



## *Conceptualizing Social Justice: the contribution of Karl Polanyi*

*Maria Alejandra Madi*

### **Introduction**

In the 21<sup>st</sup> century, the systemic and institutional analysis proposed by Karl Polanyi is a decisive reference to apprehend the current cultural and social challenges to (re)embedding the economy in society. This historical setting favored shaped ethical and economic patterns that do not favor social justice. As a result of financial and trade globalization, the current driven-forces of institutional change and money commodification have fostered disruptive forces on livelihoods and disorganized solidarity and reciprocity interrelations (Madi and Gonçalves, 2007). Indeed, the recent social and economic trends have expressed deep conflicts between the perspectives of sustainable economic growth and the society claims around decent work and income redistribution. Indeed, current economic modernization has fostered social inequality in the frame of the financial-led growth regime that privileges the centrality of the free markets.

The current global business scenario is overwhelmed by the financialisation of wealth. Beyond financial and “rationalization” strategies, social conflicts and tensions have been strengthened as labor relations need to be adjusted to capital mobility and short-run returns. The expansion of global finance has contributed to the redefinition of labor relations

because investors and managers subordinate the business dynamics to a financial model that favors downsizing and cost reduction at the expense of employment. As labor costs are frequently considered large expense items, corporations must tightly managed and documented those costs in order to minimize risk of non-compliance, particularly public companies. In this scenario, changing working conditions result from continuous restructuring to generate cash outflow, redefinition of tasks, increased outsourcing and casualization to cut costs, sell-offs and closures regardless of productivity and profitability, deteriorating working conditions, more control on workers, diminished employment security (IUF, 2007).

Considering the relevance of Polanyi's work to apprehend today's challenging social and political issues, our aim is to provide a more deep and nuanced understanding of his thought on social justice. Section one examines Polanyi's interpretation of modern economic and social history so as to clarify the ethical presuppositions present in his work. Section two addresses how his understanding of the relation between ethics and economics touches on social justice. Section three analyses the concept of social justice as part of Polanyi's contribution to social philosophy. Finally, the conclusions highlight that Polanyi's understanding of modern capitalism really favors a concept of social justice that is overwhelmed by the principles of reciprocity and solidarity.

## **1 Polanyi's interpretation of modern economic and social history: ethical presuppositions**

Current sociability conditions have been transformed by the changes observed in market economy institutions. The outcomes of the neoliberal agenda have stimulated social and cultural fragmentation in the context of the disruption of livelihood conditions. In this scenario, the analysis of social inequality fosters the reflection about the ethical issues that overwhelm the current manifestations of disembeddedness and the commodification of livelihoods. In other words, the current institutional set up created under the auspices of the neoliberal agenda has not been able to protect society, that is to say, it has not been able to protect livelihoods from the ravages of the “satanic mill”. The deep and persistent effects

of the neoliberal political agenda can be apprehended considering Polanyi's concern about the way in which the economy relates to social organization and culture and the impacts of social and political institutions in relation to human livelihood. In fact, after the 1970s, the evolution of the world-wide capitalism system has increasingly expressed the tensions between the expansion of the market economy and its deleterious effects on society.

When we examine the current interrelations between economics and inequality, Karl Polanyi's critic of the liberal myth and of the disruptive forces of the market society is inspiring to analyze the impacts of neoliberal policies on livelihood conditions. As he writes in *The Great Transformation*,

*“A market economy is an economic system controlled, regulated, and directed by markets alone; order in the production and distribution of goods is entrusted to this self-regulating mechanism. An economy of this kind derives from the expectation that human beings behave in such a way as to achieve maximum money gains.... Self-regulation implies that all production is for sale on the market and that all incomes derive from such sales. Accordingly, there are markets for all elements of industry, not only for goods (always including services) but also for labor, land and money, their prices being called respectively commodity prices, wages, rent, and interest” (Polanyi 1944: 68-69).*

The self-regulated market demands the institutional separation of society into an economic and political sphere, that is to say, in the market society the social relations are embedded in the economy rather than the economy embedded in social relations. The proper self-regulation of the market entails that *“Nothing must be allowed to inhibit the formation of markets, nor must incomes be permitted to be formed otherwise than through sales”* (Polanyi 1944: 69). Thus, as the commodity fiction is the vital organizing process, labour, land and money turn out to be seen as commodities and are produced for sale. As the result of being the process of exchange the aim of society, the commodification of money may possible to enlarge the subordination of sociability conditions to the market economy and the social relations become an *“accessory of the economic system”* (Polanyi 1944:75).

