

# Human Freedom and the ‘Reality of Society’ : Origins and Development of Karl Polanyi’s Ideas during the Interwar Period

Claus Thomasberger

## Abstract :

Karl Polanyi’s most famous book, *The Great Transformation* contains several ideas and theoretical notions which are at the heart of long-lasting controversies throughout the social sciences. Categories such as ‘double movement,’ ‘embeddedness,’ ‘disembedding,’ ‘market society,’ or ‘social freedom’ have proved to be fruitful notions not only in anthropology, but also in sociology, political sciences, and economic history. The recent three volume publication of Karl Polanyi’s writings during the interwar period — including published articles and unpublished manuscripts — opens for the first time the possibility to have a closer look at the origins and the development of some of Polanyi’s concepts during the interwar period. In the paper titled “Human Freedom and the ‘Reality of Society’ — Origins and Development of Karl Polanyi’s Ideas during the Interwar Period,” Claus Thomasberger addresses Polanyi’s idea of a polar relationship between human freedom and the ‘reality of society.’ The paper offers new insights, discussing central questions which are crucial to the understanding of Polanyi’s reasoning : Where are the roots of his central categories? What influence did Marx have on Polanyi’s thinking? What is the relationship between Polanyi’s approach and the Austrian School of Economics? Is it appropriate to read his work in terms of an institutional approach? In order to give an answer to these questions, the paper goes back not only to the 1930s, but to the 1920s as well. As it demonstrates, Polanyi had already developed the core ideas of his thinking in Vienna, participating actively in the discussions between the Austrian School of Economics and Austro-Marxism about the possibilities of a socialist society.

JEL classification numbers : B 13, B 24, P 21.

## I Introduction

Karl Polanyi’s most famous book, *The Great Transformation*, which was written during World War II, contains several ideas and theoretical notions which are at the heart of long-lasting controversies throughout the social sciences. Categories such as ‘double movement,’ ‘embeddedness,’ ‘disembedding,’ ‘market society,’ or ‘social freedom’ have proved to be fruitful notions not only in

anthropology, but also in sociology, political sciences, and economic history. The recent three volume publication of Karl Polanyi’s writings during the interwar period — including published articles and unpublished manuscripts — opens for the first time the possibility to have a closer look at the origins of some of Polanyi’s concepts.<sup>1)</sup> In this paper I will address one of the notions, Polanyi’s idea of a polar relationship between human freedom and the ‘reality of society.’