

# Society, Economics & Philosophy

SELECTED PAPERS

MICHAEL POLANYI

Edited with an introduction by R. T. Allen



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Appendix I (Annotated Bibliography of Michael Polanyi's Publications on Society, Economics and Philosophy), Introduction and Appendix II (Summaries) © R.T. Allen

English translations of *To The Peace-makers* and *New Scepticism* © Endre J. Nagy 1995

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In making that collection, and in compiling the Annotated Bibliography (reprinted here as Appendix I), I was assisted by the following persons and organisations: Prof. Klaus Allerbeck, J.-W. Goethe University, Frankfurt; Miss J. Crewdson, Oxford; Prof. Paul Nagy, The University of Indiana, Indianapolis; Mrs. P. Polanyi, Worthing; Prof. M. Rose, The University of Manchester; Mr. D. Taylor, Research Officer, The Local Studies Unit, The Central Library, Manchester; The staff of the British Library, at the Reading Room of the British Museum, the Newspaper Collection at Colindale, and at the Document Supply Centre, Boston Spa; The Library of the School of African and Oriental Studies, London.

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The following have kindly given permission for the reprinting of the respective articles:

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logic: answer'; Oxford University Press for 'Science and reality', 'The hypothesis of cybernetics' and 'What is a painting?' Routledge for 'A Postscript'; Springer Verlag for 'Why did we destroy Europe?'

I offer my due apologies to any owners of the copyrights for the remaining articles, whom I have made every effort to trace and contact.

Finally, I would like to express my gratitude to Transaction Publishers for accepting this project for publication.

R.T. Allen  
Loughborough  
Spring 1995

## Introduction: The Intention of this Collection

This collection contains published articles by Michael Polanyi on non-scientific subjects. It does not include any that were previously unpublished<sup>1</sup>. Furthermore it excludes all articles which were incorporated into *The Logic of Liberty* [60]<sup>2</sup>, *Personal Knowledge* [88] and *Knowing and Being* [134]. The intention is to make more readily available those from the remainder which include material not found in his books from *The Logic of Liberty* onwards, and thus to provide a supplement to those volumes. Inevitably it is a heterogenous selection, ranging from his first non-scientific publication in 1917 to his last but two in 1972, and makes no claim to balance. For example, there is a certain relative preponderance of articles on economic theory, for none of Polanyi's books since *The Logic of Liberty* (1951) has included anything on that subject even though Polanyi continued to write and publish articles upon economics.

When I took up Dr David Lamb's suggestion, made in the autumn of 1991, that there was scope for a collection such as this, my first task was to survey all of Polanyi's non-scientific articles. It soon became obvious that more than a few of his articles were versions of each other, and, in order to put on record exactly how they were related to each other, I compiled and published privately the Annotated Bibliography which is reprinted here as Appendix I<sup>3</sup>.

My next task was the actual selection of those that I thought worthy of republication. Obviously those that are verbal duplicates of others immediately eliminated themselves. So also did those which added but little to what Polanyi had written elsewhere. In this category are some lengthy articles published just before or after *Knowing and Being*, and which restate his philosophy of tacit integration in more or less familiar terms and apply it to topics treated elsewhere. I also eliminated those, usually shorter items, which were more ephemeral in their contents, unless, like those first two articles and 'Jewish problems' (6, [18]), they are likely to

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 have a particular value for those interested in Polanyi's life and work. In some cases, that still left me with similar treatments of the same theme, such as 'Clues to an understanding of mind and body' [108], 'The body-mind relation' (22 [132]) and 'On body and mind' [133], where it was a matter of picking, rather arbitrarily, one rather another. As a result of these negative principles of selection, I was left with the twenty-five articles which are included in this volume.

All of them, in my judgment, include matters of either intrinsic or personal interest which are not available elsewhere. Undoubtedly there is often an overlap with others of his publications, but I have assumed that it is not my place to alter them except in minor details: viz. to introduce a uniform style of spelling and of continuously numbered end-notes, and silently to correct some obvious mistakes without, I hope, introducing others. All editorial insertions are placed in square brackets and added notes are marked with asterisks or daggers.

In order to give to complete the intention of providing a supplement to Polanyi's books, I have given in Appendix II summaries of the principal contents of those articles which were not included either in them or in this collection. Where the articles restate, with only a few additions, familiar themes, such his analysis of the organisation of science or his philosophy of tacit integration, I have given only the briefest of summaries despite the length of some of the items in question. In this way I have tried to put on record something of the whole body of Polanyi's non-scientific publications, except for two of which I have not been able to trace any copies. Those who wish to pursue further their interest in Polanyi's writings may find Appendix II a helpful guide in deciding which other articles they would like to obtain.