Nevertheless, the historical evolution of capitalism has always been followed by the sprouting of safeguards to protect society against the interference of the market practices.

Accordingly Polanyi, social and economic changes, in the nineteenth century, were the result of a double movement: the extension of the market was accompanied by a counter-movement to protect society - by a set of measures and policies aimed to restrict the effects of the institutions of the market economy relative to labour, land, and money (Polanyi 1944: 76). As a matter of fact, the deliberate intervention both to “institutionalize” the market economy and to protect society from its harmful effects expresses

*“... The action of two organizing principles in society, each of them set special institutional aims, having the support of definite social forces and using its own distinctive methods. The one was the principle of economic liberalism, aiming at the establishment of a self-regulating market ...; the other was the principle of social protection aiming at the conservation of man and nature as well as productive organization...”(Polanyi 1944:132).*

The commodity fiction implies that the market economy demands the institutional separation of society into an economic and political sphere. Labour, land and money are elements of industry, but cannot be produced themselves for sale, thus cannot be seen as commodities. Labour is another name for a human activity which is part of life itself; land is another name for nature; money is just purchasing power. As the commodity fiction proves to be the vital organizing process, within the self-regulated markets the market society the social relations are embedded in the economy rather than the economy embedded in social relations. Some of the consequences of the social disembeddedness of the economy are clearly presented in *The Great Transformation*:

*“Nature would be reduced to its elements, neighborhoods and landscapes defiled, rivers polluted, military safety jeopardized, the power to produce food and raw materials destroyed. Finally, the market administration of purchasing power would periodically liquidate business enterprise, for shortages and surfeits of money would prove as disastrous to business as floods and droughts in primitive society” (Polanyi, 1944:76).*

In other words, in the nineteenth century, the liberal agenda was an important expression of economic and cultural changes because it may possible to enlarge the subordination of sociability conditions to the market economy and the social relations increasingly become

an accessory of the economic system. As labour, land and money turned out to be seen as fictitious commodities bought and sold in the market, Polanyi says: "*human society had become an accessory of the economic system*" (Polanyi 1944: 75).

With the advance of industrialization, the liberal economic theory spread out the statement that the search of individual enrichment is the "natural" characteristic of men. For Polanyi, the social and economic dynamics is not the result of a "natural order". Indeed, he looked for evidences in history and anthropology to show that the priority of the economic sphere as well as the expansion and dominance of the "economic motive" in the markets, are essentially modern phenomena. The spread of individual behavior founded in the economic motive and the disorganization of traditional forms of reciprocity and redistribution threatens the interrelations developed inside the families and neighborhoods that aimed to "... *safeguard both production and family sustenance...*" (Polanyi 1944: 48). In truth, the new pattern of behavior provokes disruption of traditional livelihoods and intensifies the subordination of the whole society to the commodity fiction.

From the study of early societies, Polanyi highlights the social nature of men as an outstanding feature in societies of all times and places (Polanyi, 1977). Besides, he underlines as an outstanding discovery that the universal motivation of human beings is to protect and enhance social standing. Thus, Polanyi underlines the need to reflect on the relations between material goods and the behavior of human beings towards the aim to achieve social standing within different societies. All societies studied by him- other than market societies- protect themselves by promoting values- such as generosity - that foster social standing. At this respect, Polanyi's historical analysis of economic change emphasize the relevance of ethical principles that supports a conception of human being that is social and whose fundamental motivation is to protect and enhance social standing.

Taking into account the current ethical challenges within financialization, the systemic and institutional analysis proposed by Polanyi (1944) in *The Great Transformation* is inspiring to apprehend the social and cultural tensions inherent to the implementation of neoliberal policies since the commodification of money tends to subordinate the social sphere and the financial markets assume a new role in the possibilities of social reproduction (Madi and Gonçalves, 2007). The understanding of the role of the values that shape human behavior is absolutely relevant to apprehend the current ethical challenges in the market society.

