Neoliberalism and Library & Information Science
Using Karl Polanyi’s Fictitious Commodity as an Alternative to Neoliberal Conceptions of Information

Within Library and Information Science (LIS) a critical literature examining the implications of neoliberalism for libraries and educational institutions is emerging (Buschman, 2012; Seale, 2013), and it has been a hot topic in the aftermath of the 2008 financial crisis. These are important developments; however, little attention within LIS has been paid to the key ideas of the most prominent thinkers associated with the development and popularization of neoliberal thought (i.e., F.A. Hayek), and most of the LIS literature on neoliberalism has not directly addressed its conception of information and knowledge. This lack of direct attention is an issue for LIS and Knowledge Organization (KO) because neoliberalism’s most powerful arguments are about how markets — broadly considered — are the most powerful “information processors” humanity has ever known (Mirowski, 2013) and how information and knowledge are always limited and imperfect. On the surface, an economic theory originally developed by Austrians during World War II would seem to have little direct relevance to contemporary LIS. However, attempts to develop information policies in the public interest must engage neoliberal discourse and its understanding of information, markets, and society. Given the impact that

Jonathan Cope is an Assistant Professor and a Reference/Instruction Librarian at the College of Staten Island, CUNY. His research is focused on the ways in which library and information literacy work is situated within specific social, cultural, economic, and disciplinary contexts.

KEYWORDS: Neoliberalism; Library & Information Science; Knowledge organization; Capitalism; Polyani, Karl.
neoliberal conceptions of information and markets have had on global politics and economics since the 1970s, this is a major — if understandable — lacuna in LIS literature.

In this paper I briefly examine the LIS and KO literature on neoliberalism. I examine some of neoliberalism’s key arguments related to information and markets (e.g., Hayek) and argue that neoliberalism raises specific normative political challenges for LIS. I then briefly explore recent discussions of technological change (e.g., the Internet) and their relationship to neoliberalism. I conclude by using the work of Karl Polanyi (2001) to problematize the notion of information as a commodity and to argue that neoliberalism’s conception of the market as the key neutral arbiter of information bifurcates “the market” from “society” in a manner that creates political limitations for libraries and other public-minded institutions that work in LIS and are interested in developing normative arguments about creating information policies in the public interest.

Neoliberalism’s Conception of Information

In North America the term neoliberal often causes as much confusion as it does clarity. Since the 1930s, in the United States the term liberal is tied in popular consciousness to center-left and social democratic politics, not necessarily the classical liberalism of John Locke or the market liberalism of classical political economy. These traditions emphasize freedoms that the political philosopher Isaiah Berlin (1998) called “negative” (i.e., freedom from as opposed to freedom to) and a general policy of “laissez faire” with regards to economic questions. Most advocates of neoliberalism do not currently use the term to describe themselves, thereby adding to the confusion. Even the key popularizers and developers of neoliberal doctrines (i.e., Milton Friedman, and Friedrich Hayek) were hesitant to use the label — although they did do so, particularly from the 1930s to the 1950s (Mirowski, p. 38). Despite this tendency, Philip Mirowski (2013) identifies a coherence in the different strands of thought that he dubs the Neoliberal Thought Collective (NTC), and he recommends the use of the term neoliberal because of its descriptive power. What follows is the introduction of a few key concepts rather than an exhaustive overview of neoliberalism.

A concise definition offered by Daniel Saunders (2010) is that neoliberalism is “united by three broad beliefs: the benevolence of the free market, minimal state intervention and regulation of the economy, and the individual as a rational economic actor” (as cited in Bourg, 2014, para. 16). Notable critic of neoliberalism David Harvey (2005) argues that the neoliberal project was, and is, primarily a political effort to reassert the class power of capital. For Harvey this occurs through the reduction of state services, the active protection of private over collective property rights, and a general promotion of market mechanisms
over state regulation when possible. Mirowski does not disagree, but he posits that at its core neoliberalism is an argument about the nature of information; in short, the market is the most powerful information processor humanity has ever conceived. Moreover, Mirowski finds that neoliberalism is a call to action to perpetually reconstruct society and the state to facilitate the development of a specific kind of market society. The progenitors of neoliberal thought such as Friedrich Hayek were very clear on this point, and their arguments about the limits of knowledge should be familiar to many readers: central planners fail because their information is always imperfect.

