Taking freedom as non-domination as its guiding ideal, the republican revival has generated a broad set of political proposals ranging from democratic and constitutional theory to international politics. But what economic institutions will secure freedom as non-domination? Within both the republican tradition and in contemporary debates, this persists as a polarizing question, and neo-republicans have recently defended starkly different views of economic policies. Indeed, the fact that neo-republicans have advanced both “Anglo-Nordic” free market policies and “labor republican” demands for the cooperative ownership of capital as furthering freedom as non-domination casts doubt on neo-republicanism’s utility as “an attractive public philosophy intended for contemporary purposes.” Without denying the value of contextual

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1 Philip Pettit, with the most philosophically elaborated view of neo-republicanism, has recently developed the view democracy he takes to follow from freedom as non-domination in On the People's Terms: A Republican Theory and Model of Democracy (Cambridge: Cambridge University Press, 2012), hereafter cited in text as "OPT". The literature developing and applying freedom as non-domination is now vast, but for notable recent applications to democratic theory, constitutional theory, and international politics, respectively, see John P. McCormick, Machiavellian Democracy (Cambridge: Cambridge University Press, 2011); Richard Bellamy, Political Constitutionalism: A Republican Defense of the Constitutionality of Democracy (Cambridge: Cambridge University Press, 2007); James Bohman, Democracy across Boarders: From Démos to Démoi (Cambridge, Mass: MIT Press, 2007).

sensitivity in applying abstract principles such as non-domination, neo-republicanism risks being everything to everyone if it cannot generate a more robust and animating vision of economic transformation in contemporary societies.

Here, I turn to the thought Karl Polanyi to both challenge and expand the theory of freedom as non-domination. If it is to develop a satisfactory view of non-dominating economic institutions, I contend, republican thinking must draw on the theories of political economy emerging from the socialist tradition. Polanyi proves particularly fruitful for this task. Widely influential across a variety of disciplines, including comparative political economy, economic anthropology, and economic sociology, Polanyi has been unfortunately neglected by political theorists. Yet in many important respects, he shares the intellectual temperament of contemporary republican theorists: their opposition to linear and teleological views of social change, their attention to the importance of ideas and ideology in politics, and their interest in recovering from history diverse institutional possibilities. Furthermore, Polanyi, like neo-republican theorists, strives to develop the critical insights of the socialist tradition while emancipating them from the productivist view that workers are exploited because labor is the ultimate source of social value. However, Polanyi, drawing on a range of European intellectual

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5 For the importance of the labor theory of value for the socialist reception of republican ideas, see Gourevitch, *From Slavery to the Cooperative Commonwealth: Labor and Republican Liberty in the Nineteenth Century*, 82-86, 185-89; for Polanyi's acceptance of marginlist economics, see Kurtuluş
sources, differs from contemporary republicans by much more deeply considering the social and class dynamics behind institutional change in economic life and by rejecting, on this basis, the idealized conception of the market society that continues to appeal to republican theorists.

Thus, in the first place, the following pursues a Polyanian critique in that it turns to his thought for a general view of the relationship between political and economic structures that could better specify the best political strategies and institutional ideals necessary to realizing freedom as non-domination. Second, though, I engage in a Polanyian critique insofar as contemporary republican theory reproduces the same flaw Polanyi diagnosis in economic liberalism: the denial of the “reality of society” (TGT 267). In contemporary republican theory, this denial manifests itself in an attachment to timeless, ahistorical institutional solutions that seek to permanently overcome political contestation between collective or corporate agents. The self-regulating market then becomes a model for an institution that can overcome such ongoing contestation—an anti-political ideal that positions political conflict as part of a provisional and transitory time before the full realization of non-domination. Developing Polanyi’s critique of the market society—and most centrally, his notion of fictitious commodities—I assert that neo-republican thought must abandon this attachment. Instead, it should follow Polanyi in more fundamentally incorporating sociological considerations into its normative theorizing. To accept the reality of society means to embrace collective political organization and contestation as a permanent element of contemporary society and to theorize non-domination on that basis.

**Freedom as Non-Domination**

Pettit’s theory of domination takes, as its paradigmatic instance, the uncontrolled power of one agent over another. To be dominated is to be subjected to the will of another; conversely,

freedom means, not the absence of restraints, but the absence of such subjection to other individuals’ will or wills. The underlying intuition driving Pettit’s theory is that if we cash out what is wrong with such subjection, we can develop a theory of freedom that is as precise as accounts that focus on non-interference alone but that demands a much more comprehensive set of institutional protections than negative accounts of freedom. Freedom will require institutional structures that ensure no agent exercises such uncontrolled power through a system of counter-powers that guarantee that all individuals are equal in their capacity to live free from fear of subjection. The promise of Pettit’s theory is to produce an ambitious vision of political reform from a conceptually minimal account of freedom—including, importantly, constraints upon market exchanges and economic relationships.

I begin by outlining the basic contours of Pettit’s account of non-domination with an eye to how it informs the ambivalent neo-republican attitude towards the market. At its most basic, Pettit argues that “someone, A, will be dominated in a certain choice by another agent or agency, B, to the extent that B has a power of interfering in the choice that is not itself controlled by A” (OPT 50). Domination exists insofar as your choices are subject to another person’s whim: insofar as they can impose penalties for selecting certain options or else block options altogether. Importantly, for such potential interference to be domination, the intervening power must be one that can be held responsible—an agent with a will. As a result, domination is an inherently intersubjective concept, one that tracks our social standing relative to others. As Pettit notes, such subjection provokes particular emotional responses—“resentment and indignation”—that are not generated by natural constraints on the options available to us by, say, not being athletically talented (OPT 43). Conversely, then, to be free means to live in a condition where no other agent can interfere at will in your choices: to live in a set of institutional powers that,
balancing each other, provide each individual with the same co-extensive range of protections from potential interference.

