

THE SOCIAL LIFE OF THE FIRST ECONOMICS FILM: A RESPONSE TO GEOFFREY M. HODGSON AND STEPHEN TURNER¹

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Polanyi's film project was pioneering. It was the first motion picture that explicitly aimed to present economic matters as they were described by specific economic theories. Previous movies about the economy, like *Valley Town: A Study of Machines and Men* (1940), did not explicitly embrace the theory-ladenness of visualizing the economy. This film did. It was to portray the economy as it was described by the Polanyian interpretation of Keynesian economics. But where should such a film, first of its kind, find its niche? Among the ranks of economists (experts of theoretical content), tutors of economics (experts of teaching such content), film experts (experts of representation) or somewhere else? Not an easy question, and, as this book shows, Polanyi was struggling with his film in several social worlds to realize his film-based vision. And this vision is precisely what makes Polanyi's film special and worthwhile to study.

Polanyi aimed to foster "democracy by enlightenment through the film" (Polanyi 1935, 1) and imagined that a "calm light would spread out" (Polanyi 1936, 4) from schools using his film that would change public thinking in a peaceful and gradual way. Why did Polanyi think that public thinking needed to be changed? He was worried about the Western spread of socialism which was, according to him, mostly due to the ability of socialism to develop a kind of social consciousness unlike liberalism which failed to do so. Liberalism could not bring a comprehensible explanation to people about how their individual actions contribute to a social 'big picture'. Polanyi was to correct that failure. He was to develop a social consciousness for liberalism. But there was a problem. The liberal understanding of the relation between the individual and the social was complex and invisible, and, as Polanyi noted, "a complex structure that cannot be seen cannot be understood" (Polanyi 1936, 1). What to do then? Polanyi's answer was to make it comprehensible by making it visible. Therefore, the liberal social consciousness would spread, and by doing so, enlightening the public and saving democracy from the threat of socialism.

The scope of this book is limited to the story of this vision of "democracy by enlightenment through the film" (Polanyi 1935, 1) mirrored in the two versions of Polanyi's film, *An Outline of the Working of Money* (1938) and *Unemployment and Money: The Principles Involved* (1940), and, his Keynesian textbook, *Full Employment and Free Trade* (1945). I never claimed this book to be a comprehensive account of Polanyi's economic ideas and I was very explicit about the limitations of its scope. I noted multiple times that "the primary aim of this book is to present the personal road taken by Polanyi's postmodern economics and his related film" (Bíró 2019, 1) in various social worlds by a careful and detailed analysis of Polanyi's correspondence. I also noted that "[t]his book explores the personal journey of Michael Polanyi and his *vanguard vision* (Hilgartner 2015) through various social worlds with an aim of portraying his threefold mission to craft a heart for economics, to revitalize liberalism, and, to save the West from the growing shadow of totalitarian régimes." (ibid).

Apparently, these statements about the limitations of the scope have escaped Geoffrey Hodgson's notice, for his review provided a masterful list of what he considered to be the book's 'deficiencies', 'omissions', 'lacunae': things that all lie outside the scope of this endeavour. Of course, I agree with Hodgson that Polanyi's concept of *spontaneous order*, his anti-planning ideas, his involvement with the Mont Pelèrin Society, and,

to a degree, even his *tacit knowing* concept were important in the economic thought of Michael Polanyi, and I have myself started to work on some of these after submitting the book, but they had not much to do with his film-based vision in the period analyzed (1933 to 1948). That is why they were not thoroughly addressed in the book.

To my greatest surprise, Hodgson also failed to grasp that this book is an account of science and technology studies (STS) which, perhaps, prevented him from understanding certain narrative decisions. The book takes Polanyi's vision of "democracy by enlightenment through the film" (Polanyi 1935, 1) as a socio-technical vision that struggled to become a *sociotechnical imaginary* (Jasanoff-Kim 2015). The definition of sociotechnical imaginaries as "collectively held, institutionally stabilized, and publicly performed visions of desirable futures" (Jasanoff-Kim 2015, 4) which are "animated by shared understandings of forms of social life and social order attainable through, and supportive of advances in science and technology" (ibid) was given in the Introduction of my book which "tries to go one step further by portraying several clashes and concords of these subjectively-drawn realities through unpacking immensely rich and mostly unstudied archival materials" (Bíró 2019, 5) of Polanyi and his correspondents. Polanyi's related vision eventually failed to become a sociotechnical imaginary because the lack of institutional stabilization and collective support, but, for a while, it had potential to become one. It was held by an increasing number of people, it was publicly performed, it was about a desirable future, it was based on a shared understanding of social life, and it was supportive of advances in science and technology (instructional film of Keynesian economics). It even had some potential to fulfil the remaining two requirements (institutional stabilization and being collectively held) in the 1940s when the Workers' Educational Association (W.E.A.) was experimenting with the film and the British Ministry of Information had talks with Polanyi about using a version of his film in their educational portfolio. Unfortunately, the film has never become widely used, which prevented Polanyi's personal vision from becoming a sociotechnical imaginary. But this was not the only STS concept on which Hodgson remained silent: *obligatory passage point*, *interesement* (Callon 1986); *boundary object* (Star-Griesemer 1989); *actor-network theory*, *immutable mobiles* (Latour 1990); *co-production* (Jasanoff 2004); *vanguard vision* (Hilgartner 2015) and many others were mentioned in the Introduction without being referred to in his review.