As Kari Polanyi Levitt (2013) explains, since the early 1980s, many Western economies observed the declining contribution of manufacturing and the increasing contribution of finance, distribution and business services to gross domestic product. In this scenario, the transnational corporations have increased the monopolistic control over global markets. As a result, millions of farmers have been dispossessed of their land and millions of workers have been dispossessed of good jobs. Besides, the process of financialization has been overwhelmed by short-term market based considerations of shareholder value and the expansion of mass markets. Accordingly Polanyi Levitt, in this Anglo-American variety of capitalism, finance has become decoupled from production and stimulated speculation in the capital markets. Thus, the financialization of capital has had deep social consequences in the West.

In fact, the material and non-material elements of a society should be considered in any attempt to apprehend the challenges to overcome the process of social inequality. Currently, the linkages between finance and culture enclose not only financial strategies, but also values that found the expectations of individuals in society. Thus, it is worth remembering that Polanyi considers that institutions embodied human meaning and purposes (Polanyi, 1944).

Considering this background, we can note that the recent transformations in global capitalism have shown that the current capitalist institutional set up is an embodiment of the “economic motive” as an expression of the global cultural practices spread in the context of financialization. The effects of the big financial business on the enlargement of the market

exchange relations could be apprehended in the context of the unrestricted markets where one decisive driven-force of the global dynamics is related to the spread of the “culture of money”. In this scenario, the political dominance of high finance comes about by shaping new elites and cultural practices: the free market capitalist culture and its market institutions and values are dismantling the traditional ones, such as the value of generosity. This process turned out to contribute to the loss of social ties since the reciprocity interrelations are being substituted by individual claims that threaten the preservation of collective interests. The outcomes of the expansion of the global disembodied capitalism revealed the trend to the homogenization of national markets at the system level. Among the outcomes, social tensions emanating from the national market zone -deflationary pressures on expenses, employment and earnings- have been extended to the political sphere and shaped different patterns of social change. As a result, social inequality has turned out to be a global outstanding feature.

## **2 The notion of economy**

In the introductory note to *Trade and Market*, Polanyi invites us to re-examine the notion of economy since many people is accustomed to think that the only way of organizing men's livelihoods is the market economy. In his own words:

*'What is to be done, though, when it appears that some economies have operated on altogether different principles, showing a widespread use of money, and far-flung trading activities, yet no evidence of markets or gain made on buying or selling? It is then that we must re-examine our notions of the economy.'* (Polanyi et al, 1957: xvii).

Polanyi proposes a new theoretical construction in order to explain the place and role of human beings in the social and economic system. And he argues that man values material goods only in so far as they serve the end to promote social standing. In fact, the social question becomes an anthropological question. Reinforcing the role of history and of anthropology to build a new notion of the economy, Polanyi notes:

*“But a purposeful use of the past may help us to meet our present over concern with economic matters and to achieve a level of human integration, that comprises the economy, without being absorbed in it” (Polanyi et al., 1957: xviii).*

Indeed, while taking into account different ways of organizing men's livelihoods, Polanyi provides a guide to examine the non-market economies and claims that empirical observations reveal economic life in archaic and primitive economies to be entirely different from that assumed by formal economic analysis (Polanyi et al, 1975: 243-44).

At this respect, it is necessary to distinguish between the formal and substantive meanings of the term 'economic', as Polanyi also underlines in *'The Economy as Instituted Process'*. Reflecting on the epistemological issues that arise in economics as a scientific knowledge, he argues that economics as was being developed at his time depends on formal principles. As a result, a set of assumptions - that becomes premises – were used as the basis for a sequence of logical deductions.

Nevertheless, in Polanyi's view, the method of economic anthropology, as it depends upon principles of economic behavior induced from empirical observation, might be known as substantive. From the empirical evidence of economic life in ancient times and primitive economies, Polanyi explains the concepts of reciprocity and redistribution. The reciprocity principle implies that in some kind of societies there is an unspoken agreement and on behalf of it people produce goods and services for which they could do best and shared them with those people that live around who also behave alike. All of them contribute according to their abilities to the common welfare, and all share according to their needs. Their motivation to produce and share is not the economic motive, but the fear of loss of social prestige. In this setting, money also operated within the context of reciprocity. The redistribution principle can be found in those societies where a chief or leader, after a harvest or a hunting expedition, redistributes the storage to members of his group. The distribution of communal wealth reinforces the social structure where the allocation of the storage indicates status and importance.



