WHY DO WE EXPECT MORE FROM POLITICS AT A TIME WHEN IT IS SUPPOSEDLY ABLE TO DO LESS? COMPARING INTERWAR CRISIS ECONOMICS AND POST-WAR WELFARE POLITICS

ABSTRACT

Looming crisis, public discontent with privatization, and widening inequalities are factors which have historically set the electorate in favour of social democratic welfare policies. Today, however, these concerns rather appear to support new right-wing populist counter-movements, even in the traditionally progressive Nordic countries. This article asks why there is not more explicit support of progressive policies, despite the presence of socio-economic factors which would normally favour such a policy shift, at least not just yet. In response to this query, the article first analyses the comparisons between the present crisis and the crisis of the 1930s with regard to alleged political inertia. It then reinterprets the contemporary political consequences of crisis by revisiting three classical social theorists who took pains at analysing the political responses to the economic crisis of the 1930s: Karl Popper, Gunnar Myrdal, and Karl Polanyi. On the basis of this revisitation of these three classics, the article argues that the combined effects of distrust in politics and the persistence of admittedly rolled-back welfare systems mutes the progressive reform potential of the present crisis.

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1. Introduction

In its ambition to combine economic growth with social security, the welfare state has been a central point of reference in Nordic politics for a long time. At its core, the welfare state is concerned with promoting social mobility, social equality, and democracy. Indeed, Nordic welfare policies have been closely associated with the aim of generating social change along certain progressive social values, both nationally and internationally\(^2\). As such, the welfare state remains an important element of Nordic self-identity\(^3\).

The basic principle of the welfare state can be understood in terms of “unification of opposites”, in a sometimes paradoxical process of attempting to align growth with security, efficiency with equality, and innovation with stability\(^4\). In this understanding, there is no inherent opposition between competitiveness and care, between economic growth and social equality, and between productive investment and social expenditure. Rather, these elements are to support one another\(^5\).

As most mainstream political parties in the Nordic countries, both left and right, embrace the idea of the progressive welfare state, it can also be characterized in terms of a unification of opposites in yet another sense. In Sweden, for example, the bourgeois parties have gradually adopted explicit welfare state policies and

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rhetorics during the 2000s, often making positive references to concepts such as “the Nordic model” and “the welfare state” while usually avoiding the concept of “the Swedish model” for its social democratic connotations. The electoral success of the bourgeois Alliance in 2006 and 2010, respectively, has often been explained with reference to this welfare state-friendly profiling on the part of the bourgeois parties.

Given its importance in everyday life as well as public debate, the “Nordic model” of welfare has evolved into a point of contention in most Nordic countries, not the least given future challenges posed by globalization, immigration, and demographic change. As such, the concept of the welfare state plays an important role in the left-right divide which is present in all Nordic societies, perhaps more so in Sweden than elsewhere. Beyond the seemingly unanimous support for the welfare state across the political spectrum in this country, there is an ongoing struggle on the origins, content, and reach of the welfare state unfolding in Swedish public debate. Observers sympathetic with the labour movement and the Swedish Social Democratic Party (Swedish: Sveriges socialdemokratiska arbetareparti, SAP), presently in opposition, tend to locate the origins of the welfare state in working class mobilization and power struggle. Opinion-makers associated with the governing bourgeois Alliance, by contrast, underline the role of consensus, cooperation, and democratic reforms in shaping the modern Swedish welfare state. The SAP has responded to this attempt at “painting Sweden blue” by securing trade mark protection for the Nordic model.

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Yet, these struggles over the “ownership” of the welfare state may present a moot point as the Nordic welfare states have undergone significant transformations during the past decades. Whether this development is best regarded as the result of the spread of purposive neoliberalism or a reactive crisis-driven adaptation, which may be in part caused by structural problems of the welfare state itself, it is widely noted in Swedish public debate that “welfare state retrenchment” has taken place during the 2000s. This shift is often characterized by a host of diverse factors, such as the deregulation of financial markets, reduced public spending, reduction of progressive taxation, privatization of care and education, new labour legislation in the wake of EU harmonization, and the introduction of market incentives in the public sector through New Public Management, as well as growing urban unrest in response to social deprivation during summer 2013. While the relative economic and social performance of Nordic countries welfare states has been positively noted for example by The Economist, growing inequalities on a number of parameters signal a challenge to the future of the Nordic model.

