist market societies which impose economic imperatives on politics and thereby disrupt society are neither functional nor desirable socio-economic systems. As an anthropologist and institutionalist economist he was, therefore, interested in the variety of non-market economic systems in which the economy is embedded in society. Third, Polanyi criticized the liberal utopia of self-regulating markets and a minimal state as illusory and offered a specific utopia “for all”. Polanyi’s reformist and revolutionary concerns can best be grasped by – what is called – the “hard” Polanyi and synthesized by the concept of double transformation which link short-term reformist struggles to overcome neoliberalism with the long-term cultural, social and political revolution to overcome capitalism (KLEIN, 2014, p. 104ff). Section 2 is inspired by a Polanyian analysis of the deep crisis of capitalism caused by market fundamentalism which he strongly perceived as a cultural crisis of a sense of belonging in a market society dominated by materialist objectives and widespread social insecurity. Current globalisation of a market society is unique in depth and scope (DICKEN, 2015), but has nevertheless systematic similarities to the world order before 1929. Both are auto-destructive forms of global capitalism that provoke political countermovements. Will the second globalization of the 21st century avoid the mistakes of the first one in the 19th century? Crucial would be the perception that the current political and cultural dispute is not between globalizers and nationalists, but between those – like Friedrich A. Hayek – favouring a civilization for the few based on a strong state – and those who – like Karl Polanyi – aspire “freedom for all”. Interwar *Red Vienna* – an outstanding experiment in local socialism in interwar Europe – is taken as an

¹ Not only has there been released an outstanding biography by Gareth Dale (2016a), the German discussion on climate change has been strongly influenced by a report that borrowed Polanyi’s key concept – The Great Transformation – to demonstrate the secular challenge posed by the current socioecological transformation (WBGU, 2011).

emblematic case to show what is at stake in such a cultural and political dispute, a confrontation that was recently repeated in Brazil. Section 3 presents the concrete utopia of a “good life for all” which is inspired by Bloch (1959, p. 2), for whom thinking means transcending, perceiving the new as also implicit in the existing. But the “good life for all” is also inspired by Karl Polanyi and his reflections on “freedom for all” (POLANYI, 2001[1944], p. 265). The proposed concrete utopia, therefore, does not pretend to be a universally valid utopia, but exposes strategic inferences for an emancipatory countermovement here and now. It proposes democratic multi-level territorialization strategies to enable place-based experiments with social ecological institutions and infrastructures. The article ends with a short post-script on Brazil. Whereas the article is based on Gramsci’s pessimism of the intellect, this final section is inspired by the optimism of the will of empowerment from below – a trace of Brazilian culture which must not be underestimated (NOVY, 2002).

THREE READINGS OF POLANYI – AND A METHOD

To be sure, neither Polanyi’s analyses nor his forecasts were without flaws². Therefore, there is no comprehensive Polanyian theory or superior prognostics. But Karl Polanyi offers something different and highly relevant in the current crisis of neoliberal globalisation: In a proto-type of cultural political economy his analysis relates the economic and the extra-economic (SUM; JESSOP, 2013, p. 67), thereby widening our horizon beyond the liberal individualistic *Zeitgeist* which dominates the worldview of the cosmopolitan elite. He offers a socioeconomic research program to understand the link between culture, nature, space, politics and economics³. The three readings of Polanyi as a socioeconomist, exposed on the following pages, although presented sequentially, have to be undertaken together to grasp their full potential.

UNDERSTANDING CAPITALIST MARKET SOCIETIES

To begin with, the revival of Karl Polanyi is strongly linked to the financial crisis of 2008 and the apparent disaster of “market fundamentalism” (BLOCK; SOMERS, 2014). Indeed, the analogy between the current crisis and the 1930s is striking. Reading Polanyi’s analysis of the 1920s and 1930s, the discursive similarities are impressive. No surprise that, after 2008, many re-cited the famous quote from *The Great Transformation*:

Our thesis 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. Inevitably, society took measures to protect itself (POLANYI, 2001[1944], p. 3).

Optimists assumed that the financial crisis marked the end of neoliberal globalization, thereby underestimating neoliberalisation as a class project which uses crises to rejuvenate (HARVEY, 2005; PECK, 2013). Indeed, the longevity

² He erred on important issues, from the Moscow trials in the 1920s to his prediction on the end of market societies in the 1940s which was based on “equating capitalism with laissez-faire liberalism” and thereby underestimating the sustainability of regulated capitalism (DALE, 2016b, p. 122ff).

³ “Where Karl departs from the conventional Marxist analysis is in his insistence on cultural degradation as the ultimate evil of capitalism, as distinct from mere economic exploitation” (POLANYI LEVITT, 1990, p. 123).

of neoliberalism and the dominant position of internationally mobile – apparently transnational – capital is somehow similar to *haute finance*'s project during the Hundred Years' Peace before 1914 (POLANYI, 2001[1944], p. 10).

However, after 2008, the worst mistakes of the 1930s with respect to economic policy making were not repeated. Vigorous Keynesian interventions “rescued” finance capital, avoided a financial meltdown – and “saved time” (STREECK, 2013). The costs of saving banks, wealth and finance capital were shifted to the taxpayer. The resultant increase in public debt further strengthened the tiny minority of the hyper-wealthy rentiers, who have been the main beneficiaries of financial deregulation (MILANOVIC, 2016, p. 44.199-205). Evidence spreads that we witness “the end of normal” (GALBRAITH, 2014), with clear catastrophic overtones (STREECK, 2016). Polanyi's narrative of the interwar political economy adds to the interpretations offered by Keynes and Marxists on underconsumption, overaccumulation and imperialist competition (SWEEZY, 1959; KEYNES, 1964) by illustrating the erosion of socio-cultural cohesion and the power of ideology. The stubborn and fanatic faith in markets as natural justified severe political intervention with sometimes disastrous consequences (POLANYI, 2001[1944], p. 141). This broadly shared faith of the elite resembles a dispositive, a persistent “strategic alignment between the semantic and material features of an apparatus” (SUM; JESSOP, 2013, p. 113). What Polanyi analysed with respect to the League of Nations applies to the Troika as a discursive-material apparatus too: “Had the aim not been intrinsically impossible, it would have been surely attained, so able, sustained, and single-minded was the attempt” (POLANYI, 2001[1944], p. 240).

Today, the rise of different types of reactionary right-wing movements all over the world can profit from a further issue dear to Polanyi. In fact, it was his original concern to understand “the breakdown of our civilization” (POLANYI, 2001[1944], p. 5) which made fascism possible. Up to *The Great Transformation* Polanyi's interest with long-term historical events was instrumental⁴, based on a key assumption: “In order to comprehend German fascism one has to go back to Ricardian England” (POLANYI, 2001[1944], p. 32). According to Polanyi, it is the specific, highly complex form of metamorphosis to an industrial society which made laissez-faire liberalism an illusory ideology and fascism a potentially powerful response to inherent problems of a self-regulating market.

⁴ Only after World War II, Polanyi became deeply interested in history and anthropology in itself.

EXPLORING WORLDS BEYOND MARKET SOCIETIES

Already in the 1970s and 1980s, Polanyi (1977) was rediscovered as a critic of market-centered formalist economics. He favoured a substantive and institutionalist understanding of economics as socioeconomics. This reading is of crucial importance in a redefinition of economics as a field of social sciences, sensitive to bio-physical limits, politics and culture (SUM; JESSOP 2013; SPASH, 2017). After World War II, Polanyi's hope rested on a world order based on regional cooperation. Once the cold war was installed and the McCarthy era repressed free thinking in the USA, Polanyi substituted his short-term concern for the post-war economic order and turned to historical and anthropological research. He became increasingly interested in history and geography – other places at other times. His research in North America after 1945 aimed at discovering institutional arrangements different

from the current market-centered model (POLANYI LEVITT, 1990, p. 116). In his anthropological studies he showed that the current market economy is a unique – historically specific - way of organizing the livelihood (DALE, 2016b). There was a diversity of economies before the current market economy, which all had a common denominator: The economy was time-place specific, regulated by diverse institutions and embedded in society and nature.

