



## **THE DOUBLE MOVEMENT IN POLANYI AND HAYEK: TOWARDS THE CONTINUATION OF LIFE**

### **O DUPLO MOVIMENTO EM POLANYI E HAYEK: EM DIREÇÃO À CONTINUIDADE DA VIDA**

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**Abstract.** *Karl Polanyi's double movement is a dialectical process characterized by a continuous tension between a movement towards social marketization and a movement towards social protectionism. Notably, Polanyi condemns the former movement while defending the latter. Without using the term "double movement", F.A. Hayek's theory of social evolution acknowledges the same phenomenon but reaches different normative conclusions. While for Polanyi the marketization of society is a utopia with dystopian consequences, Hayek's evolutionary explanation of this dialectical process asserts that there is no alternative to a market oriented society. Both authors defend that their favoured movement is the one that truly supports the continuity of life. This article compares the authors' normative readings of the double movement and concludes that, from an evolutionary perspective, Polanyi's conclusion possesses a robustness that Hayek's postulate lacks.*

**Keywords:** *Karl Polanyi, F.A. Hayek, double movement, group selection, cultural evolution, market liberalism.*

**Sumário.** *O duplo movimento de Karl Polanyi é um processo dialéctico caracterizado por uma tensão continua entre o movimento a favor da comercialização social e o movimento a favor do protecionismo social. Notavelmente, Polanyi condena o primeiro movimento enquanto faz a defesa do segundo. Sem usar o termo "duplo movimento", a teoria da evolução social de F.A. Hayek reconhece o mesmo fenómeno mas chega a conclusões normativas distintas. Enquanto que para Polanyi a comercialização da sociedade é uma utopia com consequências distópicas, a explicação evolucionista de Hayek conclui que não há alternativa a uma sociedade de mercado. Ambos os autores defendem que o seu movimento preferido é aquele que de facto suporta a continuidade da vida. Este artigo compara as leituras normativas que os dois autores fazem do duplo movimento e conclui que, de uma perspectiva evolutiva, a conclusão de Polanyi possui uma robustez que falta ao postulado de Hayek.*

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**Palavras chave:** *Karl Polanyi, F.A. Hayek, duplo movimento, seleção de grupo, evolução cultural, liberalismo de mercado.*

## 1. Introduction

Karl Polanyi and F.A Hayek are two of the most important social thinkers of the 20<sup>th</sup> century. They are iconic representatives of two contrasting positions: while Polanyi (2001, p. 136) affirms that market societies are self-destructive, Hayek (1944) defends the virtues of market liberalism. As Peter Lindsay notes, “while both authors covered much similar ground and employed similar arguments, they somehow arrived at diametrically opposed conclusions” (Lindsay, 2015, p. 377). It is particularly interesting that both authors developed social theories about the phenomenon known as “the double movement”.<sup>1</sup> This is a term coined by Polanyi (2001, p. 136) that refers to the continuous dialectical tension between a movement favouring the marketization of society and a movement aiming at social protection. Yet, without using the term “double movement”, Hayek (1979, 1988) also identifies the same phenomenon and theorizes it from an evolutionary perspective. Most importantly, when analysing the double movement, both thinkers believe that their favoured movement supports the continuation of life. While Hayek (1979, p. 168) defends that market liberalism expands life, Polanyi (2001, pp. 3, 74) believes that life can only flourish when markets are properly embedded within social relations and subjugated to non-economic norms. Hence, these two authors independently acknowledge the same phenomenon and postulate opposite normative positions.

The aim of this paper is to show how Polanyi and Hayek theorize the phenomenon of double movement and to reveal how they come to their distinct normative positions. Furthermore, the article aims at critically assessing their normative interpretation of this phenomenon, especially focusing on their arguments in favour of the continuation of life. This critical assessment makes use of evolutionary theorization in order to appraise the normative claims of both authors. Specifically, it makes use of the evolutionary models of group selection/multilevel selection (Sober & Wilson, 1998; Wilson & Wilson, 2007)

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<sup>1</sup> Although the existence of a tension between pro-market and pro-protectionist forces in society is here being described as a “double movement”, it is worth noticing that both Hayek and Polanyi’s postulates are theoretical interpretations of the same development. Hence, it is not implied that Polanyi’s double movement is a scientific fact while Hayek’s insight is a mere theory.

