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Hegel and the Failure of Civil Society

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Abstract

On what might be called a Marxist reading, Hegel's analysis of civil society accurately recognizes a necessary tendency toward a polarization of classes and the pauperization of the proletariat, a problem for which Hegel, however, has no solution. Indeed, Marxists think there can be no solution short of eliminating civil society. It is not at all clear that this standard reading is correct. The present paper tries to show how it is plausible to understand Hegel as proposing a solution, one that is similar to that of social democrats, and one that could actually work.

I. The Marxist Reading

Duncan Forbes argues that, "Marxist and marxist-influenced studies of Hegel's idea of the state have seen it as helpless in the face of the problem of poverty ... and as an essentially self-contradictory reflection of a bourgeois state on its way out."¹ We find this Marxist interpretation set out at greater length by Avineri:

Hegel realized that the mechanism of the market creates social polarization, poverty and alienation; in the *Philosophy of Right* the same radical critique of civil society emerges from Hegel's discussion of the consequences of allowing it free reign.... Hegel suggests state intervention in order to mitigate some of the harsher aspects of poverty; yet ultimately he is unable to provide a radical solution.... Hegel accepts Smith's view that behind the senseless and conflicting clash of egoistic interests in civil society a higher purpose can be discerned; but he does not agree with the hidden assumption which implies that everyone in society is thus being well taken care of. Poverty, which for Smith is always marginal to his model, assumes another dimension in Hegel. For the latter, pauperization and the subsequent alienation from society are not incidental to the system but endemic to it. Moreover, Hegel goes to some length to show that every suggested remedial policy put forward to overcome poverty in modern society seems to be useless, and some of these policies may even boomerang.²

I agree with Avineri's characterization completely—except that I do not think it at all clear that Hegel fails, or that Hegel thinks he has failed, in solving this basic problem of civil society. We should notice here, as Wood and Hardimon point out, that Eduard Gans, one of Hegel's students, "thought that because the existence of an impoverished class 'is only a fact, not something right, it must be possible to get to the basis of this fact and abolish it.'"³ Despite the optimism of Gans, the prevalent view is the Marxist one, that Hegel does not and cannot solve the basic problem of civil society.⁴ Hegel sees that civil society has a necessary tendency toward a

polarization of classes and the pauperization of the proletariat. That is a significant insight on his part. But he has no solution to this problem whatsoever. Indeed, for Marxists there can be no solution. One must just abandon civil society and eliminate the market. While I consider myself a Marxist, it is not at all clear to me that this Marxist reading is correct. I think it possible to read Hegel as proposing a solution. Furthermore, I think it possible that Hegel's proposed solution could actually work. In other words, it could be the case that this Marxist reading is wrong about the facts—it could be that civil society *can* be prevented from producing polarization and pauperization—as social democrats and market socialists think.

II. The Failure of Civil Society?

Hegel tells us that “civil society affords a spectacle of extravagance and misery as well as of the physical and ethical corruption common to both.”⁵ He tells us:

When the activity of civil society is unrestricted ... the *accumulation of wealth* increases.... But on the other hand, the *specialization* ... and *limitation of* particular work also increase, as do likewise the *dependence* and *want* of the class which is tied to such work.... When a large mass of people sinks below the level of a certain standard of living ... that feeling of right, integrity ..., and honor which comes from supporting oneself by one's own activity and work is lost. This leads to the creation of a rabble.... No one can assert a right against nature, but within the conditions of society hardship at once assumes the form of a wrong inflicted on this or that class. The important question of how poverty can

be remedied is one which agitates and torments modern society especially.... If the direct burden [of support] were to fall on the wealthier class, or if direct means were available in other public institutions (such as wealthy hospitals, foundations, or monasteries) to maintain the increasingly impoverished mass at its normal standard of living, the livelihood of the needy would be ensured without the mediation of work; this would be contrary to the principle of civil society and the feeling of self-sufficiency and honour among its individual members. Alternatively, their livelihood might be mediated by work ... which would increase the volume of production; but it is precisely in overproduction and the lack of a proportionate number of consumers who are themselves productive that the evil ... consists ..., and this is merely exacerbated by the two expedients in question. This shows that, despite an *excess of wealth*, civil society is *not wealthy enough*—i.e. its own distinct resources are not sufficient—to prevent an excess of poverty and the formation of a rabble.⁶