In Pettit’s terminology, this all amounts to the claim that domination is a matter of invasion, rather than vitiation. Domination always entails a restriction on free choice, but not all such restrictions constitute domination. Some restrictions on free choice are generic in that “they affect the use of your resources for any purpose,” and Pettit calls these restrictions vitiations of free choice (OPT 37). Such restrictions will not be activated by your particular choices to deploy your resources in a certain way but are part of the background conditions that determine the possible uses of your resources. And such vitiating restrictions include, for Pettit, not just “the limits of your natural environment” but also restrictions on choice resulting from “the aggregate consequences of independently motivated actions by others, or from the actions of another agent that are necessitated in some way” (OPT 40). In contrast, invasive hindrances are activated by a particular choice for a certain option—they are a response to your choice for a particular option. Invasive hindrances, in other words, reflect a relationship between two wills, where one will threatens to displace the agency of the other, such that some agent can be held accountable for the invasion. Domination, Pettit contends, is a matter of invasive hindrances on freedom, not vitiations of freedom.

Though Pettit’s theory of non-domination is originally modeled off of the master-slave relationship, this more recent development of his theory enable Pettit to make several moves that expand the scope of his theory to include some structural form of domination. First, in focusing

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6 While “potential” restriction may be more precise, Pettit argues that even such a potential restriction always amounts to real interference, as it alters the potential range of choices—as he puts it, no domination without invasion.

on the capacity or power to interfere, Pettit divorces his notion of domination from the intentional desires of the dominating party. In “relationships of inalienable asymmetrical power,” you are subject to my will “whether I like it or not” (OPT 62). And second, in now emphasizing the uncontrolled rather than arbitrary nature of interference, Pettit foregrounds that just constraining agents by rules is not sufficient: parties must have the actual, ongoing capacity to control the possible interference of other individuals. As Pettit now notes, “interference that conforms to rules, and is non-arbitrary in that sense, may still be uncontrolled by you and can count as arbitrary” in his sense (OPT 58). Both of these shift attention away from the desires or wills of dominating agents and towards the general conditions that, whether individuals like it or not, place them in a relation of domination and subjection. This is more evident with the first claim—that domination exists regardless of the desire or intentions of the dominating agent—but the second is also important. It means that domination can operate through customary and anonymous systems of rules that, again, operate without intentional awareness or agency. Such modes of organization, Pettit writes, “indirectly facilitate the worst forms of invasion and domination in a society” (OPT 63).

Armed with these new formulations, Pettit now speaks of an “indirect or structural form of domination” (OPT 63). Vitiating limits on choice, such as poverty, may be severe enough to “constitute a structure or pattern that facilitates the invasion by some people of the choices available to others” (44). Since to be non-dominated means to live free of the fear of subjection to the will of another, republican policies need to contend with these structural forms of vulnerability to domination—occasioning what Pettit and Lovett term “vulnerability-centered

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8 Thus, Pettit’s recent formulations are more resilient regarding concerns about non-involvement and rules out paternalistic and colonial forms of rule. Cf. Patchen Markell, “The Insufficiency of Non-Domination,” *Political Theory* 36, no. 1 (2008).
policies.” At times, Pettit even goes so far as to say that such vulnerabilities could represent “an indirect, structural form of invasion” that occasion and support direct forms of invasion (OPT 44)—in other words, even in the absence of a single agent or group of agents who can be clearly held responsible, indignation rather than mere frustration may be an appropriate emotional response. Elsewhere, however, Pettit argues that the structures themselves, such as “marriage or workplace law” or “customary practice,” only themselves enact a vitiation of choice, even as they generate the background conditions for invasion and domination (OPT 63). While these changes represent an important corrective and expansion of Pettit’s theory, they also show that in and of itself a focus on structural domination does not necessarily produce a critique of the market. Without a theory of society and political economy of the sort Polanyi provides, the market remains an ambivalent institution, one that can be presented as an ideal that lacks both direct domination but that also undermines the structural pre-conditions for domination.

The Market in Neo-Republican Theory

At the level of policy and historical antecedents, Pettit contends that his theory of freedom leads to a broadly left-liberal, skeptical but appreciative attitude towards the market and free competition, one consonant with the history of socialist and working-class activism. Thus, in Pettit and Lovett’s reconstruction, the socialist movement invoked “the republican conception of freedom” when it argued that workers were subject to wage-slavery, “exposed to the arbitrary power of masters who could fire them at will and ensure that they were not employed elsewhere.” In line with this historical view, Pettit argues for restrictions on employment at will, which exposes the less powerful party to the arbitrary whim of employers, for trade union organization and collective bargaining, for collective insurance against various mishaps that

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10 Ibid.
leave individuals more vulnerable to invasion and domination, for regulations of extreme wealth and poverty, and for a minimum income policy.\textsuperscript{11}

Yet at a theoretical level, in the conceptual architecture of his thought, the idea of the market—of a spontaneous order that can increasingly convert invasion into vitiation—exercises a powerful pull on Pettit’s political imagination. We can note that even in the above endorsement of socialism, Pettit inserts the important qualification that employers-dominate workers only insofar as workers lack the capacity to exit. Indeed, elsewhere Pettit strongly endorses the anti-domination credentials of the market:

Adam Smith was more faithful to classical republicanism, and inherently more persuasive, in insisting that… the market could reduce dependency and domination. For example, in a well-functioning labor market (and, of course, it may be very difficult to establish such a market), no one would depend on any particular master and so no one would be at the mercy of a master: he or she could move on to employment elsewhere in the event of suffering arbitrary interference.\textsuperscript{12}