It is debatable to what degree these highly complex changes can be attributed to the crisis management and structural adjustment of the successive bourgeois governments in 1991–1994 and 2006 and the social democratic governments in 1985–1991 and 1994–2006, respectively. Several of these developments can be traced back to the 1970s. Most of them can be detected internationally. Irrespective of this however, it is clear that these transformations have had a considerable impact upon the traditional interrelation between progressive politics and basic security, between social policy and social equality as key characteristics of Swedish welfare state.

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democratic policies. Admittedly, there is increased support for SAP in recent opinion polls\(^\text{14}\). Today, however, these concerns rather appear to support new right-wing populist counter-movements, such as for example the True Finns in Finland and Sweden Democrats in Sweden. It is therefore worth asking why there is not more explicit support of progressive policies, despite the presence of socio-economic factors which would normally favour such a policy shift, at least not just yet. Why are we not witnessing a Polanyian double-movement akin to that of the 1930s?

This article argues that a possible explanation to this seemingly paradoxical situation may be found in an epistemological, rather than purely political conundrum. It first analyses the comparisons between the present crisis and the crisis of the 1930s with regard to alleged political inertia. It then reinterprets the contemporary political consequences of crisis by revisiting three classical social theorists who took pains at analysing the political responses to the economic crisis of the 1930s. First, we will turn towards Karl Popper’s concept of “the open society” and the laboratory metaphor (as a source of knowledge and civic epistemology). Second, we will look at Gunnar Myrdal’s “social engineering” metaphor (as a basis for political agency, scientific knowledge production, and social legitimacy). Third, we will return to Karl Polanyi’s concept of “double movement” and the “disembeddedness” metaphor (as source of popular mobilization). On the basis of this revisitation of these three classics, the article argues that the combined effects of distrust in politics and the persistence of admittedly rolled-back welfare systems mutes the progressive reform potential of the present crisis.

2. Interwar crisis economics and post-war welfare politics

Today, it is often assumed that a power shift has taken place over the past few decades – a shift away from politics and in favour of the market. According to this multifaceted view, a broad movement towards neo-liberalism has reduced the scope of “the political” from the 1970s and onwards, gradually limiting the exercise of public power in general and efforts at public planning in particular. Progressive politics, state autonomy, and visionary policies have allegedly been suppressed by a kind of “anti-politics” or “post-politics”, characterized by increasingly mediatized

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policy-making, responsibility-avoidance and image-management, reducing politics to a minimum of mere administration.\textsuperscript{15}

The inability of progressive or social democratic parties to regain momentum has been explained as the result of democratic deficits in national policy-making in the wake of EU membership, the ideological victory of “neoliberalism”, and the emergence of perennial cleavages in the shape of the proverbial two-thirds society\textsuperscript{16}. However, these developments could just as well have been expected to have generated critical responses, rekindling support for progressive politics. Some have suggested that the bourgeois parties have simply “snatched” the policies and votes away from a hapless social democracy which has failed to account for the perceived needs of the reasonably well-to-do majority\textsuperscript{17}. Others hold that individualism and inegalitarian attitudes are on the spread, even within core support groups for social democracy\textsuperscript{18}.

It is certainly not the first time that democratic politics have been challenged by the combined pressures of faltering capitalism, widespread political self-doubt, and anti-democratic counter-movements. Several observers have commented upon the similarities between the present crisis – the so-called Great Recession – and the Great Depression of the 1930s\textsuperscript{19}. Notably, the crisis of democracy in the 1930s was also triggered by economic unrest. But if the economic crisis of the present is often compared with the depression of the interwar years, the contem-


porary political response appears quite different from the remarkable surge of economic interventionism, social planning, and welfare state policies of the 1930s as conducted by both authoritarian as well as democratic regimes worldwide.

