

# **KARL POLANYI AND INTERDISCIPLINARY COMMODITY STUDIES**



Ernst Langthaler, Institut für Sozial- und Wirtschaftsgeschichte  
Elke Schüßler, Institut für Organisation

# **AGENDA**

- 1. Polanyi and commodities**
- 2. Polanyi and global commodity chains**
- 3. (De-)Commodification of labour:  
the case of garments**
- 4. (De-)Commodification of land:  
the case of meatification**
- 5. Conclusion**

# 1. POLANYI AND COMMODITIES

- **Genuine commodities:** „objects [goods and services] produced for sale on the market” (Polanyi 2001, 75)
- **Fictitious commodities** (not produced for sale on the market):
  - Labour (= society; “activity of human beings”)
  - Land (= “subdivided nature”)
  - Money (necessarily shaped by gvt policies)
- **Demolition of society:** To allow the market mechanism to be sole director of the fate of human beings [= labour] and their natural environment [= land] [...] would result in the demolition of society.” (Polanyi 2001, 76)
- **Double movement:** “Social history in the nineteenth century was thus the result of a double movement: *the extension of the market organization in respect to genuine commodities was accompanied by its restriction in respect to fictitious ones.*” (Polanyi 2001, 79)

# **GREAT TRANSFORMATIONS: PAST AND PRESENT**

- Marketization movement: self-regulated market as utopian project
- Countermovements: Bolshevism, Fascism, New Deal etc.

## **Another “Great Transformation” since the 1970s?**

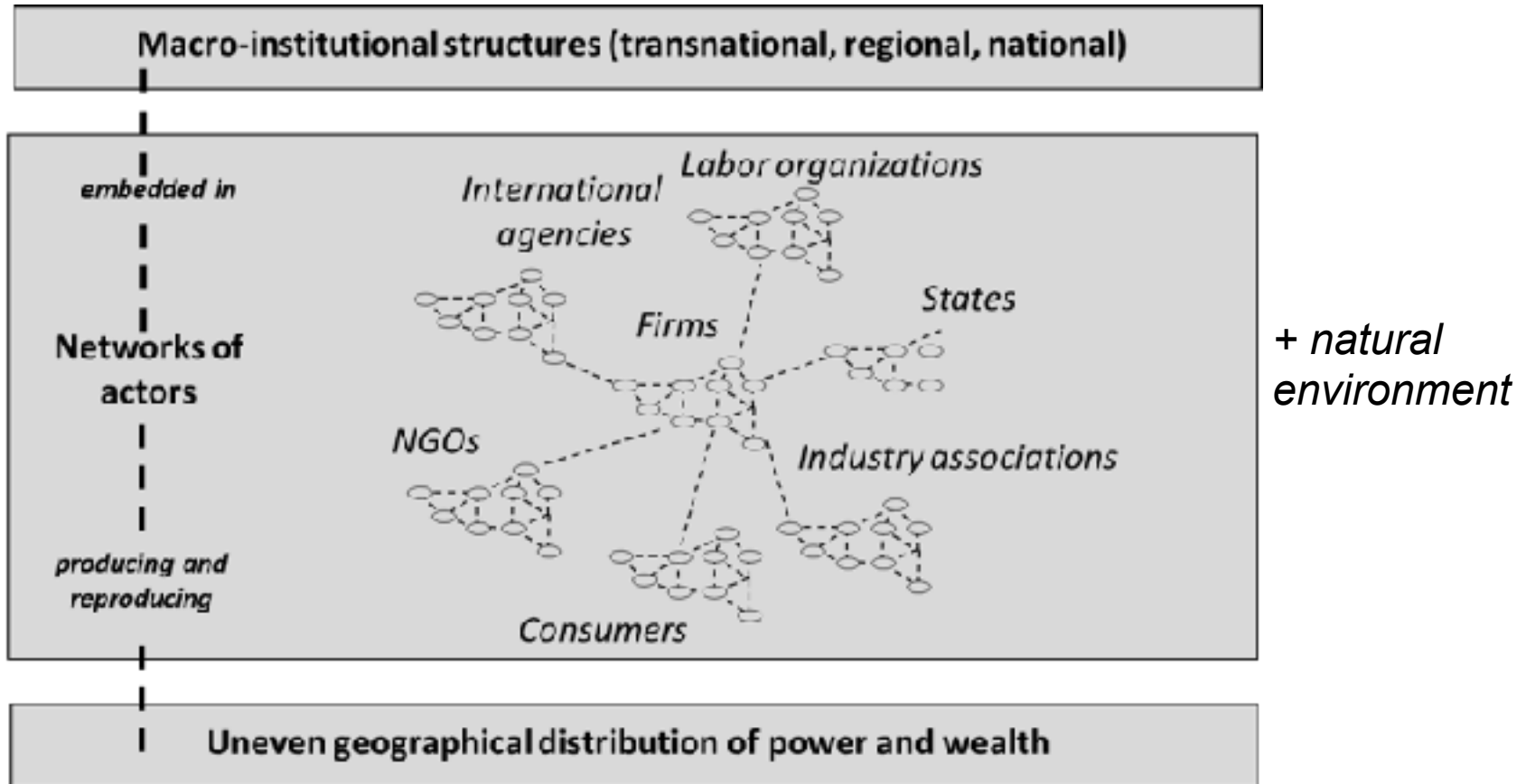
- Demise of state-organized capitalism (“Fordism”)
- Neoliberal revolution (“Washington consensus”)
- Global shift (“new international division of labour”)
- Rise of financial capitalism (“financialization”)
- End of bipolarity (USA vs. USSR)
- Social movements from left to right (feminism, environmentalism, national populism etc.)