Pettit’s socio-economic policy prescriptions are necessary evils that arise because, and insofar as, perfect competition is not realized. Perhaps Pettit thinks perfectly competitive markets are not realizable. However, the logic of his arguments, not just regarding the market but regarding spontaneous orders and the rule of law, show that he remains deeply attached to an orientation that sees political reforms as asymptotically moves towards institutions that promise to render social power fully anonymous, turning all invasion into vitiation. And it is this tendency that


\textsuperscript{12} Pettit, “Freedom in the Market,” 142.
impedes a neo-republican conceptualization of political economy, and to which Polanyi provides a vital corrective. Pettit’s argumentative strategy regarding the market closely mirrors his attitude towards constitutionalism and spontaneous order.\textsuperscript{13} In all cases, he starts with the ideal of dispersing social power and only introduces more deliberate institutional constraints insofar as that dispersal is residually unrealizable. Politics—the ongoing contestation between actors with different levels of power and capacity—becomes a residual category in Pettit’s theory. We need political, contestatory institutions, in his view, only because the ideal of anti-politics—of the anonymous dispersal of power—is empirically impossible. As a result, Pettit is stuck trying to reconcile the empirical reality of politics with his theoretical attachment to anti-politics.

Introducing his vision for non-dominating government in \textit{Republicanism}, Pettit contends that the first goal of republican institutions should be “to ensure that they leave as little room as possible for the exercise of arbitrary power.”\textsuperscript{14} To achieve this, Pettit advocates a constitutional arrangement that combines the rule of law, dispersion of powers, and counter-majoritarian bulwarks. Such an arrangement would be “maximally non-manipulable,” by which Pettit means that it never constitute an instrument that can be deployed by any one individual or collective agent.\textsuperscript{15} Pettit does not use this language, but at its limit a non-manipulable constitutional system would resemble something like a vitiating hindrance on freedom, rather than invasive interference in choices (even if they were non-objectionable invasions because under popular control). Subject to no individual will, a non-manipulable constitutional system would be like a natural background environment for individual choices. Of course, Pettit recognizes that “[h]owever well designed, any system of law will leave certain decisions in the hands of different individuals and groups,” a residuum that produces the need for contestatory democratic

\textsuperscript{13} Taylor, "Market Freedom as Antipower," 598.
\textsuperscript{15} Ibid.
Similarly, Pettit considers, in *On The People’s Terms*, the possibility that collective non-domination could be secured, not through a coercive state, but through communal norms that spontaneously “emerge and stabilize as by an individual hand.” These would secure non-domination “without imposing the potentially dominating will of a protective agency” (OPT 134). Pettit rejects this “attractive” possibility, not because it rests on a fundamental socio-theoretic myth of spontaneity, but because such norms would likely fail to properly resource basic protections, given that “wealth and power tend to accumulate in fewer and fewer hands,” and because communal norms may “reflect divisions within society and impose patterns that are highly injurious to those on the weaker side” (OPT 135).

In both cases, the tempting possibility is that institutional arrangements can be found that will eliminate the possibility of invasive restrictions on choice and, by sufficiently dispersing social power, convert all such invasions into vitiations. The market, for Pettit, represents another such potential institution. The “property regime” that arises from free exchange, Pettit writes, “can have the aspect of an environment akin to the natural environment.” Such an environment may vitiate your freedom—affecting the range of choices available to you—but will not invade it; such restrictions will not be the result of individual will but of “the cumulative, unintended effect of people’s mutual adjustments.” The market, like republican constitutionalism and spontaneous social norms, is a form of order that, because resistant to the effects of individual wills and choices, promises to turn invasive hindrances into vitiating restrictions that one can view with relatively indifferent frustration, rather than burning outrage. Again, Pettit rejects a full embrace of the market, but only insofar as the resulting distribution has the “contingent

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16 Ibid., 183.
17 “Freedom in the Market,” 139.
18 Ibid.
effect of allowing domination,” say, through extreme concentrations of wealth. Nonetheless, Pettit’s logic encourages an asymptotic view of politics, one where we strive to move closer and closer to the limit of the complete dispersal of social power—the general conversion of invasive hindrances into nature-like vitiating hindrances.

The problematic implications of this logic, from a neo-Polanyian perspective, are made clear in expansions of Pettit’s theory that push it to fully embrace the market. Robert Taylor, to take a notable recent example, argues that republicans should take perfectly competitive markets as a “regulative ideal” that can “motivate and guide principled political action—and the closer we can approach [it], the closer we will be to achieving nondomination in economic…life.” In perfectly competitive labor markets, the capacity to exit ensures that employers cannot dominate their workers and, more generally, that “participants have no capacity to interfere with impunity and at will with the economic interests of other participants.” On this basis, Taylor argues against policies that increase workers’ collective market power vis-à-vis employers, as this can actually increase overall domination, potentially subjecting disorganized firms to the arbitrary whims of unions. Rather, the focus should be on breaking up monopolistic market power, whether of workers or employers, and introducing “Anglo-Nordic” policies that embrace flexible labor markets and deliberately act to move the cost of exit towards zero.