Curiously, a similar thing happened with the label *postmodern*. Even though I explained that "the term 'postmodern' is being used in this book to denote what should come after 'modern' in Polanyi's view," (Bíró 2019, 12) that was not enough for Hodgson. He wanted me to include a literature review of postmodern since, as he put it: "the word did not become popular until well after Polanyi's death." (Hodgson 2020, 7). Hodgson also criticized me for using the terms "anti-deterministic" and "anti-mechanistic" which he called "questionable terms" (ibid, 8). While there is a reference to Polanyi's thought as not being deterministic, the term "anti-deterministic" is not included at all in the book so criticizing its presence seems a bit odd. The reference to Polanyian ideas as not being deterministic was indeed made in connection with the Polanyi-Mannheim correspondence and included Polanyi's own words in a letter to Mannheim in which he rejects "all social analysis of history which makes social conditions anything more than opportunities for a development of thought" (Polanyi 1944, 2) and expressed strong disagreement about what he considered to be Mannheim's view, which is that "thought is not merely conditioned, but determined by a social or technical situation" (cf. ibid and Bíró 2019, 121) How could it be more simple and authentic?

The second term, "anti-mechanistic," was not used in the text either. Instead, "anti-mechanical" and "anti-machinistic" were used to describe various approaches that went against the mainstream mechanical

view of economics (and historiography of economics) that treated man as a calculating machine. For Polanyi and a lot of other intellectuals this mechanical approach implied, among other things, “inhumanness, despirituality, amorality, emptiness, unsophisticatedness, unwordliness, in and outside of economic realms” (Bíró 2019, 155). They felt motivated to counter the mechanical view of man, and, as my book shows, developed several ideas that were framed against this mechanical view. A careful reading of the book provides several such “anti-mechanical” and “anti-machinistic” approaches and shows that, contrary to what most mainstream historiography of the period suggests, many who were seeking answers focused rather on the mind than on behaviour” (ibid). In this sense, the book develops a counter-narrative *inter alia* to Mirowski’s *Machine Dreams* (2002) in which the economic thought of the period (1930s-1950s) was described as shifting from *economic protoenergetics* to *cyborg economics*. Mirowski argued that “without the computer, it would still be obligatory to bend a knee to the mantra that economics really was about “the allocation of scarce resources to given ends” and not, as it now stands, obsessed with the conceptualization of the economic entity as an information processor” (Mirowski 2002, 522; quoted in Bíró 2019, 5). I argue that views about the economy were not so homogeneous but manifold in the period and that not all of them were primarily mathematical or machinistic. Unfortunately, no one had to say anything so far about whether my argument was successful or not in challenging Mirowski’s.

Hodgson warned his readers that “we should not assume—as Bíró seems to—that the original or orthodox liberalism was largely in favour or [sic] *laissez faire*” (Hodgson 2020, 5), which he called a “historical inaccuracy” developed by Hayek and the Chicago school. Moreover, he referred to *The Lost History of Liberalism* (2018) by Helena Rosenblatt which, in his view, “decisively refuted” (Hodgson 2020, 6) this stance. There are a couple of problems with this warning. First, the book is not about my take of liberalism, but Polanyi’s. The relevant chapter is about how Polanyi was “drawing rhetorical boundaries between his revamped liberalism and extreme liberalism and socialist planning respectively” (Bíró 2019, 14). An STS concept, *boundary-work* (Gieryn 1983) is crucial here, because Polanyi’s relevant practices are being interpreted as an instance of boundary-work. Second, the book does not reject, but embraces the idea that there were (and there still are) various kinds of liberalisms which makes it compatible with Rosenblatt’s account (2018). Actually, it gives a glimpse into a spectrum of liberalisms (including that of Adam Smith, Charles Dickens, Barbara and Lawrence Hammond, John Maynard Keynes, Oscar Jaszi, and of course, Michael Polanyi) by analyzing the correspondence of Polanyi and his network through which the reader could not only see the diversity of these liberalisms but also some transactions between them, e.g., how Polanyi used the Dickensian critique of *laissez faire* liberalism in his own rhetoric against what he called orthodox liberalism.