It has recently been suggested that this distinction is illusory, as conservative or liberal governments held sway while traditional neoclassic doctrines and policies enjoyed continued public support during at least the first three years of the Great Depression\textsuperscript{20}. Indeed, Karl Polanyi made a similar observation in the 1940s, noting the persistence of the belief in automatic adjustment and hope for stabilization amid financial turmoil. Yet, as Polanyi also noted, these liberal policies proved largely incapable of handling the economic problems after this initial period and lost public confidence, not only because of doctrinaire overconfidence in neoclassic economics and \textit{laissez-faire} liberalism, but also due to the relative lack of practical knowledge about social conditions and policy instruments by which to address them\textsuperscript{21}. More importantly, the political response of that day did not primarily concern the dysfunctional market or social misery \textit{per se}, but was activated once the threats posed to the liberal state by the populist and totalitarian elements of the Polanyian double movement were set in motion.

Eventually, this combination of economic inability and political fear did pave the way for diverse political responses, both in the form of totalitarian sentiments as well progressive interventionism and defensive welfare state policies, such as the popular fronts in some European countries, the class compromises of the Nordic countries, and the New Deal in the USA. Here, there is indeed a contrast with today: despite growing social inequality and widespread public protest and indignation, contemporary observers have commented upon this relative weakness of today’s crisis management. Political and social scientists often locate the causes for this alleged inertia with either the dominance of the market, the hegemony of neoliberalism, anti-political or post-political paralysis, or the general diffusion of power in an increasingly globalized world.

Have we then been thrown back into a state of \textit{laissez-faire} liberalism that antedates the crisis policies and welfare state programs of the 1930s? Are we then adrift in this world without much possibility of addressing the common challenges ahead, as Walter Lippmann once remarked when commenting upon the tension between “drift and mastery” in US politics, almost a century ago\textsuperscript{22}?


\textsuperscript{22} W. Lippmann, \textit{Drift and Mastery: An Attempt to Diagnose the Current Unrest}, New York 1914.
Various financial pacts, stimulus packages, and social investment programs would suggest otherwise. But in practice these measures rather resemble a new type of austerity policy along the trajectory of preceding welfare state retrenchment rather than any serious attempt at productive social policy, social investment or rejuvenation of public politics in the face of economic crisis. Bail outs, for example, frequently amounts to just another form of regulatory capture of the state by which various private economic interests may override public concerns. This further strengthens the impression that politics has been weakened, generating frustration and despair.

Both anti-establishment critics as well as establishment politicians increasingly respond to this perceived political inertia by posing demands for increased accountability, auditing, and transparency on the part of both public and private power, in what appears a striking parallel to the rare political unity across left and right which emerged in the 1930s on the necessity of controlling the economy. Then, however, “planning” was the call to arms. Today, by contrast, “openness” is gradually evolving into a key instrument towards fulfilling the social and political functions once assigned to planning and regulation in democratizing and effectivizing economy as well as politics. This may simply be a compensatory move, directing the focus away from the product of politics to the process of politics, although recent revelations such as the United States diplomatic cables leak, WikiLeaks, ACTA/SOPA/PIPA, PRISM, and now, most recently, the 2013 mass surveillance disclosures, certainly warrants the relevance of these demands.

But there is also an intriguing paradox emerging here: the demand for accountability of politics in controlling the present is apparently on the rise, while the belief in the capacity of politics (and science) to control the future is said to be in decline. In other words, public power is still held accountable as if it still possessed the power which it is by now said to have lost. Politics is still to achieve results as if it would be possible to exercise public power without reverting to the use of either paternalism or planning, raising the question: Why do we expect more from politics at a time when it is supposedly able to do less? How does this mismatch between expectations and hopes relate to the perceptible weakness of contemporary welfare politics, despite economic crisis? A return to the analysis of the political consequences of the 1930s economic crisis may prove instructive here.

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3. The open society

At the close of the Second World War the consequences of economic and political crisis of the interwar years could be summarized. Although the world war had shown both the emancipatory potential as well as pathological power of scientific planning, it also prompted a discussion on whether planning as a mode of governance was desirable or even feasible under any other conditions than extreme danger, such as war or revolution. Austrian economists such as Ludwig von Mises and Friedrich von Hayek famously argued that purposive planning requires not only omnipotence on the part of the planner, which is undesirable, but also omniscience, which is impossible. The resulting mismatch between power and knowledge would force any society that attempted to plan and control the market forces onto The Road to Serfdom, Hayek argued\(^{24}\).