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19 Ibid., 142.
20 Taylor, "Market Freedom as Antipower," 601. Taylor, it is worth noting, neglects neo-republican concerns that unregulated markets may generate wealth inequalities that lead to political, rather than just economic/private, domination. However, I fear that worries about political domination by the wealthy, however important, are in themselves not sufficient to generate a neo-republican vision of economic change.
21 Ibid., 597.
Although Pettit still rejects this aggressively free-market approach as naïve, it captures something important about the logic of his arguments.\(^\text{22}\) Even as Pettit presents his theory as more institutionally determinate and realistic than the liberal-egalitarian competition, much of the institutional proposals that he derives have a provisional and transient air. Thus, as I noted earlier, he endorses the socialist critique of wage labor but only, it seems, in a transitional moment when labor markets are not yet fully developed. Similarly, while Pettit defends labor unions, they seem to accord with the “reciprocal power” strategy, whereby you equalize the “resources of the dominator and the dominated”—a strategy that Pettit presents as a second-best, provisional alternative to public and neutral “constitutional provisions” that eliminate, rather than merely reducing, domination.\(^\text{23}\)

Insofar as theories of non-domination embrace, as a regulative ideal to be asymptotically approached, the possibility and desirability of fully dispersing social power, transforming invasion into vitiation, then the ideal of the perfectly competitive market will exercise this pull. And this image of the market encourages, as Polanyi will emphasize, a social-engineering attitude towards political reforms—one evident in Taylor’s argument, which leaves unexplained how Anglo-Nordic policies could be sustained in the absence of the very institutional actors, such as trade unions, that have the power to champion and defend them.

**Fictitious Commodities: Polanyi’s Critique of the Market Society**

Although Pettit endorses left-liberal economic policies and institutions, his theory takes the notion of the perfectly competitive market as an asymptotic ideal. More broadly, Pettit’s theoretical approach presents contestation and corporate agents such as unions—indeed, politics itself—as a regrettable and temporary concession to the failure to construct institutions, such as


perfectly competitive markets, that disperse social power and so timelessly secure non-domination. Turning now to Polanyi, I contend that Pettit’s thought represents the latest iteration of a longer intellectual fascination with the ideal of the self-regulating market. And it is this ideal that Polanyi will show to be a dangerous illusion. Polanyi’s argument in *The Great Transformation* weaves together historical, sociological, and normative threads to produce a landmark critique of the “stark utopia” of “the idea of a self-adjusting market’ (TGT 3). A complex, multi-stranded work, *The Great Transformation* is known for being at once theoretically fecund and, especially on closer inspection, perplexing—reflecting both its hasty publication in the hopes of influencing Britain’s post-war labor government and shifts in Polanyi’s views as he wrote it.  

Here, I focus on one crucial aspect his argument—the claim that land, labor, and money are together fictitious commodities—as an entry-point into Polanyi’s broader critique of the effort to transform society into one enormous, self-regulating market. While he is not the first to advance arguments about fictitious commodities, especially regarding labor, Polanyi’s argument stands out both for identifying the structural similarities uniting labor, land, and money and in developing an account of the dynamic political tendencies that arise from efforts at their commodification. Most centrally, the claim that land, labor, and money constitute fictitious commodities means that the aspiration to move closer and closer to perfectly

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25 Gourevitch points to a long-running republican critique of the commodification of labor. Gourevitch, *From Slavery to the Cooperative Commonwealth: Labor and Republican Liberty in the Nineteenth Century*, 67-96. However, by focusing only on labor and not the commodification of land and money, that critique was unable to generate a vision of social democracy and political economy adequate to institutionally differentiated and complex modern societies. More proximately, Polanyi’s notes and earlier writings show that he was strongly influenced by Ferdinand Tönnies’s account of the fictitious nature of contract-based modern societies (*Gesellschaft*), as opposed to organic communities (*Gemeinschaft*). See Gareth Dale, "Karl Polanyi’s *the Great Transformation*: Perverse Effects, Protectionism, and *Gemeinschaft,*" *Economy and Society* 37, no. 4 (2008).
competitive markets will be dangerously self-defeating, such that it will expose individuals to domination without producing a countervailing dispersal of power.

That said, the claim that land, labor, and money are fictitious commodities is somewhat puzzling and requires careful unpacking. Polanyi argues that the “commodity description of land, labor, and money is entirely fictitious” because they are “not produced for sale”: “the postulate that anything that is bought and sold must be produced for sale is emphatically untrue in regard to them” (TGT, 75-76). The obvious response, however, is then everything is, to some extent, a fictitious commodity, as nothing is purely produced for the market. The market is only a mechanism for measuring relative trade-offs and has nothing to do with the real or intrinsic value of objects. In response to such concerns, Polanyi’s sympathetic readers have argued for substantial revisions of his account. Nancy Fraser, for example, contrasts a problematic ontological understanding of fictitious commodities with a more salutary structural interpretation. The ontological view, which Fraser ascribes to Polanyi, appeals to “an original condition, the condition of not having been produced for sale” to advance the claim that “to commodify labour, land and money is to violate their inherent nature.” Fraser therefore advocates a structural interpretation of Polanyi’s argument, one that focuses less on marketization and commodification itself and rather on capitalism’s tendency to undermine its own conditions of possibility: land, labor, and money each point to “a necessary condition of production, which capitalism simultaneously needs and tends to erode.”

Here, I argue that Fraser is too quick to reject Polanyi’s core claims about fictitious commodities. Without an account of fictitious commodities, Polanyi’s critique of the market loses its coherence and specificity and, as a result, becomes vulnerable to the response from Fraser Nancy, "Can Society Be Commodities All the Way Down? Post-Polanyian Reflections on Capitalist Crisis," *Economy and Society* 43, no. 4 (2014): 547.

Ibid., 548-49.
market advocates that the structural dilemmas of capitalism can be overcome through more rather than fewer markets—carbon markets, improved labor markets, improved housing markets. In particular, Polanyi’s argument is supportable if it is understood as a claim about the immanent presuppositions of the market as a peculiar social and economic institutions—and not the presuppositions of capitalist society as a whole, as in Fraser’s structuralist reading. In my interpretation, Polanyi is claiming that the market, on its own terms, must counter-factually assume that commodities are produced for the market—it must treat them as if they are produced for market—even though no actual object will ever have such a purity of origin. And this immanent presupposition of the market means it must assume objects have a certain cluster of characteristics, thereby necessarily “screening out” the social and relational aspect of land, labor, and money.