Finally, there are a few statements from Hodgson which are particularly hard to interpret otherwise than being counterfactual and unfounded. He noted that “Bíró seems to impose his own vague terminological preferences upon Polanyi, rather than to dig more deeply into his thought, or into the terms that he ascribes to him” (Hodgson 2020, 8), that “despite extensive work in the archives, there are relatively few substantial quotes, from the archival material” (ibid), and that “along with Bíró’s own interpretation of the material, we would like to hear Polanyi speak a little more for himself” (Hodgson 2020, 8). These statements suggests that I was reading into the material what I wanted to see there instead of developing an authentic account about what was there. There are 708 references and 310 bibliographical entries in my book (178 pages). From these, 422 references and 127 bibliographical entries point to archival materials. I let the texts speak for themselves everywhere I could and used much more archival materials than what is usually used for a

similar monograph. No doubt, the book has some flaws, but its well-researched nature and authenticity has so far been acknowledged even by its most hell-bent critics.

It was a delight to read Turner's review of the book. He understood what the monograph is about and asked fascinating questions for Polanyi scholarship. Has Polanyi been developing a "coherent social theory" (Turner 2020, 11) while nurturing over his film-based vision? And, perhaps, more importantly, "How did Polanyi come to his views?" Turner discussed together Polanyi's contributions on science and economic liberalism and tinkered with the idea whether there was "a parallel in science" (Turner 2020, 11) for the social consciousness *topos* Polanyi used in his economy-related rhetorics. He convincingly argued that there was. For Polanyi, science was "an example of the good life" (Polanyi 1946, 289 quoted in Turner 2020, 11) because it was based on "a shared sense of scientific truth" (Turner 2020, 11). Polanyi's liberal social consciousness was indeed framed as a shared sense of economic reality and as a shared sense of economic policy. One might wonder what would have happened if Polanyi's film became more popular and the seeds of his novel kind of liberal social consciousness blossomed.

Turner emphasized that Polanyi biographies were mostly concerned with influences on his political and social thought. He presented how most accounts describe Polanyi's relevant ideas as reactions to the planning movement and the Social Relations of Science movement and acknowledged that this "book is a contribution that deepens the discussion." Turner acknowledged that "[t]he great merit of Bíró's book is in his analysis of the epistolary Polanyi" and provided additional context to understand the atmosphere of the analyzed cca. two decades. He portrayed the period as that of "agonizing doubt" about "progress, religion, Goodness, and the future" (ibid) in which people sought to find something they could rely on. Some saw socialism as a way out from this bleakness (Sidney and Beatrice Webb, Lancelot Hogben, Karl Mannheim, Patrick Blackett), some urged for a revival of traditional Christian values or for a "renovated Christianity" (ibid, 12), others were developing new kind of liberal alternatives (John Maynard Keynes, Michael Polanyi, Oscar Jaszi). Turner argues that while "Polanyi's correspondents in the 30s comprise a fascinating soupçon from this teeming ideological cauldron," (ibid) there is no explanation of "the intellectual world specific to the Polanyi family." (ibid, 14), and I think he is right. The motivation to "overcome the nineteenth century" (Druckner 1978, 126-7 quoted in Turner 2020, 13) was all over the Polanyi family. The intellectual salon of "Cecil mama," the mother of Michael and Karl Polanyi, was a popular gathering place of progressivists in Budapest. Growing up in the Polanyi household must have greatly affected the thoughts of the siblings. It would have been worth noting that a few decades later Michael was developing a post-critical philosophy, Karl a democratic socialism (Gulick 2010, Dale 2014, 2016a, 2016b, 2016c) and Laura a feminist philosophy (Szapor 1997, 2005). Moreover, analyzing the Central-European or Hungarian origins of the Polanyian vision, as Turner suggested, seems to be a promising route as it was recently pointed out that Polanyi was part of the sociological tradition of Hungarian philosophy (Demeter 2008, 2011, 2020).

I completely agree with Turner that this account of Polanyi's economics "spills over into social theory in a variety of ways" (Turner 2020, 14), some of which perhaps could have been explicated better to provide a less "puzzling picture." (ibid). Hopefully, my forthcoming articles are going to explore some of these terrains. I am also very grateful for Turner for calling my attention to the fact that the spiritual element in Polanyi's science—as mirrored in tradition—was in a sense contradictory to the anti-bourgeois sentiments of the Polanyi family. I agree with him that Polanyi's vision was conservative just as it was liberal. Indeed, Polanyi emphasized the dependence of liberal society on morality. He argued that liberalism needs a living creed, one that fosters public liberty (based on tradition) as much as it fosters private freedom. The stakes

were high. For Polanyi, the freedom of science was pivotal for the freedom of society and the two were connected by a spiritual element (Hartl 2012, Hartl 2021). Turner pointed out that while there have been several compatible elements in the early social thought of Michael Polanyi (e.g., shared sense of scientific truth and shared sense of economic reality) that might be seen developing a consistent social theory, there were tensions as well, and possibly even inconsistencies (Polanyi's Keynesian economic theory and non-Keynesian epistemology, his anti-bourgeois leanings and his support of tradition). This monograph about the social life of the first economics film contributes to this discussion by giving a glimpse into the versatility and the fluidity of the social thoughts of Polanyi and his correspondents in the thirties and forties. If it manages to deconstruct the slightest historiographical oversimplification, it was worth being written.

NOTE

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