Although Polanyi recognized that market places existed in ancient times and in primitive economies, he highlights that they were not important and developed within a context of reciprocity. Ancient and primitive economies had market places but were not market economies. Daily markets were merely convenient localized exchange places operating within the broad system of reciprocity and those market places for long distance trade, such as ports, such as the *ports of trade* were specifically isolated by the authorities from the prevailing reciprocity area, and served to separate it from external influences. In this way, local craft and provision markets were not linked to long distance markets. These markets sell only items that could not be provided within the local system of reciprocity (Polanyi et al., 1957).

In the nineteenth century, however, a monetary based market economy sprang suddenly into existence and it pushed to the side the old systems based on reciprocity and redistribution. This market economy is an economic system controlled by prices that determine what, how and how much is produced and how is distributed. Money, as purchasing power, enables its possessors to acquire goods and services which are priced in money terms (Polanyi et al., 1957).

As Polanyi explains, in the market economy there are not social considerations in the decisions about production and distribution. *The Great Transformation* presents an interesting example of this feature of the market economy. Before developing a critique to the explanation of the role of poverty in the economic system, Polanyi synthesized the main (and false) theories aimed to explain “*Where do the poor come from?*”. About the false theories on the increase in pauperism in England in early nineteenth century, Polanyi says:

*“On one point there appears to have been general agreement, namely, on the great variety of causes that accounted for the fact of the increase. Amongst them were scarcity of grain; too high agricultural wages, causing high food prices; too low agricultural wages; too high urban wages; irregularity of urban employment; disappearance of the yeomanry; ineptitude of the urban worker for rural occupations; reluctance of the farmers to pay higher wages; the landlords' fear that rents would have to be reduced if higher wages were paid; failure of*

*the workhouse to compete with machinery; want of domestic economy; incommensurable habitations; bigoted diets; drug habits”.*

And he continues arguing that:

*“Some writers blamed a new type of large sheep; others, horses which should be replaced by oxen; still others urged the keeping of fewer dogs. Some writers believed that the poor should eat less, or no, bread, while others thought that even feeding on the “best bread should not be charged against them”. Tea impaired the health of many poor, it was thought, while “home-brewed beer” would restore it; those who felt most strongly on this score insisted that tea was no better than the cheapest dram” (Polanyi, 1944: 94-95).*

However, Polanyi’s analysis explains that the deleterious social effects created by the Speenhamland laws led to the emergence of the labor market and the birth of the market economy in the nineteenth century civilization (Polanyi, 1944:87). After land and money had already emerged as commodities, the commodification of labor – that is to say the commodification of human lives- turned out to result from social conflicts and land appropriations via enclosures. In this historical setting, as Polanyi shows, the Speenhamland laws created an obstacle to formation of the labor market.

*The Great Transformation* underlines the process of social change created by trade and industrialization led to the emergence of poverty on a large scale. Polanyi describes the desolation, dehumanization and degradation of human lives as necessary steps for the emergence of a labor market. In his own words:

*“Before the process had advanced very far, the laboring people had been crowded together in new places of desolation, the so-called industrial towns of England; the country folk had been dehumanized into slum dwellers; the family was on the road to perdition; and large parts of the country were rapidly disappearing under the slack and scrap heaps vomited forth from the “satanic mills.” Writers of all views and parties, conservatives and liberals, capitalists and socialists invariably referred to social conditions under the Industrial Revolution as a veritable abyss of human degradation” (Polanyi, 1944: 41).*

Polanyi’s concern about the conditions of mankind in the context of industrialization relies on a critique of those economists and public men that, in the nineteenth century, believe

that poverty was necessary to the functioning of society. For example, as Polanyi recalls that Townsend, Malthus, Ricardo, Bentham and Burke consider that the provision by the government of extensive relief (such as the Poor Laws) would interfere with the production process (Polanyi, 1944: 132). Reflecting on Ricardo's view, Polanyi condemned not only the hunger of workers as the only way to increase production but also the outcomes of the abolishment of the poor relief. In fact, Polanyi notes that the "iron" laws governing a competitive society are not human laws. In his own words:

*"The true significance of the tormenting problem of poverty now stood revealed: economic society was subjected to laws which were not human laws."* (Polanyi, 1944: 131).

