

What is polanyis
central thesis in the
great transformation
define double move-
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Theory of Great Transformation Number Department Theory of Great Transformation Karl Polanyi's The Great Transformation is an interesting book which was released for the first time in 1944. The book captures the social and political revolutions that happened in England in the wake of vigorous expansion of the country's market economy and its integration in the EU and the global. In his thesis, Polanyi argues that the contemporary market economy and the political establishment of the then societies should be examined not on the basis of separate agents but as a common human asset known as the market society (Polanyi, 2001). A distinguishing feature of the market society is that the modern world altered the economic concepts of humanity. Unlike after the great evolution, people premised their economies on trade and redistribution of resources but paid little attention on the vital rational utility exploiters.

Polanyi notes that following the great revolution of the market society, members of different societies became more level-headed when making economic decisions (Deutschmann, 2009). They started being guided by pointers of neoclassical economic concepts. The establishment of capitalist structures not only transformed the legal regime along those lines but also substantially changed various economic mentalities of members of various societies such that in the run-up to the revolution, markets contributed very minimally in shaping the trends of human affairs. However, they could not fix prices because they lacked the influence that comes with big movements. As Deutschmann (2009) noted, it was just after the establishment of new market structures and the growth of industries that the theory of humanity's penchant for trade became common. The transformation contributed

immensely towards shaping human culture to be in line with the then existing market-based economic agents. Polanyi thus suggests a different ethnographic theory known as substantivism which discredits formalism as a way of achieving the great transformation.

Double Movement

Double movement is a phrase coined by Polanyi in reference to unpredictable protective responses against declining market forces occasioned by social factors within countries (Polanyi, 2001). Recent Occupy Wall Street protests by local communities seeking to outmanoeuvre powerful forces behind inequalities in the world and the more powerful social movements which threaten to reverse the prevailing paradigm by creating new structures and processes that can offset the social and economic establishment are the impact of double movement actions (Polanyi, 2001). Whereas the former movement is too fragmented and disparate to embark on serious transformative causes, the latter organization appears to be better focused and more influential. In many regions across the world, the concept of social and common economy is an evolving process of struggle seeking the support of all-encompassing movement, worker unions, feminine movements and environmental conservation pressure groups whose primary aim is to liberalize the global economy (Deutschmann, 2009).

Through double effect, the social and common economy seeks to reverse the doctrines forming the foundation of mainstream economics (Polanyi, 2001).

As such it raises the issue of whether the diverse nature and activities of the social and common economy in various national and international scenarios may limit it to several, separate double movements; or whether the diversity

in the market is a global impact of a liberal economy. Regardless, double movement provides adequate yardstick with which to use for measuring the performance of national and international economies.

References

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