The articles in this collection represent almost the whole range of Polanyi's interests outside his scientific research and teaching: economics, politics, society, philosophy, philosophy of science, religion and Positivist obstacles to it, and aesthetics. Only the more specialist subjects of the making of diagrammatic films, in which Polanyi was a pioneer, and of reform of the patent laws, are not represented in any way. The selected items range from lengthy articles to short notes such as 'Polanyi's logic—answer' (17 [119]), and provide, I hope, a valuable supplement to his books.

Despite overlaps among their contents or themes, I have arranged the twenty-five selected articles into four groups: Political Questions, Eco-

nomics and Social Theory, The Theory and Practice of Science, and Mind, Religion and Art.

But what claim do these articles have upon the attention of the reader? To answer that question I shall now give, for those unfamiliar with Polanyi, a brief outline of his life and work, and of his place in the history of thought.

### Polanyi's Life and Work

Michael Polanyi, FRS, was born Polányi Mihály (in the Hungarian style), in Budapest in 1891, into a liberal Jewish family. His father was a railway engineer and entrepreneur who built much of Hungary's railway system but then lost a lot of money. After his death, Michael's elder brother Karl (Károly) looked after him, and their mother, Cecilia, continued to run a salon right up to her death in 1939.

Michael studied medicine in Budapest but his interests were always turned to research in chemistry. After graduating he went to the Technische Hochschule in Karlsruhe but returned to serve as a medical officer on the Serbian front in the Austro-Hungarian army during the First World War. While recovering from diphtheria, he wrote his Ph.D. thesis on his theory of adsorption (see 'The potential theory of adsorption' [113]). But his interests were not confined to science. He had been active in the Galileo Circle, a students' group formed by his brother Karl, but unlike Karl, and many others in the circles in which they grew up, he was sceptical of Socialism. With the other members of the Galileo Circle he supported Oskár Jászi, 'the Father of Hungarian Liberalism', and his journal *Huzsodik Század* (*Twentieth Century*). Polanyi also supported the new government of an independent Hungarian republic established in October 1918 by Count Mihály Károlyi, in which Jászi became Minister for Nationalities, and served in the Ministry of Health. His first non-scientific publications were 'To the peace-makers' (1917) (1 [1]) and 'New scepticism' (1919) (2 [2]). Although he refused to join the Red Army, when Béla Kun introduced an Hungarian Soviet régime in March 1919, that did not help him when Kun was defeated by an invading Romanian army and a National Army raised by Admiral Horthy, who avoided conflict with the Romanians. Horthy headed the new régime and later was elected Regent of Hungary. Along with many other Hungarians, especially of Jewish descent, both supporters and opponents of the Kun régime,

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including his brother Karl, Oskár Jászi and Karl Mannheim, a friend of the Polanyi brothers, Michael Polanyi left Hungary and returned to Karlsruhe before joining the Institute of Fibre Chemistry in Berlin, and then, in 1926, the Institute for Physical Chemistry. He maintained contact with Hungary and acted as a consultant for Tangsram, an Hungarian company manufacturing electrical equipment. During his years in Germany he published only scientific papers and there is little in his unpublished papers to indicate that he still took an interest in other matters.

Having earlier refused an invitation to go to Manchester as Professor of Physical Chemistry, he accepted it in 1933, when Hitler began to remove Jews from public positions. Visits to the Soviet Union, and especially a meeting with Bukharin in 1935, led to the first of many further publications on economic, political and philosophical themes, four of which were collected as *The Contempt of Liberty*, 1940 [12]. He took up the challenge of Marxist proposals for the planning of science, and this led him to formulate his distinction between corporate (or centrally planned) order and spontaneous (or polycentric) order and to apply it both to the organisation of scientific research and to industrial economies. Further articles on those topics were republished as *The Logic of Liberty* (1951) [60]. Previously, in 1946, he had published *Science, Faith and Society* [42], in which he explored the fiduciary roots of science and of scientific and political freedom.

Although he published, often jointly, over 200 scientific papers and was elected a Fellow of the Royal Society in 1944, his extra-scientific interests were becoming more important to him and in 1948 he gave up scientific work for a personal chair in Social Studies, especially created for him at Manchester, so that he could formulate his philosophical ideas, to be presented as the Gifford Lectures in 1951–2, and published as *Personal Knowledge* [88]. In that work he set forth his philosophy of tacit integration in knowing and being, which he extended in his later publications, beginning with the first Lindsay Memorial Lectures at the University of Keele, given in 1958 and published as *The Study of Man* [93].