and gene-culture co-evolution (Boyd & Richerson, 2005).<sup>2</sup> These well known contemporary models have the same primary evolutionary understanding as Hayek's social theory and provide an important framework with which to evaluate not only Hayek's claims but also Polanyi's. Given that both authors justify their normative positions with claims about the continuation of life, this critical assessment will focus on the evolutionary equivalent of this continuation: reproductive fitness.<sup>3</sup>

The paper is structured as follows. After this introduction, the second section describes Polanyi's understanding of the double movement. Subsequently, the third section presents Hayek's evolutionary explanation of the same phenomenon. The fourth section critically discusses and compares the robustness of the authors' visions. Ultimately, Hayek's normative understanding of the double movement is found to be less robust than Polanyi's. The conclusion summarizes the main insights.

## **2. Polanyi's double movement**

The double movement is a concept coined and developed by Polanyi. He asserts that the forces that aim at expanding the marketization of society will inevitably be met by a countermovement that tries to protect social life from the negative effects of this marketization. In his own words: "For a century, modern society was governed by a double movement: the market expanded continuously but this movement was met by a countermovement checking the expansion in definite directions" (Polanyi, 2001, p. 136). Polanyi concludes that this countermovement is a reaction against the "dislocation which attacked the fabric of society" and that such dislocation would have ultimately "destroyed the very organization that the market called into being" (Polanyi, 2001, p. 136). Put differently, the destructive social forces created by the self-regulating market would not only undermine the social fabric but also the market system itself. In

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<sup>2</sup> Both these models share a basic common understanding with Hayek's cultural group selection theory, therefore providing a common evaluative standard. Like Hayek's framework, the group selection/multilevel selection model regards selection at the level of social groups as an important evolutionary force. Furthermore, similarly to Hayek's theory, the gene-culture co-evolution model understands that the cultural practices and institutions of groups are under selection in the same way as genes. Hence, due to mutual interaction, cultural selection affects genetic selection and vice-versa.

<sup>3</sup> This paper understands reproductive fitness as it is understood in standard evolutionary biology, that is, as reproductive success (of genotypes and phenotypes).

the end, the unregulated market system is self-destructive. For Polanyi, “the idea of a self-adjusting market implied a stark utopia” (Polanyi, 2001, p. 3) with serious dystopian consequences. Ultimately, the final consequence of market liberalism is the annihilation of the “human and natural substance of society” (Polanyi, 2001, p. 3), which means the physical destruction of Man and his surroundings.

Polanyi sees this countermovement against the marketization of society as vital to fight the negative social consequences coming from market forces; specifically:

the dangers involved in the exploitation of the physical strength of the worker, the destruction of family life, the devastation of neighbourhoods, the denudation of forests, the pollution of rivers (...), the disruption of folkways, and the general degradation of existence including housing and arts (Polanyi, 2001, p. 139).

He adds that market forces are so destructive that even the “capitalist production itself had to be sheltered from the devastating effects of a self-regulating market” (Polanyi, 2001, p. 138) via this countermovement.

The attempt to protect society from the negative consequences of social marketization can come in many different forms. As Fred Block and Margaret Somers assert, these counter movements “are just as likely to be conservative, even populist and fascist” as to be socialist or communist, because “market destabilizations will mobilize the right no less than the left” (Block & Somers, 2014, p. 10). Most relevantly, Polanyi’s far-reaching hypothesis in his book *The Great Transformation* (2001) is that it was the liberal market system of the nineteenth-century that led to the two world wars of the twentieth century (Patomaki, 2014, p. 736). In order to prove it, he tries to historically show that the nineteenth-century market system was artificial, alien to people and a fairly recent invention. Therefore, because this market system was politically created from the top down, the twentieth century reaction against market liberalism was to be expected. With this reaction came the attempt to restrict market forces and to politically control the economy. As Polanyi famously puts it: “Laissez-faire was planned; planning was not” (Polanyi, 2001, p. 147).

For Polanyi, the main reason why market liberalism is unsustainable is that it attempts to transform vital elements of social life and of human dignity into commodities. Namely, the market system promotes the commodification of people by transforming them into priced labour. Furthermore, marketization removes the social significance of land and nature by allowing them to be valued through market prices. Even money is commodified “as a token of purchasing power” (Lindsay, 2015, p. 382). As a result, Polanyi sees market liberalism as a process that will ultimately “denaturalize the individual” (Polanyi, 2001, p. 245), adding that “the commodity fiction disregarded the fact that leaving the fate of soil and people to the market would be tantamount to annihilating them” (Polanyi, 2001, p. 137).