Already in *The Great Transformation*, he described the metamorphosis from an agrarian to an industrial society as a profound institutional change. “The transformation to this system from the earlier economy is so complete that it resembles more the metamorphosis of the caterpillar than any alteration that can be expressed in terms of continuous growth and development” (POLANYI, 2001[1944], p. 44). If one can show that the current socio-economic model emerged out of deep societal changes which went hand in hand with the installation of a fossil fuel based energy system, then one can assume that this model will not be the end of history. Socioeconomics is open to the new, it transcend the actually existing. In line with critical realism, Polanyian socioeconomics assumes that the potential is part of reality – therefore, utopian thinking is not non-scientific, but is, explicitly or implicitly, guiding economic thinking and policy making.

UTOPIAN THINKING FOR A CIVILIZATION FOR ALL

This leads to a third reading of Polanyi on the importance of utopias, as they shape consciousness and, thereby, reality. Of foremost importance was his critique of the then dominant liberal utopia which was an ideological orientation that inspired 19th century thinking and policy making. He showed a unique awareness that this laissez-faire ideology – which at that time was a genuinely right-wing philosophy - does not only lead to economic crisis and political disaster, as Marxist crisis theory as well as Keynes’ insights predict. He perceived the ecological and cultural disintegration caused by a weak state and universalizing market transactions as a fatal threat to order and civilization. Karl Polanyi was a left thinker, but skeptical of equating material improvement with civilizational progress. He insisted on the need of “habitation” – today we would say well-being or *buen vivir* - instead of mere “improvement” – the good old progress and growth ideology. He, thereby, was sympathetic to grounding utopian hope in “Heimat”, homeland (BLOCH, 1959, p. 1628), the unrealized potential of being at home as free and equal inhabitants of this planet. Combining progressive with conservative concerns enriches not only the historical analysis of the ongoing transformation. It also offers a very different type of concrete utopia. Instead of assuming a linear process of progress, development has to be understood as a dialectical process of conserving and overcoming existing institutional settings and practices (LÖWY; SAYRE, 1993). In the 21st century systemic changes induced by ecological constraints will again have to create substantially new institutions and social forms (WBGU, 2011). But this ongoing “metamorphosis” (POLANYI, 2001[1944], p. 44) will have to respect bio-physical limits and preserve certain institutions of conviviality, defending it against homogenizing tendencies of market-centred isomorphism. To elaborate such a utopian horizon of a good life for all will have to overcome the simplistic left prioritization of time (as progressive) over space (as conservative) (HARVEY, 1996; 2000).

DOUBLE TRANSFORMATION

The different readings of Polanyi show his realist and utopian, reformist and revolutionary, conservative and progressive leanings. Out of his curiosity and intellectual sincerity, he often vacillated, sometimes erred. But he always remained faithful to his belief that modern societies could be organized in a way that freedom for all is possible. Polanyi deconstructed the liberal utopia before World War II because he perceived it as inviable. He did not get to know the social market utopia which guided the ideas of “welfare for all” based on growth-induced consumerism (ERHARD, 1957). Perhaps because of these consumerist leanings of post-war prosperity, Polanyi showed very little interest in the social democratic experiments during what was later called the “Golden Age of Capitalism”, be it in the form of Scandinavian welfare state, Fordist welfare capitalism or the Beveridge-inspired British welfare state (DALE, 2016b). However, a “soft” reading of Polanyi which defines economic development by cyclical movements of more or less market influence is shaped by this political reference (BLOCK; SOMERS, 2014). It was based on the conviction of the “always ever embedded market” and the resultant assumption of a natural societal equilibrium - this time based on the post-war consensus of regulated market economies in a capitalist world. It assumed as natural and eternal the alternation in power between US-democrats and republicans, social democrats and conservatives in Europe. It took a democratic state with regulatory powers as given and perceived extremes – on the left and the right – as equally threatening to the normal state of affairs. In this sense, the current framing of political confrontation as a conflict between globalizers and nationalists aims at actualizing “normality” in times of turmoil. In the Austrian presidential elections in 2016, for example, this led to the paradox situation that the right-wing, reactionary candidate presented himself as the “man of change”, while the victorious left-liberal Green party candidate united the establishment, the “normal”.

But neither the “soft” reading of Polanyi nor the social liberal world view of the 20th century can deal with the above described contradictions. Once the consensus of a cooperative, socially cohesive and inclusive field of social and political development is revoked by Orban, Erdogan, Trump and others, the struggle about the basic orientation of future socioeconomic development intensifies. In this situation, the “hard” Karl Polanyi - the way his wife and daughter portrayed his approach (DALE, 2016b, p. 6f) – seems better suited. The “hard” Polanyi was not interested in simply reforming capitalism, as he was aware that “freedom for all” (POLANYI, 2001[1944], p. 257ff) was in a democratic way only possible with non-capitalist institutions embedded in a nurturing society and sensibly acknowledging the multiple functions of nature. Most probably, Polanyi – who was close to many reformists – would have sympathized with the concept of a “double transformation” (KLEIN, 2014), aiming at overcoming the dualism of reform versus revolution. The concept of a “double transformation” describes the twofold challenge of civilizing capitalism by overcoming the neoliberal mode of regulation while at the same time taking the first steps towards transcending capitalism. This requires strategically selective agency to overcome unsustainable social forms of capitalism, especially the growth imperative and consumerism (JACKSON, 2017), but also a reductionist understanding of politics and the state (NOVY, 2014). The double transformation offers a method that

is reformist as well as revolutionary. The guiding ideas of a double transformation, as proposed by Klein, consist in redistribution, social-ecological conversion of the economy and society, democratic participation and solidarity and peace-building (KLEIN, 2014, p. 112). In section three, the good life for all will be presented as such a modern left narrative, a green, eco-socialist utopia of a classless civilization that permits the flourishing of all its members (NOVY, 2012).

THE LIBERAL ILLUSION OF BORDERLESS GLOBALIZATION

This section is about the reformist moment of the double transformation in an age of increasingly authoritarian governance. It will be about broad strategic alliances to defend democracy, the rule of law and the welfare state. The argument of this section goes against the hegemonic interpretation of current political confrontations. Within a Polanyian framework it will be necessary to deconstruct the currently dominant interpretation of the political confrontation as a clash between globalizers and nationalists, even for defending minimum civilizational standards, not to speak about implementing deeper transformations.

TWO WAVES OF GLOBALISATION

Trade and finance were increasingly borderless in the first great globalization of the 19th century (RODRIK, 2011, p. 24ff). John Stuart Mill, who was an early sympathizer with women's right (ROSANVALLON, 2013, p. 265), but had no problem in justifying despotism "as a legitimate mode of government in dealing with barbarians" (MILL, 1985, p. 69 *apud* HOBSBAWM, 2003, p. 33), summarized the aspiration of this century: a world, "more improved; more eminent in the best characteristics of Man and Society; farther advanced in the road to perfection; happier, nobler, wiser"⁵. The progress of this socio-economic system was made possible by the scramble for Africa, colonialism and imperialism (HOBSON, 1968) and easy access to fossil fuels. While the divide between the Global North and the Global South increased (MILANOVIC, 2016), this *belle époque* was the paradise for the emerging middle and upper classes (HOBSBAWM, 2003, p. 55). Karl Polanyi was brought up in Budapest in this apparently stable cosmopolitan environment. Up to World War I, his middle-class radical political project was based on "an abstract, liberal conception of democracy" (DALE, 2016a, p. 100).