We should notice, in the first place, that Hegel is saying that this polarization and pauperization occur when the activity of civil society is *unrestricted*. That certainly leaves open the possibility that restriction could avoid the problem. Moreover, Hegel certainly seems to be saying that charity in fact *could* solve the problem; it is just that it would be at odds with the principle of civil society, that of individual self-sufficiency and the honor and dignity that depend upon it. Even so, the implication of this passage seems to be that it is only, or primarily, private charity that is at odds with the principle of civil society. Poor relief that involves universal regulations and

ordinances, Hegel says in a previous passage, are “to be regarded as all the more perfect the less (in comparison with what is arranged publicly) is left for an individual to do by himself as his private inclination directs.”⁷ In another text, Hegel makes this point even more sharply:

On the general plane it is for the state to prevent universal need by taking appropriate measures ... even in the case of individual need it is better for provision to be made by the state.... in this way individuals *can* act in benevolent fashion using the machinery provided by the state. Subjective assistance must be reduced to the minimum because it can harm instead of helping.⁸

Here, assistance by the state is clearly distinguished from private charity, and it is taken to avoid the problems of the latter. It is certainly the case, we will see when we get there, that corporations avoid such problems:

Within the corporation, the help which poverty receives loses its contingent and unjustly ... humiliating character, and wealth, in fulfilling the duty it owes to its association, loses the ability to provoke arrogance in its possessor and envy in others ...⁹

Hegel is not holding what might be called the conservative position on charity, that it is humiliating and thus should not be given. For Hegel it must be given, but in a way that avoids humiliation. Thus, when Hegel says in the long passage quoted

above that the “important question of how poverty can be remedied is one which agitates and torments modern society especially,” he may not be suggesting, as the Marxists would have it, that the problem of poverty simply cannot be solved. Rather, he may be suggesting that while it could be solved there is disagreement about *how* to do so—especially concerning the issue of charity.

So also, in the same long quotation, when Hegel says, “despite an *excess of wealth*, civil society is *not wealthy enough*—i.e. its own distinct resources are not sufficient—to prevent an excess of poverty and the formation of a rabble,” he again may not be saying that the problem of polarization and pauperization cannot be solved at all. He may be saying that the problem cannot be solved in an unrestricted civil society using only the resources available to an unrestricted civil society. Which means that if we call in the resources (that is, the restrictions) of the police,¹⁰ corporations, and the state, we would have a different matter altogether.

With that possibility in mind, we should notice that at the beginning of the section of the *Philosophy of Right* entitled “The Police and the Corporation,” Hegel tells us that in civil society,

the right *which is actually present in particularity* means not only that *contingencies* which interfere with this or that end should be *cancelled* [*aufgehoben*] and that the *undisturbed security of persons and property* should be guaranteed, but also that the livelihood and welfare of individuals should be *secured*—i.e. that *particular welfare* should be *treated as a right* and duly *actualized*.¹¹

After telling us here at the very beginning of this section that particular welfare should be guaranteed as a right, eight pages later, in the middle of the sub-section entitled, “The Police,” Hegel gives us the famous passage that was quoted at length above to the effect that “despite an *excess of wealth*, civil society is *not wealthy enough*,” that is, the passage the Marxists take to be indicating the failure of civil society. But then, four pages after that, at the end of the very *same* sub-section on “The Police,” Hegel writes,

What the police provides for in the first instance is the actualization and preservation of the universal which is contained within the particularity of civil society, [and it does so] as *an external order and arrangement* for the protection and security of the masses of particular ends and interests which have their subsistence ... in this universal.... [P]articularity itself makes this universal which is present in its immanent interests, the end and object ... of its will and activity, with the result that *the ethical returns* to civil society as an immanent principle....¹²

This does not make it sound like Hegel thinks civil society has failed. It certainly does not sound like he thinks it must fail. It sounds, instead, like he thinks civil society needs the police to *avoid* failure. And Hegel certainly seems to be suggesting that the police *can* help avoid failure—even help civil society reach the universal

and return to the ethical. Hegel then moves on to discuss the corporation and its contribution to the avoidance of civil society's failure.

But we are going to need more than this. For my interpretation to hold up in opposition to the Marxist one, it will have to be the case that there actually is a solution to the problem of civil society. I have suggested that while unrestricted civil society alone and of itself cannot overcome polarization and pauperization, with the assistance of the police, corporations, and the state it can. This is something the Marxists would simply deny. For them, Hegel sees the problem of civil society, sees that it cannot be solved by civil society, and the Marxists think that in fact it cannot be solved at all—short of eliminating civil society. Thus, for them, Hegel fails and must fail. For my counter interpretation to hold up, besides seeing the problem of civil society and seeing that it cannot be solved by an unrestricted civil society itself, Hegel must go on to hold that the problem can be solved at a higher level, and for us to take this seriously it must actually be the case that it can be solved at that level. These are the issues that must be addressed in what follows.