Beyond the economic laws, Polanyi highlights the presence of the ideology that supported economic liberalism:

*"Economic liberalism was the organizing principle of a society engaged in creating a market system. Born as a mere penchant for nonbureaucratic methods, it evolved into a veritable faith in man's secular salvation through a self-regulating market. Such fanaticism was the result of the sudden aggravation of the task it found itself committed to: the magnitude of the sufferings that were to be inflicted on innocent persons as well as the vast scope of the interlocking changes involved in the establishment of the new order. The liberal creed assumed its evangelical fervor only in response to the needs of a fully deployed market economy"* (Polanyi, 1944: 141).

Indeed, the understanding of the economic changes that resulted from the Industrial Revolution needs to consider the political, social and ethical issues underlined by Polanyi. Considering the insights of her father, Kari Polanyi-Levitt's critique of mainstream economic thinking refers to her objection to methodological individualism. Indeed, in her view, the representation of the so called *rational economic man* does not apprehend the multiple set of issues related to human nature and human needs. She emphasizes the importance of considering History in economic thinking and to adopt a multidisciplinary approach to study economic change since economic development is always overwhelmed by the role of culture, by creativity and diversity.

In fact, the fundamental problem in economics, for Karl Polanyi is the attendance of human needs.<sup>1</sup> Thus, the Polanyian notion of economy certainly offers to us a new way of looking at the “human beings” and at the “economy” around us. This notion of “economy” should be supported by ethical principles that touch on social justice.

### 3 Human actions and social justice

The Polanyian ideal of social justice can be summarized in the following words: “*The economy has to serve society, not the other way around*”. In his view, human beings act to promote social standing that turn out to be the universal aim that supports social justice. However, the current "market economy" has turned human society into a "market society". The self-regulation of the market creates the conditions that make the market the only organizing power in the economic sphere, that is to say, the central mechanism for the production and distribution of goods.

In the current context of financialization, private strategies - that search increasing productivity and cost reductions have shaped new labor relations since labor flexibility must be compatible to capital mobility (Gonçalves and Madi, 2014). Among the outcomes of the redefinition of global investment flows, the reduction of industrial jobs and the displacement of productive plants favored new management principles that favor short-term profits. As a result, the conditions of existence of workers have been redefined. The evolution of labor and capital incomes has expressed the transformations in investment and employment trends that enlarged social inequality. In the last decades, the participation of

---

<sup>1</sup> On a different perspective, Hayek proposes that the main fundamental problem of economics is that of coordinating the plans of many independent individuals. The main advantage of a competitive market order, in Hayek’s view, is that rational agents respond to price signals, which convey the relevant information available in the markets, for the purpose of economic calculus. In his view, competition, through the price market system, leads to such a coordination. Individuals, acting in their own self-interest, respond to price signals. Prices, in turn, reflect the information available in society. Price signals allow the transmission of previously unknown information in the most synthetic and relevant way for the purpose of economic calculus. Now, prices - impersonal signals that provide for an extensive social division of labour - are expressed in terms of money. See Hayek (1937)

labor incomes in gross domestic product fell and the composition of capital incomes revealed the unequal redistributive outcomes of the current financial-led accumulation pattern. Besides, the recent economic changes have also contributed to further commodification of social relations - drawing all workers into the market as consumers - in a market economy where the financial sector dominates economic life (Madi and Gonçalves, 2007). Indeed, the business environment has not only expanded the possibilities of economic reproduction, but has also proved to create challenges to the social reproduction. Weil (2014) highlights that today, the employer-worker relationship has been submitted to delivering value to investors. As Weil's groundbreaking analysis shows, the result has been an ever-widening income inequality.