## 2. POLANYI AND GLOBAL COMMODITY CHAINS

- Commodity chains not a recent phenomenon, but intensification of globalized trade since 1970s
- Definition commodity *chains*: "(...) take an ultimate consumable item and trace back the set of inputs that culminated in this item – the prior transformations, the raw materials, the transportation mechanisms, the labor input into each of the material processes, the food inputs into the labor. This linked set of processes we call a commodity chain." (Hopkins and Wallerstein 1977: 128)
- Four dimensions of commodity chain research:
  - Input-output structure
  - Territoriality
  - Governance structures
  - Institutional context



# A COMPLEX WEB OF ACTORS DRIVING (DE-)COMMODIFICATION



Sydow et al., 2016; based on Dicken, 2004; Coe et al., 2008; Levy, 2008

# STRUGGLES AROUND REGULATION GLOBAL COMMODITY CHAINS

- From a Polanyian perspective, global regulatory structures that place limits on market forces are needed, but
  - Westphalian **nation-state system** little influence over global issues
  - **Trade agreements** as well as the WTO strongly biased towards neoliberal world order
  - **International regulations** such as the OECD's corporate responsibility guidelines or the International Labour Organization's (ILO) declaration of human rights at work typically non-binding
  - **International law** underutilized – but notion of supply chain liability developing

-> *Multinational Enterprises are called upon as political actors.*

# ALTERNATIVE MODELS OF REGULATION

State/legal regulation	Self regulation
Based on „hard law“	Voluntary, „soft law“
Enforced by administrative agencies or private actors through legal coercion	Enforced by private actors with support of market mechanisms
Rules aimed at public interest concerns	Principles aimed at private and social goods and corporate reputation
Regulated access of private actors: employers associations and trade unions	Unrestricted access of private actors: business, NGOs, trade unions
Authority-oriented	Market-oriented

Own; partly based on Hassel, 2008





# FROM MORAL TO INSTRUMENTAL: „BUSINESS CASE FOR CSR“



# 3. COMMODIFICATION OF LABOUR IN THE GARMENT INDUSTRY

- History of exploitative labour conditions
- Progressive trade liberalization starting with NAFTA and culminating with the ending of GATT (1994) and the phasing out of the Multi-Fiber Agreement (MFA) (2005) exported these conditions
- Clothing production prevalent in countries with “sketchy human rights records” (Hafner-Burton, 2005)
- Highly rationalized supply chains and „fast fashion“ further strengthened buyers