In Hayek’s *The Road to Serfdom* (1944) (published during World War II) he argues that social actors engage in such a wide array of enormously complicated activities that it is impossible for any institution or planner to comprehend. For Hayek, the “planner” cannot see the infinite complexities present in the economy and the social world. Therefore, the planner, even the well meaning one, rules through a kind of authoritarian imposition that distorts the self-correcting mechanisms of the market and has unforeseen consequences. The origins of the worst authoritarianisms (e.g., Nazism, Stalinism) can be found within all such “planning.” Whatever undesirable outcomes occur as a result of market social relations — Hayek freely admits that “inequalities of opportunity” exist in capitalist society — things turn out worse when “the planner” becomes involved.

For Mirowski neoliberalism is different from classical market liberalism and libertarianism in that it sees a robust role for the state in ensuring that specific market forms prevail over the often fickle nature of a democratic polity. The state must continually insure a framework in which markets can flourish; a strong state is an essential tool to be used as a guarantor that the neoliberal vision of the market is protected and promoted. Hayek himself argued that “democracy is essentially a means, a utilitarian device for safeguarding internal peace and individual freedom” (p. 78). For Hayek, competition in markets is the essence of freedom, and to interfere in these processes through planning leads inexorably towards authoritarianism. Mirowski cites Michel Foucault’s early observations about neoliberalism and argues that Foucault “presciently observed in 1978 (that) ‘Neoliberalism should not be confused with the slogan ‘laissez-faire,’ but on the contrary, should be regarded as a call to vigilance, to activism, to perpetual interventions’” (as cited in Mirowski, p. 53).

Hayek and his neoliberal followers’ arguments about markets are related to an argument about information: there is a seemingly infinite number of actions and exchanges that produce information, and the market is an “information processor more powerful than the human brain but essentially patterned on brain/computation metaphors” (Mirowski, p. 54). Therefore, markets are the neutral mechanism through which information can be determined to have value. Although these are economic arguments, their relevance to LIS should
be readily apparent. The normative basis for a great deal of LIS work is the concept that a democratic society requires the wide availability of myriad forms of information, many of which have no clear economic use or monetary value. LIS thinkers such as Olson (2002) and Drabinski (2013) have developed strong arguments about the ways in which traditionally hierarchical classification structures that are presented as being ideologically neutral can contain hegemonic assumptions that in practice limit the ability of social subjects to see themselves reflected in library classification structures. These thinkers have developed ethical frameworks that can be used by LIS practitioners to foster more socially just and inclusive information systems. The subtle ways in which the neoliberal conception of markets and society undergirds contemporary systems of information production, dissemination, and organization is similar to these older systems of “high modernist” information organization in that neoliberalism is presented as being ideologically neutral—because it views market exchange and selection as a non-ideological arbiter of value. Neoliberalism creates a discursive framework in which the value of information is determined by its ability to be monetized.

The methods of search and classification (such as search engines, user-generated content, social tagging, and folksonomies) that were made possible by distributed computing networks — developed with the promise that they would democratically empower users — sit in a complicated relationship to the neoliberal ideal of the market. Popular and scholarly publications have extolled the promises of distributed computing as harvesting “the wisdom of the crowd” (e.g., Niederer, S., & Van Dijck; 2010, Shirky; 2008). Yochi Benkler’s (2007) concept of social production argues that a new mode of communicative production has developed that contradicts neoclassical economics in that the collaborative forms of production that occur via these online networks exist outside of the market, because the individual producer does not receive direct wages or compensation for this production and the commodities that are produced are not physical but informational. Clay Shirky (2008) further contends that “most of the barriers to group action have collapsed” (p. 22) due to the rise of the Internet. These newer methods of information consumption and production more easily facilitate specific kinds of group action as they allow users to create content and more easily “talk back” to an ever expanding variety of informational forms.

