

The Social Embeddedness of Transnational Markets

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The Double Movement in Global Law The Case of European Corporate Social Responsibility

One of Karl Polanyi's major achievements is the finding of a continuing tension in the construction of self-regulating economies. This finding stresses that there is an enduring conflict between the government's efforts to establish, maintain, and spread a self-regulating market and the society's "protective reaction" to counteract the consequences that the self-regulating market spawned. Polanyi called this tension the "double movement". Yet, this thesis is, in spite of its ingenuity, limited in two respects. First, as a writer of the middle of the 20th Century, Polanyi could not be aware of modern globalization and formulated his thesis in terms fitted merely for the nation-state. Second, Polanyi understood the double movement as an indefinite social force and did not specify how this force is institutionalized in society. In particular, he remained elusive as to the question whether the double movement is carried out through law.

The paper addresses these two issues which have been left open in Polanyi's double movement thesis. On the basis of the European efforts to design a Corporate Social Responsibility of companies (CSR) it will show in a first step how the double movement thesis has to be reformulated in order to adapt to the conditions of a globalized society. In a second step, it will identify the internal changes that law has to experience in order to back such a "global double movement". Incidentally, this analysis will also shed light on the structure of a global law, i.e. a law able to match the logic of societal globalization.