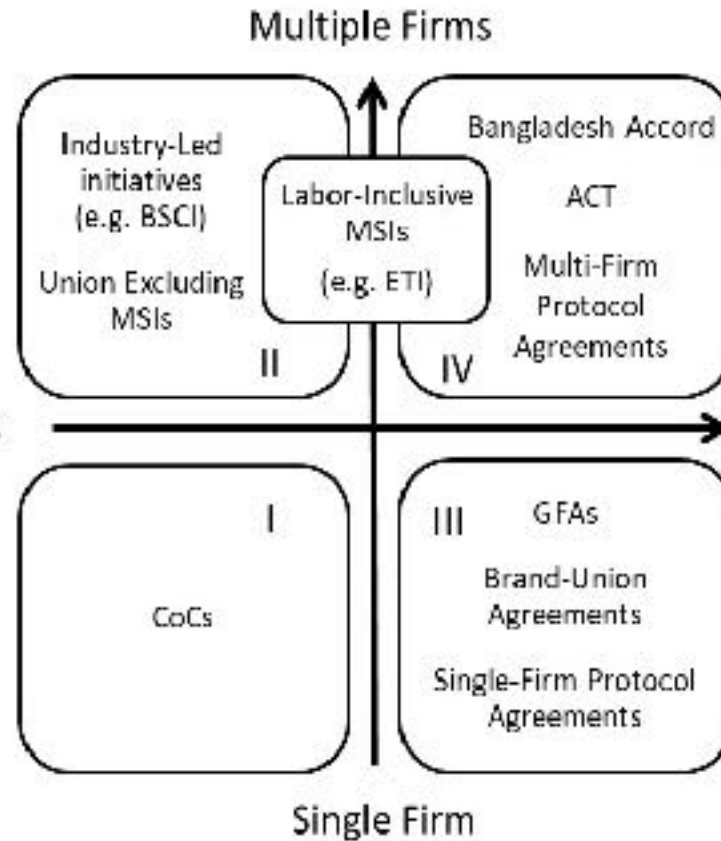
Taplin, 2014



# DEVELOPMENT OF REGULATORY ATTEMPTS



Exclusive of Unions



Inclusive of Unions



Ashwin et al., 2017

# ASSESSMENT OF STATUS QUO – 5 YEARS AFTER RANA PLAZA

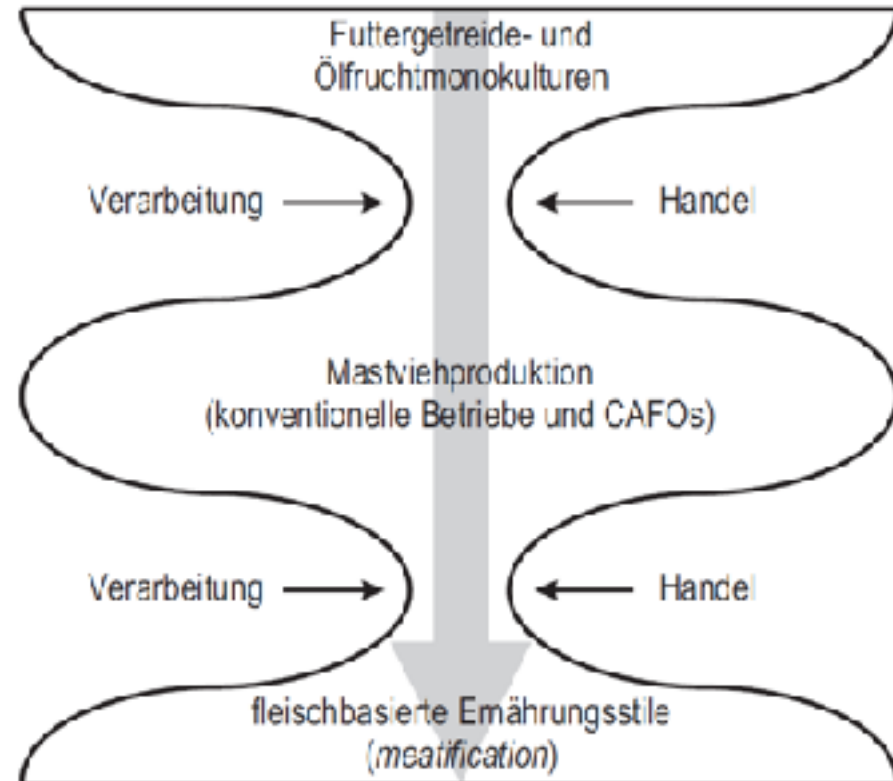
- Structural conditions: race to the bottom currently on hold
- Working conditions in export factories „hardship“ rather than „sweatshop“ – but different and unclear situation in smaller subcontracting factories
- Accord as a promising governance model – collective and „binding“
- Recent moves to „make wages a pre-competitive issue“
- Litigation as an option – but slow and difficult
- Still a long way from countervailing labour power