### **2.1 Double movement: disembedding and re-embedding**

The phenomenon of double movement can also be conceptualized as the disembedding and the re-embedding of the economy. An economy is embedded when it is integrated in broader social relations of a non-economic nature, that is, “the economic system will be run on noneconomic motives” (Polanyi, 2001, p. 48). Although Polanyi understands that all societies have systems of material production, he asserts that this “does not imply the existence of separate economic institutions” (Polanyi, 2001, p. 74). His historical research reveals that “normally, the economic order is merely a function of the social order. Neither under tribal nor under feudal nor under mercantile conditions was there, as we saw, a separate economic system in society” (Polanyi, 2001, p. 74). Hence, the movement towards the marketization of society attempts to disembed the economy from the wider social relations, while the protective countermovement tries to re-embed it.

When exactly an economy is disembedded is a matter of contention. Some academics like Fred Block claim that an economy can never be really disembedded from social and political relations. In the words of Block:

One might say that disembedding the market is similar to stretching a giant elastic band. Efforts to bring about greater autonomy of the market increase the tension level. With further stretching, either the band will snap – representing social disintegration – or the economy will revert to a more embedded position (Polanyi, 2001, p. xxv).

According to this perspective, an economy is always embedded and only a complete social collapse would disembed it. Nonetheless, the alternative perspective is that the economy can be disembedded even before reaching total social disintegration. Nuno Cardoso Machado (2011) asserts that the latter perspective was the one Polanyi had. And indeed, Polanyi is quite explicit about this. He writes that:

The disembedded economy of the nineteenth century stood apart from the rest of society, more especially from the political and governmental system. (...) It is motivationally distinct, for it receives its impulse from the urge of monetary gain. It is institutionally separated from the political and governmental center. It attains to an autonomy that invests it with laws of its own. In it we possess that extreme case of a disembedded economy which takes its start from the widespread use of money as a means of exchange (Polanyi, 1957, pp. 67-68).

Thus, it seems clear that Polanyi thinks that contemporary market economies can be disembedded.<sup>4</sup>

The double movement can therefore be regarded as a dialectical tension between the disembedding and the re-embedding of the economy in social relations (i.e. in social goals of a non-economic nature). More specifically, the double movement is constituted by market forces aiming at an independent economy and by a protective countermovement aiming at re-embedding the economic sphere.

### **3. Hayek's evolutionary double movement**

Hayek's theory of social evolution identifies the phenomenon of double movement without calling it as such. Namely, he gives an evolutionary account of this continuous tension between market liberalism and protective tribal countermovements. Furthermore, by using a model of cultural group selection, Hayek concludes that groups that embrace a market morality will bio-culturally expand in relation to groups with tribal moralities. Hence, market liberal groups

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<sup>4</sup> For further discussion on the question of embeddedness see Dale (2010) and Machado (2011).

will be favoured over tribal ones in the process of evolutionary inter-group competition (Hayek, 1979, 1988).

Hayek's double movement is defined by the continuous tension between two conflicting moral systems: the tribal morality and the "Great Society" market morality (Miller, 1989, p. 313). The tribal morality is a moral system underpinned by instincts of altruism towards the tribe. These instincts are the result of humans having lived most of their evolutionary past in small tribes. Consequently, such tribal traits were naturally selected. Hence, "mankind had hundreds of thousands of years to acquire and genetically to embody the responses needed for (...) the preservation of a small band of hunters and gatherers" (Hayek, 1979, p. 164). Conversely, the "Great Society" market morality is characterized by a high interdependence of a very large number of individuals. It is characterized by market institutions such as property rights, contracts and rule of law, which allow for an extended cooperation between many individuals and across vast tracts of land (Miller, 1989, p. 313).

The permanent tension between these two systems of morality is analogous to what Polanyi sees as the double movement. Indeed, Hayek (1988, p. 134) understands that individuals have been civilized in the market order largely against their wishes and their natural (tribal) instincts. For him, the reason why market morality developed is that those groups that practiced it gained reproductive/evolutionary advantages over groups operating under moral tribalism. Thus, market morality prevailed not because of our explicit wishes, but because it was an evolutionary winner. As Hayek notes, "we may not like the fact that our rules were shaped mainly by their suitability for increasing our numbers, but we have little choice in the matter" (Hayek, 1988, p. 134).

