The boundaries of cosmopolitanism: Karl Polanyi and the ‘Magyar–Jewish mongrel’

My parents were liberal-minded Jews belonging to the upper class of Hungarian society. Thus begins a brief autobiographical digest that Karl Polanyi sent to a friend in Britain. “My mother was Russian”, the same text continues:

“My father, to whose passionate idealism I owe a great deal, was Hungarian, though deeply imbued with Western education and culture. Until I left Hungary in 1919 I looked upon myself as Hungarian.”

These lines are revealing. They raise a number of questions that I shall explore in this essay, by way of an overview of Polanyi’s family, their social status, the ‘Jewish Question’, and Polanyi’s relationship to ethnicity and nation.

Polanyi’s childhood and youth were spent in Budapest, the capital city of the frailer half of Austria-Hungary, a transitory and forgettable empire that had been created in submission to Prussia and was destroyed by the mutiny of its own armies. Although he regarded himself as Hungarian, in many respects he was the paradigmatic ‘cosmopolitan’. German was the principal language spoken at home, with Hungarian a distant second. English was learnt from the earliest age, and Latin and Greek quickly followed. Karl’s father, Mihaly Pollacsek, was a railway building contractor and engineer, and his children, introduced early and often to international mobility, possessed an easy capacity to “keep true time in two longitudes at once”, to borrow Henry Maine’s phrase (quoted in Bhaba, 1994, page 192). If this trait was a hallmark of the colonial administrators described by Maine, the liberal regime of fin-de-siècle Europe facilitated something similar. As Karl’s brother Michael was to put it, “We had built a network of railways, and could travel about without passports and settle down anywhere without permit: a degree of civilization inconceivable today” (quoted in Jha, 2002, page 6) ‘Civilization’, it was understood, required the ability and freedom to travel, a liberty of which the Polanyis made the most, with regular family holidays in Hungary, Austria, Germany, and beyond. Mihaly’s business, too, would often take him away from Budapest, and Karl would sometimes accompany him—to Vienna, frequently, and to Germany (where Dresden station greatly impressed him. It is “colossal”, wrote the awe-struck lad, with accompanying pencil diagrams, adding that even Charing Cross and St. Pancras—his father had informed him—could not compare.) As an adult Karl would get to know all these places and more, for he was twice exiled, first to Vienna and then to London, before moving to New York and Canada. “My life was a ‘world’ life”, he wrote as it approached its end.

Mihaly’s fortune enabled him to retain an apartment in Vienna while moving his young family into a spacious apartment on Budapest’s Andrassy útca in the early 1890s. The Andrassy was a broad avenue modelled on Paris’s boulevards, with recherché arcades, cafés, and a department store. While its first residents had come predominantly from the artisanal middle classes, by the 1890s its prestige had risen, and aristocrats and plutocrats...
were moving in. The Pollacseks’ immediate neighbours included a *Grosskapitalist*, a doctor, a factory owner, and a retired captain of the Hussars. When Mihaly’s business went bust, the family was obliged to move a step down from the top of the social pyramid, to nearby Ferenciek tere. Five years later, in January 1905, Mihaly drew his last breath.

Cecile Pollacsek, Karl’s mother, hailed from Lithuania. A pioneering feminist, she set up a private women’s college in 1912, which she envisaged as an open university for Hungarian women. An ardent follower of contemporary cultural life and letters, she hosted a salon—and in this respect she epitomised the type of middle-class Jew for whom assimilation was synonymous with *Salonfähigkeit* (cultural respectability). Cecile was interested in psychoanalysis too—in particular, in the potential it offers for deciphering works of art—and was a friend and patient of Alfred Adler, the most progressive of its three founding fathers. Karl did not share his mother’s enthusiasm for psychoanalysis, but had he lain on Adler’s couch he might have divulged feelings towards his parents that were far from oedipal. He truly loved his mother and greatly appreciated her wit, political vim, and intellectual curiosity, but mistrusted what he saw as her moth-like attraction to bourgeois salon life—more often fluttering around the lamp of learning than grasping it as a torch. His father’s personality was less flamboyant, but Karl’s feelings towards him betrayed not the slightest ambivalence. After his death, Mihaly’s memory was “the strongest force in my life”, Karl wrote his brother, “until my marriage, 17 years later”. (5)

Polanyi understood the antithetical influences from his parents to be defining sources of his *Weltanschauung*. His father, like many continental liberals of the day, was an anglophile. For the young Karl, ‘English’ connoted ‘gentleman’, and he possessed a colourful image of the English gentleman in his natural habitat.