He helped to form the Society for Freedom in Science, of which he became chairman, and then the Congress for Cultural Freedom. He was also a member of the Mont Pelérin Society, and gave radio talks in Hungarian on RIAS.

He left Manchester in 1959 to become a Senior Research Fellow at Merton College, Oxford, but found more of an audience in America,

where he paid several visits to give courses of lectures. Some of those were published as *The Tacit Dimension* [123] and a later series was edited by Prof. Harry Prosch, when Polanyi's memory began to fail, as *Meaning* [143]. Dr Marjorie Greene had previously collected and edited a selection of articles, first published between 1959 and 1968, as *Knowing and Being* (1969) [134]. Polanyi died in 1976.

Michael and Magda had two sons, George (1922–75) who became an economist, and John (b.1929) who is now Professor of Chemistry in the University of Toronto, and a joint winner of the Nobel Prize for Chemistry.

### Polanyi's Place in the History of Thought

Michael Polanyi is probably best known for the statement, 'We know more than we can tell' (TD p.4). Throughout the ages many philosophers have been aware of limits to what we can make explicit but they did not pursue the theme, perhaps because it was an embarrassment. For a powerful motive in modern philosophy has been the desire to be in complete control of oneself: intellectually and epistemologically, in order not to be led into error; and morally and politically, in order not to be subject to another's will or external law. But can we be assured of being in control only in respect of what we can make explicit to ourselves, of what we both know and know that we know? This ideal of total self-determination is radically challenged by Polanyi's demonstrations that our knowledge and action are always tacit integrations in which we attend *from* one set of things *to* another. Though we can often make explicit and put into articulate form some of the subsidiary clues from which we attend, we can never make all of them explicit nor the ways in which we integrate them. Moreover, to switch one's focus to the subsidiary details is sooner or later to destroy the sense, perception or meaning of the focal whole or action into which one previously had integrated them. I shall not elaborate Polanyi's account of tacit integration here, and those unfamiliar with it can find expositions of it in two articles included in this collection: 'The scientific revolution' and 'Creative imagination'.<sup>4</sup>

Only Merleau-Ponty, in his *Phenomenology of Perception*, approaches Polanyi in focusing upon and arguing from the tacit dimensions of our experience, yet even he does not formulate the structure of the tacit integration of the two modes of awareness, *from* the subsidiary and *to* the focal. It is that structure, both epistemological and ontological (for our



integration of clues into wholes reconstitutes the hierarchical organisation of the comprehensive entities which we know, which is distinctive and unique to Polanyi's philosophy and defines his place in the history of thought.

Of the many consequences of the frank acceptance of these tacit dimensions, I shall briefly mention here only a few. The first is that the ideal of a complete, precise and fully articulate body of knowledge is both impossible and dangerous. All our knowledge, even in the most exact sciences, is never fully precise, as Polanyi first pointed out in 1935 ('The value of the inexact' [5]). It follows that inexactness and impression are not *per se* fatal flaws. The second is that the ideal of a detached and impersonal body of knowledge, knowledge without a knower to which the knower contributes nothing, is also false and dangerous. All knowledge is *personal* knowledge, shaped and upheld by a tacit and personal co-efficient, without which it would not be knowledge. Another is that the contrast between imprecise, quantifiable and impersonal knowledge of fact, as supposedly to be found in natural science, especially physics, and an imprecise, qualitative and personal (or 'subjective') assessment of values, as in the humanities and everyday practical knowledge, is also false and dangerous. All knowledge is personally, tacitly and passionately endorsed as *true and valid* on the basis of standards to which the knower is committed. For those, 'Objectivists' and 'Positivists' of various persuasions, who do uphold these unattainable ideals, Polanyi's philosophy inevitably appears to be 'subjectivist' and to endorse 'subjectivism' and irresponsibility. (Yet, of course, to say that is itself to express commitment to ideals and standards of responsibility which, according to Objectivist and Positivist philosophies, are necessarily 'merely subjective'). What in fact Polanyi offers is something that transcends this vicious dichotomy of Objectivism or Subjectivism, a responsible, personal way of knowing and acting.

For the most part, the articles in this collection which employ Polanyi's philosophy of tacit integration deal with its further ramifications: such as his analysis of 'moral inversion'; his arguments for the distinctiveness of biology and the impossibility of reducing it to physics and chemistry; his account of the mind as the meaning of the body, a meaning which is lost if we explicitly attend to it; the methods actually, and mostly tacitly, followed in natural science; his arguments against the Weberian distinction in the humanities between noting others' acts of evaluations, which

is necessary, and endorsing or criticising them, which is to be abjured; and the role of tacit integration in our apprehension of works of art.

