

Antipode

A Radical Journal of Geography

Fred Block and Margaret R. Somers, *The Power of Market Fundamentalism: Karl Polanyi's Critique*, Cambridge: Harvard University Press, 2014. ISBN: 9780674050716 (cloth)

If you don't like outspoken positions, you'd better not read *The Power of Market Fundamentalism*. From the outset the authors mark their position. In the introduction the Bush administration is called incompetent and the Western political mood following the collapse of the Soviet Union is described as triumphalist and complacent. It would be a pity, however, if this book remained unread, as it is far removed from journalistic clichés.

The authors vigorously analyse what they call market fundamentalism and what they feel should replace it: socialism. As the subtitle suggests, the analysis is based on the work of Karl Polanyi. The short summary of market fundamentalism (or neoliberalism, the more common term) is that everything is—or should be—for sale. The longer version is that everything in society is reduced to and treated as a commodity. In particular, land, labour and money are commodified; these are, however, only fictitious commodities, as they are not produced for sale. Labour, land and money are wilfully constructed commodities. For example, by conditioning welfare on active job-seeking, people are forced to sell their labour, irrespective of conditions of employment. This shows that neoliberalism needs the state to facilitate its political project.

Commodification, the authors claim, is ultimately at odds with social solidarity. The idea of self-adjusting markets is an utopia—as many commodities remain fictitious—and trying to implement it turns it into a dystopia, as the consequences of commodification are devastating to society. Inevitably, counter-movements against marketisation originate. Block and Somers have to argue why—if this is all too apparent—in a democratic society neoliberalism is not simply outvoted by such counter-movements. Their answer is that

Antipode

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economics—including economic discourse—is a site of power. Every nation has a story and ideological battles are fought over what that story is.

Ascendant in the 1970s and 1980s, neoliberalism is now the ruling ideational regime. Ideas and ideology are not peripheral phenomena but are causal mechanisms that shape and consolidate power relations. Neoliberalism consists of several factors that are crucial for its success. First, it states that the economy is self-equilibrating; political intervention is thus fruitless at best and counter-effective at worst. If the laws of the market rule, then political principles cannot; free-markets do not need democratic control, they regulate themselves. Second, it frames structural inequality as the outcome of behavioural choices. What used to be called the working poor has become the undeserving poor. Third, it has created a new vocabulary. For example, business defines as regulation those rules it does not like, but patents, say, are not defined as regulation.

Ideology has real consequences. For example, if people believe political action is fruitless, it becomes fruitless. As such market fundamentalism is a theory that can make itself true. Block and Somers describe at chapter-length several ideological battles; for example, the battle over social welfare in the USA in the 1970s and 1980s. Although neoliberalism is a causal factor, it could only come to ideological power because of a window of opportunity. Unemployment, inflation and budget deficits—although resulting from the Vietnam War—had discredited Keynesianism. Labour did not have leverage to influence the Democratic Party, due to emancipation (more labour supply) and saturated product markets (turning American capitalism to services and product-markets abroad).

For all its strength, neoliberalism is not necessarily here to stay. The attempt to transform human beings into commodities is the core of the ideology but it is also the core weakness, as it remains utopian. The system is ultimately built on a lie and can therefore not work. Block and Somers propose that what needs to replace it is socialism, understood, in the words of Polanyi, as “the tendency inherent in an industrial civilisation to transcend the self-

Antipode

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regulating market by consciously subordinating it to democratic society” (p.26).

Redistribution, reciprocity and households should complement markets. Markets are not totally rejected, but markets-in-society are preferred over a market society.

The analysis presented by Block and Somers—following Polanyi—is informative, analytical and all too relevant in today’s world where neoclassical economics and its political representation neoliberalism dominate. The analysis is, however, more skewed towards deconstructing neoliberalism than towards picturing what the alternative entails. They feel democracy is a means and an end, but they also plea for “subordinating economy to social life” and “expanding democracy to include markets”. But democracy—at least not the minimal form of a free competition for a free vote—will not automatically lead to such socialism. They underline this themselves, when they state that socialism will only triumph if an alliance between diverse social groups—including workers but not limited to them—can be formed around a counter-hegemonic vision. Such a vision would, for example, not simply redistribute wealth, but would reconceptualise it as having been collectively produced.

Block and Somers do not delve deeply into potential tensions between democracy and socialism and the influence of mass-media—the main distributor of ideology—on the former. This does not, however, devalue their book. It only adds relevance and urgency to the question their analysis inevitably poses. Neoliberalism is shown to be failing in reality, but victorious ideologically. So if incompetence does not discredit government, what will? Ideas will in any case play an important part.

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