My reading of Polanyi’s fictitious commodities depends on both his methodological view of the economy as an “instituted process” and his related institutional conceptualization of the market, with which I begin. Advancing what he terms a substantive approach, Polanyi defines the economic as “an instituted process of interaction between man and his environment, which results in a continuous supply of want-satisfying material means.” It is a process because it involves the ongoing motion of material goods “in location or in appropriation or in both”; it is instituted because a social, institutional pattern is necessary “to sustain the interdependence of the movements and their recurrence on which the unity and stability of the process depends.”

Polanyi contrasts this view to the formalist definition of the economic, which identifies

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28 This is why, for instance, Taylor advocates “Anglo-Nordic” policies, where the Nordic half—employment insurance, job retraining programs, small capital grants—are deliberate, institutional efforts to reduce market friction and exit costs and so move closer to perfectly competitive markets.  
30 Ibid., 248, 49.
economics with economizing in the sense of any rational, means-ends decisions under conditions of scarcity. In Polanyi’s view, such rational decision-making in response to scarcity, far from being a trans-historical feature of the human condition, reflects the peculiar conditions of market societies, where the universal use of money as a medium of exchange provides a sense and metric for scarcity. In other words, Polanyi contends that scarcity is produced by—rather than the pre-existing problem solved by—the market mechanism, which induces individuals to “achieve maximum money gains” (TGT 71).³¹

Polanyi’s rejection of the formalistic view in favor of the substantive focus on the movement of goods allows him both to relativize the market as one mode of economic organization of many and, furthermore, to inquire into the substantive preconditions for the functioning of the market mechanism. Polanyi identifies four ideal-typical institutional patterns, or what he calls “forms of integration,” that typically sustain such movements of goods: reciprocity, redistribution, householding, and exchange.³² Without going into a detailed analysis of each, we should note two things: first, the emphasis Polanyi places on the importance of material goods and their movements; and two, the underlying conceptual difference between, on the one hand, reciprocity, redistribution, and householding and, on the other, exchange. So, first, in each case Polanyi analyzes the mode of integration based on the storage and movement of goods. Each is a way to ensure that the members of a society have access to the proceeds of their material interactions with nature. In this case of reciprocity, this occurs through ongoing exchange between symmetrical groupings, such as kinship systems and gift-giving networks;

³¹ An enduring ambiguity of Polanyi’s thought is whether he thinks formalist economics accurately captures the dynamics of market societies or whether he simply thinks that modern market economies make the idea of a self-regulating market compelling, even though markets remain embedded and socialized. In my view, at least in The Great Transformation, Polanyi clearly thinks that disembedding was an impossible, utopian fantasy. For a critical discussion of this issue, see Kurtuluş Gemici, "Karl Polanyi and the Antinomies of Embeddedness," Socio-Economic Review 6, no. 1 (2008).
with redistribution, through the centralized collection and apportionment of goods. Householding, finally, refers to production for use and corresponds to the institutional principle of autarky. In all three forms of integration, no object is ever treated just as a commodity object, as the movement of goods is laden with social and political meaning. That is, the motion of goods relies on meaningful judgments about the conformity of action to a normative-institutional pattern. And these normative patterns are more determinant the more necessary a good is to society’s survival. Thus, Polanyi contends that, while each form of integration is present in a society to varying degrees, we can speak of one being dominant insofar as it determines the distribution of land and labor. From an anthropological point of view, land (which encompasses the production and distribution of food) and labor each tend to carry more social and political significance insofar as they are the basic elements of humanity’s material sustenance.

Exchange is similar in that it is a method for transporting and allocating goods in a society, yet its institutional presuppositions are such so as to necessarily screen out these cultural and political meanings. This is because, whereas each of the other three implies a principle that is merely a trait of an institution (symmetry, centricity, and autarky), exchange relies on a specific institution—the market pattern—that is “designed for one function only” (TGT 59). This claim is the core of Polanyi’s critical analysis of fictitious commodities. In societies where the market is not the primary means of economic integration, the allocation of goods occurs through institutions that operate on the basis of multiple, overlapping and interweaving principles. For instance, the principle of symmetry, which supports reciprocal economic institutions, cannot on its own produce a specific institution. Rather it “merely patterns out existing ones (whether a tribe or a village is symmetrically patterned or not involves no distinctive institution)” (TGT 60). While such institutions will have, in Polanyi’s terms, a substantive economic function insofar as
they help manage and regulate the movement of goods, that economic function does not itself dictate the structure of the institution.

Exchange, in contrast, rests on a principle of action—truck and barter—that both requires and produces a concrete institutional structure: the market pattern. “Barter, truck, and exchange is a principle of economic behavior dependent for its effectiveness upon the market pattern. A market is a meeting place for the purpose of barter or buying and selling. Unless such a pattern is present…it cannot produce prices,” writes Polanyi (TGT 59). For the principle of barter to be effective, the movement of goods must occur via the institution of the market where individuals are not related by cultural or social ties—their only goal must be to find the price of the good in question through barter. Thus, unlike the principles of symmetry or centricity, the principle of barter requires a specific institution—in some ways, a non-institution—that can provide for the peculiar mix of proximity and distance that will enable buyers and sellers to determine prices. And this peculiar fact about exchange and barter—that it requires the market to function—grounds Polanyi’s fear that the effort to make exchange the primary mode of economic integration “means no less than the running of society as an adjunct to the market” (TGT 60).