However, Joacim Hansson (2013) argues that “[i]n this new (dis)order lies a fundamental illusion of the non-prescriptiveness of the semantic web... one prescriptive order has been replaced by another” (p. 390). This dynamic is analyzed in the work of Sofia Umoja Noble (2013) and her examination of how a supposedly neutral Google search (specifically the Google search for “black girls”) acts to reinforce racial and gender stereotypes and to render “the interests of Black women, coded as girls, invisible” (para. 7). Noble demonstrates that
although new forms of information production, classification, and retrieval may offer potential avenues for communities to emerge that actively challenge dominant cultural narratives about race, gender, sexuality and/or concentrated economic power, these forms are thoroughly enmeshed in the communicative circuits of 21st century neoliberal capitalism.

The guidance of Evgeny Morozov (2013, 2014) regarding “the Internet” demonstrates a productive way to think about the relationship between the neoliberal market, the Internet, and democracy. Morozov polemically argues that digital technologies are “made up of tools, ideologies, market incentives and laws” (2014, para. 8) and that to think of “the Internet” as a tool that has determined characteristics assumes the same traits of the “the market” in neoliberal argumentation. To presuppose that there is a coherent “Internet” that is static is “to replace political argumentation (about the future of education or publishing or healthcare) with just one reductionist argument: Because … the Internet” (2014, para. 17). In other words, both the market and “the Internet” are not autonomous entities “that we cannot predict or fathom but we can only accommodate ourselves to” (Morozov, 2014, para. 11); instead they are the product of complex human relationships, and society can shape them in ways that further normative social and political goals.

As more information is produced in distributed networks that have new and ambiguous relationships to the specific geographical and educational communities, which libraries have traditionally served, it is LIS’s responsibility to articulate a vision of how to view information as a public and common good. Any socially engaged LIS endeavor will have to be aware of how information that may not be considered useful by the market may still have value to be used towards different normative ends. Information is a commodity in particular contexts, but an ethically engaged LIS and KO must develop a more analytically precise way to understand the nature of information as a commodity in order to disrupt and complicate the neoliberal idea of the market as the ultimate processor of information.

**LIS, KO, and Neoliberalism**

Within the fields of LIS and KO little attention has been paid to capitalism and the role of markets, let alone neoliberalism. This is a major shortcoming in the literature, especially if one accepts Jack Anderson’s (2008) contention that “society is the basic unit of information organization” (as cited in Hansson, 2013 p. 384). Information and the systems that organize and make it accessible are embedded in a complex web of ideological, social, and economic dynamics. The key epistemological and ontological claims about information that have been used to rationalize the economic system of “the global north” in recent years (i.e., neoliberalism) should be scrutinized because this system has
produced the worldviews in which the contemporary systems of information and knowledge have developed.

In one of KO’s few attempts at evaluating the role of political economy in shaping information, Joacim Hansson (2013) argues that “the shift from ‘knowledge’ to ‘information’ has not only changed the meaning of the word ‘ontology’; it has turned knowledge into a product with defined economic value” (p. 390). Hansson contends that “[i]n the late capitalism we live in today, economic value of documents in a simple Google search govern [sic] the pattern of retrieved documents…the documents most likely found in a specific search pattern are the ones that give economic revenue, which in turn make them the ones most likely to be retrieved” (p. 390). Hansson uses three different projects (Diderot and D’Alembert’s Encyclopédie created in 1751, Sweden’s rejection of Dewey Decimal Classification (DDC) and subsequent development of the Swedish Library Classification system (SAB) system in 1921, and the development of the Semantic Web (or Web 2.0) to illustrate the historical specificity of these KO projects and what they say about the epistemologies of the societies from which they emerged. He draws particular attention to the Swedish adoption of DDC in 2008 and argues that “as the social democratic welfare state has been systematically deconstructed during the last two decades, epistemological, technological, and practical grounds were laid also for the introduction of DDC” (p. 388). In the much commented upon rise of the World Wide Web, Hansson finds that questions of economic value have obtained primacy in the retrieval of documents and that this is indicative of a new epistemology. Hansson concludes that “we need further analyses of contemporary productive forces, and to acknowledge them as determinants of systems of currently legitimate knowledge claims” (p. 390). In other words, the Swedish social democratic postwar moment contributed heavily to the perceived importance of the SAB as a national project, while the rise of global neoliberal discourse helped to bring about its demise (even in the comparatively social democratic Sweden).