The idea of a borderless self-adjusting market was a powerful social invention that led to a hegemonic world view with respect to market globalization as a natural and progressive order. Up to the 1930s, it was "hard to find any divergence between utterances of Hoover and Lenin, Churchill and Mussolini" (POLANYI, 2001[1944], p. 26). Even Polanyi, in the 1920s a renowned journalist for the prestigious *Der Österreichische Volkswirt* in Vienna, remained victim of this *Zeitgeist* (POLANYI, 2001[1944], p. 21). Although philosophically a severe critic of Mises and Hayek, he himself held a rather naturalist understanding of the market mechanism. "With the Austrians and against Keynes, Polanyi believed that the market system relies on self-

⁵ This resembles Brazilian slave owner who had no problem in being convicted believers of economic liberalism and slavery. They adhered to Adam Smith's market ideology, but not to the thesis that the origin of the wealth of nations resides in labour.

equilibration and that policy interventions generally aggravate market instability” (DALE, 2016b, p. 104). So he himself is included, when Polanyi asserts that “[h]ardly anyone understood the political function of the international monetary system. [...] To liberal economists the gold standard was a purely economic institution; they refused even to consider it as a part of a social mechanism” (POLANYI, 2001[1944], p. 21). “The only equilibrium liberal economic theory recognized was a worldwide one. But in practice this model was inadequate” (HOBSBAWM, 2003, p. 41), as it did not grasp that the state is a crucial capitalist institution. But markets, capital and the state have developed hand in hand (MARX, 1986, chap. 24; WALLERSTEIN, 1995).

From the 1870s onwards the market continued to expand, “but this movement was met by a countermovement” (POLANYI, 2001[1944], p. 136): Economic liberalism “aiming at the establishment of a self-regulating market” on the one hand, social protection “aiming at the conservation of man and nature” on the other (POLANYI, 2001[1944], p. 138)⁶. This has inspired Block and Somers to see the original contribution of Polanyi in insisting that a market society cannot exist without institutional embedding. It is correct that we have to understand capitalism as an “always-embedded market economy” (BLOCK; SOMERS, 2014, p. 96). But such a reading reduces the double movement to a “self-equilibrating mechanism” (DALE, 2016b, p. 4), balancing societal swings from more to less market, globalization, privatization and liberalization. This “soft” reading underestimates that this process has always been asymmetrical with a strategic selectivity of interventions being functional to capitalist reproduction. Given the control of the means of production and in general also the means of sense-making via commercial media, there is an “asymmetrical configuration of constraints and opportunities on social forces as they pursue particular projects” (SUM; JESSOP, 2013, p. 214). Political groups, linked to dominant class interests, can impose strategies which might have destructive consequences for broader sectors of society. In the 19th century, strategic selectivity led to a specific mix of deregulation and regulation of markets. “Laissez-faire was planned; planning was not” (POLANYI, 2001[1944], p. 147). Markets continued to be viewed as natural, planning as artificial, but unavoidable to sustain the socio-economic system. While, in principle, the economic and political sphere should be clearly separated, protectionism and colonialism were deliberately used to improve national competitiveness. The liberal utopia that “economic society was subject to laws which were *not* human laws” (POLANYI, 2001[1944], p. 131) was defended against all evidence to the contrary, independent of real economic dynamics of state-market entanglements.

The interwar conjuncture differed from the pre-war situation, as most European countries became democracies in the 1920s, thereby empowering working and middle class claims for social protection by the state. In the 1930s, as a result of economic slump and political turmoil, governments produced – some on purpose, others unintentionally - weakened and unresponsive democracies that “are most vulnerable to attack by extremist leaders bent on imposing authoritarian solutions” (BLOCK; SOMERS, 2014, p. 35)⁷. Laissez-faire utopia, this “anarchism of the bourgeoisie” which “had no place for the state” (HOBSBAWM, 2003, p. 40) vanished in the big depression. Hand in hand, democracies were dismantled, *Red Vienna* being an emblematic case.

⁶ Hayek even interpreted this countermovement as dominant, perceiving a decline of liberal values from the 1950s onwards.

⁷ The stubbornness with which economic liberals, for a critical decade, had, in the service of deflationary policies, supported authoritarian interventionism, merely resulted in a decisive weakening of the democratic forces which might otherwise have averted the fascist catastrophe” (POLANYI, 2001[1944], p. 242). “Germany reaped the advantages of those who help to kill that which is doomed to die” (POLANYI, 2001[1944], p. 254).

As a consequence, a variety of illiberal national regimes implemented a deglobalisation agenda based on currency depreciation, trade wars and rearmament. Polanyi perceived fascism and socialism as two types of countermovement against the liberal mainstream – both “representing the possible in opposition to that which is impossible” (POLANYI, 2001[1944], p. 259). The defeat of fascism and a long war changed the relation of forces to the advantage of labour and against economic liberalism. The post-World War II order was a window of opportunity of a broad anti-fascist consensus based on building a civilization for all. A strong labour movement and the existence of the Soviet Union contributed to civilizing Western capitalism by institutionalizing social citizenship in the national power containers. With the decline of trade unions and the collapse of the Soviet Union, capital reassured its dominance, reigning today again without systemic alternative. The return of liberal ideology has been prepared since the 1940s, more systematically from the 1960s onwards. Appropriating important elements of left critique of the welfare state – especially its bureaucratic and paternalist traces – liberalism has become hegemonic on the political right and left. Economically, over the last decades, the neoliberal straitjacket of borderless financial markets and liberal trade regimes has fostered the centralization of capital, increased inequality and put severe stress on emancipatory territorialized strategies. The contradiction between capitalism and democracy has deepened (BOWLES; GINTIS, 1986), while in this emerging order of unregulated foreign trade and global financial markets, the power of political actors is limited in general, but especially in opposing interests of global capital and the wealthy (STREECK, 2013, p. 159). Not only at the end of the nineteenth century, due to regulatory isonomy and institutional isomorphism “the peoples of the world were institutionally standardized to a degree unknown before” (POLANYI, 2001[1944], p. 261).

TWO TYPES OF DEGLOBALISATION

The history of capitalist globalization shows that there is not a linear process of increasing planetary integration, but a dialectic movement of contradictory tendencies. As there have been two waves of globalization, there have been different types of countermovement against globalization⁸. The liberal Harvard economist Dani Rodrik (2011, p. 200) postulates a globalization trilemma insisting that “[w]e cannot have hyperglobalization, democracy, and national self-determination all at one”. As described in section 2.1., the straightjacket of the Gold standard in the interwar period sacrificed democracy. The Bretton Woods-system (1944-1973) limited globalization, especially global financial markets and free floating currencies, organizing democracy in the national container. The liberal hyper-globalization utopia after 1989 was global governance based on the hollowing out of the nation state and the invention of global democracy. Until very recently, this liberal vision has shaped values, institutions and public opinion.

Hartmut Rosa (2016, p. 671ff) has analysed capitalist globalization as driven by “dynamic stabilization” and the resultant modernist process of increasing opportunities via the global extension of the reach of relations (*Weltreichweitenvergrößerung*). The more options the better; the quicker the satisfaction of needs, the more needs can be satisfied. More, bigger, quicker is the imperative of dynamic stabilization. Money is the best

⁸ Fascism and socialism being the most important ones in the 1930s, including belligerent forms of protectionism and reactionary experiments with autarky.

possible tool to extend ones potential. The ideal of autonomous individuals, endowed with sufficient money, acting as free and equal agents in a borderless market society has become a widespread ideal – with supporters from diverse ideological camps. This tends to reinforce consumerism and neoliberal globalisation has aimed at artificially creating markets for nearly everything, commodifying nature and knowledge being the most recent effort of market engineering (BURAWOY, 2015). The resultant political polarization, social stress and cultural disintegration have been systematically neglected and underestimated (WILKINSON; PICKETT, 2010). But as egoistic gain-maximization cannot be limited to market agency, it will use all political and military means to be successful. This explains the attractiveness of nationalism, economic and non-economic strategies of outcompeting the “others” by legal or not so legal means. Organized crime – as long as it has not transformed itself into prestigious business – is just an illegal form of taking advantage. “And if the smug pride of the successful is often intolerable and offensive, the belief that success depends wholly on him is probably the pragmatically most effective incentive to successful action” (HAYEK, 1978, p. 83). Berlusconi innovated as a role model for successful political entrepreneurs, Trump radicalizes the ideal of the self-made man who uses all economic and non-economic, legal and not so legal means to be successful.