Polanyi’s substantivistic view of economic institutions, then, allows him to historicize exchange as only one among several possible modes of economic coordination and distribution. And it further enables him to specify the substantive institutional preconditions for exchange; namely, price-making markets that can produce calculations of relative gain and loss. However, this distinctive institutional pre-condition for effective exchange means that markets, unlike reciprocal or redistributive institutions, have an inherent, self-propelling dynamic, as markets, and markets alone, require that all aspects of the movement of goods be specified in terms of prices. Otherwise markets will not be able to adjust to new information in their environments:
“Self-regulation implies that all production is for sale on the market and that all incomes derive from such sales. Accordingly, there are markets for all elements of industry, not only for goods…but also for labor, land, and money…” (TGT 72). In the absence of these markets for the factors of production, crucial prices—such as wages—will be subject to destabilizing political manipulation (from a purely economic perspective) that undermine the calculation of gain necessary for exchange.

We are now in a position to directly address Polanyi’s claim that land, labor, and money are fictitious commodities—and that efforts at their commodification form the fault-lines of the double movement between advocates of the market and the demands of society. While the self-regulating market requires the creation of “a market society” where everything has a price, the reality is that “labor and land are no other than the human beings themselves of which every society consists and the natural surroundings in which it exists. To include them in the market mechanism means to subordinate the substance of society itself to the laws of the market” (TGT 74-75). Similarly, while the market must treat money like a commodity, in reality money is a product of political organization, a “means of payment” guaranteed by the state (TGT 205). None of them are produced for the market—that is, produced to be stored, transported, and withheld from sale until their true market value is revealed.33 Yet for participants in market exchange, “every element is regarded as having been produced for sale, as then and only then will it be subject to the supply-and-demand mechanism interacting with price” (TGT 75). Indeed, such a counter-factual assumption is built into the very nature of exchange, insofar as everyone must assume everyone else is willing to withhold goods from the market until their reservation price is found.

33 As Polanyi notes, if labor really were really a commodity, “the chief obligation of labor is to be almost continually on strike,” constantly withholding labor and waiting until the market determines the value of labor (TGT 239)
Seen in this way, the issue does not reside in the empirical fact that certain commodities, such as labor, are not produced for sale. It is that they do not behave as though they were produced for sale. And the crucial point is that, in order to ensure the continuous economic metabolism of a society, markets must assume that all goods can be transported and withheld from sale until their sellers can find their best possible price—a point reflected in the fact that markets, in Polanyi’s view, first developed for long-distance trade between individuals who are otherwise strangers. Yet to ask individuals to treat themselves as commodified labor power—to ask them to subordinate themselves to the imperatives of the market—is, in Polanyi’s view, to ask them to abandon all the cultural and normative expectations that constitute human existence. While labor can be expressed in a commodity-form via wages, labor itself “cannot be detached from the rest of life, be stored or mobilized” (TGT 75). Similarly, the mobilization of the land for commodity production privileged land’s “economic function” over its social and cultural significance: land “invests man’s life with stability; it is the site of his habitation; it is a condition of his physical safety; it is the landscape and the seasons” (TGT 187). To make land and labor act as thought they were produced for the market—to make them mobilize and store themselves until they find their market price—was to “liquidate organic society, which refused to let the individual starve” (TGT 173). The introduction of starvation as a social possibility represents, for Polanyi, the starkest attestation to the fictitious nature of the commodification of land and labor.

Finally, money, while in some ways the least intuitive of the three fictitious commodities, is also the most important, as it marks the internal limit of the effort to construct a market society free of social agents engaged in political struggle. For the market society to function, money had to be regarded as “a purely economic category,” part of an economic system divorced from the political sphere, yet such “institutional separation…had never been complete, and it was
precisely in the matter of currency that it was necessarily incomplete” (TGT 205). The most brute manifestation of this fact, and the one most relevant to Polanyi’s argument about the breakdown of nineteenth-century society, is that “the market administration of purchasing power would periodically liquidate business enterprise, for shortages and surfeits of money would prove as disastrous to business as floods and droughts in primitive society” (TGT 76). While international investment in the nineteenth century demanded commodity money—the gold standard—domestic productive enterprises, for which money was always a means of ongoing payment, could not survive the deflationary effects it produced. The development of central banking reflects the social, non-commodity aspect of money as a means of payment. Central banking redistributed the effects of deflation “in such a way as to absorb the shock and spread its burden over the whole country” (TGT 203). This deliberate state action quite obviously represents interference in the self-regulation of the market, one guided by inherently political considerations about economic distribution and relative power. Yet without such ongoing interference, self-regulation would ultimately jeopardize the very productive enterprises that are supposed to benefit most from the extension of the market society.

**Is Polanyi a Romantic Communitarian? On the Double Movement**

Polanyi’s analysis of the immanent presuppositions of the self-regulating market leads him to identify labor, land, and money as fictitious commodities. In each case, participants in the market must assume that the factor of production will behave as though it were a commodity, yet that assumption necessarily threatens the social and relational dimensions of labor, land, and money as social and political phenomena with non-market institutional bases. Polanyi’s argument, then, does not rest on an argument about the purity of origins—that land, labor, and money are not produced for market exchange—but rather on the practical contradictions that
arise from acting as though all factors of production are objects fundamentally akin to the material goods that can be transported to distant markets. Neo-republican advocates of the market, even while they admit that markets require institutional supports and regulations, nonetheless take these as responses to market failures and imperfections. Polanyi takes issue more radically with the self-regulating market even in its ideal form. And this means that political contestation between social forces represented by collective agents is not a second-best, provisional mode of balancing social powers but a basic feature of complex modern societies.