“He wore a chequered suit, … climbed the Matterhorn and was never seen without a telescope and an umbrella; he stayed at a first class hotel where, it was understood, he had parked his battleship.” (6)

The ingredients that engendered what Polanyi describes as his tendency to envisage social developments in “prophetic” terms were “the explosive mixture of 100% pure Russian and 100% pure Anglo–Saxon influences in my early life in the presence of the Germanic speculative catalyster of ‘Geistigkeit’.” (7) It is a geocultural triangle that maps to a conceptual schema that Polanyi developed in later life, of ‘redistributive’, ‘market’, and ‘reciprocal’ mechanisms of economic integration. Redistribution is a synonym for the Germanic *Verwaltungswirtschaft*, the market system has historically been closely identified with Anglo-liberalism, while reciprocity held sway within the Russian *mir*.

If his contradictory parental influences set up a clear creative tension, one that linked the familial and geocultural scales, which endured throughout his life, Polanyi’s relationships to nation and ethnicity were of a more tangled kind. When, in a letter to his brother of 1959, he attempts to capture the quintessence of Hungary it is its Jewish–Magyar mix that he emphasises. Although he “never quite belonged to Hungary”, he explains, its people have his affection.

“I remember the depths from which they rose: a Magyar–Jewish mongrel, not deserving to be fully accepted as morally civilized, bearing the ‘stamp’ of the ethically defective, victims of the backward standards of a church and aristocracy whose heart was elsewhere. A nobility, fitted with false pride but without self-respect, linked to the West by a half-assimilated Jewry, not truly Western and yet hindered in melting into the Magyar stock … . And yet the Magyar stock too had been denaturalized by the hothouse

(5) Michael Polanyi Archive, Chicago; Karl to Michael, letter of 11 January 1952.
(6) Karl Polanyi Archive, Folder 17 File 20, Karl Polanyi, Lecture, ‘British Characteristics’, 1939.
(7) Michael Polanyi Archive; Karl to Michael, letter of 11 January 1952.
brood of a second-class foreign intelligentsia which pre-digested the valuable Western experiences Hungary required."(8)

What is remarkable about this passage is not only its description—in (presumably knowing) echo of Daniel Defoe’s ‘true Englishman’—of the ‘Magyar–Jewish mongrel’, but that for all its pejorative tone the avowed aim is to explain why “the Hungarians” have Polanyi’s affection, and also that, alongside sideswipes at Church and nobility, he aims barbs at his own milieu, the ‘hothouse brood’. Although he felt uncomfortable in both his ‘national’ and ‘ethnic’ identities, he tended to aspire to one and to deride the other.

In respect of its long period of administrative and constitutional unity Hungarian liberals liked to compare their nation to Britain. Hungary’s “national cohesion and patriotism”, declared Oskar Jászi, Polanyi’s mentor and life-long friend, “is the result of an evolution that is as ancient, natural and logical as that of England” (1918, page 18). But if this is a rose-tinted rendition of English history it bore no connection to Hungary’s. In letters of blood and iron, History was scrawling the message that the highway to modernity proceeds by way of the assimilation of disparate classes and ethnic groups into culturally homogenous nation-states. Whereas in Western Europe this process tended to see an “extensive coalescence and fusion of diverse and intermixed ethnic ‘strains’ into discrete territorial nations”, in Central and Eastern Europe successive inward migrations and conquests established layer upon layer of groupings that were less ethnically homogenized (Bideleux, 1996, page 287). Hungary’s linguistic heart was rural. Latin-reading clerks, French-speaking aristocrats, and German or Yiddish-speaking merchants and teachers all ‘assimilated to’ Magyar, the language of the peasant. The nation’s political nucleus was a reactionary Hungarian aristocracy, locked in an uncomfortable if sporadically tender embrace with the liberal bourgeoisie, suspicious of their overbearing superiors in Vienna, and pledged to the marginalisation and persecution of minorities: Romanians and Ukrainians, Slovaks and Serbs, Roma and Jews. Thus the Hungarian nation coagulated in a peculiarly fractured manner, and was subject to severe torque as the kaiserlich-und-königliches system disintegrated.