But the legitimacy of global governance is also questioned by geoeconomic and geopolitical changes in the Global North and South. On the one hand, the colonial attitude of “humanitarian interventions” in the tradition of Mill (WALLERSTEIN, 2007), double standards with respect to trade (CHANG, 2002) or uneven responsibility for ecological problems – it all systematically violates principles of equality. Nevertheless, the economic power of the rising Global South is challenging the supremacy of the West and demanding equal share in global wealth and resource depletion. On the other hand, the citizenship premium of being member of a rich society is still substantial (MILANOVIC, 2016, p. 133), apparently offering competitive advantages to groups which are real or potential loser of further economic globalization – the European periphery and the US-rust belt being two examples. The resistance to globalization by the systemic loser can take more or less rational and more or less ethical directions: From opposing austerity and the power of corporations to strategies of limiting immigration and the use of military power.

Following Polanyi, the current heated disputes between cosmopolitans and nationalists on issues like refugees, the Euro or Brexit are profoundly flawed. Capitalism as a socio-economic system based on universal self-regulating exchange of money, commodities, services and persons is compatible with fair play and peaceful conviviality only under very benevolent conditions. High growth rates – as obtained under welfare capitalism – for example are crucial for permitting win-win solutions. Signals of the end of this type of globalization prevail and the trend of imposing selective, often one-sided limits on globalization in its multiple forms is gaining momentum. In such a situation, pleas for “enlightened self interest” to introduce “global social rights” (LESSENICH, 2016, p. 188, 195) or a global inheritance tax to finance a basic income are raised (ROSA, 2016, p. 729f) by defender of cosmopolitanism. But the real political dynamic is going in a very different direction. Evidence suggests that confrontations of the years to come will most probably be about shaping diverging types of deglobalisation, territorial sovereignty and an increased role of the state: More or less trade and migration will then result from

territory-specific political decision making with very different outcomes. The strategic choice will most probably be between two alternatives: (1) a strategy of competitive deglobalisation with imperialist overtones imposed by the strong and (2) a strategy of democratically coordinated deglobalisation which at the same time intensifies international cooperation in solving contemporary global policy challenges.

On the one side, reactionary, belligerent countermovements have been spreading, the Tea Party in the USA (BLOCK; SOMERS, 2014, p. 193ff), right wing populism in Europe. Reactionary deglobalisation is authoritarian, ethno-nationalist and exclusionary. At the same time, these reactionary movements adhere to many principles of neoliberalism and embrace economic globalization, but only if it strengthens their respective market position and purchasing power. It is interesting that these reactionary movements more or less openly question climate change, as it would make basic tenets of their political and cultural program impossible. None of them embraces a minimal state, many favour a strong authoritarian state.

On the other side, Polanyi, Keynes (1933) and Rodrik have for long acknowledged the danger of beggar-thy-neighbour export orientation and globalized monetary regimes. Selectively dismantling this global framework is a reformist project which will permit “to tolerate willingly that other nations shape their domestic institutions according to their inclinations” (POLANYI, 2001[1944], p. 262). This would contribute to “a regionalized world of coexistence of different economic and social systems” (POLANYI LEVITT, 2013, p. 92). Rodrik insists on overcoming hyperglobalisation and proposes the return to the more successful strategy of legitimizing globalization “from below” in line with the Bretton Woods tradition.

[W]e can and should tell a different story about globalization. Instead of viewing it as a system that requires a single set of institutions or one principal economic superpower, we should accept it as a collection of diverse nations whose interactions are regulated by a thin layer of simple, transparent, and commonsense traffic rules [...] What it will do is to enable a healthy, sustainable world economy that leaves room for democracies to determine their own futures (RODRIK, 2011, p. 280).

Selective economic deglobalisation is not an objective in itself, but a necessary first moment of the double transformation, a means of levelling the political playing field and avoiding the worst combination of hyperglobalisation without democracy. Achieving this reformist objective requires broad alliances of the “many” who suffer from increasing centralization of economic power as well as increasing non-democratic control of political power. Against centralized economic power, territorial and place-based alliances against universal market actors will be crucial. While capital is mobile, the mobility of people is restricted politically, but also due to socio-cultural reasons. People are attached to places, their families, friends and routines. Capital is free of all nostalgic sense of belonging; it has no homeland. This asymmetry with respect to mobility has to be countered. Enabling a good life for all requires limiting power (BELLO, 2006): The power by the hyper-wealthy to interfere in domestic affairs as well as the systemic logic of universal isomorphism produced by universal markets and the commodification of everything. Restricting global financial markets, rigorous measures against tax havens, strict regulation on corporate ownership and binding social and ecological standards in world trade are necessary prerequisites for

effective policies to combat social polarization and ecological degradation. Only after dismantling excessive concentration of power, the ethical core of cosmopolitanism and the Enlightenment tradition can unfold.

But the second moment of the double transformation requires more than defending political democracy and civilizational minimum standards. Taking sustainability serious, the structurally expansive and accelerating logic of modern capitalism not only has to be curtailed, its systemic compulsion has to be overcome. Unlimited expansion and acceleration is incompatible with a realistic understanding of human beings (SPASH, 2016; ROSA, 2016). Unfortunately, in the modern “opportunity society” (BLÜHDORN, 2013, p. 27) a new version of the liberal utopia – and the categorical defense of globalization – is present on the political Left and Right. Government, power and politics are perceived as hindrance to liberty, even a threat to individual rights and freedoms. Place and territory are perceived as merely limiting and restricting. In the words of Michel Houellebecq (*apud* ROSANVALLON, 2013, p. 278), “France is a hotel, nothing more”. But in a finite world, place matters and there are limits to improvement, growth and acceleration. Neither are property rights or a basic income “unconditional”, nor can a “borderless” universal market organize freedom in a complex society. Limiting the “unconditional” aspirations for freedom as well as regulating “borderless” mobility of commodities, esp. “fictitious” commodities like money and labour, is indispensable to guarantee reciprocity not only in exchange, but also in involvement (ROSANVALLON, 2013, p. 271).

To put it in a nutshell, globalization is spreading in ever more diverse networks, technologies and consumption pattern. But this is not a process “up there”, centrally managed by international conferences and agreements. It is rooted in everyday life, in places and territories. And their responses, their “countermovements” make a difference, as they create emancipatory or reactionary accommodations. Therefore, the ethical and strategic preference for the global scale in solving global problems – climate change, hunger and refugees – has to be overcome. Is it utopian or illusory to call for the implementation of “global social rights” or a “global inheritance tax”? Polanyi would have identified such strategies as contemporary outflows of the liberal laissez-faire utopia, while insinuating that they are illusionary, impossible to achieve in a capitalist world economy based on “borderless” economic and territorial competition. Instead of insisting in solving global problems at the global level, the advantages of more complex strategies of “multispatial metagovernance” have to be acknowledged (MARTINELLI; MOULAERT; NOVY, 2013; JESSOP, 2016). Regaining territorial space of manoeuvre must not be reduced to national sovereignty, as diversity-prone economic policies require a multi-scalar strategy of increasing spaces of manoeuvre wheresoever possible. Although progressive change of European Economic Governance seems remote and regaining national sovereignty in Europe might awake ghosts of the past, emancipatory regionalization has to use transformative potential at all levels – from the local and regional to the national and supranational. Acknowledging the liberal laissez-faire utopia as illusory, does a concrete utopia exist that can lead emancipatory strategies and policies here and now?

