

'Moral economy versus political economy: provincializing Polanyi' in Christian Karner and Bernhard Weicht (eds.) *The Commonalities of Global Crises: Markets, "Communities" and Nostalgia*, Palgrave Macmillan, forthcoming 2016

John Holmwood, University of Nottingham

Introduction

This chapter was begun during a period of study leave in the USA, a time marked by stark oppositions.¹ It was a year of celebration of the 50th anniversary of the Mississippi Freedom Struggles and the achievement of civil and political rights for African-Americans (Payne 1995). However, by 2013 the Voting Rights Act of 1965, which was central to the implementation of political rights, had been struck down by the Supreme Court. Almost immediately, a number of States introduced voting registration amendments that would restrict access to voting by poor and African-American people.² In addition, a criminal justice system responsible for mass incarceration (Alexander 2010) was under increasing scrutiny, especially in the light of extra-judicial killings of African-American men by police officers, which came into media attention with the shooting of Mike Brown in Ferguson, Missouri, in August 2014, an attention that was especially pronounced with the demonstrations following the failure to indict the officer responsible (see, Rogers 2014). The killings continued, alongside further demonstrations and grassroots organisation to combat them (for example, #blacklivesmatter). The academic year ended with the white supremacist killing of members of the African Methodist Episcopal church in Charleston, Virginia on June 7th 2015.

'Stop all the clocks...'³

And yet it seemed for white America, and, for sociology, in particular, the clocks did not stop; business went on as usual. The reality of 'race' in America, was not regarded as a challenge to the sociological imagination. In one sense, how could it? After all, the American Sociological Association's sections on 'Racial and Ethnic Minorities' and on 'Race, Gender and Class' are among the biggest and most active. The events described are above are easily assimilable to the ordinary topics addressed by the sociologists who identify their research with those fields. Yet, I want to suggest that, despite the significance of much of this work, there is an underlying problem of the discipline concerning the displacement of 'race' in the way in which modernity is understood and represented (perhaps also indicated in the elision of 'race' and 'ethnicity'). Essentially, I suggest that notwithstanding the continued significance of race as a 'phenomenal' issue, it is displaced from the centre of sociological concern by other mechanisms that are seen as being more fundamental. In effect, the deeper structures of sociological thought represent race as a 'residual' factor, a historical legacy that lags behind deeper social structural changes that would gradually remove it.

Let me explain further by reference to the 'standard view' that obtained at the moment of the seeming success of the civil rights movement. According to this view, race discrimination was broadly regarded as a 'particularist' distortion of the rational 'logics' of markets and bureaucracies, and, perhaps more significantly, of the universalist values of democracy itself. Indeed, in his influential account, Myrdal (1944) saw it as a limit on the values intrinsic

to the 'American creed' of equality, a limit that was destined to die away as the creed became more thoroughly institutionalised. The most influential US sociologist of the post-war period, Talcott Parsons, did not discuss race until the 1960s, after the successes of the civil rights movement, only to posit both the 'full integration of the Negro American' (Parsons 1965) and the development of a welfare state based upon (Marshallian) social rights (Parsons 1971). The latter was itself regarded as an expression of a "principle of equality [which] has broken through to a new level of pervasiveness and generality. A societal community as *basically* composed of equals seems to be the 'end of the line' in the long process of undermining the legitimacy of ... older, more particularistic ascriptive bases of membership" (1971: 119).⁴

Parsons's optimism was clearly misplaced. The victory of the civil rights movement seems to have inaugurated not further reform, but reaction. Rather than extend a previously segregated system of welfare and employment to include African Americans, it is as if it was preferable to US electorates to retrench it for all (Gilens 1999; see also, King and Smith 2014). This is a fundamental challenge to contemporary sociology and not just in the USA. From a sociological perspective – certainly, for example, that of Parsons - a regime of social rights can be understood as representing a distinctive form of moral economy beyond the strict political economy of capitalism. Yet this moral economy has been dismantled by neo-liberal policies that began in the 1970s. The puzzle has been to explain how this dismantling could arise with most explanations looking to imperatives of globalisation; that is, to argue that, once again, political economy has triumphed over moral economy (see also, Piketty 2014). 'Race' as an integral aspect of the process, I shall argue, has been neglected. It is precisely this neglect that I want to explain as following from deep, and unacknowledged, structures of the sociological thought.

Political economy versus moral economy

My reference to Parsons's account of capitalist development and its transcendence of 'political economy', has a polemical purpose. Few sociologists accept his account (or, perhaps, even read it) and, indeed, for his critics, nothing is more to be expected than the return of 'political economy'. However, it is precisely this 'naturalisation' of capitalist political economy that I want to call into question and to do so through reflection on the way in which the work of Karl Polanyi has been used to establish this 'truth' (notwithstanding its status as a truth that Polanyi himself was concerned to rebut). After all, there is a paradox in contemporary neo-liberalism, where its differentiation from 'classic' liberalism presupposes an intervening period of 'not-classic liberalism' in order to establish neo-liberalism as a project of return or re-ordering. Neo-liberalism may assert the necessity of the logic of markets, but it is a necessity that must confront the reality of alternatives.

For those seeking to utilise the work of Polanyi, then, there is, necessarily a cyclical process. There is, once again, a conflict between democracy and the global financial order similar to that that characterised the 1920s (Streeck 2011, Block and Somers 2014) and which was the direct impetus to Polanyi's landmark book, *The Great Transformation* (2001 [1944]). Where Polanyi analysed a 'first wave' of marketization in the emergence of capitalism in the 18th and 19th century and a 'second wave' in the 1920s and 1930s that was a harbinger of

fascist atavistic responses, so we are to understand that there has there has been a 'third wave' of marketization (against a post-2nd world war counter-movement of welfare reforms) beginning in the 1980s (Burawoy 2013. See also Piketty 2014). 'Market fundamentalism' (Block and Somers 2014), it seems, is a default policy option available to global elites to address any economic crisis; and commentators have returned to Polanyi to understand how that fundamentalism is constituted in terms of an ideology of the 'self-regulating' market.