Indeed, current global market economy scenario dramatically impacts on the social sphere since the spread of market-based values turns to "*disjoint man's relationships and threaten his natural habitat with annihilation.*" (Polanyi, 1944: 44). Remembering Polanyi's words,

*"..the control of the economic system by the market is of overwhelming consequence to the whole organization of society: it means no less than the running of society as an adjunct to the market. Instead of economy being embedded in social relations, social relations are embedded in the economic system. ... society must be shaped in such a manner as to allow that system to function according to its own laws. This is the meaning of the familiar assertion that a market economy can function only in a market society."* (Polanyi, 1944: 60).

In our times, the aim of the market economy – the economic motive- is not compatible with the goals of peace and freedom. According to Polanyi, if people want peace and freedom in the future "*they must become chosen aims of the societies towards which we are moving*" (Polanyi, 1944: 263). Considering this background, the actions of human beings towards social standing, peace and freedom highlight the relevance of aims that foster social justice. In truth, the aim of social justice needs to promote a human-based and community-oriented cultural and economic process that should enhance those values that protect society.

Therefore, the contribution of Polanyi opens up new perspectives to think about an ethical living in contemporary capitalism different from the utilitarian view of life privileged by

the logic of the market society. If economic and social change is to be authentically human, it needs to make room for values that favor social standing, such as generosity. In other words, it needs to make room to values that enhance not only an integral human development but also social justice. Economic change needs to be oriented towards the pursuit of the common good for which the whole society – as a political community - must take responsibility. At this respect, Karl Polanyi emphasizes the role of politics to express economic interests but also social aims (Polanyi, 1944).

In short, human actions need to encourage the social embeddedness of the economy. As a result, the importance of "economic forms based on reciprocity and redistribution" could indicate how both markets and politics need individuals who are open to values that foster social standing. Basically, what is needed is an effective shift in mentality that can lead to the adoption of new life-styles as a mechanism of “self-protection” in an otherwise market dominated society. The decisive issue, therefore, is the overall moral tenor of society. In this context, Polanyi’s work is inspiring to dwell on two criteria that govern moral action: social justice and the common good. All individuals are called to rethink their values, and also the institutional path which affects the life of the *polis*, that is, of their social coexistence and excellence.<sup>2</sup> So, Polanyi invites us to think about power and justice today since he reflects on the meaning of human life in history and points out to the existence of values arising from social life.

Considering this background, the Polanyian conception of social justice emphasizes social philosophical foundations where anthropology, economics and ethics are intertwined. Its relevance refers to the current debate about the needs for universal principles in order to rethink ethical choices that could make possible the permanence and cohesion of social ties. This conception of social justice underlines that the economy is an instrument designed to serve the man. The instrument *per se* does not bear a meaning, but it finds its meaning in the use that is made of it.

---

<sup>2</sup> At this respect, my interpretation has been deeply influence by the reading of Arendt (2013)

However, the current neo-liberal economic dynamics, founded on the laws of the self-regulated markets that favor efficiency and productivity, has been strengthening the reductionism of the concept of human being that is also present in the definition of individual in liberal thinking. It is in this environment that the promise of productivity gains crosses the line between the meaning of human being and the meaning of human existence. The demand for productivity, instead of serving the human purpose, closes on itself to become its own finality. Indeed, such rationality of productivity and efficiency results into unemployment, precarious work, social exclusion and impoverishment. In addition, resource exhaustion and the threats against the environment also show deleterious aspects of present-day forms of economic power.

Accordingly Karl Polanyi, a society is a living organism which *ethos* is the result of a complex combination of customs, norms, attitudes, aspirations that shape institutions. As a consequence of this, his understanding of social justice emphasises the fact that the economy must be backed by ethical ideals in order for it to work correctly and in order to safeguard society. The ethics in question is not any ethics at all, but rather an ethics that is centred on humans. It is imperative that the principle of social justice be based on the idea that the human person should be at the centre of ethical ideals.

#### 4 **Conclusions**

Polanyi's contribution is inspiring to think about the ethical issues imposed in the context of globalization on behalf of the primacy of the economic (financial) power. In reality, the *ethos* of efficiency and productivity have shaped social relations and legitimized social inequality. The idea that the value of a human being depends on the criteria dictated by the principles of efficiency and productivity implies a refusal not only to a holistic conception of man but also to the centrality of human beings in the economic process.