THE GOOD LIFE FOR ALL

This section dwells on the revolutionary moment of the double transformation, which requires an emancipatory hegemony which – in the discursive field – is built “through ‘problematization’, that is, the identification of certain problems, often in response to *urgencies*, around which intellectuals (among others) elaborate a problem, its solution, truth regimes and social practices” (SUM; JESSOP, 2013, p. 202). Climate change, the rise of a reactionary Right as well as the current geo-economic reordering are such urgencies that imply positive and negative potentialities, as the contemporary conflict about who is enabled to lead a good life radicalizes: only the Global North, the wealthy and the powerful few? Confronting Karl Polanyi and Friedrich A. Hayek, contemporaries of interwar *Red Vienna*, will deepen the understanding of the real challenges to be faced.

POLANYI VERSUS HAYEK: A CIVILIZATION FOR THE FEW OR FOR ALL?

At the beginning of the 20th century, European societies were still characterized by deep class cleavages similar to the “social apartheid” characteristic of a range of developing countries today. Until the first world war, inequalities in wealth and income, resembled the current Brazilian structure of inequality (PIKETTY, 2014). The first world war as well as the emergence of the Soviet Union changed the power relations in favour of the working class. From 1918 onwards, political democracy and an incipient welfare state were implemented in many European countries, including Austria. Social democracy became a decisive political actor which governed the city from 1919 to 1934, experimenting with local socialism in diverse policy fields. Due to its innovativeness and effectiveness in transforming “workers into citizens”, *Red Vienna* became a world-renowned best practice example for progressive urban government (ÖHLINGER, 1993).

Karl Polanyi and Friedrich A. Hayek were both impressed by *Red Vienna* - for the one an example of embedding the economy, for the other a step towards serfdom (PECK, 2008, p. 9). In Vienna in the interwar period, social democracy, an internationalist movement, unable to gain power nationally, concentrated on implementing local socialism⁹. From 1919 to 1934 it held the absolute majority in municipal elections, allowing to implement its programme without coalition partner. *Red Vienna* was a progressive countermovement in the Polanyian sense, aiming at an inclusive civilizational model. A social ecological infrastructure of public facilities and universal access to high-quality social services and cultural activities were financed via progressive taxation. As “consumerism for all” – the social democratic policy of post-war welfare capitalism which put it in systematic conflict with ecological concerns – was impossible due to the straightjacket of the gold standard, policies concentrated on an alternative hegemonic project of popular livelihood based on commonality and solidarity. The new spirit of freedom was perceivable in new gender roles, alternative modes of teaching and social assistance and a flourishing popular culture. It opened the amenities of the city to all its inhabitants: Public housing permitting a dignified life, creating a private sphere in a communal context, in contrast to precarious tenement.

⁹ Similar to left parties in Uruguay and Brazil in the 1990s (PARTIDO DOS TRABALHADORES, 1991; BECKER, 2003).

So far, most civilizations restricted social and cultural progress to a selected segment of society. In ancient Greece, for example, for the free propertied citizenry, while women, slaves and foreigners were excluded in various ways. In fact, with few exceptions¹⁰, all civilizations were class societies based on hereditary social hierarchies. From the French Revolution onwards, diverse social innovations have tried to create civilizations for all, not only the select few. *Red Vienna* was such an experiment: While social democrats wanted to extend citizenship by democratic means from civic and political to social citizenship, its opponents sacrificed civic and political rights to avoid social citizenship for all. But it was also a cultural, unconsciously ecological struggle over use value in the city¹¹, about a form of life that can potentially be universalized, applicable to all: Taxing the wealthy to finance public housing was the most effective measure of fostering social cohesion. “Though restriction applies to all, the privileged tend to resent it, as if it were directed solely against themselves. They talk of slavery, while in effect only an extension to the others of the vested freedom they themselves enjoy is intended” (POLANYI, 2001[1944], p. 262f). Implementing the Enlightenment values of freedom, equality and solidarity seemed scandalous to many of the better off. *Red Vienna* was implemented against fierce resistance of the privileged minority, denounced as “city hall dictatorship” and “tax and finance terrorism” (WASSERMANN, 2014, p. 2). It was destroyed politically in a short civil war, leading to a “brain drain that resulted from the persecution, emigration, and murder” (WASSERMANN, 2014, p. 3). Economically this place-based experiment was defeated by the straightjacket of fiscal austerity and the gold standard (BECKER; NOVY, 1999).

Polanyi and Hayek offer diverging interpretations of this experiment. “Both thinkers identified the late nineteenth century as the onset of liberalism’s political, economic and intellectual decline, and both viewed the interwar corporatist shift in economic policymaking as propitious to, if not direct evidence of, a transition to socialism. This was a leitmotif in *The Great Transformation* and in *The Road to Serfdom*” (DALE, 2016b, p. 109). For Polanyi (2001[1944], p. 299), “Vienna achieved one of the most spectacular cultural triumphs of Western history <... and initiated an> unexampled moral and intellectual rise in the condition of a highly developed industrial working class.” Aiming not only at redistribution, but at restoring “habitation” of the proletariat was the locus of a struggle for dignity and freedom for all, not the select few.¹² “Polanyi, in short, experienced an epiphany akin to that which George Orwell described ten years later in Barcelona: suddenly, workers ‘looked you in the face and treated you as an equal’” (DALE, 2016a, p. 100). For Polanyi, democracy meant overcoming a servant mentality, social democracy based on relational equality and “an expectation of reciprocity, of mutual recognition” (ROSANVALLON, 2013, p. 261).

There was fierce opposition by large parts of the better-off against the democratically elected Viennese government and its intellectuals. University and media remained strongholds of “Black Vienna” (WASSERMANN, 2014), uniting the Christian-Social party, monarchists and fascist, while isolating left intellectuals. Hayek, whose “mind has been shaped by a youth spent in <his> native Austria” (HAYEK, 1978, p. vi) was part of this opposition, as he perceived *Red Vienna* as a threat to a tradition of liberty that – according to him - has emerged “through more than two thousand years” (HAYEK, 1978, p. 7). While – in his

10 The ancient Jewish communities being, according to Veerkamp (2012), such an exception.

11 “Culture is the mode of organization of use values” (POLANYI LEVITT, 1990, p. 115). Cited from Amin in “In Praise of Socialism”; Monthly Review 1974.

12 While there was a cultural struggle on political projects in the interwar period, after the war the question of the good life became a technocratic problem and was increasingly privatised. Polanyi was aware of these tendencies in post-war democracy. “A democracy restricted to the merely political field’, he warned, ‘is bound to *degenerate*. Its parties become a nuisance because they absorb the civic energies of the people and divert them to useless purposes.” (DALE, 2016b, p. 70).

view - ancient Greece and the Renaissance refined our understanding of liberty, freedom “has made little progress during the last hundred years and is now on the defensive” (HAYEK, 1978, p. 7).

Polanyi and Hayek both migrated to England which made an imprint on both. Hayek insisted on the “tolerance for the existence of a group of idle rich” (HAYEK, 1978, p. 127), as “inheritance is probably the best means of selection known to us” (HAYEK, 1978, p. 128). And he reasoned on the decline of the British Empire from the vantage point of nobility and rentiers: “British leadership has gone with the disappearance of the class whose style of living the others imitated.” (HAYEK, 1978, p. 48). Polanyi’s daughter relates very different experiences from the British class society. “I firmly believe that the shock of the passage from Red Vienna to the slums of Britain [...] burnt into his consciousness – as it did in mine” which explains “the passion in the pages of *The Great Transformation* that accuse the owning classes of sacrificing ‘Habitation for Improvement’” (POLANYI LEVITT, 1990, p. 123).