In the first place, then, it is quite clear in Hegel's texts that he holds that it is in fact the state's task is to prevent the development of poverty. It needs to "prevent a rabble from emerging."¹³ It "must make the effort to avoid the damaging consequences that can arise from this inequality."¹⁴ Elsewhere, "On the general plane it is for the state to prevent universal need by taking appropriate measures ..."¹⁵ Again, "The whole community must also ensure that individual citizens can satisfy their needs, i.e., that the commodities are available in adequate quantity and at not too high a price ..."¹⁶

Furthermore, it is Hegel's view that polarization and pauperization constitute a "wrong inflicted on" the poor.¹⁷ As Wood puts it, they "are victims not of some natural misfortune, but of a social wrong.... For Hegel, poverty in civil society is not an accident, or a misfortune or the result of human error or vice ..."¹⁸

Moreover, for Hegel, this wrong is the result of the normal processes of civil society. This is not the Smithian view that self-seeking, through an invisible hand, produces the common good more effectively than if it had been consciously sought.¹⁹ The invisible hand can produce polarization and pauperization. Thus, as Williams puts it, advocates "of letting 'the market' solve the problem of poverty, are not only incoherent ... but also unethical because there is no market solution to this problem. The market economy, functioning as it is supposed to, generates the problem ..."²⁰

Additionally, what we have here, for Hegel, is a matter of rights, "Civil society must protect its members and defend their rights ..."²¹ Also, "every human being has a right to demand a livelihood from society."²² And, it is the case "that the livelihood and welfare of individuals should be *secured*—i.e. that *particular welfare* should be *treated as a right* and duly *actualized*."²³ Even more, this right is understood as a positive right, not merely a negative right:²⁴

The essential goal of members of civil society is being provided for.... The universal policing authority can work only to make trade and business bloom on the whole, but this does not provide for the particular needs of individual

humans, even though it is precisely the particular that is here the goal, and individual humans have, as such, the right to demand that they be provided for.²⁵

Justice is a major factor in civil society: good laws will cause the state to flourish.... But since I am completely involved in particularity, I have a right to demand that, within this context, my particular welfare should also be promoted. Account should be taken of my welfare, of my particularity, and this is the task of the police and the corporation.²⁶

For Hegel, this will require conscious regulation from above.²⁷ The function of the police, for Hegel, is to keep in view the general end of civil society, i.e., the satisfaction of need, to understand the way in which the powers composing civil society act, and to maintain that end through these powers and against them.²⁸ In an earlier text, Hegel said, “in this system what rules appears as the unconscious and blind entirety of needs and the modes of their satisfaction. But the universal must be able to master this unconscious and blind fate and become a government.”²⁹ Avineri claims that Hegel is “one of the first to propose something which has ... many of the characteristics of the modern welfare state. Time and again, Hegel mentions taxation as the great equalizer and instrument for income redistribution ...”³⁰

Thus, I think we should understand Hegel as claiming, contra Smith, that there is a necessary tendency toward polarization and pauperization in civil society.³¹ We cannot stop this movement toward poverty that is inherent in the system. We

cannot eliminate this development. Certainly, unrestricted civil society alone cannot. But we can work against it. We can counteract it. Indeed, the very concept of charity itself implies this. Charity does not eliminate poverty or the forces that produce poverty. Charity simply eases the poverty. So, while we do have a necessary and un-eliminable tendency toward poverty in civil society, it does not follow that Hegel thinks this means the failure of civil society, as the Marxists would have it. He thinks the tendency can and must be counteracted.

How then can it be counteracted? One way is through taxation.³² In an earlier text, Hegel writes that the “inequality of wealth is accepted if heavy taxes are levied; this lessens envy and averts fear of distress and robbery.”³³ Moreover, this fits with his view, already cited, that it is better if charity is handled by the state:

On the general plane it is for the state to prevent universal need by taking appropriate measures ... individuals *can* act in benevolent fashion using the machinery provided by the state. Subjective assistance must be reduced to the minimum because it can harm instead of helping.³⁴

This again confirms the notion that unrestricted civil society cannot solve its own problems and that we are forced to go beyond unrestricted civil society. Individual charity, that is, charity in civil society, is contrary to the principle of civil society. It is harmful. It undermines the recipients’ feelings of self-sufficiency and offends their honor.³⁵ It humiliates them.

III. Corporations

Humiliation is precisely what corporations are able to avoid. Within the corporation, Hegel says, charity “loses its contingent and unjustly ... humiliating character ... ”³⁶ The corporation transforms external assistance into self-insurance—something owed one from one’s communal self-help association. The individual contributes to the association, and receives back from it when in need. This is the individual’s *right*.³⁷ It is something that *belongs* to the individual.