Ronald Day’s (2002) critique of the concept of “social capital” in knowledge management uses the thought of Italian autonomist Marxist Antonio Negri to argue that the nature of late capitalism requires that intellectual and affective labor (e.g., child-raising, education, social communication) be generalized throughout society and the economy in order to become decoupled from the wage relation so that new spaces for capital can be opened for the generation of profits. For Day, the attention paid to this kind of tacit knowledge by knowledge management means that new communicative technologies will be used by capital to enhance its power over labor and to create profits with little regard for participatory democratic goals. Cope (2012) follows this line of inquiry by arguing that in order for librarianship and classification to be practiced as an idealized intellectual craft, the political economy of neoliberalism must be
altered to materially support classification work in the public interest and to support public policy that guarantees universal livable wages and leisure time for all.

Within LIS literature some analysts have specifically addressed neoliberalism; however, this work focuses primarily on the entanglements between educational institutions, libraries, and neoliberal policies. This focus is most evident in the work of John Bushman, starting with his examination of what he terms a “new public philosophy” that weakens support for public institutions and a normative democratic public sphere (2003) to his most recent interrogation of marketing’s intrusion into the classroom and library (2012). Bushman has paid persistent attention to how the forces of neoliberalism have impacted libraries and educational institutions. For methodological purposes, Buschman cites Gerald Mara (2008) in arguing that neoliberalism is a social practice and, if viewed as such, “neoliberalism must (and can) be countered on its own terms” using the method of immanent critique; therefore, Bushman argues that “we must encounter neoliberalism and its operation in its specific educative institutional contexts in a democracy” (p. 54). Buschman then seriously considers neoliberalism’s appeal (e.g., the encouragement of individual control, more opportunities to make individual choices, the idea of the market as a neutral arbiter of value) in light of his examination of classroom and library marketing before drawing from different strands of democratic theory (e.g., Alexis de Tocqueville, communitarianism, deliberative democratic theory, Jurgen Habermas) to develop a critique of market-based culture that “seek(s) to capture the dialogic and discursive bases of democracy and adapt it to contemporary conditions” (2012, p. 91).

Maura Seale’s (2013) examination of the neoliberal library highlights the ways in which information literacy discourse has uncritically adopted the neoliberal worldview. Citing the work of Saunders (2000), Seale finds the figure of the autonomous agent exemplified in the concept of “homo economicus” or, “the individual who consumes, is rational and autonomous” (p. 51) in a great deal of information literacy discourse. In John Budd’s (2007) call for public library leaders to consider both society and the individual in pursuit of a democratic public interest he identifies neoliberalism as the key ideological influence pushing libraries to view themselves as “businesses in a market” resulting in “long-lasting damage to any conception of the role they ought to play in a democratic society” (p. 9).

This work provides an excellent foundation for exploring the role of neoliberalism as it relates to LIS’s institutions; however, none of this work has focused specifically on the neoliberal conception of information and the questions it poses for both KO and LIS. As we have seen, neoliberal thought makes several key points about the relationship between markets, information, and knowledge. Developing normative, democratic justifications for public
libraries and educational institutions is vital work; however, LIS must address how neoliberal conceptions of the market have shaped the ways in which information and knowledge are viewed. If “society is the basic unit of information organization” (p.102) as Anderson argues, then the implications for LIS of the idea of the market as the ultimate information processor must be addressed. The economic historian Karl Polanyi’s idea of fictitious commodities provides LIS and KO with a particularly robust and analytically useful way to examine these issues.

Polanyi’s Pendulum

Karl Polanyi’s *The Great Transformation* (2001) (first published in 1944) is a landmark of economic history. A contemporary of Hayek, Polanyi argued that an idealized market separate from society has never existed; markets are always shaped by the social forces present in the societies in which they exist. For Polanyi, markets have always been embedded in society and as a market-based culture spreads into all parts of the social world within a given society it “inevitably provokes a corresponding countermovement for the ‘protection of society’” (Silver, 2003, p.17). Polanyi focuses on the rise of capitalist markets in 18th and 19th century England and the governmental, juridical, and cultural changes that had to occur for a market society to develop and what Polanyi terms the “movements for the protection of society” that emerged as a response. Polanyi argues that this was part of a by no means natural or inevitable political project — the classical liberal and the neoliberal conception of a self-regulating market developed as the product of a range of societal and state interventions that created a market society. *Homo economicus* was fundamentally a social and political creation.