While Polanyi aimed at finally extending the merits of civilization to all, Hayek was convinced that civilization has to be based on social hierarchies: “Some must lead, and the rest must follow” (HAYEK, 1978, p. 45). Liberty, for Hayek, can only exist with servants and subordinates – “with some far ahead of the rest” (HAYEK, 1978, p. 43). The end of slavery and the surge of a middle class in the 20th century, documented in Piketty (2014), was an exceptional period in capitalist development – and a threat to Hayek’s class of the wealthy and their definition of liberty. As it is illusory “to assume a society shaped by man’s will and wish alone” (POLANYI, 2001[1944], p. 266), liberals have exhaustively exploited an apparent dilemma: “If regulation is the only means of spreading and strengthening freedom in a complex society, and yet to make use of this means is contrary to freedom per se, then such a society cannot be free” (POLANYI, 2001[1944], p. 266). This is Hayek’s simple, simplistic worldview. But it is also totalitarian, as – against all evidence of anthropologists and historians – the market is accepted as the only viable economic institution. Mixing competition and planning “means that neither will really work” (HAYEK, 1944, p. 43). For Hayek, what is permitted is “planning for competition, but not [...] planning against competition” (HAYEK, 1944, p. 43). This requires the constitutional prohibition of all economic institutions but the market. But even this market fundamentalism is not sacrosanct, as the embrace of bailout activities over the last years have shown. What is sacrosanct is the historically evolved hierarchical order which reproduces liberty and flourishing of the few. These totalitarian, anti-democratic traces of neoliberalism combine well with the current reactionary movements, although the latter are based on nationalism, an ideology that Hayek does not like (HAYEK, 1978, p. 405). But having to choose between right-wing authoritarianism and a civilization for all, Hayek’s position is clear: As in *Red Vienna* in the 1930s or in Chile in 1973, “it is conceivable that an authoritarian government may act on liberal principles” (HAYEK, 1978, p. 103).

Hayek was not only a fierce opponent of mass societies and unlimited government, but also of laissez faire in the sense of a minimal state. For him, liberalism requires a strong state that regulates markets. Hayek’s neoliberalism is more in tune with ordoliberalism, acknowledging that the market is the sole efficient economic institution. In this sense, Hayek better acknowledged the potential of a return of a liberal utopia after the war, if it accepts a strong state. Hayek’s neoliberalism combines

free markets with a strong state for the objective of maintaining a hierarchically structured class society.

While neoliberalism and right-wing populism diverge with respect to globalization, they share the concern for maintaining the status quo with respect to the hierarchy of life chances and options – a civilization for the few. Therefore, the current political struggle is against limiting the good life to a select privileged group, be it with respect to class position or ethno-national citizenship. If the good life is equaled to Western mass consumption, a good life is indeed not possible for all. Once, the different types of defenders of the status quo take this for granted and arrogantly define the Western life style as non-negotiable they have to take ever more radical measures to defend this “imperial mode of living” (BRAND; WISSEN, 2017). United in the common objective to sustain an unsustainable mode of living, a cross-class alliance between reactionary culturalism, climate change denier and technocratic neoliberalism might be forged. Orban, Abe and Trump pursue this strategy of protecting the status quo via authoritarian, pro-capitalist rule setting, serving patriotic sentiments, neglecting environmental concerns, preaching a neoliberal work ethos and defending corporate property rights while undermining constitutional checks and balances, universal human rights and international law, suppressing the autonomy of the judiciary system and civil society. Therefore, a broad democratic alliance of the left, liberals and democratic conservatives has to avoid civilization regress. This is necessary, but not easy, as neoliberalism has increasingly bid farewell to a hegemonic project based on popular support. Instead it has opted for a hollowing out of political democracy, in line with authoritarian neoliberalism.

PRODUCING THE COMMON FROM BELOW

But authoritarian neoliberalism which imposes a straightjacket of austerity on municipalities and regions is not the only future available. *Red Vienna* was an emblematic case: It showed that there is an alternative, although it could not resist reactionary destruction. Its struggle and its experiences, however, show what is at stake. While Hayek believed in the wisdom of the market, Polanyi had no simple answer. First and foremost, he did not fall in the trap of simply opposing the liberal worldview: Although neoliberals consider markets and competition as sacrosanct, neither the market nor competition should be abolished. Polanyi’s answer is deliberative, as he acknowledges the difficulties to construct freedom in a complex society. He defends liberal values of non-conformism and minority rights, while insisting on the necessity to rationally shape society by adequate institutions and infrastructures, even if they limit individual freedom of some and, therefore, will be fiercely contested. But – as POLANYI (2001[1944], p. 265) was well aware - only “regulation and control can achieve freedom not only for the few, but for all”. Rigid capital control and the abolishment of global financial markets are the single most important pre-requisites for civilizing capitalism. Only curtailing finance capital and disempowering the rentiers have made Keynesian reforms after 1945 possible. Restricting global monetary flows will contribute to levelling the playing field, limiting the chance of non-democratic loopholes and opening space for political agency at different scales.

Of key importance for the implementation of an inclusive and sustainable civilization is a fiscal policy which taxes the huge “unearned” rents obtained by inheritance, land, wealth and real estate. The power of “plutocracy” (MILANOVIC, 2016) has to be limited. Furthermore, existing infrastructures which sustain a fossil-fuel based mode of living (motorways, airports, oil refineries, etc.) have to be deconstructed or revitalized for a social-ecological infrastructure which drastically reduces the ecological footprint. The conversion of fossil-fuel based industries – like the car industry and agribusiness – has to be initiated. This will result in conflicts *in situ*: To facilitate cycling and walking, limits on cars have to be implemented. To stop subsidizing the car industry will result in the joint opposition of car maker and their trade unions. To foster regional and organic agricultural systems, true costs of transportation have to limit long-distance competition by monocultures.

The outcome of these conflicts is open. A civilization for all does not call for central planning or wholesale nationalization, but makes a plea for a mixed economy, a hybrid and pluralist economic system (HODGSON, 1999), as a cornerstone of a search and learning movement (SOMMER; WELZER, 2014) and participatory types of planning. A mixed economy assumes that markets, reciprocity, redistribution, householding and other institutional arrangements have their respective strengths in organizing the livelihood (POLANYI, 1977). It is the key learning from Polanyi’s critique of the liberal utopia, that avoiding universal markets and the respective monopolies and power concentrations are a prerequisite for effective policies of place-based actors in their local niches, substituting the homogenizing, centralizing and uniformising traces of neoliberal globalization. Building alternatives from below will avoid any totalitarian temptations, as context-sensitive policies will neither lead to a uniform, “politically correct” way of life nor can they be implemented from above. They have to be built collectively, adapted to the specific socio-cultural institutions and available infrastructures. This is foremost a cultural challenge of redefining our planetary responsibility as a dialectical process of strengthening democracy from below, giving voice to majorities while respecting diversity and bio-physical limits.

Given the unsustainability of a productivist and consumerist development model, neither exclusion of the many nor mere redistribution of the given guarantees a good life for all. Universal flourishing will only be possible with a new, more relational understanding of the good life – thereby initiating the “metamorphosis” of capitalism as a social revolution (SINGER, 1998). A sustainable and inclusive civilization is incompatible with consumerism as the illusion that all needs can be satisfied via commodities. Organizing the good life for all via access to mass consumption has been a tempting, ecologically increasingly inviable strategy for reformist movements. But it has always had disastrous cultural consequences, as it reinforced individualism and materialism – thereby undermining the cultural project of building a civilization based on “being” instead of “having” (FROMM, 2001). However, there is ample evidence that the good life is about fulfilling relations to people and objects, being secure and healthy, having friends and being allowed to be creative, in short: “resonance” (ROSA, 2016). The good life is about the equal right to belong and to be different. Without a blueprint for a reasonable, flourishing and frugal life, institutionalized collective learning has to experiment with satisfying the needs of “*homo reciprocans*” (ROSANVALLON, 2013, p. 271) like respect, friendship, existential security and fulfilling work.