Hayek surely thought that this process of population growth was a key explanation of how market society evolved, but he also thought that this process is of high relevance for the present and future. After all, evolution simply cannot come to a halt. As Naomi Beck notices, despite being critical of the power of science and reason to understand morality, Hayek ended up "making growth or reproductive success the main ethical value" (Beck, 2011, p. 421). He clearly stated that the most essential effect of the evolutionary process is the maximization of the "prospective stream of future lives", because "life has no

purpose but itself: life exists only so long as it provides for its own continuance” (Hayek, 1988, pp. 132-133). At the moral level, Hayek concludes that “as with every other organism, the main purpose to which man’s physical make up as well as his traditions are adapted is to produce other human beings” (Hayek, 1988, p. 133). Hence, although he claims that there is no point in asking if fitness maximising actions are good in themselves (Hayek, 1988, p. 133), what is positive becomes tacitly tied with fitness maximization in the group selection process, and, according to his normative judgement, tied to market morality.<sup>5</sup>

For Hayek, the “Great Society” market morality allows for an exponential increase in the division of labour, which expands the capacity to produce more goods and services. Consequently, as Beck explains, due “to the increase in output, more mouths can be fed and population can grow” (Beck, 2015, p. 89). Yet, individuals are constantly rebelling against the market order because the individualistic market morality is opposed to our natural collectivist instincts, which are ever present due to our evolutionary tribal past. For Hayek, these instincts that favour the tribe have to be repressed because:

it was necessary for the rise (...) (of the open society) that he (mankind) not only learned to acquire new rules, but that some of the new rules served precisely to repress the instinctive reactions no longer appropriate to the Great Society (Hayek, 1979, p. 164).

Hence, due to being the drivers of the countermovement against the market order, tribal instincts should be repressed in the process of double movement. If not, Hayek (1988, p. 120) claims, millions would be sentenced to death by starvation due to the destruction of the material foundation of the “Great Society”.

### **3.1 Towards spontaneous individualism, against tribal goals**

In his famous book *The Road To Serfdom* (1944), Hayek postulates that a relatively unencumbered market economy is the most efficient way to reach high

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<sup>5</sup> Hayek (1988, p. 133) remains ambiguously amoral when emphasizing that evolution will continue to select for the continuation of life regardless of our reasoned moral judgements on the matter. But his endorsement of an alleged fitness maximizing market morality reveals a clear normative preference for the maximization of life in relation to its minimization.

material prosperity while at the same time protecting individual liberties from considerable coercion. For him, the price system is uniquely capable of allocating resources in the most efficient way possible and of fomenting innovation through cooperation. To drastically interfere with this price system would cause considerable social and economic damage, eventually leading to the rise of coercive regimes aiming at social conformity. Hayek (1945) understands the market as a discovery process, where the law of supply and demand allows for a more efficient satisfaction of individually subjective preferences. Hence, to conserve the price system is to conserve the precious tacit information contained in it (Hayek, 2009), which allows for the cooperation between high numbers of individuals.

For Hayek (1988), a market morality is likely to be selected in the process of cultural group selection due to the survival benefits that it confers. This general idea leads him to assert that tribal goals are not suitable to survive in the evolutionary system. A tribal reaction against the market, which is analogous to the counter-reaction of the double movement, can therefore be regarded as maladaptive. Hayek claims that “the abstract society rests on learnt rules and not on pursuing perceived desirable common objects” (Hayek, 1979, p. 167). In other words, he considers that social groups should not pursue common goals or any specific notions of common good. Societies should instead rely on an individualistic spontaneous market order and on a decentralized transmission of knowledge.

In summary, Hayek (1988, p. 120) understands that our tribal tendencies exist as a legacy of our evolutionary past, but he believes that modern prosperity was possible precisely due to the suppression of these tribal instincts. For Hayek (1988, p. 74), any claims of justice based on a tribal morality are regarded as simply “inappropriate”, because, ultimately, evolution is not about justice. Hence, the countermovement of Polanyi’s double movement can be disregarded as inadequate to a naturalistic evolutionary process.