Fellow Austrian Karl Popper reached a somewhat different conclusion. In his Open Society and Its Enemies, Popper launched the metaphor of the “Open Society” to conceptualize the ideal combination of democratic legitimacy with scientific efficiency, bridging the gap between power and knowledge as identified by Hayek. By virtue of becoming more “open” – i.e., more accessible for public scrutiny – society as a whole as well as those organizations and institutions that operates within it will become more accountable, more moral, less corrupt, and more efficient. If only information asymmetries can be reduced, a communicative, rational, and responsible relationship will stand a better chance to evolve between the governed and the governors, between the producers and the consumers, and between knowledge and power. In the open society, the level of public trust in institutions and processes would stand in a direct correlation to the degree of openness. If people trust public institutions, they may also maintain a stronger belief in politics and collective solutions to common problems, resulting in a more robust and more evidence-based policy-making\(^{25}\).

In order for the open society to work in this way, the open society requires that there is a minimum of official censorship of “untrue” and “false” statements. Openness itself is supposed to function as an unofficial censor, where debate and exchange will sort out “bad information”, entirely in line with Popper’s accumulative view on the growth and unity of scientific knowledge. The open flow of informa-


tion and opinion provides citizens, politicians, and scientists with the best opportunity to judge for themselves the credibility of various statements, to test hypotheses, and to reverse the course of action when things are amiss\textsuperscript{26}.

In this sense, the operation of the open society resembles the experimentation undertaken in a scientific laboratory – “piecemeal social engineering” as Popper called it, in distinction from “utopian social engineering” which follows from ideological blueprints rather than falsifiable scientific facts. Piecemeal social engineering is just one among the many tools available to the citizens of an “Open Society”, and as such always subjected to criticism and possible to reverse if proven either faulty or lacking in popular support\textsuperscript{27}.

However, yet another condition which is less often noted in the generally supportive literature on the Popperian theory on openness had to be met, too. In order for the open society to work as outlined above, it would also have to rely upon US Supreme Court Justice Louis Brandeis’ famous reasoning that while people may fear disclosure by itself, they will only behave correctly as long as they also genuinely fear broad public disapproval as a consequence of being disclosed. Without disapproval, Brandeis noted, fully in line with the sociological jurisprudence developed within American legal realism, disclosure remains largely an empty threat\textsuperscript{28}.

There is thus a kind of duality in Popper’s vision of the open society which may not have been so apparent in the 1930s and 1940s when this idea was originally formulated, but quickly springs to mind in today’s highly attention-sensitive and mediatized public sphere: On the one hand, it ensures innovation due to the freedom of thought – possibly based in free-thinking private dissensus – in the laboratory of ideas. On the other hand, it requires that public disapproval – preferably based in public consensus – shall constantly check and, if necessary, punish what is going on in the laboratory of ideas so that it does not get out of hand. Put differently, the open society metaphor seems bypass or gloss over the paradox between the right of the individual to do and say whatever he/she might like and the duty of the individual to toe the line of what is publicly acceptable. The discursive power and political attraction of the idea of the open society in no little part rests with this benign promise of exacting improved behaviour, not only without threatening


\textsuperscript{28} L. Brandeis, Other People’s Money – and How Bankers Use It, New York 1967 [1914].
either tolerance, freedom (such as free speech, free market, and free movement), or equality (of ethnicity, sex, and class) but exactly through guaranteeing these core liberal values.