Such resonant and resilient communal initiatives must not remain in niches; they can offer an attractive form of life to organize the common as participation, mutual understanding and shared spaces, be it by celebrations, sporting events, demonstrations or meetings. The utopia of a resilient and good life for all can inspire communal ownership of energy production and distribution, free or at least cheap public transport and decentralized cultural facilities as well as diversity-sensitive and affordable care, education and housing. It can valorize different types of work – from a paid job to householding and subsistence. And it can inspire the struggle for decent work and decent pay, be it via a regional living wage or collective bargaining – especially in sectors challenged by platform capitalism and huge corporate power, like Amazon, Uber and Walmart. These struggles might be able to contribute to an alternative hegemony based on “commonality” (ROSANVALLON, 2013, p. 277). Resistance to a society based on hereditary privilege, extravagance or separatism (ROSANVALLON, 2013, p. 298f) might stimulate inclusive and sustainable communities, municipalities and regions. Fostering new class- and region-crossing alliances in favour of emancipatory regionalization, sub- and supranationally might be an effective and resilient strategy to avoid the unleashing of the most ugly sides of the dialectics of enlightenment.

A POST SCRIPT ON THE CURRENT BRAZILIAN IMPASSE

Instead of summarizing the argument, this concluding section will aim at offering a few hopeful lessons for the current Brazilian situation. In 2002, I published *A Desordem da Periferia*, my rather pessimistic reflection on 500 years of space and power in Brazil (NOVY, 2002). It aimed at integrating the dependency and regulation approach, by articulating internal and external factors to understand the persistence of domination as well as empowering strategies “from below”.

From 2003 onwards, the Lula government was a timid attempt to overcome *The Disorder of the Periphery*. It aimed at repeating the social democratic experiences from the 20th century, including local socialism. And indeed, the first municipal experiments in the 1990s had focused on social infrastructure and participatory democracy, similar to *Red Vienna*. Luiza Erundina in São Paulo (1989-1992), Olivio Dutra in Porto Alegre (1989-1992) and many others were involved in a severe cultural struggle over the right to the city. Brazilian local socialism, as *Red Vienna*, was about strategies “for all”. But it was still a strategy of double transformation: inclusion in the system and transformation of the system (NOVY, 2002).

From 2003 onwards, national policies increasingly abandoned the revolutionary long-term aspirations. While institution and infrastructure building encountered severe opposition – the struggle about public transport being emblematic – amplifying mass consumption was embraced by all coalition partners. Differently from social democratic experiences in Europe in the 20th century, decommodification was implemented only in an incipient way in Brazil (ESPING-ANDERSEN, 1990). But participating in consumer society fosters individualism and the illusion of a money-centred approach to the good life. Only from 2013 onwards, the pressure “from below” to improve the social infrastructure – schools, hospitals and public transport

padrão FIFA – was articulated more systematically. It is tragic that this popular uprising was the entry point for the Brazilian elite to undermine the timid attempt at overcoming the slave owner legacy by creating a “Brazil for all”. Similar to *Red Vienna*, popular and intellectual support for president Dilma faded exactly when the reactionary forces became increasingly radical. In Brazil in 2016, as in Vienna in 1934, an unfeasible coalition of right-wing, liberal and reactionary forces reimposed order, that means a society based on clear, natural hierarchies. Domestic workers with social rights, descendants of slaves at universities and women governing the country – these cultural revolutions were aborted with clear resemblance to *Red Vienna*. However, *Red Vienna* could not be destroyed definitively and has inspired inclusive urban development until today. Therefore, the incipient steps towards social citizenship in Brazil, the multiple examples of building socio-ecological infrastructures from below might become – in the near or not so near future - recognized as pioneers of a social order that finally enables the equal freedom to all its inhabitants.

The illegitimate deposition of president Dilma Rousseff puts the defense of democracy, the rule of law and the incipient welfare state at centre stage. As in the fight against fascism in the 1930s and against right-wing populism in current Europe, broad alliances have to be built for this minimalist strategy. Hand in hand, however, more controversial measures have to be implemented, like rigid capital control and massive devaluation to raise import prices, especially for luxury products and tourism. As Roosevelt proved in 1933, changing the monetary regime is a prerequisite for reconstructing the national productive system. Furthermore, creativity and courage will be necessary to overcome the obstruction of substantial reforms, be it a tax reform or a reform of the political system. Reformist industrial policies must not repeat the mistakes of subsidizing unaccountable private national champions, but have to encourage small and medium-sized enterprises as well as public firms. With respect to the welfare regime, public infrastructure, public education, public health as well as flourishing urban public spaces have to form the backbone of commonality and citizenship. From the bottom-up, deliberate strategies of building social-ecological infrastructures have to be at the centre of new local coalitions. There is a rich pool of examples in Brazil: the cultural struggles over mobility policies in São Paulo under Fernando Haddad (2013-2016); solidarity economy, interpreted as a social revolution by Paul Singer (1998), and the landless movement’s strategy to link middle-class interests for regional and organic food with family agriculture and regional cooperatives. These, and many other place-based experiments together with territorial strategies of limiting market power and deepening participatory democracy offer the potential for an emancipatory hegemonic strategy in Brazil, representing concrete examples of a double transformation to create *um Brasil para todos* in a planetary civilization for all.

Andreas Novy is head of the Institute for Multi-Level Governance and Development at the Department of Socioeconomics at Vienna University of Economics and Business, Austria. He has published widely in the field of development studies, urban and regional development, social innovation and socio-economic transformations. He has been involved in European research projects (Urspic, Singocom, Demologos, Katarsis, Social Polis, Improve) with a strong focus on transdisciplinary and participatory research.
E-mail: andreas.novy@wu.ac.at

Article received on 30th March, 2017 and approved for publication on 20th June, 2017.

BIBLIOGRAPHY

- BECKER, J. Contra la corriente: política municipal alternativa en el Cono Sur. *Sociedade em Debate*, v. 9, i. 3, p. 225-265, Dic. 2003.
- BECKER, J.; NOVY, A. Divergence and Convergence of National and Local Regulation: the Case of Austria and Vienna. *European Urban and Regional Studies*, v. 6, i. 2, p. 127-143, Apr. 1999. <https://doi.org/10.1177/096977649900600203>