## 4. (DE-)COMMODIFICATION OF LAND: THE CASE OF MEATIFICATION

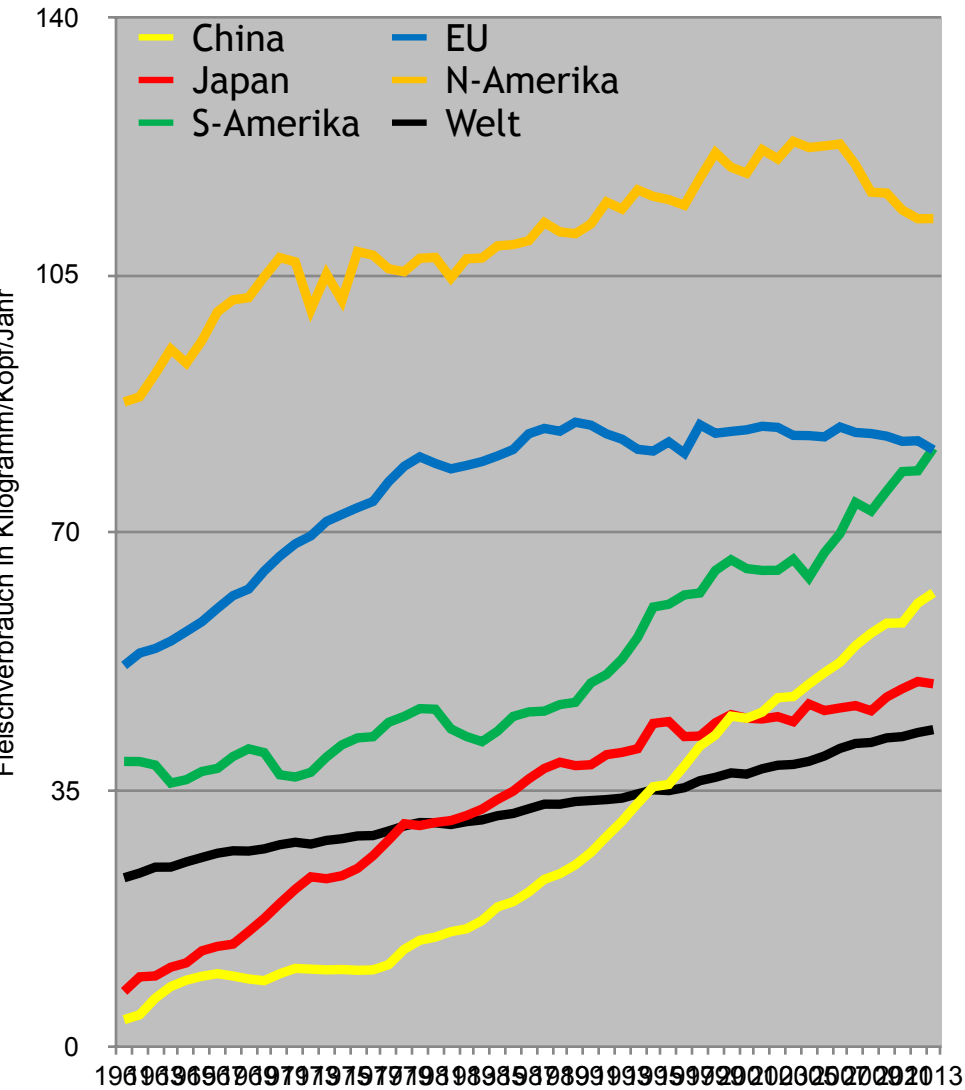
**Meatification** (Weis 2013):

- Global commodity chain: capital-intensive feed and livestock production and excessive meat consumption by affluent societies
- Regulation: Western nation states and transnational corporations
- Disembedded from regional communities and ecosystems