A corporation, under supervision by the public authority, looks after its own interests, admits members in accordance with objective qualifications of skill, educates them so as to make them eligible for membership, and protects them against particular contingencies such as unemployment.³⁸ The corporation preserves the principle of self-sufficiency and honor that is central to civil society. It is the individual’s own doing as a member of a corporation that protects the individual from the contingencies of civil society. Individuals do not merely depend upon others; they actively provide for themselves as members of an association.

The problem of civil society, we have said, is that it produces serious poverty. This *could* be solved by charity, but that is undesirable in that it would be at odds with the principle of civil society—self-sufficiency. Moreover, it is humiliating.³⁹ The corporation, then, if it does not solve the problem of civil society, at least goes a long way toward doing so.⁴⁰ Hegel says that England has “the most abominable poverty and the most extensive rabble, and a great part of this cancer is to be blamed on the abolition of the corporations ... ”⁴¹

Membership in a corporation gives one standing and dignity. One comes “to be recognized both in one’s own eyes and in the eyes of others.”⁴² Membership in a corporation is evidence of one’s skill, regular income, and means of support. It is evidence that the member is *somebody*. One “commands the respect due to one in his social position.”⁴³ One is also recognized as an active member of a “whole, whose aim is to promote the welfare of society in general.” The individual’s activity is not mere self-seeking.⁴⁴ Hegel writes:

citizens play only a restricted role in the universal business of the state, yet it is essential to provide human beings, as ethical, with a universal activity beyond their private ends. This universal, which the modern state does not always provide, is found in the corporation. We saw earlier ... that in tending for themselves ... the members of civil society also act for others. But this unconscious necessity is not enough; it becomes a known and thoughtful ethicality only within the corporation.... [I]ts purpose is ... to make an isolated business ... ethical and to elevate it to a sphere within which it gains strength and dignity.⁴⁵

Groups that have the same vocations, concerns, and interests, for Hegel, should be formed into corporations so that they develop their skills and take shape as communal associations. The atomism of modern times, that all fend for themselves, abandons the individual to contingency and is harmful:

Through this spirit Germany disintegrated into atoms and the empire went into decline.... The towns formed alliances, and so the Hanseatic and Swabian Leagues came into being, and in this way civil society was formed by means of corporations.... This was the high tide of civil life; enjoyment lay in what was communal,... Now this spirit is undermined, so that people are ashamed of their class, are unwilling to be seen as members of it, and take pride in themselves alone.⁴⁶

In this passage we see especially clearly the importance of corporations for civil society. Civil society does not give rise to corporations; rather corporations gave rise to civil society. Then, civil society brought the decay of corporations. In Hegel's view, corporations ought to be revived to combat this.

A corporation, Hegel takes pains to say, is not a guild.⁴⁷ On the other hand, neither is it a modern labor union. Hegel's corporations include managers and owners, not just the workers, in a given branch of business. No union would allow management to have a say in union matters, but, on the other hand, there certainly are cases where unions will struggle to place union representatives on boards of directors so that workers have a share in management. This especially is the goal of socialist and social democratic labor unions.⁴⁸ Moreover, Works Councils, as G.D.H. Cole points out in *Fabian Socialism*, are bodies that would represent "every grade and group in the factory as partners in the common adventure of making it a success." They would not be confined just to trade union members.⁴⁹

In many other ways, labor unions perform the same functions that Hegel wants from corporations. Labor unions work to get their members health, retirement, and unemployment benefits, and may assist in providing or supplementing these themselves. They certainly uphold the notion that these are rights owed the worker for the worker's contribution, not charity given to those who failed to be self-sufficient. They can also seek to help workers find employment, as well as struggle for higher wages and better working conditions. Unions can also train workers and certify their skills. Labor unions certainly see themselves as providing not merely for their own narrow self-interests, or those of their members, but for the common good of all workers in society—the universal. They also enable their members to gain a sense of dignity, self-respect, and pride. They give their members a sense of having accomplished things for themselves and for others. Active union members can have a powerful sense of agency—and agency for the universal.

At any rate, it is the view of Wood, Hardimon, and Lakeland that the functions of Hegel's corporations and of modern labor unions overlap at least in certain ways.⁵⁰ On the other hand, Cullen does not even think that factory workers would be allowed into Hegel's corporations.⁵¹ I think, with Prosch, that this is a mistake.⁵² Hegel may exclude day laborers from corporations,⁵³ but a factory worker is not hired by the day.