- BELLO, W. The capitalist conjuncture: over-accumulation, financial crises, and the retreat from globalisation. *Third World Quarterly*, v. 27, i. 8, p. 1345-1367, Nov. 2006.
- BLOCH, E. *Das Prinzip Hoffnung*. Suhrkamp Taschenbuch Wissenschaft. Frankfurt/Main: Suhrkamp, 1959.
- BLOCK, F.; SOMERS, M. *The Power of Market Fundamentalism*. Karl Polanyi's Critique. Cambridge: Harvard University Press, 2014.
- BLÜHDORN, I. The governance of unsustainability: ecology and democracy after the post-democratic turn. *Environmental Politics*, v. 22, i. 1, p. 16-36, Feb. 2013. <https://doi.org/10.1080/09644016.2013.755005>
- BOWLES, S.; GINTIS, H. *Democracy and Capitalism*. Property, Community, and the Contradictions of Modern Social Thought. London: Routledge, 1986.
- BRAND, U.; WISSEN, M. *Imperiale Lebensweise*. Zur Ausbeutung von Mensch und Natur im globalen Kapitalismus. München: oikom, 2017.
- BURAWOY, M. *Public Sociology*. Öffentliche Soziologie gegen Marktfundamentalismus und globale Ungleichheit. Weinheim und Basel: Beltz, 2015.
- CHANG, H-J. *Kicking away the ladder*. Development strategy in historical perspective. London: Anthem, 2002.
- DALE, G. *Karl Polanyi*. A Life on the Left. New York: Columbia University Press, 2016a. _____ *Reconstructing Karl Polanyi*. Excavation and Critique London: Pluto, 2016b.
- DICKEN, P. *Global Shift*. Mapping the Changing Contours of the World Economy. London: SAGE, 2015.
- ERHARD, L. *Wohlstand für alle*. Düsseldorf: Econ, 1957.
- ESPING-ANDERSEN, G. *The three worlds of welfare capitalism*. Cambridge: Polity Press, 1990.
- FROMM, E. *Haben oder Sein*. München: Deutscher Taschenbuch Verlag, 30. Aufl, 2001.
- GALBRAITH, J. K. *The end of normal*. The Great Crisis and the Future of Growth. New York: Simon&Schuster, 2014.
- HARVEY, D. *Justice, Nature and the Geography of Difference*. London: Blackwell, 1996. _____ *Spaces of Hope*. Edinburgh: Edinburgh University Press, 2000. _____ *A Brief History of Neoliberalism*. Oxford: Oxford University Press, 2005.
- HAYEK, F. A. *The Road to Serfdom*. Routledge Classics. Abingdon: Routledge. Nachdruck, 2001. Aufl. 1944. _____ *The Constitution of Liberty*. Chicago: University of Chicago Press, 1978.
- HOBSBAWM, E. *The Age of Empire*. 1875 - 1914. London: Abacus, 2003.
- HOBSON, J. *Der Imperialismus*. Köln-Berlin: Kiepenheuer & Witsch, 1968.
- HODGSON, G. *Economics and Utopia*. London: Routledge, 1999.
- JACKSON, T. *Prosperity without Growth*. Foundations for the Economy of Tomorrow. London: Routledge, 2nd. Aufl 2017.
- JESSOP, B. Territory, Politics, Governance and Multispatial Metagovernance. *Territory, Politics, Governance*, v. 4, i. 1, p. 8-32, 2016. <https://doi.org/10.1080/21622671.2015.1123173>
- KEYNES, J. M. National Self Sufficiency. *The Yale Review*, v. 22, i. 4, p. 755-769, 1933. _____ *The General Theory of Employment, Interest, and Money*. San Diego: Harcourt, 1964.
- KLEIN, D. Doppelte Transformation. In: BRIE, M. (Ed.). *Futuring - Perspektiven der Transformation im Kapitalismus und über ihn hinaus*. Münster: Westfälisches Dampfboot, 2014. p. 101-125.
- LESSENICH, S. Neben uns die Sintflut. Die Externalisierungsgesellschaft und ihr Preis. Berlin: Hanser, 2016.
- LÖWY, M.; SAYRE, R. *Romantismo e Politica*. Sao Paulo: Paz e Terra, 1993.
- MARTINELLI, F.; MOULAERT, F.; NOVY, A. (Ed.). *Urban and Regional Development Trajectories in Contemporary Capitalism*. Oxon: Routledge, 2013.

- MARX, K. *Das Kapital*. Kritik der politischen Ökonomie. Erster Band. MEW 23. Berlin: Dietz, 16. Aufl, 1986.
- MILANOVIC, B. *Global Inequality*. A New Approach for the Age of Globalisation. Cambridge: Belknap Press, 2016.
- MILL, J. S. *On Liberty*. London: Penguin Books, 1985.
- NOVY, A. *A Desordem da Periferia*. 500 anos de poder e espaço no Brazil. Zero a Esquerda. Petrópolis: Vozes, 2002.
- _____. Preliminary Reflections on an eco-social civilisation model for the 21st century. *Ensaio FEE*, v. 33, i. 1, p. 27-44, 2012.
- _____. *Shaping the Great Transformation*: Implications for Europe. Vienna: Grüne Bildungswerkstatt, 2014.
- ÖHLINGER, W. *Das Rote Wien*. 1918 - 1934. 177. Sonderausstellung des Historischen Museums der Stadt Wien. Vienna: Eigenverlag der Museen der Stadt Wien, 1993.
- PARTIDO DOS TRABALHADORES. *O modo petista de governar*. Sao Paulo: Partido dos Trabalhadores, 1991.
- PECK, J. Remaking laissez-faire. *Progress in Human Geography*, v. 32, i. 1, p. 3-43, Feb. 2008. <https://doi.org/10.1177/0309132507084816>
- _____. Explaining (with) Neoliberalism. *Territory, Politics, Governance*, v. 1, i. 2, p. 132-157 Nov. 2013.
- PIKETTY, T. *Capital in the Twenty-First Century*. Cambridge: The Belknap Press of Harvard University Press, 2014.
- POLANYI, K. *The Livelihood of Man*. Studies in Social Discontinuity. New York: Academic Press, 1977.
- _____. *The Great Transformation*. The Political and Economic Origins of Our Times. Boston: Beacon Press, 2001[1944].
- POLANYI LEVITT, K. The Origins and Significance of The Great Transformation. In: _____ (Ed.). *The Life and Work of Karl Polanyi*. Montréal: Carol Rose, 1990. p. 111-124.
- _____. *From the Great Transformation to the Great Financialisation*. On Karl Polanyi and Other Essays. Halifax&Winnipeg: Fernwood, 2013.
- RODRIG, D. *The Globalization Paradox*. New York: Norton, 2011.
- ROSA, H. *Resonanz*. Eine Soziologie der Weltbeziehungen. Berlin: Suhrkamp, 2016.
- ROSANVALLON, P. *The Society of Equals*. Cambridge: Harvard University Press, 2013.
- SINGER, P. *Uma utopia militante*. Petrópolis: Vozes, 1998.
- SOMMER, B.; WELZER, H. *Transformationsdesign*. Wege in eine zukunftsfähige Moderne. Transformationen. Vol. 1. München: oekom, 2014.
- SPASH, C. Social Ecological Transformation and the Individual. *Environmental Values*, v. 25, i. 3, june 2016, p. 253-258. <https://doi.org/10.3197/096327116X14598445991349>
- _____. (Ed.). *Routledge Handbook of Ecological Economics: Nature and Society*. London: Routledge, 2017.
- STREECK, W. *Gekaufte Zeit*. Die vertagte Krise des demokratischen Kapitalismus. Berlin: Suhrkamp, 2013.
- _____. *How Will Capitalism End?: Essays on a Failing System*. New York: Verso, 2016.
- SUM, N-L.; JESSOP, B. *Towards a Cultural Political Economy*. Putting Culture in its Place in Political Economy. Cheltenham: Edward Elgar, 2013.
- SWEEZY, P. M. *Theorie der kapitalistischen Entwicklung*. Eine analytische Studie über die Prinzipien der Marxschen Sozialökonomie. Köln: Bund-Verlag, 1959.
- VEERKAMP, T. *Die Welt anders*. Politische Geschichte der Großen Erzählung. Hamburg: Argument, 2012.
- WALLERSTEIN, I. *Historical Capitalism with Capitalist Civilization*. London: Verso, 1995.

- _____. *Die Barbarei der anderen - Europäischer Universalismus*. Berlin: Klaus Wagenbach, 2007.
- WASSERMANN, J. *Black Vienna*. The radical Right in the Red City, 1918-1938. Ithaca and London: Cornell University Press, 2014.
- WBGU. *Hauptgutachten*. Welt im Wandel: Gesellschaftsvertrag für eine Große Transformation. Umweltveränderungen), WBGU (Wissenschaftlicher Beirat der Bundesregierung Globale (Hg.). Berlin, 2011.
- WILKINSON, R.; PICKETT, K. *The Spirit Level: Why equality is better for everyone*. London: Penguin Books, 2010.