Leaving aside the 'Eurocentrism' of the formulations of the three waves for a moment, they hardly explain the weakness of democratic responses and their fault-lines. Significantly, the political economy of capitalism that is invoked is usually a political economy without colonial formations and, in consequence, it is also a political economy in which nation states and their political authorities do not have to engage with a colonial past and a post-colonial present (as will become clear, I regard race in the US and elsewhere as a colonial/postcolonial issue). For example, despite Polanyi addressing the emergence of capitalism in Britain in the 18th and 19th centuries, there is no discussion of Britain as a colonial and imperial power. Moreover, the core conceptual apparatus of the book – the analysis of the three fictitious commodities of land, labour and money – appears to have no place for a treatment of 'race', except as a residual category of the 'social' in its resistance to market incursions. Nor is there a discussion of race in the many commentaries on Polanyi and the attempts to update his work (see, for example, Blyth 2002; Dale 2010; Block and Somers 2014).

Polanyi's (2001 [1944]) object in *The Great Transformation* was the emergence of classical political economy and the 'disembedding' of economic relations from a wider nexus of social relations and obligations in the establishment of the self-regulating market relations governed by impersonal economic laws enshrined in classical political economy. There is a clear parallel with E.P. Thompson's (1971) idea of moral economy, although the latter does not discuss Polanyi. Thompson coined the term 'moral economy' in his account of food riots in 18th century England. It was used to capture the everyday understandings of inequality, prices, and mutual (if asymmetrical) obligations that sustained economic relations prior to the emergence of the capitalist system of extended exchange relations. For Thompson, riots, and other actions by crowds in the 18th century, sought to hold to account merchants and other intermediaries seeking to introduce a new internal market for corn. In doing so, they counterposed a moral economy of appropriate prices to a new political economy of market freedom that, in Thompson's phrase, 'de-moralised' understandings of the theory of trade, replacing 'embedded' understandings with abstract ideas of the 'public good' (1971: 89).

For many historians prior to Thompson, these riots were 'spontaneous' and 'irrational' actions by an 'unruly' populace, but Thompson sought to show that they had the sanction of local tradition and the regulation of prices was frequently sympathetically viewed by magistrates and other local worthies. Moreover, the 'riots' had specific targets and were largely directed at specific ends and did not usually 'spill out' beyond them, which would be expected if they had simply been instances of 'collective contagion'. For Thompson, the riots were an indication of a moral economy of normatively regulated exchange relations undergoing displacement by a new regime, namely that of a political economy of market

exchanges. The latter was a political economy because although the idea of market exchanges was justified by the idea that it expressed natural laws of economic organisation and motivation, it required political agency to introduce the supposedly spontaneous self-regulated market system. The riots and other conflicts that were the focus of Thompson's concern were the evidence of this new political agency and resistance to it, a resistance that would have to be overcome as the new regime of political economy came into being.

Each argument has been criticized on more or less similar grounds, namely that the dichotomy between pre-capitalist moral economy and capitalist political economy is too sharply drawn. Indeed, in the case of Polanyi, it is even suggested that the dichotomy is contradictory, since his critique of capitalist political economy is directed at the 'fiction' of the 'self-regulating market' and, thus, that he implies that all markets, even capitalist markets, must be embedded in social relations to some extent (Granovetter 1985, Swedberg 1996; for a critical discussion, see Krippner 2001, Machado 2011). I shall suggest that these arguments are, in part, misplaced, not least because, in the case of Polanyi, his argument is directed at classical political economy as a *discourse* of public policy, rather than simply as an empirical description of the reality of markets. The 'revisionist' interpretation of Polanyi and Thompson misses the critical focus of their work, especially their arguments of the incoherence of liberal political economy. However, I shall suggest some revisionism is necessary, one that addresses race, which remains absent from other revisionist approaches, which, as in the case of Granovetter (1985) and Swedberg (1997), are concerned mainly with establishing an empirical programme for a 'new' economic sociology.

For Polanyi, the incoherence of political economy is established in his critique of the idea of the self-regulating market as the organizing principle of the public policies necessary to the establishment and reproduction of market exchange relations. Public policies that are based upon an incoherent and contradictory understanding will reproduce that incoherence in specific policy failures, notwithstanding the apparent 'perfection' (or 'utopia') of their theoretical construction. A similar idea is found in Durkheim's (1984[1893], 1992 [1937]) argument of the pathological nature of a classical liberal political economy that reproduces the conditions giving rise to anomie at the same time as ostensibly promoting the individual and his or her well-being or happiness as the utilitarian principle of welfare.

In the case of Polanyi (and Durkheim), this incoherence is the point at which the lever of criticism is entered and the possibility of social reform and alternative moral economies that looked beyond liberal capitalism and its violent transition might be developed (for example, those expressing complex freedom, moral individualism or social rights). However, I shall suggest the necessity of an alternative revisionism directed at the neglect of race in the treatment of moral economy and the constitution of labour as a category of political economy (I have argued elsewhere – Holmwood 2000a - that the significance of money in Polanyi's account is to establish an 'internal' limit on commodification in contrast to the 'external' limits indicated by labour and land). This will be proposed as a form of revisionism that, nonetheless, retains – and deepens – the critique of (neo-) liberal public policy as a (racialized) fiction and not simply as an 'anti-social' fiction.