Why was this? It had much to do with what Leon Trotsky referred to as uneven and combined development. In Western Europe, capitalism evolved relatively gradually, with the mode of production, class relations, nation-state formation, and the emergence of ‘consolidated’ states developing more or less in tandem. But the formation of a global market dominated by Western businesses and a world political order controlled by Western states challenged the disparate polities of Eastern Europe to ‘catch up’ or risk subordination. Eastern civil society was increasingly influenced by processes occurring west of the Elbe, even as monarchies and aristocracies continued to hold the reins of political power. More or less reluctantly, these presided over reforms that aimed to strengthen their armies and bureaucracies, attenuate caste privileges, and reduce feudal constraints on trade, but it was a fraught process, one that lacked the cultural development and commercial integration that had facilitated nation-state formation in the West.

The twin revolutions, political and economic, of the closing decades of the 18th century, centred in France and Britain respectively, lifted and challenged the Jewish populations of Central and Eastern Europe. The former saw the rescinding of religious and occupational restrictions, generating pressure far beyond France’s borders to grant Jews full democratic rights, and spurring reform-minded Jews to challenge the authority of orthodox rabbis. The Jewish struggle for emancipation took place when the Enlightenment ideal of Bildung was enjoying its acme, and many Jews took this image of modernity to heart.(9) The latter, the Industrial Revolution, enabled Jewish financiers and traders to integrate into a rapidly

(8) Szchenyi Archive, Budapest. 212/326. Karl to Michael, letter of 21 October 1959.
(9) George Mosse (paraphrased in Aschheim, 1982, page 7).
expanding and socially fluid urban bourgeoisie. Central Europe’s Jewish communities were peculiarly sensitive to the pulse of these ‘great transformations’. Soaring Western demand benefited the many Jews who were involved in the grain trade—including Polanyi’s paternal grandfather, a flour merchant in Austro-Hungary’s northeastern reaches. But even as some were poised to ride the rising tide of economic demand others were being flushed out of the traditional economy as manufactured imports flooded their artisanal markets.

The contradictory effects of capitalist development upon the Jewish populations of Europe have been perceptively discussed by Abram Leon in *The Jewish Question* (1946). One tendency was for capitalist development to favour “the economic assimilation of Judaism and consequently its cultural assimilation.” It uprooted millions of Jews, ripping them from their traditional milieux and reassembling them in urban environments, where many sought to blend into the dominant culture. Yet the same conditions of economic dislocation, migration, and urbanisation, especially where antisemitism was rife, could also stimulate Jewish national consciousness.

“The ‘renaissance of the Jewish nation,’ the formation of a modern Jewish culture, [and] Zionism, all these accompany the processes of emigration and of the concentration of Jewish masses in the cities and go hand in hand with the development of modern anti-Semitism.”

The two tendencies played out differently according to place and period. In western Europe the dominant tendency was assimilation, which itself connoted the ‘West’: Gesellschaft, economic modernisation, and political equality. While the Age of Nationalism confronted all groups with the injunction to ‘assimilate’, for the Jews, an oppressed group, assimilation required more than a gentle blending into the new cultural landscape but also, crucially, a “purposeful, even programmatic, dissociation from traditional Jewish cultural and national moorings” (Aschheim, 1982, page 5). Having achieved this successfully, the Western assimilated Jew came to be stereotyped as the incarnation of modernity: rationalistic and deracinated, cosmopolitan and ‘inauthentic’, plastic people lacking an organic culture. In the East, Jewish populations were greater in number and size, with a preponderance of middling and lower social layers, and more likely to retain those badges of distinction—Yiddish, the caftan, Talmud-centred education—that assimilated Jews had rejected. Over the course of the 19th century the stereotype of the ‘Eastern Jew’ was constructed: rural, poor and uneducated, dirty and loud, clinging to tradition and prone to mysticism. The ‘East’ came to stand for cultural nationalism—Gemeinschaft, religion, and tradition—and the Ghetto.