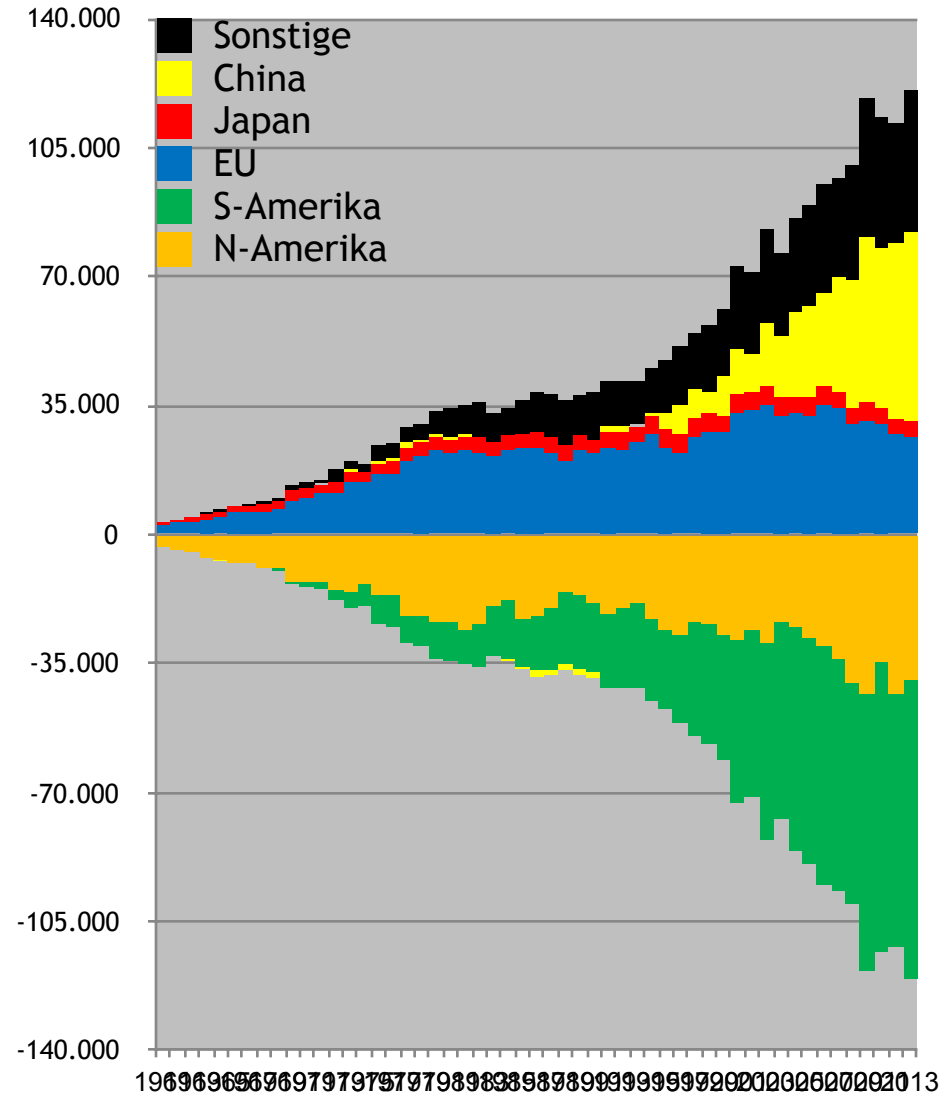
# From meat ...