While Thompson does not address the topic directly, the contradictory nature of political economy is, in effect, the default position of his Marxist orientation and the 'postponed' revolutionary alternative. However, many of those who utilise Polanyi do so as a surrogate for a discredited Marxian analysis that seems overly focused on the capital-labour relation and struggles centred on production. In this context, Polanyi is seen to add additional dimensions of land and money and their associated social struggles. Paradoxically, in going beyond Marx, Polanyi, and those who adopt his approach, leave the category of labour and how its commodity status is understood and represented untransformed. Yet, at a minimum, Polanyi must be seen as providing an analysis that expresses capitalism as much more 'loosely-coupled' - to use Perrow's (1984) happy phrase - than the 'tight-coupling' expressed in Marxian (or neo-liberal) theory. For the latter, production and distribution in a capitalist system are simply too 'tightly coupled' to allow reforms in the area of 'distribution' without the transformation of relations of production, and relations of production are also, themselves, tightly coupled to the 'logic' of the capital-labour relation. Each part is mutually dependent upon other parts, and change of one part cannot be undertaken without a simultaneous change in other parts. From the perspective of 'tight coupling', revolution is the only answer to the problem of reform.

It also follows that, in the absence of a revolutionary moment, the Marxian argument is potentially fatalistic in that it encourages the perception that there is no alternative to political economy and the policies based upon it. Marx (1975) was well aware of this problem, at least in the beginning, in his early journalistic writing for the *Rheinische Zeitung* in 1842/3 concerning the debates on the introduction of laws against the theft of wood and the plight of the Moselle wine growers. He presents those debating the problems in Moselle as being cognisant of the suffering of the wine growers and, at the same time, as declaring themselves unable to address it without the unintended consequence of deepening that suffering. 'Fatalism' in the face of human problems was part of the alienated self-understanding of emergent capitalism and its system of political economy.

It is precisely an alternative conception of the loose-coupling of capitalism that allows Polanyi to entertain institutionalised 'counter-movements', counter-movements which necessarily de-commodify land, labour and money, just in so far as they regulate or restrict free exchanges. The attractiveness of this account over that of the Marxist alternative is that it seems to allow the possibility of substantive reform within capitalism and, thus, an understanding of its varieties (see, for example, Esping-Andersen 2000). But this necessarily also involves a paradox. The 'logic' of the self-regulating market (or of the 'capital-labour relation') is a theoretical construct informing public policy (or its radical critique) and not necessarily a description of the practical operation of market exchanges. Empirically, markets require implementation and implementation meets resistance, a resistance, Polanyi suggests (2001 [1944]: xxx), that can come from 'all corners of the compass' (meaning, that it can be progressive, or conservative in its orientation, as is also implied by the idea of moral economies as resistant to political economy).

Let's pause to consider how this is a radical challenge to the Marxist understanding and its further implications. The Marxian account of class struggle depends upon a dialectic of formal and real subordination of labour to the capital-labour relation (Marx 1976). Thus, labour can have manifold forms, reflecting different prior conditions, as it becomes

subordinated to capital until it is transformed in its real subordination to the form of labour integral to the capital-labour relation, namely individuated and commodified labour-power. Whereas, there will be resistance to commodification or class struggles motivated by understandings that pre-exist processes of formal subordination, class struggle, proper, will be constituted by the real subordination of labour within the capital-labour relation and the wage form, as such, becomes the object of struggle and transformation.

The implications of Polanyi's analysis are different and suggest a specific critique of Marx's idea of capitalism and its contradictions. For Marx, the contradictions of capitalism ultimately render it impossible to reproduce, but that impossibility, apparently, does not call into question its realisation as an approximation to its pure form. For Marx, capitalism must first be realised, in order for it to be overcome. But Polanyi seems to be suggesting something different. What if the contradictions of capitalism (that is, on his analysis, those intrinsic to the idea of the self-regulating market) give rise to forms of resistance that modify capitalism away from its pure form in the moment of its coming into being? In other words, this suggests that the idea of the real subordination of labour is itself a 'utopia' in precisely the same sense that Polanyi attributes to the liberal idea of the self-regulating market. If the 'utopia' of the self-regulating market is an error of thought (with practical consequences), so too, must be idea of the real subordination of labour.

In other words, this must pose a question-mark over the idea of labour-power as the commodity form intrinsic to capitalism and expressive of its 'economic logic'. This, in turn, must pose a further question of how such an idea arises and I want to suggest that it is a contingent feature of the historical circumstances that are treated as exemplary for understanding the emergence of capitalism and reflect a Eurocentrism from which Polanyi himself is not immune.

Dispossession and the idea of labour power

My concern in this chapter is to open the space for a consideration of race as a determining factor in the formation of capitalist modernities. So far, I have suggested that resistance to commodified labour, can in Polanyi's terms, involve 'social' responses of manifold orientations. However, such a formulation is no more than suggestive of a space in which race can be conceptualised. That space, however, is vulnerable to expressions of it as opposed to the logic that is otherwise contained in the operation of 'impersonal' markets or 'impersonal' administrative systems. Indeed, I suggest it is necessary to go further and challenge Polanyi's representation of the 'fictional' status of *labour power* as the commodity form intrinsic to the idea of self-regulating markets.

Polanyi's argument here depends upon a separation of the human individual and his or her labour power. As with other 'fictional commodities' (land and money), Polanyi argues that, "the postulate that anything that is bought and sold must have been produced for sale is emphatically untrue in regard to them" (2001 [1944]: 72). He goes on, "labor is only another name for a human activity which goes with life itself, which in its turn, is not produced for sale but for entirely different reasons, nor can that activity be detached from the rest of life, be stored or mobilized" (2001 [1944]: 72). Yet the emergence of capitalism shows that it

coincides with chattel slavery, where *it is precisely the case that there is no separation between the human individual and his or her labour*. Under chattel slavery the individual, and not his or her labour power, is treated as a commodity and is detached from the rest of life and 'stored' and 'mobilised'. This separation is evident in the designation 'slave' which reduces (and dehumanises) the individual to their labour, in contrast to the term enslavement, which retains the separation of individual and their labour activity in the face of the inhumanity of the practice. In other words, whereas the idea of labour power as a commodity may be a 'fiction', the commodified labourer is not; for many, it is the reality of the emergence of capitalism.