If any city witnessed a confluence of Western and Eastern Jews it was Budapest. Nowhere in Central and Eastern Europe were Jews more integrated and secular than in the Pest of Polanyi’s youth. They were vital elements in Hungary’s economic and cultural renaissance, and many (although not the Pollacseks) switched their household language from German/Yiddish to Magyar. Yet Budapest was simultaneously a favoured destination for Jews fleeing the pogroms of Tsarist Russia. The new arrivals confronted, even from their ‘own kind’, racism of a standard format. Incomers, many of whom were poor, uneducated, and from small-town or rural backgrounds, could enter the city’s labour market only by the back door, and faced explicit and implicit discrimination. Indigenes saw them in a socially ‘inferior’ position and racialized this, essentializing the immigrant’s situational ‘inferiority’ by interpreting it as the manifestation of an intrinsically inferior race or culture.

In a sense the Eastern Jew came to figure as the Western Jew’s ‘ugly sister’ that antisemitic Hungary was reluctant to adopt. To this, assimilated Jews could respond in a number of ways. One was to extend sympathy: to humanize the Eastern Jew. The paradigm was Arnold Zweig’s *Das ostjüdische Antlitz* which said, in effect, ‘Look more closely: she’s beautiful!’ A minority view was revolutionary socialism, the universalism of which tended to favour assimilation.
but brooked no compromise with racism. (‘The ugliness is not her, it’s antisemitism!’) But more common than either was for assimilated ‘cravat’ Jews to feel disdain for their caftan-wearing brethren, even denigrating them as “Asian” (Aschheim, 1982, page 20). It was a stance that breathed arrogance but also self-abnegatory displacement and an internalisation of racism (Gilman, 1986). (‘The Jew in me wouldn’t be ugly if it were not in her too.’)

As Jew-hatred grew, Polanyi and his peers found themselves excluded from full national membership. However loudly they protested their indifference to their Judaic heritage, antisemitism remained interested in them. It possessed a weapon, in the form of a twin-bladed stereotype, that could attack the target from diametrically opposed directions. In one, more common in the early modern period and attached especially to ‘Eastern’ Jews, Jews were stereotyped as particularist: they cleaved to a traditional way of life, atavistically refusing to dissolve their identity in the warm ocean of modern secular citizenship. But with Jewish emancipation a second image gained ground. Emancipation and industrialisation brought an influx of immigrants into the cities, which prompted cultural conservatives to bewail the ‘impure’ culture and loss of ‘traditional values’ that supposedly resulted from ethnic mixing. Jews were singled out as the eternal outcasts, ‘rootless cosmopolitans’ who threatened to corrupt the nation. With no ‘true’ homeland of their own, but with cultural and commercial connections to their brethren in other countries, Jews were treated with suspicion, obliged to publicly perform their rejection of their heritage and to declare their allegiance to the imagined community. Institutionalized antisemitism ensured that the struggle for emancipation gave way to the duty of assimilation. Yet the greater their success in assimilating, the more the cosmopolitan ‘threat’ was borne out. In the final decades of the 19th century Jews came to be perceived as “cosmopolitan, as the embodiment of an unlimited, ‘deracinated’ existence which threatens to dissolve the identity of every particular-limited ethnic community” (Žižek, 2006, page 254).