Although his argument ranges across a broad terrain of conceptual and historical material, Polanyi’s primary goal is to deploy the critique of fictitious commodities as a framework for grasping the ultimately destructive dynamics of nineteenth-century Europe politics—a dynamic Polanyi calls the double movement. The double movement is the political complement to Polanyi’s more theoretical critique of the self-regulating market. Just as the aspiration to construct the market requires an institutional separation of the economic from the political, the double movement entails the (re)-organization of economic relationships on the basis of non-market, political concerns. And the dynamics of the self-protection of society, as Polanyi puts it, corresponds to the three fictitious commodities, with the workers’ movement organizing to protect labor, reactionary protectionism to defend land, and the political organization of state as a whole working to protect national currencies. Although Polanyi does not put it in these terms, the fictitious commodities also mark the entry of the fateful, future-oriented, temporality characteristic of political action into the otherwise empty and uniform time of markets.34 Labor (individual human agents), land (their pre-existing but constructed natural environment), and money (the state and political institutions) all exist in narrative time marked

by irrevocable meaningful events and actions. Self-regulating markets, in contrast, embody an ahistorical and repetitive temporality, where fateful events are coded as environmental disturbances that need to be overcome through a return to equilibrium. And, as I argued earlier, Pettit’s view of non-dominating institutions, and especially the market, implicitly rests on precisely this empty temporality, which presents politics as part of a provisional and transitory time preceding the final dispersal of social power. Against this view, Polanyi’s thought compel neo-republicans to acknowledge what he calls “the reality of society,” including that “[p]ower and compulsion are part of that reality; an ideal that would ban them from society must be invalid” (TGT 267). As it is currently constructed, neo-republican theory has failed to fully contend with and incorporate the recognition of this reality.

I turn now to Polanyi’s account of the double movement to further articulate what the recognition of society means when it comes to thinking about the political realization of non-domination. But I also want to address the double movement in more depth to preempt one potential objection to my use of Polanyi: that his thought represents a romantic response to the market society, one more concerned with protecting communal integration than with overcoming domination. Thus, in Nancy Fraser’s view, Polanyi’s double movement needs to be reframed as a triple movement, with emancipation from domination as the missing third: “the conflict between marketization and social protection cannot be understood in isolation from emancipation.”

Conversely, neo-republican advocates of the market are perfectly willing to grant that there may be communitarian considerations that compete with concerns about non-domination, considerations that call for restrictions on the market. A related concern arises from how

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36 As Taylor remarks, the republican tradition has “individualistic and communitarian strains, and they may generate somewhat different conclusions about economic policy.” Taylor, "Market Freedom as
Polanyi describes political and social change. His talk of the demands and actions of society often seems to ascribe to it a superordinate agency that determines the actions of classes and the fate of political institutions—the sort of organic, collectivist republicanism from which Pettit is at pains to distinguish his notion of freedom as non-domination (OPT 11-18).

Here, I contend that while Polanyi’s language at times certainly implies that sort of view, upon closer inspection his argument, even as it strives for a holistic interpretation of the political dynamics of modern market societies, does not rely on ascribing agency to society. Similarly, though Polanyi fails to explicitly theorize domination—indeed, he veers into a moralistic and paternalistic vision of social protection—his account of the double movement is more normatively ambivalent than is typically allowed. It is not the case that, for Polanyi, marketization is always destructive and protection is always emancipatory. Rather, Polanyi’s double movement and the recognition of society provide a general socio-theoretic framework for analyzing potential political pathways to achieving freedom as non-domination—and for diagnosing the attachment to the market that impedes current efforts to construct a neo-republican political ideology.

Polanyi begins The Great Transformation by declaring that “nineteenth-century civilization has collapsed,” and the double movement is his general name for the political dynamics propelling nineteenth-century Europe towards that cataclysmic end (TGT 3). The central and distinctive driving force of European politics during this time was the simultaneous expansion and contraction of market institutions: “Social history in the nineteenth century was...the result of a double movement: the extension of the market organization in respect to genuine commodities was accompanied by a restriction in respect to fictitious ones” (TGT 79).
In roughest outline, Polanyi’s story is that, with the development of machine production, mercantilist states in intense competition with each other saw that global survival required the forced creation of internal markets that could unleash the potential of the industrial age. Yet these efforts quickly faced resistance and, as workers organized themselves and the landed classes won tariffs, domestic markets became increasingly inelastic. Moreover, ruling elites faced revolutionary situations if they did not expand the franchise, which channeled the demands for protection into the political system. However, the demands of workers increasingly came into conflict with the stability of currency, which required wage levels to adjust in response to global market pressures. The institutional separation of markets from society now became a polarized struggle between economic and political power, with workers occupying the heights of the state and capitalists the fortress of the economic system. European states pacified this internal war and overcame economic paralysis through imperialism, and the construction of market societies could be politically sustained so long as imperial ventures continuously opened up new land for settlement and new export markets. Yet the reckoning could only be delayed so long, and as the returns on imperialism diminished the only politically viable option was to turn to protectionism, break with the interests of finance, and destroy the bulwarks of European peace in the nineteenth century: the balance of power system and the gold standard. Fascism and socialism stood as the only two political ideologies that could break the deadlock of the market society.

Before addressing the normative issue of domination, I want to examine the methodological issues raised by Polanyi’s account of the double movement. For Polanyi, the defining feature of the double movement is the paralyzing tensions it produces between the demands of society and the institutionalization of the market economy. Yet society, in Polanyi’s account, is metaphorical shorthand for a diverse set of institutionally mediated political actors.
There is no society as such, only individual actors whose opportunity structures, in industrial societies, are determined by the contradictions inherent in the ideal of the self-regulating market. As Block and Somers perspicaciously argue, “the effort to make sense of large-scale historical change requires frameworks that are able to link together a variety of concrete processes,” and Polanyi succeeds in this task because of “the way he moves back and forth between metaphor and metatheory and a series of concrete causal arguments.”37 The notion of society enables Polanyi to draw structural but non-reductive connections between otherwise disparate political events. Yet the argument ultimately rests on his more differentiated and concrete notion of the fictitious commodities. The needs of society are only ever expressed through the agents that react to the threat of commodification—the labor movement, the agrarian classes, and, in some cases, all members of a national community. And the fate of those political movements is always influenced by the broader societal needs in, for instance, material sustenance and cultural continuity that each fictitious commodity expresses: “class interests offer only a limited explanation of long-run movements in society…the chances of classes in a struggle will depend on their ability to win support from outside their own membership, which again will depend on their fulfillment of tasks set by interests outside their own” (TGT 159). The notion of the double movement seeks to capture the opportunities classes faced, at various points in time, to represent interests broader than their own. Whether they took advantage of those opportunities is a more contingent matter of political leadership and strategy. And, as Polanyi’s narrative vividly demonstrates, there is no necessary or teleological resolution to the class warfare produced by the double movement. Indeed, it can just as easily lead to deadlock and collapse as to class compromise and democratization.