There are thus two quite distinct, but quite possibly equally utopian ideals embedded in the vision of the open society – the utopia of seeing and the utopia of knowing, bridging the classical divide between facts and values. Possibly one could term this "the utopia of pure communication" and "the utopia of true information", respectively. But seeing is just one step towards knowing. How are we to know that what we see is correct? For the public disapproval to be fair, reasonable, and somewhat controlled for bias, it requires that we have access to some set of norms, standards, and values by which to evaluate the information made visible in the transparent open society. Without norms and standards we are at loss how to evaluate for example injustice and inequality, just as well as merit or entitlement.29

The open society can thus not reproduce itself without relying upon some set of norms for evaluating both facts and values. As such, norms and standards may also work as tools of oppression, of uniformity, and of conformism, turning against the values of diversity, pluralism, multiculturalism, individualism, and relativism that the open society is to embrace and defend. To what degree can then the ideal of the open society deliver upon its promise to defend the values of universalism and combat social ills without succumbing to either paternalism or value nihilism? And to what extent can the open society actually assist those in most need in democratic society?

4. Social engineering

When grappling with the social situation of African-Americans in the US during the 1940s, Swedish economist Gunnar Myrdal came upon this critical question, which he sought to navigate by suggesting that "valuations" as actually held in society work as social facts. Myrdal considered himself thus able to bridge the epistemological gap between social facts and social values, or rather, in the case of his work on US blacks, the glaring contrast between the social values held in esteem

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by the majority white population of the US (which he called the “American Creed”) and the pressing social situation of racial discrimination in war-time America. In his 1944 *An American Dilemma*, Myrdal would use this insight – largely derived from a reading of Max Weber, as Sven Eliaeson has shown – in turning the longstanding debate among US social scientists on the tension between “pure science” and “dirty politics” and between objectivism and social purpose in social science. Here, Myrdal strongly objected to the more radical forms of “objectivism” that had developed within American academia as a response to professionalization of the social sciences and the dependence on private foundations for research funds. The objectivists declined from applying their findings in political and social action, in contrast to earlier generations of socially engaged and often religiously motivated American social scientists. In Myrdal’s critical account, these objectivists held that first “all the facts must be in” if not the objectivity and the scientific status of social science should be compromised. Myrdal, for his part, viewed this resorting to some future omniscience as superstitious utopianism, since all the facts will never be in as he noted in a methodological appendix to his magnum opus. Instead, Myrdal provided a defence for a kind of limited or bounded objectivism, based on a both moral and ontological argument in favour of “social engineering”, remarkably similar to Popper’s simultaneous formulation of piecemeal social engineering.

But there are important differences between the two. While Popper’s concept of the open society had rested upon a paradoxical combination of the belief in accumulated scientific knowledge and institutionalized distrust which is to check the piecemeal social engineering underway in the experimental laboratory that is the open society, Myrdal’s notion of “constructive” social engineering was grounded in a basic acknowledgement that every form of social, political or economic organization (including *laissez faire* liberalism) has social and hence political effects, regardless of whether this organization is being thought of as natural and neutral or whether it is explicitly ideological or political. Human action and opinions have social effects and political consequences, Myrdal held, no matter what. These consequences and their relationship to various social values can be studied...
scientifically and should be assessed with regard to whether they correspond or contrast with widely held and commonly accepted values.

The discrepancy between facts and values thus provided the foundation for Myrdal’s notion of social engineering, rather than any reference to the absolute objectivity of science which the metaphor of social engineering may at first hand seem to suggest, a notion Myrdal had held in the early 1930s but come to reject at the time of writing *An American Dilemma* in the early 1940s. For Myrdal, then, the concrete relationship between facts and values and the sense of a growing discrepancy between widely held social ideals and recurring crisis or structural limitations that prevent individual people from attaining their ideals, worked as a powerful call to action to combat social ills on the basis of social science knowledge and planning politics.

5. The double movement

“Never let a serious crisis go to waste,” President Obama’s 2009–2010 Chief of Staff, Rahm Emanuel, famously quipped in 2008 as the bank crash hit America’s homeowners and small savers. Crisis, risks, and various threats to perceived security “needs” are indeed powerful instruments for political agency and popular mobilization. Despite the many similarities between the economic and political crisis of today and the depression of the interwar years, returning to and rereading an analysts of the political as well as social effects of the latter crisis – Karl Polanyi. Polanyi provided an original interpretation of the political response to crisis. He saw New Dealism, Nordic class compromises, as well as corporatist and fascist policies in Central Europe and Latin America simply as different expressions of the same kind of “double movement”. This double movement had been released in response to the perceived “disembedding” of the market from the society, in a defence of society against the social consequences and economic imbalances resulting from accelerating financial capitalism.