In this way, Jews faced a double bind. A cosmopolitan identity offered a means of disavowing the particularist ethnic identity that was condemned by the first stereotype. But the second stereotype identified cosmopolitanism as a characteristically Jewish trait, thus transforming the method of downplaying Jewish identity into its very badge. If a Jew maintained her traditional customs and appearance she would be stereotyped a ‘ghetto’ Jew; if she attempted to assimilate, this could be “construed as a duplicitous exercise in camouflage” (Aschheim, 1982, page 79). She could of course turn to atheism, fully embracing secular ‘modernity’ with its promise of the dissolution of all religious communities along with their primitive superstitions. But to do so was to commit treason against the Hungarian nation, the soul of which was Christianity, and to expose her lack of faith—a sign of rootless cosmopolitanism: ie, Jewishness. Or she could convert to Christianity, but to switch religion in this way was regarded as capricious, opportunistic, or a sign of self-hatred. It thus exposed a lack of, respectively, integrity, authenticity, and self-respect.

How did Karl Polanyi navigate this treacherous landscape? He certainly adopted a cosmopolitan Weltanschauung, and cheerfully so. By this I refer to a style of thought that seeks to recognize common humanity, refuses to essentialize particular identities, and believes in the extension of political unity and liberty from the national to the global scale. “I’m a cosmopolitan, in favour of freedom of every kind” was Polanyi’s watchword in the 1920s.(10) He also championed the political order of medieval Europe as a “cosmopolitan” system in which political and social institutions “bore the characteristics of internationalism at its best.”(11) A similar cosmopolitan era, he maintained, could be recreated in the 20th century.

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(10) Karl Polanyi Archive, Folder 29 file 9, Felix Schafer, Memoirs, 1964–1966, page 8.
(11) Karl Polanyi Archive, Folder 18 file 35, Karl Polanyi, ‘Nationalism and Internationalism,’ Lecture notes, no date.
Yet he dissociated himself from the more radical cosmopolitanism outlook in which the particular is subsumed under the universal. That he considered himself an “internationalist”, he liked to assert, “should not be confused with disloyalty to one’s country or even the colourless existence of the person who feels equally at home everywhere because he has no country of his own” (ibid). Ever since Kant, this has proved a problematic path to tread. In the Königsberg philosopher’s case, as David Harvey has shown, the universalism of his ethics contrasted with the “awkward and intractable particularities of his geography”—including his theory of national character and national belonging according to which particular peoples were deemed “indolent, smelly, or plain ugly” (Harvey, 2000, page 535). When certain groups are considered second class, putatively cosmopolitan principles come to function as a discriminatory code that masquerades as the universal good. Was Polanyi able to develop a cosmopolitanism that was free of this Kantian disease?

Although a sworn enemy of Hungarian chauvinism, Polanyi staunchly maintained that the nations of Central and Eastern Europe should follow the lead of ‘England’ and France in assimilating their plural ethnic constituencies into a unitary national tradition, under Magyar hegemony, and did not support the right to secession of oppressed minorities within Greater Hungary. One may speculate that his ethnic/class milieu influenced this position. Austria-Hungary’s assimilated Jews formed the Staatsvolk: a “very efficacious force”, in Jászí’s description, “in the unification and cohesion of the monarchy” (quoted in Rechter, 2001, page 26). Although suffering manifold oppressions, many of them, in the swing of their expeditious and staatsvölkisch integration into the Magyar-national fold, could only with difficulty understand the discrepancy between their dreams and those of other nationalities. Why, they wondered, should Slovaks or Romanians not be equally content with integration into the Greater Hungarian cultural sphere? The same line of thinking applied to the ‘ghetto Jews’. To Polanyi they appeared to be mulishly resistant to the beneficent course of Progress. When a young atheist, his disavowal of Judaism blended with a general rejection of religion and superstition, but even then he singled out the Ghetto Jews for particular criticism. For him “the model was everything English”, which he identified with modernity. (12) Later, after his conversion to Christianity, he incorporated into his outlook a strand of traditional Christian anti-Judaism, one that he retained throughout his life. In short, Polanyi played down his Jewish heritage in an aspiration to universalism, but his advocacy of Magyar nationalism—not to mention his support for the Habsburg war effort in 1914—and his condescension towards the ‘Ghetto Jew’ revealed limitations to the cosmopolitan outlook that, although not as egregious as Kant’s, were certainly of a similar kind.

Gareth Dale
Department of Politics and History, Brunel University

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