So, although Polanyi often speaks of society as a reified agent, with its own needs and demands, his notion of society is differentiated via the fictitious commodities and his causal accounts always rest on an analysis of the particular agents and class groups whose interests and opportunities are informed by broader institutional structures. Second, and relatedly, we should note that Polanyi’s presentation of the double movement, far from nostalgically celebrating reactions to economic rationalization, is deeply ambivalent. Fraser, for instance, is too quick to ascribe to Polanyi a normative celebration of protection at the expense of other concerns. Mediated as it is by the domestic balance of forces, the global system, and political institutions, the double movement can play out in any number of ways, many reactionary. Indeed, the demand for protection, no less than the advancement of marketization, can lead to the obliteration of society, as vividly attested to by the fascist solution to the impasse of democratic capitalism. Fascism no less than democratic socialism was “rooted in a market society that refused to function” (TGT 248). Polanyi’s double movement, then, does not produce a directly affirmative normative justification of anti-market, protective social reforms. It also does not entail denying that, under certain circumstances, markets can have liberating effects vis-à-vis hierarchical social relationships. It is both more and less than this. Less in the sense that the double movement accounts for a variety of possible political responses to the destabilizing dynamics produced by the effort to construct a market society, not all of which are normatively desirable. More, though, in that it provides a broad socio-theoretic framework within which to situate normative ideals such as freedom as non-domination, clarifying the structural tendencies that may provide political openings for movements that can realize freedom as non-domination. And more also in that Polanyi’s account of the double movement—and of the reality of society—provides a firm reminder that such political movements and contestation in the pursuit
of non-domination are not a transient phenomenon coming before the construction of ideal institutions like the market that stand outside the flow of political time. Rather, institutional freedoms only survive insofar as they rest on, and in turn help to organize, the political collectivities who can preserve and advance freedom as non-domination against the often-violent recalcitrance of dominant social classes.

**Conclusion: Towards a Sociological Republicanism**

The ideal of freedom as non-domination provides a powerful framework for challenging a broad range of contemporary injustices, and, as Pettit develops it, an impressive guide for the institutional realization of democracy. At the same time, however, Pettit’s account of the concept of non-domination attests to the continued temptation of an atemporal and ahistorical model of the market. Even as Pettit contends that freedom as non-domination captures the impulse behind left-liberal social reforms and political tendencies like the labor movement, the structure of his theory valorizes institutional ideals that, like the market, promise to disperse power such as to finally overcome political struggle between different corporate agents. In Polanyi’s terms, Pettit’s vision of ideal, non-dominating institutions rests on a denial of the reality of society. As Polanyi argues in *The Great Transformation*, such forms of political conflict and struggle are not transient features of the social world that will eventually be overcome through institutions like the market. Notably, Polanyi’s critique of the ideal of the self-regulating market operates on two levels: first, as an immanent critique that shows that the self-regulating market, on its own terms, must contradict features of the world that it also relies on; and second, a political critique that locates the construction of the self-regulating market within a broader analysis of the political forces and tendencies that contributed to the eventual breakdown of European society.
Taken together, Polanyi’s perspective demands the articulation of a sociological republicanism, one that incorporates the dynamics of society into its theoretical architecture.\textsuperscript{38} Such a perspective would take as a guide for action, not the ideal institutional forms that come after politics, but the concrete political dilemmas and opportunities that arise from the structural features of democratic capitalist societies—and most centrally, the tensions between society and the market. Thus, for instance, minimum income policies are often attractive to thinkers from a range of political perspectives because they promise to achieve the goals of many redistributive programs without the attendant rent-seeking and upward redistribution towards the middle classes that plague current institutions. And perhaps a guaranteed minimum income would. But it would also threaten the coalitions between the organized working class and white-collar professionals that have historically been key to institutionalizing anti-market, solidaristic social policies.\textsuperscript{39} Indeed, research has attested to how some level of upward redistribution through universally accessible non-monetary social benefits is necessary to achieve much larger levels of downward redistribution.\textsuperscript{40} These facts speak to a broader reality: the institutions that secure non-domination can only survive if they organize and politically mobilize the social forces and classes who will also resist efforts at constructing self-regulating markets. Abstracted from the reality of society, the self-regulating market promises to realize non-domination. However, if the ideal of non-domination is to become a politically effective guide for practical mobilization and

\textsuperscript{38} My formulation here, as well as my broader argument, is indebted to Michael Buroway’s discussion of Polanyi. Michael Buroway, “For a Sociological Marxism: The Complementary Convergence of Antonio Gramsci and Karl Polanyi,” \textit{Politics & Society} 31, no. 2 (2003).

\textsuperscript{39} For the seminal account of these cross-class coalitions, see Peter Baldwin, \textit{The Politics of Social Solidarity: Class Bases of the European Welfare State, 1875-1975} (Cambridge: Cambridge University Press, 1992).

strategy, neo-republican theorists must overcome their attachment to the image of abstract and ahistorical institutions that promise to come after politics.