We might ask why is Polanyi insensible of this fact? Whereas Marx sees commodified labour power as the impersonal logic of political economy, the implication is that, for Polanyi, commodified labour power should be understood as a *moral economy*, moreover, one with a limited application to the specific European (British) population that is the focus of his concern. Part of the problem lies in his treatment of colonialism and the category of land. It seems obvious that the creation of a category of workers in Europe with no access to resources other than through the sale of their labour on the market is associated with their dispossession from collective rights to land and the commons through the creation of private property in land. In that sense, land and labour (and for that matter money) are not 'fictional' commodities that develop separately from each other. The commodification of land displaces the rural population and makes them available for hire as wage labour. At the same time, it creates a surplus population with a potential interest in migration, just as British colonialism is opening markets. Thus, the enclosure movement in Europe that fuels migration also creates a form of colonial enclosure through settlement and displacement and destruction of indigenous populations. At the same time, colonialism provides opportunities for investment in enterprises that require a workforce – for example, sugar and cotton plantations of the American and Caribbean colonies. The paradox is that the later colonisation of Africa means that local populations are not made available for employment through dispossession, but only by kidnap and enslavement.

This can be seen directly in Locke, and what MacPherson (1962) has called his theory of 'possessive individualism' (as expressed in his second treatise on Government, and, perhaps, classic liberalism's foundational text). As Lebovics (1986) has pointed out, the usual interpretation sees this theory as 'anticipating' capitalism, yet it is written directly in the context of settler colonialism as well as of the enclosure movement. Those displaced by enclosure are offered the possibility of enclosure themselves in the form of settlement elsewhere. But what is important to Locke, on this analysis, is to show that common ownership confers no rights, only private ownership; the displacement of common rights through possession is not to be described as 'dispossession'. The restrictions on private property - that enough must be left for others and nothing must be left to spoil – are, in the first case, 'solved' by colonial settlement and the idea that it confronts a 'terra nullius', while unlimited accumulation without spoilage is resolved through money. Classic liberalism, then, asserts private property rights directly in the context of two of Polanyi's three categories, those of land and money, through the third, labour, as the expression of self-ownership as the basis of individual rights.

In this way, complex forms of subordination of labour to capital arise – wage labour, family labour, indentured service and enslavement – and the different forms are socially constructed (and resisted) and politically regulated. The idea of ‘free labour’ appears to emerge as a category of disadvantaged membership in a societal community, governed by cultural norms of proper treatment. Given the well-documented debates over the humanity (or otherwise) of native Americans and Africans in the context of Spanish colonialism (Rodriguez-Salgado 2007), as well as philosophical reflections on ‘stages’ of history (Bhambra 2007), and religious involvement in the anti-slavery movement (Anderson 2014), these cultural norms were religiously inflected and racially organised. It is in this sense, that commodified labour power and its separation from human individuality might be understood as a ‘moral’, rather than an ‘economic’ category, deriving from a particular religious tradition and applied, in the first instance, only to those understood as members.

Part of the reason why these connections have not been drawn is because of a general neglect of colonialism and enslavement in sociological accounts of modernity (see, Bhambra 2007; Bhambra 2014). This is compounded, too, by the generalisation of employment as the dominant means of access to resources. The normalisation of the labour market has tended to reinforce the idea that it is constituted by a primary economic ‘logic’. I want to suggest that the generalization of employment relations does not derive from an economic logic of capitalism, but from a political process, and that process cannot be assigned to its mere functionality for capitalism. This argument is both theoretical and substantive.

The economic ‘logic’ of capitalism, if by that we understand the operation of markets and the sale of labour on the market, has historically given rise to many forms of labour, but when Marx wrote it was associated with the rise of ‘day labour’, much closer in form to that which we would now regard as ‘casualised labour’. As I have suggested, this form of labour has historically co-existed with many other forms, including slavery, bonded or indentured labour, family labour, gang-labour etc, suggesting that there is no particularly strong market logic undermining these other forms, even in what are regarded as strongly liberal forms of capitalism such as Britain and the US. This also helps us to understand how capitalism can have colonialism as an integral part of it and that seemingly classically liberal capitalist states such as Britain can be involved in an Imperialism that involves the extension and utilization of bonded labour, as well as slavery (See, Steinfeld 1991, Orren 1991). The USA, for its part, was a settler capitalist country (see, Prasad 2012), with all that implies for its institutions of political and economic domination.

I contend that it is *a political* process that establishes ‘free’ labour and undermines forms of unfree labour or conversely, maintains them, but that it does not, by that token, produce free labour as a pure economic category (the fiction of liberal theory). There are a number of processes involved, including the trades union movement, but these processes necessarily also involve the state. The generalization and normalization of labour contracts owes less to the ‘logic of capitalism’ and more to the emergence of the ‘general-welfare state’ (Fine 1956), where the need to generate taxes, etc also leads to the regularization of forms of payment etc. In this way, the generalization of employment relations is already a process of social citizenship (albeit restricted) and the incorporation of labour into ideas of (hierarchically organised) citizenship. It is not the ‘logic’ of the market, but the state that has produced the effects usually attributed to the former. As Durkheim argued, "it is the state

that has rescued the child from patriarchal domination and from family tyranny; the state that has freed the citizen from feudal groups and later from communal groups; it is the state that has liberated the craftsman and his master from guild tyranny" (1992[1937]: 64).

But precisely because it is the state, and the state operates in relation to prevailing modes of moral economy, the organisation of labour contracts depends on forms of recognition and misrecognition that embody the racial hierarchies bequeathed by colonialism. We are used to think of the 'general-welfare state' as the nation state, but from the 18th century through to the mid-20th century, the European nation state was in nearly all cases a colonial and Imperially-aspirant state. The political community of the state extended beyond its national boundaries and involved a stratified and hierarchical form of citizenship – involving subjects of the Empire as well as subjects of the nation. In other words, 'race' is both integral to the formation of labour as a category and is integral to the DNA of the modern state. The 'possessive individualism' (MacPherson 1962) integral to the liberal idea of the self and its expression within market exchange relations is the product of wider social relations than simply those of the capital-labour relation and, as such, it is a moral concept given 'economic' form.