Meat consumption per capita, 1961-2013



# ... to feed

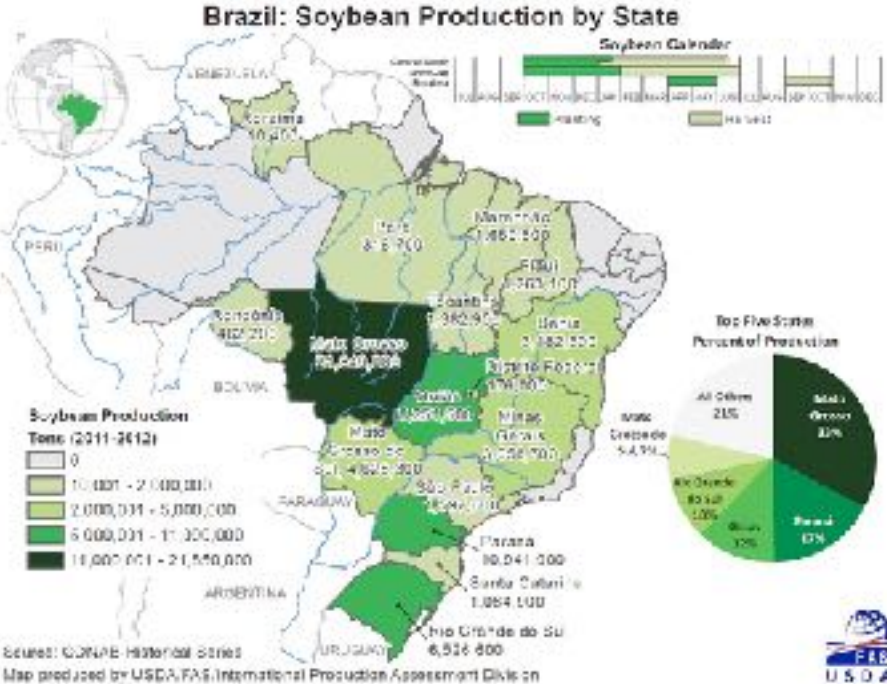
World trade of soy feed, 1961-2013



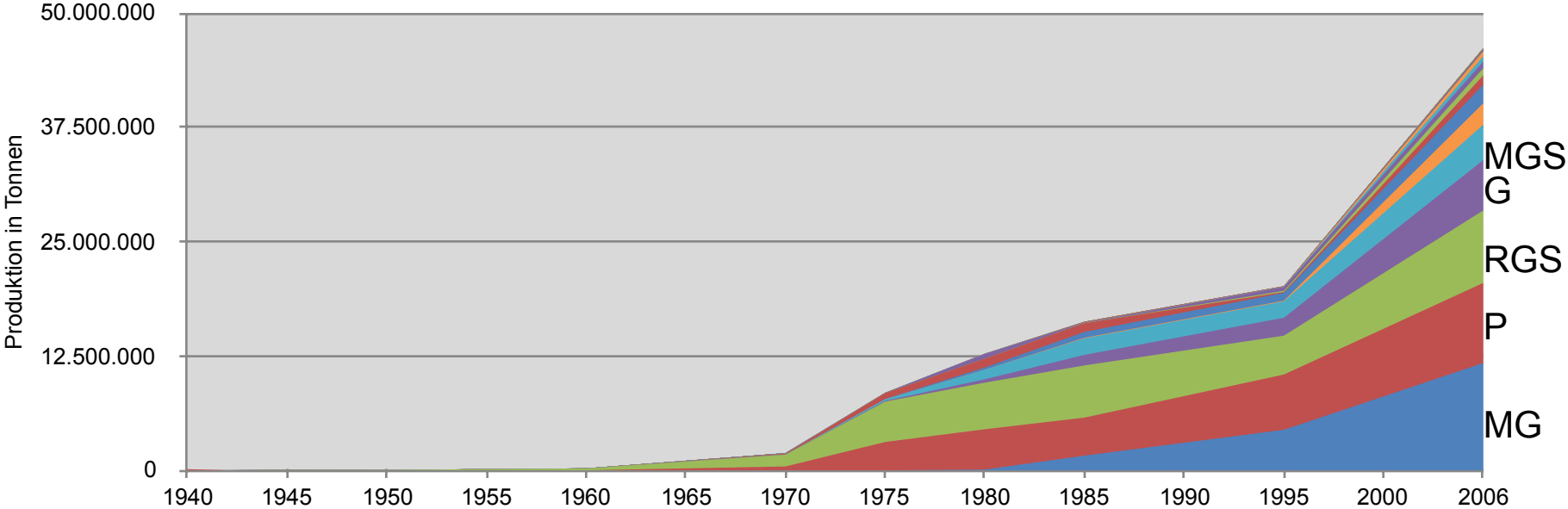


# Brazilian soy expansion:

- Vast reserves of “virgin land”
- Low production costs (social and environmental standards)
- Demand for animal feed by Europe, Japan and China
- State-led/neoliberal development project