His understanding of modern capitalism really favors a concept of social justice that is overwhelmed by the principles of reciprocity and solidarity and the value of generosity.<sup>3</sup> Steps to social change should involve the creation of institutions necessary to translate the shift in mentality into effective actions since he points out to the individual responsibility in the construction of social justice.

The conception of social justice becomes a key-concept in the context of the social philosophy of Karl Polanyi. He emphasizes the social nature of men and warns not only about the morality of human actions but also about the mutability of human institutions. Social justice should be understood in the political dimension of human coexistence where human actions can promote the excellence of human life by preserving social standing and human dignity.

These thoughts underline a humanism in which the human-centered ethics of social justice expressed the universality of human dignity. In this sense, we can say that Polanyi's conception of social justice highlights two central issues: the meaning of the human existence and the ethical orientation of human actions.

Considering this background, it is outstanding the need for rethinking the philosophical connections between the economy and the dignity of human beings in every day life. More fundamentally, as Polanyi Levitt (2013) suggests, we have to rethink the human needs and the real value of goods and services in current societies where financial power relations shape the evolution of livelihoods.

The Polanyian concept of social justice presupposes a universal vision of the human being but also the recognition of a universal aim of men towards social change. The concept of social justice refers to the social problem with "the other" that manifests itself in history. Finally, following Polanyi's insights in *The Great Transformation*, we are able to draw the conclusion that poverty, power, and inequality are also intertwined in today's world within the context of the dynamics of financialization,

---

<sup>3</sup> At this point, my interpretation has been deeply influenced by Augustine's *caritas*. See Arendt (1996).



If the practice of social justice constitutes the social re-embedding of the economy, then those individuals who have the objective of safeguarding society are able to construct the common good and an ethical way of life. In the absence of these fundamental principles, social life will continue to be subject to the whims of the economic motive, which will have a disintegrating bearing on society. In a nutshell, following Polanyi's contribution, we can say that *the pursuit of social justice ought to be considered the most significant counter-movement in the context of the massive financialization.*

## References

- ARENDDT, H. (1996) *Love and Saint Augustine*, Chicago & London: University of Chicago Press
- (2013) *The human condition [A condição humana]*, RJ: Forense Universitária.
- GONÇALVES, J. R. B. and MADI, M. A. C (2014) 'Perspectives of Social Life and Welfare in Brazil: A Polanyian approach to Bolsa Família'. *International Journal of Business and Social Science*, Vol. 5, No. 2, Feb. 28.
- HAYEK, F.A (1937): *Individualism and Economic Order*, Chicago: University of Chicago Press.
- IUF. International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Association (2007) *A Workers' Guide to private Equity Buyouts*. Geneva.
- MADI, Maria. A. C. and GONÇALVES, J. R. B. (2007) 'Corporate Social Responsibility: Credit and Banking Inclusion in Brazil In: Bugra, A. and Agartan, K. (eds.) *Market Economy as a Political Project: Reading Karl Polanyi for the 21st Century*, Palgrave.
- MEIER, B. (2008). "Book Review: The Great Transformation: By Karl Polanyi. Boston: Beacon Press, 2001 [1944]" *Social Thought and Research*, Vol. 29.  
<http://plato.stanford.edu/entries/markets/>

POLANYI, K. (1944) *The Great Transformation: The Political and Economic Origins of Our Time*, New York: Rinehart.

POLANYI, K. (1977) *The Livelihood of Man*, New York: Academic Press

POLANYI, K., ARENSBERG, H. and PEARSON, H. W. (eds.) (1957) *Trade and Market in the Early Empires: Economies in History and Theory*, Glencoe, Illinois: The Free Press.

POLANYI-LEVITT, K. (ed.) (1990) *The Life and Work of Karl Polanyi*, Montreal: Black Rose Books.

----- (2013) *From the Great Transformation to the Great Financialization*, London: Zed Books

WEIL, D. (2014) *The Fissured Workplace: Why Work Became So Bad for So Many and What Can Be Done to Improve It*, Boston: Harvard University Press.