The free movement of capital and the free movement of unfree labour

It is my contention that once the sociological conditions of the emergence of the fictional commodities of labour, land and money are placed in the context of colonialism, we will be in a position to understand the present crisis somewhat differently than current conceptions of a 'third wave' of marketization. We will also be better able to understand the fault-lines in democracy and their racialized character. I began with a discussion of the problem of race in the USA and its immediate and vivid manifestations and I am now in a position to return to reflect upon the significance of understanding 'labour power' as a racialized category.

Paradoxically, the retrenchment of social rights more generally following de-segregation in the USA has the appearance of making 'class' more relevant in the explanation of the experience of African-Americans than that of 'race' (Wilson 1978, 2015). This is because a significant proportion of white Americans come share a similar experience of disadvantage. However, what needs to be understood is that it is 'race' that explains the re-emergence of 'class' and not *class* which is the underlying explanation of 'race'; this is an interpretation that poses a problem for sociological class analysis, despite appearing to affirm it. Indeed, it is precisely for this reason that Wilson (2015) makes the argument that his claim is about *race* and not ethnicity, more generally (which would be the case, if a simple version of class analysis was being affirmed).

In this context, it is significant that when Myrdal (1963) returned to consider the fate of the US welfare state in the light of civil rights, he perceived something different from what Parsons supposed would be the emergence of a regime of social rights, notwithstanding Myrdal's own separate commitment to a welfare regime embodying institutionalised social rights. A failure to invest in productivity meant that the US risked the creation of an 'underclass', separated from opportunities and at risk of unemployment and

underemployment. For Myrdal, this was a 'structural' problem that was also 'racialised', but it was soon to be transformed within neo-liberal discourse into a 'behavioural' problem (Gans 1995). In this context it became associated with increasingly punitive policies to enforce private responsibility from which the US carceral state derives, and also involved the pathologising of African American culture. In other words, the problem did not lie with socially structured inequality or with 'American values', but with African Americans being outside those values.

But I could just as easily have begun the chapter with the current crisis over migration and refugees in Europe. Here, the language of anti-slavery is now applied to deny migrants access to European welfare. Thus, politicians and EU civil servants refer to 'people trafficking' and the need to challenge its 'business model', either by destroying the means of transport for those fleeing suffering in their own countries or by making Europe and its constituent countries a hostile environment for migrants. Disruptions at border ports, such as that of Calais, have led to descriptions of migrants as a 'swarm', disrupting British holidaymakers exercising their 'right to holiday' by their illegitimate pursuit of a 'safe haven'.⁵

Indeed, part of the British debate around migration, more generally, and especially that of migration within the European Union, is explicitly about excluding migrants from welfare benefits, including those designed to support households where members are in low paid employment. In other words, there is argued to be a language of 'desert' applied to low pay, in terms of 'members' of the political and social community who deserve better and those who are not 'members' and, therefore, are appropriately subjected to politically enforced market strictures. Of course, such exclusions are difficult to make and potentially illegal in the light of EU requirements. In this context, the easiest way to remove benefits from migrants is to remove them from everyone. This is a process of the dismantling of welfare similar to that evident in the US following the extension of civil and political rights to African-Americans.

But, is it, in fact, a process which is only just beginning to unfold in Europe in a manner that was foreshadowed in the USA? Once again, it would be well to recall how the USA was represented in European comparative sociology as a 'laggard' welfare state, which would gradually move closer to the more institutional welfare regimes of Europe. Yet recent arguments, such as that of Piketty (2014), suggest that the post-war regimes in Europe that seemed to deliver a secular decline in inequality were already coming to an end at about the same time that the USA was suggested to transcend its 'laggard' status. In other words, Europe began to 'Americanise' at just the time that America was supposed to 'Europeanise' (Holmwood 2000b). The re-emergence of neo-liberal moral economy begins from the late 1970s.

In addition, for many commentators, the explanation is associated with declining 'solidarities' within the political and social community, as the experience of wartime solidarities and exigencies fades. This is also connected by writers, such as Goodhart (2013), with high rates of immigration that undermine social democratic solidarities. In these arguments, however, immigration is typically treated as an exogenous factor and not connected back to the colonial formation of European welfare states.⁶ Thus, Esping-

Andersen (2000) follows Polanyi in his neglect of race in the discussion of processes of commodification and de-commodification. Yet it seems clear that the politics of 'immigration' is strongly associated with welfare regimes and these, in turn, have different colonial histories.

For example, Esping-Andersen identifies a specific 'liberal welfare regime', in which he places the USA, Australia, New Zealand, Canada, and the UK. It is striking that each country is a 'settler capitalist' country that serves to constitute the agrarian interests that are so significant in its subsequent development, as well as providing an explanation of a lower range in the distribution of wealth and inequality for much of the nineteenth century, as documented by Prasad (2012) and by Piketty (2014) alike. Of course, Britain is not a 'settler capitalist' country, but it is a country that settled and provided settlers, thereby, creating interconnections with settler capitalist economies and shaping its own political economy through colonial encounters. Yet these interconnections and encounters have largely been neglected in comparative studies of welfare and policy regimes (Holmwood 2014). The point is not that immigration has now begun to undermine solidarities, but that solidarities were formed on a racialized politics of colonial encounters.⁷

The importance of understanding the colonial formation of current debates on welfare and immigration is evident in the emergence of a new neo-liberal argument for the free movement of 'unfree labour' recently put forward by Posner and Weyl (2014; see also, Weyl 2015).⁸ It is hard to understand the resurgence of 'unfree labour' and its embrace by liberal theorists, except that racialized unfree labour has always been integral to liberalism (for a discussion of the wider illiberalism associated with liberalism, see King 1999). Their argument purports to address issues of global inequality, suggesting that attempts to address inequality within nation-states do nothing to alleviate global inequality because of a perceived need to close borders to protect domestic labour from competition and welfare budgets from the claims made by the migrant poor. Yet, they argue, it is precisely the movement of poor people from the global South to the North, together with the sending of remittances back to the global South that will do most to reduce global inequality (even if inequality rises within the national welfare states of the global North).