#### **4. Polanyi vs Hayek: the affirmation of life and the double movement**

Polanyi and Hayek ultimately understand the double movement as a process that leads to the affirmation and flourishing of life or to its negation and destruction. Hayek (1988) considers that market liberalism is a force for the expansion of life and that tribal counter-movements, with their sense of an objective common good, can only be destructive. Conversely, Polanyi (2001, p. 139) asserts that a market society inherently destroys life, family, environment and prosperous continuity. For him, it is precisely the counter-movements that can re-establish social sustainability by instituting a political system underpinned by non-economic goals, that is, based on social relations (Polanyi, 2001, p. 74).

It can be inferred that both authors affirm the importance of life, although prescribing different paths to affirm it. As the marketization of society is the first movement of the double movement, it is important to scrutinize if Hayek's market liberal postulate truly achieves the positive life expansion that he asserts. It is also important to understand if the tribal counter-movements are intrinsically destroyers of life expansion (as Hayek claims) or if they are vital for the continuation of life (as Polanyi asserts).

##### **4.1 Hayek: is market liberalism an evolutionary winner?**

Hayek's social theory of evolution is challenged by contemporary demographic evidence that reveals the negative effect that market liberalism can have on the expansion of life. As noted by several authors (Miller, 1989; Witt, 1994), the social groups who have the best market institutions are the ones with the lowest fertility and growth rates (e.g. western societies), while the areas of the world with rudimentary market institutions present high fertility and growth. As a result, less-developed economies are expanding their native populations while developed economies are contracting their own. The observed world population growth is almost exclusively a phenomenon of the developing world. Together, these countries "accounted for 97 per cent of this growth because of the dual effects of high birth rates and young populations" (Haub, 2012).

The evidence also seems to show that the contact with market effects slows down population growth even in the developing world (Plumer, 2013). This can

be mainly attributed to the contact with liberal culture propagated by soap operas, movies and other technologically cultural vehicles (Chong, Duryea, & Ferrara, 2012; Jensen & Oster, 2009). Even the Soviet Union's population "has more than doubled" (Miller, 1989, p. 315) during its existence, while Russian fertility rates drastically decreased after the introduction (in 1991) of a market oriented economy (Demoscope.ru, 2016).

Against Hayek's prediction, it does look like the institutionalization of market liberalism minimizes reproductive fitness instead of maximizing it. The market society seems to change habits and customs in ways that do not expand the life of social groups. Hence, Hayek's assertion that a market morality confers evolutionary advantages to groups in the process of evolutionary inter-group competition is unverified. Actually, non-liberal, religious and collectively oriented groups reveal much better results in terms of population expansion (Inglehart & Norris, 2011).<sup>6</sup> As a consequence, his underestimation of the importance of tribal moral goals in the evolutionary process undermines his normative opposition to the protective social counter-movements.

#### **4.2 Hayek: misunderstanding the tribal countermovement**

As it is present in Hayek's model of cultural group selection, cultural practices and beliefs can be adaptive or maladaptive for groups. The effect of culture on biological evolution is currently studied under the logic of gene-culture co-evolution (Boyd & Richerson, 2005). Relevantly, evolutionary scientists Robert Boyd and Peter Richerson (2005, Chap. V) identifies current liberal western societies as being strikingly maladaptive. Although having an unprecedented amount of general wealth available, individuals from these societies do not seem to use these resources to have more children. Instead, liberal individualism means that other non-adaptive cultural traits are expanding, like the pursuit of professional careers and hobbies at the cost of having large families. Boyd and Richerson identify wealthy and successful individuals in liberal societies as promoters of liberal culture, leading the conformist masses to imitate maladaptive practices.

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<sup>6</sup> Islam, Catholicism, Hinduism and Protestantism are the main growing religions.

Hayek assumes that the drive for reproduction will always remain strong and that market liberalism's wealth production will allow groups to expand their numbers. Nonetheless, he neglects the importance of moral and cultural framing in promoting fertility. That is, preferences for high reproduction are not strictly innate but also influenced by a group's culture. The liberal satisfaction of preferences not only weakens the prestige of large families as a social goal, it also atomizes preferences in numerous directions. The Hayekian liberal discovery process means the discovery of preferences that are beyond reproductive fitness, making child bearing a mere preference that is not necessarily highly ranked in relation to others (Faria, 2017, pp. 316-317). Moreover, the pressures of market liberalism on (non-economic) social norms are substantial and the introduction of money in social relations has a strong capacity to crowd out, erase and replace traditional (fitness enhancing) social norms (Ariely, 2008, Chap. IV).