It follows, then, that if we can “prevent an excess of poverty and the formation of a rabble,” if we can prevent “a large mass of people [from sinking] below the level of a certain standard of living,” and if we can reinvigorate corporations whose abolition was responsible in great part for this cancer, then, as we have seen,

corporations can go a long way toward handling the problems connected with poverty in civil society—thus allowing us to avoid the Marxist conclusion that civil society must fail.

However, for this solution to work, it would first have to handle another problem. In the long passage quoted above, Hegel also says that, besides charity, there is another response that we could have to the poor in civil society:

their livelihood might be mediated by work (i.e. by the opportunity to work) which would increase the volume of production; but it is precisely in overproduction and the lack of a proportionate number of consumers who are themselves productive that the evil ... consists ... and this is merely exacerbated ...⁵⁴

The notion that economic crises are crises of overproduction can also be found in Marx.⁵⁵ As Knowles points out, to hold that crises are crises of overproduction is a mistake. It is certainly not the modern Keynesian view.⁵⁶ Hegel does realize that overproduction is overproduction only relative to consumer demand. But he does not seem to realize that the opportunity to work could increase discretionary income and thus increase demand. It would follow, then, that handling the problem of poverty would be a bit easier than Hegel thought it would be. It would not be necessary to shy away from job creation in favor of charity. So corporations, and certainly unions, which work to boost, maintain, and stabilize employment and wages, would contribute to counteracting poverty, and would not exacerbate it.

There is one more thing we must say about corporations. It is Hegel's view that deputies to the national assembly should be the delegates of corporations. He writes:

the deputies are elected by the various corporations.... It is clearly in the general interest that the deputies should include individuals who are thoroughly familiar with, and personally involved in, each particular major branch of society (e.g. commerce, manufacturing industries, etc.).... If the deputies are regarded as *representatives*, this term cannot be applied to them in an organic and rational sense unless they are *representatives* not of *individuals* as a crowd, but of one of the essential *spheres* of society, i.e. of its major interests.⁵⁷

Such an electoral system may strike us as odd, but, as Wood points out, in the constitutional reforms proposed for Prussia by Humboldt and Hardenberg, which Hegel supported, political representation was to take place chiefly through corporations.⁵⁸ Moreover, socialists often favor this sort of representation. After all, if we think of corporations as unions, or as like unions in certain respects, then such associations could represent the interests of a majority and work to ensure as a matter of justice the effective representation of those interests. Moreover, it is Hegel's view that representation should not be understood merely as the representation of one individual by another, but the representation of an interest by someone who actually has that interest.⁵⁹ Despite the presence of management in Hegel's corporations, it is conceivable that the interests of workers, if they have an

active say in corporations, could end up being better represented through corporations than otherwise. Moreover, being active in corporations that can send deputies to the national assembly could well have the educative effect that Hegel expects from such assemblies,⁶⁰ that is, it could function to educate workers, help them see the relation of their particular interests to the universal, and allow them to arrive “at *true thoughts* and *insight* with regard to the condition and concept of the state and its affairs, thereby *enabling* [them] to *form more rational judgements on the latter*.”⁶¹

At any rate, to conclude our treatment of corporations: for the conservative, poverty in civil society is a mere accident, and perhaps due to character (or the lack of it). For the liberal, poverty is determined primarily by social conditions, not character. Nevertheless, poverty is still an accident that can be remedied, for the most part, simply by insuring the smooth functioning of the market. For Marxists, poverty is a necessary tendency of capitalist civil society that cannot be overcome short of abolishing civil society. For Hegel, poverty is a necessary tendency of civil society, as it is for Marxists, but it can be counteracted, though not by the market itself as for liberals. It would require additional action by corporations, the police, and the state.

Nor does Hegel hold, I have already argued, the conservative position on charity, that it is humiliating and should not be given. The conservative insists that self-help is the only alternative. But neither does Hegel hold what might be called the liberal position on charity, which simply insists on charity and does not pay that much attention to the humiliation involved. Hegel certainly does believe in self-help, but

like a socialist, he believes in the collective self-help of small communities (i.e., corporations) assisted by the state and by high taxation.

For the liberal, all individuals have a right to seek their own welfare. If they fail, then the state should help out. For the conservative, the most the state should do is assist failed individuals in helping themselves. Hegel goes much further than the liberal: I have a *right* to demand that my welfare be actualized.⁶² It is the task of the police and the corporation to see to this, which is to say that what is required is a combination of collective self-help and state assistance. Again, this is more like the socialist than like the liberal or the conservative.