They are conscious that 'open borders' need to be sold to populations and politicians in the global North. Their solution is a rigorous 'othering' of migrants, to create what they explicitly describe as a caste system. Their model is Qatar where migration by co-religionists of the majority population is discouraged in order to reduce the development of solidarities between local populations and migrant workers. 'Belonging' is a privilege of local citizens; migrants are displaced from where they belong and are to be offered no recognition in the places to which they move.

At the same time, Posner and Weyl suggest that migrants should be paid significantly lower wages than those typical of even low-paid workers in the host society (they suggest an annual income of \$5000 in the USA). They must also be deprived of rights to organize and protest, and are to be delivered into a strict subordination to employers as indentured labour. While the exploitation of indentured labour will be to the benefit of employers (and consumers) in the North, they claim that it will also be to the betterment of indentured

labourers themselves, who are escaping the worse conditions they otherwise face 'at home'.

The idea of their 'betterment', however, depends on the idea that the global North bears no responsibility for those conditions, and that, however constrained, indentured labour represents a 'choice'. At what point does 'indentured labour' become so constrained that it represents enslavement? In a separate piece, Weyl (2015) argues that the forced transport of enslaved Africans to the US brought about an improvement in the circumstances of African Americans, when compared to those that remained in Africa and, at the same time, describes systematic racism as the way in which this beneficial outcome was achieved.

The argument made by Posner and Weyl is presented as a simple utilitarian argument for the efficiency of free trade. It is precisely the kind of 'fiction' described by Polanyi. What should be clear, however, is that, for them, freedom of trade lies on only one side of the capital/ labour relation. Global capital should be allowed unregulated free movement, while free movement of labour should be severely regulated. Domestic capital should be free to exploit indentured labour, while migrant labour should be policed and prevented from claiming rights enjoyed by other citizens (though, of course, it is unlikely that local populations in the global North could be insulated from the effects of divided citizenship and merely enjoy the fruits of the indentured labour in the form of cheap services).

Like other advocates of free markets, they are doubtful that alternative models of alleviating poverty, such as foreign aid, can be effective because of the corruption of governments (though they endorse private philanthropy, as do other liberal theorists; see for example, Barry, 1990). Yet corruption is much more a product of the very free movement of capital that they endorse, where 'payoffs' to local elites for access to land, minerals and fuels, are cheaper than compensation would be to those dispossessed by that access.

What Posner and Weyl fail to address is that the supposed efficiency gains of free trade are appropriated by a tiny minority of the world's population and, yet, are enjoined upon all as a necessity that 'rational' individuals must accept. Thus, they argue strongly for free market freedoms based upon private property, but do not reflect upon how the asymmetrical possession of private property itself derives from systematic dispossession; that is, through land grabs, enclosures, displacement of local systems of subsistence, and access to mineral extraction through corrupt contracts with local elites. It is dispossession that produces the conditions of impoverishment that make indentured labour a 'choice' preferable to starvation, and that 'choice' that demonstrates the 'freedom' of 'unfree labour'.

Why should public policy support the individual rights of the few over the collective rights of the many? Why should individual rights provide returns to owners of private property, but there be no compensation for the loss of collective rights they entail. Back in the 18th century, Thomas Paine wrote in his pamphlet on *Agrarian Justice* of the need to provide reparation for the loss of concrete and specific rights by agricultural workers following the enclosure movement that drove them off the land (in turn, for some to migrate to settle supposedly 'virgin' lands and dispossess indigenous populations elsewhere). Paine's argument remains urgent in the present as an argument for global social justice. It is one that is potentially transformative in the current debate about migration.

Current EU policy toward migration seeks to establish a hostile environment to discourage migration, while the free market option is based on unfree labour. Yet it is possible to envision a different way forward that addresses the conditions from which migrants seek respite. This would involve transfers from the global North to the global South, but they are not well-described as foreign aid. In contrast, they should be described as reparations that compensate for past dispossession (through colonial appropriation and enslavement) and that ensure compensation and proper participation in decisions about current appropriation. But it would also imply recognition of migrants as citizens, in a context where European (and other) nation states were previously colonial states in which they were subjects. As Bhambra argues (2014), migrants are as much part of the 'histories' of European nation states, as those deemed to be their 'native' and historical members on their transition from colonial/imperial states to nation states more recently.

Conclusion

I have suggested that in order to address current issues of race and issues of national and global inequality, we can learn from the work of Karl Polanyi, but that in order to do so, we need to 'provincialise' his work. In common with other advocates of the 'provincialisation of social theory (see, Chakrabarty 2000), I understand this to mean being attentive to the contingent historical conditions in which specific categories emerge and come to be de-contextualised as 'analytical' truths. In the case of Polanyi, I have suggested that despite understanding the development of capitalism to be associated with dispossession, his understanding of the 'fictional' commodities of labour, land and money remain dependent on a particular European experience which is mis-described (or, at least, incompletely described) in such a way as to elide the centrality of race and the nature of liberalism as a racialized moral economy.