Three key elements of the double movement of the 1930s may explain the difference between today’s perceived political inertia and the political intervention-

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35 K. Polanyi, op.cit., p. 60.
ism of the interwar years: First, the class compromises of the Nordic bourgeoning welfare states and New Dealism in the US could be enacted in a world market which largely lacked the far-reaching regulation which characterizes today’s supposedly “deregulated” global market. After the gradual dissolution of the gold standard during the 1930s, these national programs of recovery were not coordinated with the regulatory system of an international organizations such as the IMF, WTO, GATT, the World Bank, or any more powerful regional trading-blocks, even if the colonial empires naturally structured much of global trade until decolonization. There was, in other words, either a broader latitude for national economic policy than today, or, alternatively, less room for manoeuvre for global economic policy than today\(^{36}\).

Second, despite industrialization, modernization, and urbanization, fewer people were dependent upon the global market and mass consumption than today. More people could step out of consumer society into various forms of subsistence economy. Nevertheless, the 1930s crisis hit so hard that it provided the basis for populist and totalitarian protests in most parts of the industrialized world. The very absence of a welfare state (except for some early beginnings in certain countries in Latin America, Oceania, and a few US states in the Midwest, alongside some insurance schemes in Central Europe and Scandinavia) meant that these social effects were soon felt and translated into middle-class and working-class social protest which turned both against the rich as well as the poor (as competitors for scarce resources), resulting in an explosive social situation, ripe for political exploitation.

Thirdly, there were two vocal, violent, and totalitarian revolutionary movements turning against not only capitalism, but also liberal democracy. The common fear of fascism and communism pushed defenders of liberal democracy from both left and right into the same fold, creating the founding rationale for the remarkably successful progressive compromises\(^{37}\). As such, this fear provided a sustainable platform for pragmatic cooperation in the interest of collective agency in the face of crisis, in Great Britain, in the USA, in the Nordic countries, in Oceania, and in some Latin American countries (although democracy was seriously curtailed in Peronist Argentina, unlike Uruguay)\(^{38}\). This fear of the totalitarian side of the Polanyian double movement contributed not only to the progressive politics of the

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\(^{38}\) K. Polanyi, op.cit., pp. 211, 237.
interwar years, but provided the Fordist economies of Western Europe and the corporatist welfare states of Central and Northern Europe with a powerful *raison d'être* throughout the Cold War years. “But”, as Mark Mazower has recently asked rhetorically, “what would happen when no one feared communism any longer and took the stability of parliamentary democracy for granted?”39

6. Conclusion

Today, the three factors that Polanyi pinpointed in his analysis look fundamentally different. Nowadays, the global market is thoroughly regulated in a way that does not allow for much of local experimentation or spendthrift national recovery programs, lest country credit ratings would fall. In contrast to popular belief, the global market is more “regulated” today, perhaps paradoxically, but fully logically so in order to be more “free”. Today, fewer groups could or would willingly place themselves outside of the consumer and labour market, seeking instead to play by its rules as far as it goes. Today, the most widely publicized protest movements – alter-globalization activism, right-wing extremism, and Islamic fundamentalism – have not gained the political clout of their precursors in the 1930s parallel, at least not yet.

It thus seems fair to say that the empirical similarities between the 1930s and today’s crisis should not be overdrawn. In particular, given the possibility that the economic crisis of the 1930s may have been “more severe”, economically and socially speaking, to the extent that human values and consumption patterns of the present cannot at all be compared with those of the past. It may simply be that the contemporary crisis is not “bad enough” and that risks are not “high enough”, at least not just yet.