The Hegelian view that the market produces polarization and pauperization when it is functioning normally is not a capitalist view. For capitalism, polarization and pauperization result only from some sort of accident, aberration, or mis-functioning. Yet the solution, for Hegel, is not to abolish the market, which Marxists think is the only possible solution. Hegel is holding a middle position, a position that is likely to look like that of a left wing nut to the capitalist and like that of a hopelessly naïve bourgeois apologist to the Marxist. For Hegel, you keep the market, a market with a necessary tendency to produce polarization and pauperization, but you use the police, corporations, and the state to prevent that tendency from being actualized. Avineri complains that Hegel only tries “to mitigate some of the harsher aspects of poverty ... he is unable to provide a radical solution.”⁶³ In other words, Hegel does not propose to eliminate civil society or its necessary tendency to produce polarization and pauperization. Hegel just wants to control the market and prevent its tendency from being realized. But if Hegel’s state

can succeed in this, then it means that civil society avoids failure. It means that it does *not* fail—as the Marxists think it must. It would mean that Hegel is right and the Marxists wrong on civil society.

The question, then, is whether or not we can actually control the market enough to avoid the failure of civil society? My answer will be that such a strategy is rather close to that of social democracy—and it would not be easy to argue that social democracy has failed. Hegel is not a social democrat. He had never heard of them—they did not yet exist in his era. But his views anticipate theirs.

IV. The Solution

At this point, one still might want to object to my interpretation of Hegel. My argument is that Hegel does not admit that the problems of civil society have no solution at all, but merely that unrestricted civil society is unable to solve its problems *by itself*. It needs the assistance of the police, corporations, and the state for a solution. But if this is to be accepted as a plausible way to read Hegel, why then, it might be argued, doesn't Hegel go on to give us *all* the details of this solution—and clearly convince us that they can actually solve the problem? After all, in the preceding sections of this paper, at least to a considerable extent, I had to pull things out, work them up, and argue for a solution myself. Hegel did not do that for us—at least not clearly and in detail. The Marxists would say that Hegel did not present us with a clear, detailed, and complete solution *because* there is no solution to the problems of civil society—and perhaps Hegel even came to see this himself.

But there is another possibility here. It may be that Hegel thinks he *has* provided us sufficient detail in what he has said about the activities of the police, corporations, and the state. He may not have thought further detail was necessary. It could be that, while Hegel did think the problems of civil society were serious, he did not think them to be as serious as the Marxists came to think they were—and it certainly never occurred to Hegel to think they would require the elimination of civil society. After all, Hegel wrote at an earlier stage of the development of civil society and its problems. And it may well be that he simply thought that the activity of the police, the corporations, and the state, as he had sketched them, were sufficient to explain how to counteract the negative tendencies of civil society, and to say more than he already had would be for the philosopher to get involved in details with which philosophy has no expertise. Hegel, for example, thought that Fichte inappropriately concerned himself with such matters in ‘perfecting’ the details of his passport regulations.⁶⁴ The details of the economy should be the concern of civil servants, who just deal with them. What these civil servants have to do with are just facts in the world that need to be, and *can* be, handled—as Hegel’s student, Gans, thought.⁶⁵ In other words, Hegel does not avoid giving us the details of a solution because it would be impossible to do so, but because—beyond what he had already given us—he thought it would be a practical matter that could effectively be carried out by competent civil servants without philosophical micromanagement.

But if this were to be accepted as an accurate description of Hegel’s attitude, then the Marxist is going to hold that Hegel is just hopelessly naïve. In the real world, the problems of civil society cannot be solved short of abolishing civil

society—and certainly not by anything so petty as the activity of bureaucrats. Those are just the facts.

But are they? Social democracy would not think so. Social democracy did not exist in Hegel's day, but just as Hegel anticipated the Marxist problem of a polarization of classes and the pauperization of the proletariat, so it seems to me he anticipated the social democratic, not the Marxist, solution to this problem.

I am not suggesting that Hegel would be a social democrat if he were alive today. I am not suggesting that social democracy grew out of or was inspired by Hegel. I am merely suggesting that there are similarities here and that these similarities can throw some light on Hegel's thought⁶⁶—and on how we might avoid interpreting it such that it ends up with problems it need not have. I also think—and this will not interest all readers—that if we are leftists ourselves, these similarities will help us find value in Hegel that other leftists have missed.