In this chapter, I have suggested that treating political economy as a form of moral economy is a positive move, but that we should retain the Polanyian idea of the internal incoherence of (neo-) liberal moral economy, while recognising that incoherence does not derive from its abstraction from social content, but its specific incorporation of a racialized content. In arguing for the importance of a 'thick' conception of social rights against the 'thin' neo-liberal conception of individual rights it is necessary to address the nature of access to rights and the continuation of domination for some, despite recognition of others within any prevailing form of rights. In this chapter, I have suggested broadening the concept of moral economy in order to understand that supposedly commodified labour power – free labour – does not derive from an economic 'logic', but from a political process of inclusion, exclusion and domination. Once that analytical shift is made, we can understand that the fault-line in democracy remains that of race and that the failure to extend social rights is one of the reasons why they are currently unravelling.

These are lessons being made visible in Calais, Kos and Lampedusa, on the streets of cities in the United States, and elsewhere, if we had the (sociological) imagination to see and to learn.

Notes:

¹ I should like to thank the members of the Egalitarianism seminar at the Institute for Advanced Study, Princeton, especially, Danielle Allen, Gurminder K. Bhambra, Sara Edenheim, Michael Hanchard, Charles Payne, and Mara Viveros Vigolla, for discussions that facilitated the development of the arguments in this chapter, and also Robert J. Antonio for his critical comments.

² See the page at the American Civil Liberties Union website:
<https://www.aclu.org/issues/voting-rights>.

³ The line comes from the poem by W.H. Auden, but it was brought to mind by an article about riots in Baltimore following the police killing of Freddie Gray in *The Atlantic* magazine by Ta-Nehisi Coates (2015), 'The clock didn't start with the riots'.

⁴ It might be supposed that Parsons's failure to publish his account of *American Society* (2007) in his lifetime – a project begun in the 1950s - had something to do with the intractability of racialized social problems in the light of his account of them. Tellingly, Parsons also suggested the title, '*The Acton of Social Structure*', yet, given his concern to establish the distinctiveness of the USA as a 'multi-ethnic society' (Alexander 2007), what seems most significant was the failure of social structure to produce its effects in the very area of racialized domination. Indeed, elsewhere his account of the 'system of modern society' (1971) makes only one mention of colonialism and Empire to indicate its 'transitional' character (1971:137), notwithstanding it is not a transition to modernity that he discusses, and the USA is identified as the new 'lead society' with no mention of it as a colonial 'settler' society and the racialized character of the processes of settlement.

⁵ See for example the speech by Prime Minister Cameron, is available at:
<http://www.bbc.co.uk/news/uk-politics-33716501>.

⁶ See Banting (2005) for a more nuanced discussion.

⁷ Lebowics's conclusion is direct, but remains outside dominant sociological understandings: "[Locke] made the colonial empire a vital bond between Britain's new elite and those they governed. He thereby strengthened the nascent liberalism of British society by building into it the promise of growth, of more for all, of social peace through empire" (1986: 581).

⁸ This discussion of Posner and Weyl is based upon a short article written jointly with Gurminder K Bhambra (Holmwood and Bhambra 2015).

References:

Alexander, Michelle. 2010. *The New Jim Crow: Mass Incarceration in an Age of Colorblindness*. New York, NY: New Press.

Alexander, Jeffery C. 2007. 'Foreword', Talcott Parsons, *American Society: A Theory of the Societal Community*, Edited and introduced by Giuseppe Sciortino. Boulder, CO: Paradigm Publishers.

Anderson, Elizabeth. 2014. 'Social movements, experiments in living, and moral progress: case studies from Britain's abolition of slavery', *The Lindley Lecture at the University of Kansas*. Available at: http://kuscholarworks.ku.edu/bitstream/handle/1808/14787/Anderson_Social_Movements.pdf?sequence=1.

Banting, Keith. 2005. 'The multicultural welfare state: international experience and North American narratives', *Social Policy and Administration*, 39(2): 98-115.

Barry, Norman. 1990. *Welfare*, Milton Keynes: Open University Press.

Bhabra, Gurinder K. 2014. *Connected Sociologies*. London: Bloomsbury Academic.

Bhabra, Gurinder K. 2007. *Rethinking Modernity: Postcolonialism and the Sociological Imagination*. Basingstoke: Palgrave MacMillan.

Block, Fred and Somers, Margaret. 2014. *The Power of Market Fundamentalism*. Cambridge, MA: Harvard University Press.

Blyth, Mark. 2002. *Great Transformations: Economic Ideas and Institutional Change in the Twentieth Century*. Cambridge: Cambridge University Press.

Burawoy, Michael. 2013. 'Marxism after Polanyi' in Michelle Williams and Vishwas Satgar, *Marxisms in the 21st. Century*, Johannesburg: Witswatersrand University Press.

Chakrabarty, Dipesh. 2000. *Provincializing Europe: Postcolonial Thought and Historical Difference*. Princeton, NJ: Princeton University Press.

Coates, Ta-Nehisi. 2015. 'The clock didn't start with the riots'. *The Atlantic*, April 30th. Available at: <http://www.theatlantic.com/politics/archive/2015/04/ta-nehisi-coates-johns-hopkins-baltimore/391904/>

Dale, Gareth. 2010. *Karl Polanyi: The Limits of the Market*. Cambridge: Polity.

Durkheim, Emile. 1992 [1937]. *Professional Ethics and Civic Morals*, London: Routledge.

Durkheim, Emile. 1984 [1893]. *The Division of Labor in Society*. New York, NY: Free Press.

Esping-Andersen, Gösta. 2000. *The Three Worlds of Welfare Capitalism*. Princeton, NJ: Princeton University Press.

Fine, Sidney. 1956. *Laissez Faire and the General-Welfare State: A Study of Conflict in American Thought, 1865-1901*. Ann Arbor, MI: University of Michigan Press.

Gans, Herbert J. 1995. *War against the Poor: The Underclass and Antipoverty Policy*. New York, NY: Basic Books.

Gilens, Martin. 1999. *Why America Hates Welfare, Race, Media and the Politics of Antipoverty Policy*. Chicago, IL: University of Chicago Press.