But if this is so, there is also a very concrete explanation for why the crisis may not appear as severe which did not exist or only partially existed in the 1930s, namely the welfare state itself. While the welfare state according to many observers has been rolled back and transformed over the past decades, the basic system of social rights, social protection, and economic redistribution persists. Whether this amounts to a “hostile take-over” of the welfare state by neoliberal political entrepreneurs that has curtailed the progressive social policy agenda of the Nordic model or not, the basic function of the welfare state in providing social protection continues. In the Nordic countries in general and in Sweden more specifically, this

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39 M. Mazower, op.cit.
Why Do We Expect More from Politics at a Time

duality of the welfare state has driven in a wedge between groups traditionally in favour of an ambitious and socially progressive welfare state policy, between the needs of the employed, well-off, but overworked middle-class voters and the needs of the unemployed, sick, and marginalized members of society. Notably, the crisis of the 1930s fused the concerns of these two groups. In today’s political landscape, they tend to diverge, by contrast.

But there is an important epistemological difference as well, providing a partial explanation for why the economic crisis of today does not as directly translate into political reform or planning euphoria as it did during the 1930s. Unlike in the past, contemporary public debate appears fundamentally sceptical of both science and politics. In the 1930s, science promised an escape from the inability of democratic politics in grappling with economic and social crisis. Today, however, the legitimacy of science (whose science?) does not appear to stretch much further than supporting the accountability and transparency discourse, which promises the same objective and neutral standards of rationality as once planning did. Hence, we are much less likely to accept the practice of more check, control, and planning of the economy than there may be political support for this idea as a knee-jerk response to “free market chaos”.

Despite these differences, the comparative and interpretative outlook to the 1930s pinpoints some ways in which we can nevertheless learn from how these scholars tackled the need to rejuvenate civic epistemology as well as democratic policy-making at a time of economic crisis set in a situation of fierce conflict between crypto-ideologicized economics (laissez-faire liberalism) on the one hand and hyper-ideologicized politics (totalitarianism) on the other. There is a clear correspondence between Popper’s argumentation for the open society in solving the tension between facts and values in a seemingly harmonious way, to the eager adaptation of transparency, openness, and accountability among critics and elites alike today. But the piecemeal social engineering of today appears more like a highly mediatized and scripted, yet inconsequential process of post-political “muddling through” than anything like the evidence-based policy-making that Popper’s open society was supposed to further.

It appears as if the Myrdalian step has been taken out of the equation: openness and transparency are now to fulfil the roles once assigned to planning and regulation in ensuring effective and legitimate governance in the face of crisis. Contemporary transparency discourses promise non-paternalistic, non-intrusive, and non-authoritarian forms of self-regulation and adaptation, that can be just as easily spoken by proponents of neoliberalism as progressive radicals, but do not provide much in terms of long-range responsibility or political guidance in view of future
challenges. In this sense, our politics rather resembles Lippmann’s notion of “drifting” government than any meaningful notion of “mastery”. It may therefore be understood as a kind of “disorganized technocracy”, possibly characteristic of the “post-political” condition discussed briefly above.

Returning to Polanyi, it is well worth noting that the present risk of politics being imperfectly “disembedded” from society presents just as severe a social consequences as the economy being “disembedded” from society in the past. The distrust in politics is being compensated by the frequent reiteration of a set of values that signal commitment, responsibility, and concern on the part of the powers that be, a rhetoric which relies on a vast array of good concepts, such as social capital, social investment, sustainable growth, and stakeholders’ participation to communicate its promise of non-intrusive, yet efficient governance. We pretend that contemporary politics could engender change if it only had the public mandate to do so. In the meantime, we continue to speak of politics as if it had the power we at the same time doubt it has. But do we really want to hand it this power? Have we not already willingly exchanged the desire for “absolute politics” in Alessandro Pizzorno’s sense of the term by reducing politics to a question of mere administration, a process which is to be carefully controlled with the help of media and science, but where the product is of little import? If so, it is in a sense a form of “organized hypocrisy” which assesses politics as if it had the public mandate to enact change, which it in fact does not.

Revisiting the works of Popper, Myrdal, and Polanyi – themselves working at a time when democratic politics appeared to have been eclipsed by chaotic capitalism and threatened by populism and totalitarianism – can provide fresh insights into the origins of as well as possible escapes from the contemporary paradox of politics being held accountable for very much and yet being counted for very little.

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