By a social democratic society, I mean a society that is not communist or socialist, that is, the means of production are not taken over by the state and publicly owned. Social democracy does not find that to be necessary.⁶⁷ There may be some public ownership, but there are markets, private ownership, buying and selling, and thus plenty of room for civil society. Social democratic societies can vary greatly in the proportion of public to private ownership and of regulated to unregulated markets. Sweden, for example, has very few major industries that are publicly owned.⁶⁸

Social democracies are mixed economies. They differ from societies that are simply capitalist in that the state has a right and a duty to control the economy for

the general welfare. The market does not have a right to do whatever it wants. The task of the state is to prevent poverty, and citizens have a *right* to this, as they do not in capitalist society. For social democrats and for Marxists, as for Hegel, it is the case that the market has a necessary tendency to produce a polarization of classes and the pauperization of the proletariat. That is something capitalists tend not to want to admit. For social democrats and for Hegel, we do not try to eliminate private property and the market, as for Marxists. Instead, we try to counteract their negative tendencies and control them.

For Thomas Meyer, social democracy wants as much of a market as possible, but it also wants a just distribution of social goods above and beyond market outcomes. It would exempt from the play of market forces health, education, housing, social security, the environment, transportation, and urban planning.⁶⁹ In a social democracy, for Meyer, the democratic state is obliged to offer appropriate security against all risks arising out of the social structure provided these are of a political nature, involve serious limitations on fundamental rights, cannot be reliably countered by individual or collective self-help, and can be managed effectively by means of political steering measures available to society.⁷⁰

Social democrats came to see that in a complex industrial society it is impossible to eliminate the market without generating economic disaster, lack of diversity, and the absence of freedoms. Social democracy rejects this aspect of communism. For better or worse, we must accept the market. But it must be continuously watched and adjusted. It has some positive tendencies. It encourages entrepreneurial innovation, diversities of many sorts, and some freedoms. But it has some very

negative tendencies. It tends toward a polarization of classes and serious inequalities in power. It produces serious poverty. And it eliminates freedoms for many. In a social democracy, the forms of governmental control and the extent of public ownership of industry will vary—as determined by elected representatives. But the point is that the government regulates the economy in the best interest of society as a whole rather than for private profit.⁷¹ A social democratic society will reject the primacy of negative liberties and rank them on a par with positive liberties. It will reject the identification of freedom with property and replace it with a concept that balances the liberties of all against property relationships.⁷² Or, much as Hegel put it:

The different interests of producers and consumers may come into conflict, and, although the right relation between the two may on the whole arise of its own accord, yet the adjustment of the two calls for a regulation standing above both sides and put into operation consciously.... [T]he freedom of trade ought not to be of such a kind as to endanger the general weal.⁷³

In another passage, Hegel says that “the health of others is a more important right than is the running of a business.”⁷⁴

It is also the case that corporations and the police, for Hegel, function much as do labor unions and departments of labor and commerce for social democrats. They are expected to work with the state to counteract polarization and pauperization, help control the market, and contribute to the welfare of all. For social democrats,

the connection between labor unions and the state would be mediated by a labor party, which would seek to get itself elected to the national legislature. For Hegel corporations directly elect deputies to the legislature. Corporations like labor unions are not to be marginalized, suppressed, or eliminated, as tends to be the case in capitalist society. They are encouraged, supported, even institutionalized. They play a positive and central role in governance. Moreover, labor unions, for social democrats, as for Hegel's corporations, are an attempt to gain a say in management for workers.⁷⁵

Meyer points out that the United States delivers a volume of social services nearly as great as the European states but predominantly through voluntary private associations. He thinks serious objections can be raised to this. The humiliating experience of social insecurity is not eliminated when you are in doubt about the type and scope of benefits available to you. You have no *rights* here. Secondly, it may undermine your self-esteem and social respectability to depend on the good will of private individuals and organizations, which is very different from a legal claim of which you as citizen are the co-author.⁷⁶ Hegel would attempt to accomplish the same sort of thing through corporations.⁷⁷

V. Alienation

But before we conclude that Hegel, like social democracy, can avoid the failure of civil society expected by the Marxists, there is another issue that must be addressed. As Avineri put it (in the passage quoted at the beginning of this paper), markets cause not only polarization and poverty, but also alienation.⁷⁸ Such alienation has

been especially well described by Marx. In Chapter 1 of Volume I of *Capital*, he introduces the term ‘fetishism’ to describe what in earlier writings he would have called alienation in exchange or alienation in a market economy.⁷⁹

Marx tells us that producers put their products on a market; independent, impersonal, autonomous market laws set in; and people come to be controlled by these market forces independently of their will or consciousness. Fetishism, Marx tells us, means that relations between people come to appear as relations between things.⁸⁰ Market laws are relations between things—relations between products on the market. With highly developed markets, like those found under capitalism, one’s whole world comes to appear as a set of abstract, impersonal relations between things, not as relations between persons, and certainly not as relations under the control of persons. And these market laws come to dominate the persons. This becomes especially obvious by the time you get polarization and pauperization, but it is occurring less visibly at all times.