Goodhart, David. 2013. *The British Dream: Successes and Failures of Post-war Immigration*. London: Atlantic Books.

Granovetter, Mark. 1985. 'Economic action and social structure: the problem of embeddedness', *American Journal of Sociology*, 91(3): 481-510.

Holmwood, John and Bhambra, Gurinder K. 2015. 'Capitalist dispossession and new justifications of slavery', *OpenDemocracy*, July 3rd. Available at: <https://www.opendemocracy.net/beyondslavery/john-holmwood-gurinder-k-bhambra/capitalist-dispossession-and-new-justifications-of-s>

Holmwood, John. 2014 'Beyond capital: the challenge for sociology in Britain', *British Journal of Sociology*, 65(4): 607-18.

Holmwood, John. 2000a. 'Three pillars of welfare state theory: T.H. Marshall, Karl Polanyi, Alva Myrdal in defence of the "national" welfare state' *European Journal of Social Theory* 3(1): 23-50.

Holmwood, John. 2000b. 'Europe and the "Americanisation" of British social policy', *European Societies* 2(4): 453-87.

King, Desmond S. 1999. *In the Name of Liberalism: Illiberal Social Policy in the USA and Britain*. Oxford: Oxford University Press.

King, Desmond S. and Smith, Rogers. 2014. "'Without regard to race": critical ideational development in modern American racial politics', *Journal of Politics*, 76 (4): 958-971.

Krippner, Greta. 2001, 'The elusive market. embeddedness and the paradigm of economic sociology', *Theory and Society*, 30(6): 775-810.

Lebovics, Herman. 1986. 'The uses of America in Locke's Second Treatise of Government', *Journal of the History of Ideas*, 47(4): 567-581.

Machado, Nuno Miguel Cardoso. 2011. 'Karl Polanyi and the new economic sociology: notes on the concept of (dis)embeddedness', *RCCS Annual Review*, 3: *Revista Crítica de Ciências Sociais*. Available at: <http://rccsar.revues.org/309>

Macpherson, C.B. 1962. *The Political Theory of Possessive Individualism: Hobbes to Locke*. Oxford: Oxford University Press.

Marx, Karl. 1976. *Capital: A Critique of Political Economy, Volume 1* (translated by Ben Fowkes). Harmondsworth: Penguin Books.

Marx, Karl. 1975. *Early Writings* (translated by Rodney Livingstone and Gregory Benton). Harmondsworth: Penguin Books

Myrdal, Gunnar. 1944. *N American Dilemma* (with the assistance of Richard Sterner and Arnold Rose), New York, NY: Harper and Brothers.

Myrdal, Gunnar. 1963. *The Challenge to Affluence*. New York, NY: Pantheon.

Orren, Karen. 1991. *Belated Feudalism: Labor, the Law, and Liberal Development In the United States*. Cambridge: Cambridge University Press.

Parsons, Talcott. 1965. 'Full citizenship for the negro American? A sociological problem', *Daedalus*, 94(4): 1009-54.

Parsons, Talcott. 1971. *The System of Modern Societies*. Englewood Cliffs, NJ: Prentice-Hall.

Parsons, Talcott. 2007. *American Society: A Theory of the Societal Community*, Edited and introduced by Giuseppe Sciortino. Boulder, CO: Paradigm Publishers.

Payne, Charles. 1995. *I've Got the Light of Freedom: The Organizing Tradition and the Mississippi Freedom Struggle*. Berkeley and Los Angeles, CA: University of California Press.

Perrow, Charles. 1984. *Normal Accidents: Living with High-Risk Technologies*, New York, NY: Basic Books.

Piketty, Thomas. 2014. 2014. *Capital in the Twenty-First Century*. Cambridge, MA: the Belknap Press.

Polanyi, Karl. 2001 (1944). *The Great Transformation: The Political and Economic Origins of Our Time*. Boston, MA: Beacon Press.

Posner, Eric A. and Weyl, Glen .2014. 'A radical solution to global income inequality: make the U.S. more like Qatar', *New Republic*, November 6th. Available at: <http://www.newrepublic.com/article/120179/how-reduce-global-income-inequality-open-immigration-policies>.

Prasad, Monica. 2012. *The Land of Too Much: American Abundance and the Paradox of Poverty*. Boston, MA: Harvard University Press.

Rodgers, Melvin L. 2014. 'Special Supplement: Ferguson and the Tragic Presence of the Past', *Theory and Event* 17(3) Supplement. Available at Project Muse: http://muse.jhu.edu/journals/theory_and_event/toc/tae.17.3S.html.

Rodriguez-Salgado, Mia. 2009. "How oppression thrives where truth is not allowed a voice": The Spanish polemic about the American Indians, in Gurminder K, Bhambra and Robbie Shilliam (eds) *Silencing Human Rights: Critical Engagements with a Contested Project*. London: Palgrave.

Steinfeld, R. J. 1991. *The Invention of Free Labor: The Employment Relation in English and American Law and Culture, 1350-1870*. Chapel Hill, NC: University of North Carolina Press.

Streek, Wolfgang. 2011. 'The crises of democratic capitalism', *New Left Review*, 71: 5-29.

Swedberg, Richard. 1997. 'New Economic Sociology: What Has Been Accomplished, What Is Ahead?', *Acta Sociologica*, 40, 161-182.

Thompson, E.P. 1971. 'The moral economy of the English crowd in the Eighteenth Century', *Past and Present*, 50(1): 76-146.

Weyl, Glen. 2015. 'The openness-equality trade-off in global redistribution', *Social Science Research Network*. Available at: http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2509305.

Wilson, William Julius. 2015. 'New perspectives on the declining significance of race: a rejoinder', *Ethnic & Racial Studies* 38(8): 1278-1284.

Wilson, William Julius. 1982. *The Declining Significance of Race: Blacks and Changing American Institutions*. Chicago, IL: University of Chicago Press.