The research paradigm in experimental economics shows the importance that context and elite framers have in shaping individual preferences, especially because preferences are not well defined *a priori* (Kahneman & Tversky, 1981, 1984). Hayek's disregard for the active role of tribal altruism and human agency in shaping mass preferences underpins his failure to acknowledge the erosion that the liberal satisfaction of preferences can cause on the reproductive fitness of groups.

By aiming at embedding the economy in non-economic social relations and goals, the counter-movement (of the double movement) can be seen as a process that attempts to re-establish a moral framing that values life and social continuity above indeterminate economic goals. Put differently, the counter-movement is a protective attempt to realign preferences in ways that do not minimize group fitness. Hence, Hayek's rejection of the counter-movement ignores the importance that this force can have in the evolutionary process of inter-group competition. Although not coming from an evolutionary perspective, Polanyi's acknowledgement of the need for the counter-movement reveals that he understands the relevance of this counter-movement for the continuation of life.

### **4.3 Polanyi and the importance of re-embedding markets**

If the counter-movement is an attempt to restore the sustainable balance of life, it is expected to happen on a regular basis. Hence, the re-embedding of markets in social relations becomes an inescapable life force. Moreover, both Hayek and Polanyi recognize this historical trend towards social protection (Lindsay, 2015, p. 385). Hayek acknowledges that the disturbance of the market on our social life “undoubtedly offends our sense of justice” and that demands for social protection “are certain to receive popular sympathy and support” (Hayek, 1944, p. 127). Nonetheless, although favouring a temporary governmental safety net (Hayek, 2011, p. 424), Hayek asserts that it is necessary for societies to endure hardship for the sake of individual liberty and of a better economic future (Hayek, 1944, p. 137). Discordantly, Polanyi sees Hayek’s claim not only as destructive of the social fabric but also outright unrealistic. In his own words:

to expect that a community would remain indifferent to the scourge of unemployment, the shifting of industries and occupations and to the moral psychological torture accompanying them, merely because economic effects, in the long run, might be negligible, was to assume absurdity (Polanyi, 2001, p. 224).

Most importantly, Polanyi’s main opposition to free markets does not come from doubting their economic efficiency but from understanding their incompatibility with the sustainable life of social groups. As Peter Lindsay notes, “groups respond fearfully to markets (...), free markets became humanly (rather than economically) unsustainable, irrespective of all they might offer” (Lindsay, 2015, p. 385). Polanyi recognizes that whatever amount of wealth market liberalism brings, it cannot do it without eroding folk norms and ways of being that underpin the perpetuation of life. By commodifying land and labour, market liberalism erodes the sacredness of norms that aim at protecting stability and collective survival. Relevantly, Polanyi’s understanding of (bio) stability emphasizes the role of land, kinship and collective identity. As he explains it:

Land is tied up with the organization of kinship, neighbourhood, craft and creed – with tribe and temple, village, guild, and church (...) It invests a 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 (Polanyi, 2001, p. 187).

Polanyi's focus on the importance of kinship and of a tribal moral framework that subjugates material elements (like land) to the sustainable continuity of collective life is evolutionarily significant. Especially from a group selection perspective (Sober & Wilson, 1998), the one Hayek takes. Conversely, Hayek deflates the evolutionary relevance of an extended tribal kinship in modern market society. Yet, he claims that practices that defend the family and private property are universally present in all lasting religions of the world and that natural selection selects these cultural practices due to their fitness maximizing potential (Hayek, 1982, p. 4). Nonetheless, Polanyi (2001, p. 139) is correct when he points out that market liberalism has a devastating effect on the family. Hayek does not entirely perceive the clear tension between an individualistic market order and the family structure.

The most advanced market economies of the western world (with sub-replacement fertility levels) have unsurprisingly seen an erosion of the institution of the family. Noticeably, Europe reveals increasing divorce rates and decreasing marriage rates (Eurostat, 2016). Polanyi has predicted some of the main reasons for this phenomenon. Due to the commodification of labour and land, individuals deal with permanent job uncertainty, unemployment and mass dislocations provoked by the search for career opportunities. Furthermore, children often hurt career prospects that determine survival in a competitive market. Child-care can be costly and generations (grandparents, sons and grandsons) are often separated from the same geographical place due to market pressures on mobility. But most importantly, market liberalism is not simply an apology of a market system, it is a moral framework for the empowerment of the individual. What is good for the individual is not always good for the family, in the same way that what is good for the family is not always good for society or tribe. There are logical conflicts of interests between these levels.