As with any influential thinker, aspects of Polanyi’s findings have been criticized. Charles Kindleberger (1974) found his historical account of how market-based modern economic behavior emerged an important corrective to the neoliberal “Chicago School” of economics, but reductionist in its overemphasis on forces outside of society. Nancy Fraser (2013) argues that while particularly perceptive about conflicts between society and the market and highly applicable to recent economic crises, Polanyi is blind to forms of oppression rooted in society (e.g., racism, patriarchy). Fraser argues for a “triple movement” that incorporates Polanyi’s insights about markets and society into an understanding that in certain cases the introduction of markets can act in a liberatory manner (e.g., the introduction of women into the workplace) and that forces for cultural emancipation be added to his analytical framework. However, Polanyi’s theorization of the fictitious commodity provides LIS with a particularly useful way to examine the role of knowledge and information in the informationalized capitalist economy of the early 21st century.
Central to Polanyi’s analysis is the insight that the commodities land, labor, and money are fictitious because the state and society have to continuously, and actively, shape, create, and regulate social institutions in order for markets in these commodities to exist at all. For example, a specific conception of property rights must be enforced by the state for a market in property to exist; the development of an industrial wage-based economy necessitated legal and cultural changes to complete the transformation from how labor was conceptualized and regulated in the guild system; and the state continually makes decisions to create and regulate the supply of money. As information becomes more of a central concept in a globalized marketplace, treating information and knowledge as a Polanyian fictitious commodity proves insightful.

Information has value as a commodity to the degree that individual economic actors use the state’s intellectual property protections and/or social norms to guarantee its value in the marketplace. The market value of information is temporally variable because its value may shift dramatically over time. For example, advanced information about a specific global market fluctuation that is not common knowledge in a specific market is worth a great deal. Marx’s concept of the general intellect explored by Negri and, in LIS, Day is a particularly important framework for expanding the analysis to examine what Jessop (2007) (in his examination of the potential of using Polanyi’s fictitious commodity concept to examine information) calls the knowledge based economy and the ways that information is subsumed under the logic of fictive capital (i.e., information itself can be a vehicle for speculative investment). There are instances when information’s value as a commodity is limited due to social practices (e.g., trade secrets). Jessop finds that although information is what economists call a nonrival good (i.e., not scarce) it “acquires a commodity form insofar as it is made artificially scarce and access thereto depends on payment of rent” (p. 120). Moreover, information and knowledge becomes “disembedded from its social roots” (p. 120) in ways that call to mind Polanyi’s treatment of the enclosure of the commons in his analysis of the history of land as a commodity. Jessop argues that the knowledge-based economy necessitates a rethinking of the fictitious commodity concept and that “it is the integration of…fictitious commodities into the circuits of capital and their real subsumption under the competitive pressures of capital accumulation that lead to their treatment as if they were real commodities” (p. 124). In other words, for capital to continue to accumulate it needs to constantly find new commodities and things to commodify.

It is no coincidence that some of the most contentious debates about information policy since the rise of the Internet have focused on questions of copyright and intellectual property. As Benkler (2006) asserted, the marginal cost of producing, altering, or sharing in a networked and social environment is near zero, yet the legal framework, labor regime, and the cultural norms in
which information is created is still contested. Global citizens are creating and consuming massive amounts of culture, information, and data in online spaces that have an undefined relationship both to markets and values such as freedom, equality, and democracy. However, determining what information is most important for the common good and for the functioning of democracy is a complicated normative question. What information should be decommodified and made part of a digital commons? How should the labor of those who create digital value be compensated if the general intellect is not directly tied to activities historically considered labor? What mechanisms should society use to determine the value of knowledge and information?