# Soybean production in Brazil, 1940-2006



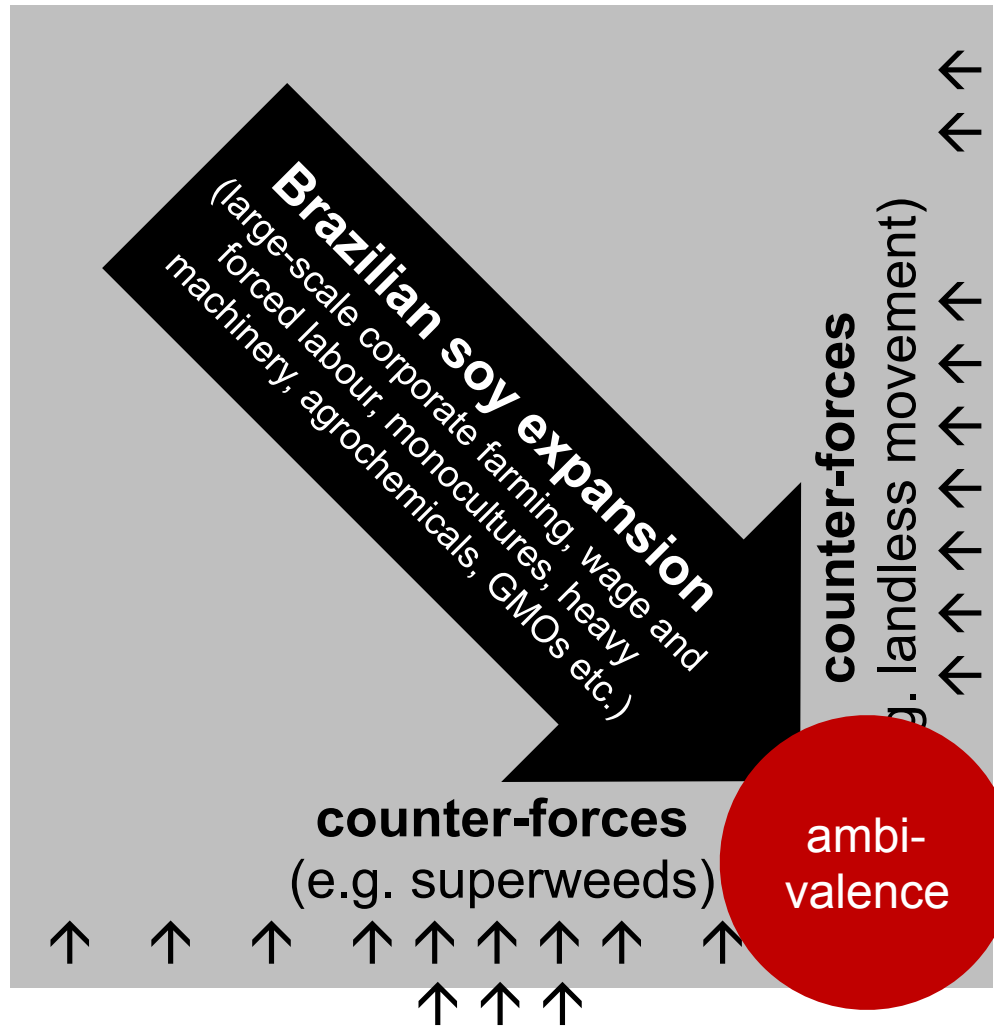
## Counter-forces:

- Displacement of indigenous peasant communities → landless movement (MST)
- Simplification of ecosystems (monocultures, GM seeds and herbicides) → herbicide-resistant “superweeds”



intensive incorporation (‘deepening’)

extensive incorporation (‘widening’)





# 5. CONCLUSION

Comparison of cases of garments and meatification:

- Ambivalence of Great Transformation: countermovements against commodification „from below“ and „from above“ → de- and recommodification
- Global commodity chains as a way of dispersing liability - varying structural conditions for/against countermovements (e.g. media attention, focusing events)
- Fundamental change requires empowerment of local actors as countervailing powers (e.g. trade unions) – to date often depend on „Western“ involvement
- Underlying power structures of global commodity chains remain unchanged

# INTERDISCIPLINARY COMMODITY STUDIES (ICS)

ICS research: starting with Polanyi, but applying him to contemporary and global contexts → “follow the commodities”

Multiple dimensions:

- Temporality: between past and future
- Spatiality: between local and global
- Complexity: between society and environment

Interdisciplinary Commodity Studies at the JKU Linz:

<https://www.jku.at/institut-fuer-sozial-und-wirtschaftsgeschichte/forschung/commodity-studies/>