Moreover, by appreciating the family as a reproductive engine while disregarding the importance of a tribal wider collective, Hayek underestimates the extent to which the family structure is an organizational construction of the tribe/society. Given that the family is not simply an autonomous institution detached from collective organization, a rejection of moral tribalism can have a detrimental impact on the structure of the family. Hence, by emphasising the

importance of the social whole for the sustainable continuation of life, Polanyi's historical and sociological approach also attains robustness from an evolutionary perspective.

#### **4.4 Polanyi's evolutionary double movement**

In order for a social group to be protected from the negative effects of market liberalism, markets need to be embedded in fitness maximizing social norms. These norms have the function of preventing the atomizing market effects while allowing for the existence of a system of production and distribution that serves social interests and the continuation of collective life. That is, as Polanyi upholds, non-economic social norms must be strong and vigilant in order to make sure that society is not run as “an adjunct to the market” (Polanyi, 2001, p. 60).

Although not taking an explicitly evolutionary approach as Hayek does, Polanyi's postulates have a strong evolutionary resonance. For instance, his focus on the importance of organizational kinship and tribe highlights the importance of inclusive fitness (Hamilton, 1963). Inclusive fitness explains that altruism evolves when individuals are altruistic towards closely related others because these others are likely to share altruistic genes (which fosters adaptive social cooperation). This phenomenon can also maximize fitness because it helps to pass on a higher degree of one's own genes. Polanyi seems to understand how extended kinship is relevant for the evolution of altruistic and cooperative groups. This contrasts with Hayek's narrow defence of the family, who, by rejecting tribal and social goals, regards the family as the last level of collective deliberation in social organization.

Polanyi's insights are also relevant from a group selection evolutionary perspective, which is the model that Hayek uses as an explanatory framework. The central idea of group selection (Sober & Wilson, 1998) is that natural selection does not simply operate at the individual (or gene) level but also at the group level. Hence, groups are understood as units of selection in competition with other groups. In this process, the groups that are more altruistic and cooperative beat groups that are less cohesive due to the latter being plagued with widespread egoist individualism. In order for groups to achieve high levels of

cooperation and for altruism to evolve, they are required to have systems of punishment against free riders and egoists. That is, against individuals that will pursue their self-interest regardless of the interests of the collective.

For Polanyi, politics and non-economic collective goals are indispensable for the organization of society. As Fred Block and Margaret Somers note, Polanyi's overall point is "that in a complex society we cannot escape the necessity of politics and governmental coordination of economic and social life" (Block & Somers, 2014, p. 11). Unlike Hayek and his scepticism of politics, Polanyi understands that an individualistic market system run on the basis of individual interests is ultimately dysfunctional for social groups. From a group selectionist perspective, only the political can enforce legal and cultural systems that punish free riding and egoism. While the market process is a form of cooperation that relies mostly on the virtue of self-reliance, it is groupless and morally individualistic, which leaves the door open to a liberal satisfaction of preferences that neglects the social whole, potentially fostering the evolution of egoism.

Because the evolution of egoism is detrimental for the adaptiveness of groups (Wilson & Wilson, 2007), it contributes decisively to the erasure of a group. This is in line with what Polanyi (2001, p. 3) concludes: a market system based on individual self-interest creates disruptions in the social order that ultimately leads to the collapse of that social collective. Due to culture and morality being as much under natural selection as genes (Boyd & Richerson, 2005), cultural group selection selects cultural practices and beliefs that are evolutionarily adaptive, that is, that have survival value for groups. In this case, if free markets facilitate the spread of egoistic anti-group elements and provoke disruptions in the social fabric that negatively affect the physical and cultural continuity of groups (e.g. low reproductive rates), it is to be expected that market liberalism will be naturally selected against. Thus, the counter-movements of Polanyi's double movement seem to be the inevitable attempt to rescue societies from their existential decline.

Nonetheless, the creation of wealth via the market system can be a positive evolutionary force. It is indeed the case that the European population exponentially increased its numbers after the event of the Industrial Revolution (Piketty, 2014, p. 79). Yet, Polanyi's insights on embeddedness can help to explain

the process behind this demographic phenomenon. While the market created enough wealth to allow for a higher number of children to be raised, culture and morality were still traditional. That is, the markets were still embedded in traditional social relations. Since then, market liberalism became internalised within the culture and morality of the west and the result was a relative demographic decline and the erosion of folkways. In Polanyi's (2001, p. 60) language, western societies are now managed as adjuncts to the market. Put differently, the "Hayekian" market morality rose to be the meta-morality, therefore disembedding markets from their traditionally subaltern and utilitarian social position.