By updating Polanyi’s concept of the fictitious commodity, LIS and KO can move beyond the neoliberal notion that markets are the ultimate information processors. Markets may be very efficient at responding to price signals for commodities that have a defined use value, but — even if information functions as fictive capital — information only has value because of the intervention of society and the state. Polanyi’s insights provide LIS and KO with a way to consider the questions of information policy in a manner that embeds market exchange within the social. Margaret Somers and Fred Block (2014) argue that Polanyi viewed civil society, social relations, politics, and cultural practices as constituting the social — the space in which “politics can effectively redefine the meaning of ownership” (Somers & Block, p. 32). LIS and KO are well situated to participate in a Polanyian countermovement with regards to information, because the Polanyian social frames such questions not as a debate about an abstract perfectly functioning market versus a public interest outside of the market, but as a conversation about the type of markets that exist and ways in which libraries and educational institutions can pursue normative democratic goals embedded within different types of market societies. A first step in this process would be to recognize that there is nothing “natural” or “neutral” about a singular “market,” because there are a wide variety of ways that markets and society can interact. Although the Polanyian concept of the fictitious commodity needs updating to account for developments that have occurred since he wrote The Great Transformation in 1944, it reminds us that it is only through the active intervention of society and the state that markets exist; therefore, LIS must use politics for the creation, expansion, and preservation of the informational commons that a democratic society requires.

Conclusion

If one argues that the neoliberal market is not a universal and immutable entity, then LIS can participate in the active shaping of institutions that organize and make information accessible. In this paper I have expanded on the LIS and KO literature critical of neoliberalism and examined its central claims about
the nature of information, markets, and planning. As mentioned earlier in this paper, one of the challenges of discussing neoliberalism is the fact that very few people would describe themselves and their ideology as being neoliberal. Therefore, only critics of neoliberalism have to address the charge that they are being “ideological” because the cultural logic of neoliberalism views the market as being non-ideological. However, as Polanyi argues, it is the neoliberal ideal of the market as the universal value-neutral-arbiter-of-all-things that is a highly ideological and ultimately utopian project — a pure market has never existed in the history of capitalism, and it can never do so without ravaging society.

When Internet writers claim that newer forms of collaborative and non-proprietary production are “non-market” forms of production and they bracket them off to a space called “social production” outside of the market, they ignore the vast amounts of investment and institutional infrastructure needed to create the information revolution. Importantly, they ignore Polanyi’s perspective about how markets and society developed in tension with one another. For libraries and educational institutions, moving beyond a neoliberal conception of information means that, while acknowledging that the market may be very effective at processing certain types of information, the future of an egalitarian and participatory democratic culture depends on developing and maintaining public institutions that pursue an information policy in the public interest. Polanyi teaches us that any space outside of markets will not remain there for long unless a corresponding counter-movement for the protection of society emerges.

The theme of today’s symposium is the “Commodification of Information Goods and Library Services.” Now, I would like to turn to the Progressive Librarians Guild’s (PLG) Statement of Purpose (n.d.) that clearly states that library and information work “brings us up against both economic and political issues” and that “PLG members aim to make these choices explicit, and to draw their political conclusions.” One of the political conclusions I would like to draw from this exploration of neoliberalism and the work of Polanyi is that debates that position an abstract “free market” in opposition to “the common good” ignore that markets have always been shaped by the state and, to use Polanyi’s phrase, “movements for the protection of society.” Classifying and making accessible forms and types of information that may well be social goods that markets fail to recognize is not acting against an abstract notion of the market; it is simply recognizing the market is not the ultimate information processor. Social and political movements based around information should understand that this tension between “the social” and “the market” has been a feature of liberal democratic capitalism throughout its history. Mirowski (2013) argues that one of the reasons for neoliberalism’s continued political success is that beneath the soaring rhetoric about markets it recognizes that the state plays a fundamental role in shaping markets. Libraries and educational institutions
can expand and protect an information infrastructure and a commons that can help to shape markets and society towards a wide variety of normative political goals. Polanyi once defined socialism as “the tendency inherent in an industrial civilization to transcend the self-regulating market by consciously subordinating it to a democratic society” (as cited in Somers and Block, 2014). Polanyi’s conception of fictitious commodities provides a particularly rich avenue for LIS to pursue an agenda in which the true democratic potential of the information economy can be realized.

REFERENCES


NOTES

1. Michael Lewis’s (2014) recent examination of high frequency trading illustrates this
dynamic well.

2. Laurel Ptak’s *Wages for Facebook* campaign raises key questions around this issue.