Other articles lie outside the concerns of that philosophy, most notably his first two non-scientific publications and 'Jewish problems', which have been included for the light they throw upon Polanyi's development and his more personal interests. In between lie the other political essays in the first group and those upon economic and social theory. Some of them do employ aspects of the philosophy of tacit integration whereas others do not. As was briefly indicated in the first part of this Introduction, Polanyi's was spurred into philosophical reflection by the Marxist movement for the planning of science. That led him to see how Positivist accounts of science which deny its bearing upon reality and its claim to be true, and Utilitarian evaluations of it as technically and economically useful, denied it any value and significance in itself and thus any claim it might make freely to cultivate itself without subservience to outside interests. At this point, we meet a second and independent interest in economics, the origins of which are not indicated in the unpublished papers which I have read. Polanyi's study of Soviet economics, which I have not included because of its mass of detail which has no interest today, appears to have been undertaken as a separate by-product of his visits to the USSR. These two interests converged when Polanyi took the spontaneous and self-co-ordinating organisation of scientific research as a model for the similar structure of an economy.

As was mentioned above, none of Polanyi's books since *The Logic of Liberty* have included sections or previously published articles on economic theory. And interest in Polanyi's economic writings seems to have been noticeably less than that in his other non-scientific writings. Yet they have their own importance in the history of thought. For, as Prof. Paul Craig Roberts has pointed out<sup>5</sup>, Polanyi provided an explanation of the impossibility of central planning more radical than those given by von Mises and Hayek. It is not just that central planners would need prices for the rational allocation of resources and thus a market somewhere to determine them (von Mises), or that the knowledge that operates an exchange economy is dispersed and fragmented (Hayek), but that the span of control that a given mind can employ is necessarily limited. It follows that what was called 'central planning' in the Soviet and satellite economies was no such thing, it being logically impossible. What went on there was dispersed and self-adjusting, 'polycentric', managerial de-

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cisions within each centre of production and distribution, as under private enterprise, plus a central allocation of capital funds, as with nationalised industries in largely privately owned economies.

It seems from the published evidence, and from much of the unpublished work, that Polanyi's economic thought continued to develop somewhat independently of his philosophy of tacit integration, except, of course, for their convergence in respect of political and economic freedom. Perhaps that is one reason for its comparative neglect. The republication of six articles on economic theory in this collection may do something to restore the balance.

Further comments upon each group of articles and each article will be found, respectively, in the Introductions to each part of this collection and to each individual article, where I shall indicate the place of each in Polanyi's life and work and what is distinctive and notable about its contents.

### Notes

1. Polanyi's unpublished papers are held in the Special Collections Department of the Joseph Regenstein Library at the University of Chicago.
2. The numbers in square brackets are those of Polanyi's publications as listed in the Bibliography in Appendix I, and the others are those of the ones as reprinted in this selection.  
Polanyi's books will be referred to by means of the usual abbreviations:  
KB = *Knowing and Being*  
LL = *The Logic of Liberty*  
M = *Meaning*  
PK = *Personal Knowledge*  
SFS = *Science, Faith and Society*  
SOM = *The Study of Man*  
TD = *The Tacit Dimension*
3. Two items not listed in other bibliographies are 'To the peacemakers' and 'New scepticism'. I had already been to the Polanyi Memorial Conference, held in Budapest in 1991 by the Michael Polanyi Liberal Philosophical Association of Hungary, at which I was shown copies of them.
4. Perhaps the best ways into Polanyi's thought are his shorter volumes, especially *The Study of Man* and *The Tacit Dimension*. Several introductions to Polanyi's work have been published: R.T. Allen: *Polanyi* (London, Claridge Press, 1990); R. Gelwick: *The Way of Discovery* (New York, OUP, 1977); H. Prosch: *Michael Polanyi: A Critical Exposition* (New York, State University of New York Press, 1986); Dru Scott: *Everyman Revived* (Lewes, The Book Guild, 1985).
5. *Alienation and the Soviet Economy* (2nd. ed. New York, Holmes and Meier, 1990). One aspect of Polanyi's economic and political thought which is not represented in this collection is his acceptance of Keynes' general theory and prescriptions

for dealing with failures in gross demand and consequent widespread unemployment. For, on the one hand, Polanyi merely mentioned Keynes in some of his shorter and more ephemeral pieces, and, on the other, gave an exposition of his own understanding of Keynes in *Full Employment and Free Trade* [30] which was much too long to be considered for this collection. On that book see Paul Craig Roberts, 'Idealism in public choice theory', *J. of Monetary Economics*, 4 (1978).

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