Polanyi's support for the embedment of markets in non-economic social relations and in collectively deliberated political goals emphasises the importance of stability, regularity and meaning of land and folkways. This stability and regularity are of high relevance to the evolution of altruism in a given moral framework and to the creation of cohesive and meaningful social groups. Moreover, as Charles Darwin (1871, p. 166) postulates, these cohesive and altruistic groups also have evolutionary advantages when in direct competition with other groups via warfare.<sup>7</sup>

Nevertheless, unlike Hayek, Polanyi is not a thinker known for emphasizing competition. On the contrary, his most famous book *The Great Transformation* (2001) was written with the intention of showing that market liberalism was the primary cause of the devastating world wars of the 20<sup>th</sup> century. Still, from an evolutionary perspective, these negative consequences of free markets are at best a proximate cause, not the ultimate one. Group conflict has deep evolutionary roots that predate market liberalism (Shaw & Wong, 1989; Turchin, 2015).

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<sup>7</sup> Charles Darwin described the process now known as group selection in the following way:

"There can be no doubt that a tribe including many members who, from possessing in a high degree the spirit of patriotism, fidelity, obedience, courage, and sympathy, were always ready to aid one another, and to sacrifice themselves for the common good would be victorious over most other tribes; and this would be natural selection" (Darwin, 1871, p. 166).

## 5. Conclusion

Polanyi and Hayek both theorize about the phenomenon of double movement and come on opposite sides of the equation. They both affirm that the continuation of social life would be better served through the support of distinct movements. Hayek supports the movement towards market liberalism while Polanyi favours the counter-movement that aims at re-embedding markets in stable social relations.

Nonetheless, Hayek's evolutionary normative reading of the double movement reveals weaknesses concerning its main claim: the claim that free markets expand the life of social groups, while protective tribalism does not. Polanyi's normative interpretation of the double movement is more robust because, unlike Hayek, he recognizes the need for life affirming non-economic collective social norms. Polanyi also understands the negative effects that market liberalism can have on the reproduction and continuity of social life. Namely, that market liberalism erodes social norms of non-economic cooperation and institutional norms of reproduction that are important for the continuation of life in social groups.

Hayek's rejection of tribal goals as maladaptive for groups overlooks the importance that these goals have in protecting societies from the atomization of preferences and social disintegration. Because preferences are not well defined *a priori*, common social and political group norms set the standard that shape desirable behaviour. Most importantly for the continuation of life, even preferences for reproduction are shaped by culture and politics. These social and political group norms are essential to shape vital preferences, such as the general preference for the reproductive continuity of life. Polanyi accurately perceives that non-economic social and political norms have the important function of preventing that market goals prevail over social goals, while understanding the relevant role of markets in producing and allocating commodities. From an evolutionary perspective, this means that it is important to prevent market liberalism from becoming society's meta-morality in order to counter the market driven erosion of fitness maximizing norms.

Polanyi's assertion of the importance of environmental stability and of non-economic common goals in society also has an evolutionary relevance, especially from a "Hayekian" group selection perspective. Namely, environmental stability and common goals allow for the evolution of altruism within groups, conferring cohesion to a given collective in inter-group competition through the selection of pro-group elements and the rejection of rational egoists (e.g. free riders). Although Polanyi is aware that the exaltation of the political and of the counter-movements can lead to harsh conflicts, he nevertheless correctly perceives that the political realm cannot be abolished because it serves important functions of social coordination. Conclusively, even though Polanyi is not an explicit evolutionary thinker, he understands that political goals have an important role in promoting the continuation of social life and that, in the end, cooperation has to go well beyond the market.

Unlike Polanyi who focuses on cooperative stability, Hayek is an author that normatively highlights the importance of economic competition and evolutionary selection in social life. But paradoxically, from a group selection perspective, Polanyi's interpretation of the double movement is more robust than Hayek's evolutionary interpretation. This is not to claim that Polanyi's whole theory and work is evolutionarily solid, but that the normative understanding of the double movement is more robust than Hayek's one, even when analysed from a "Hayekian" group selection framework.

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