Fetishism, then, means an absence of freedom brought about not by the evil intentions of an individual, group, or class, but by our very own activity, which gets out of our control, turns upon us, and dominates us, without our understanding what is going on. Indeed, it all appears normal and natural. This means that markets are not a realm of freedom. They are highly coercive, though they hide that coerciveness.

Fetishism or alienation occurs because people produce independently (separately and privately) and only meet in the market. And thus they have no control over the market laws that set in—basically because they are not organized,

they have no cooperative plan, and they have not come to understand what is going on. This suggests (and it was clearly Marx's view in his earlier writings) that markets produce fetishism or alienation. If you have a market, you will have alienation.⁸¹

But there is a problem with that view. At the end of Chapter 1 of *Capital*, Marx gives four examples of societies or situations free of fetishism. The first three (Robinson Crusoe alone on his island, the feudal economy of the middle ages, and the patriarchal industry of a peasant family) are all free of fetishism simply because there is no exchange (no market—no buying and selling) present. There would therefore be no market laws that could develop and come to dominate. Relations would appear as direct, immediate relations between persons, not as abstract, impersonal relations between things.⁸²

But the fourth example is a problem. It is clearly that of a *socialist* society—and so we would expect it to be free of fetishism or alienation (as, indeed, Marx claims it is). But at the same time it is also a socialist *market* economy and so we might expect fetishism to be present because there is a market.

Marx tells us that post-capitalist society could take different forms, which would vary with the productive organization of the community and the degree of historical development of the producers. Marx chooses to examine a socialist society where there is common ownership of the means of production, where the workers are freely associated, and where there is social planning.⁸³ This society is also much like the first stage of communist society as described in the “Critique of the Gotha Programme.” Workers earn incomes in proportion to their contribution—that is, in

proportion to the amount of time they labor. Thus there might be something like labor certificates (as there are in the “Critique of the Gotha Programme”) that workers receive for their labor and exchange for goods on a market.⁸⁴ It is certainly clear in the *Communist Manifesto* that the first stage of post-capitalist society would be a market economy. There would still be an income tax, and thus there would obviously have to be incomes to tax and, presumably, goods to exchange income for. There would also still be rents on land, credit (now centralized), and a national bank.⁸⁵

So, if there is a market, why isn't there fetishism or alienation? Can a socialist market society have market exchange and avoid alienation? Marx obviously thinks so if at the end of Chapter 1 of *Capital* he lists it as an example of a society free of fetishism. Clearly, Marx has decided that not all forms of market exchange produce fetishism.

What causes fetishism, we have seen, is that people produce independently (separately and privately) and only come into social contact when they bring their goods to market. They dump their goods on the market and market laws set in that they neither understand nor control. And these market laws come to dominate them. They can even cause polarization and pauperization.

But in this socialist market society, there are no isolated, independent producers. Producers are associated before bringing their goods to market, even before producing them. They have a common plan and they consciously regulate their production and exchange according to this plan.

In short, the producers control their exchange instead of being controlled by it. There is no unregulated market that they neither understand nor control. Rather, they employ the market as a tool—as a consciously controlled *means*—to achieve commonly decided upon *ends*. And thus there is no fetishism or alienation. In other words, to end fetishism, persons relating to persons as persons must be able to understand and control the impersonal forces of the market for the benefit of persons as a whole. Instead of being buried in particularity, they must consciously act to realize the universal.

Marx, it is true, is not describing a social democratic society at the end of Chapter 1 of *Capital*. He is describing a socialist society, one with common ownership of the means of production. But such ownership is not what ends alienation or fetishism. What does so is the ability of society to understand and control the market, rather than be controlled by it. And to do that, society has to be sufficiently associated to have a common plan. Quite clearly, this too is what a social democratic society seeks to do through labor unions, a labor party, and a labor government.⁸⁶ I have been arguing that Hegel's treatment of a civil society regulated by the police, corporations, and the state anticipates this same strategy. If this is correct, we can now see that social democrats, as well as Hegel (or Hegelians on his behalf), could refute the Marxist argument that alienation is unavoidable in a market economy—and could do so with arguments adapted from *Marx himself*.⁸⁷

At any rate, I think enough has been said to free us from the Marxist interpretation of Hegel's treatment of civil society.

Notes

¹ D. Forbes, "Introduction" to N. Waszek, *The Scottish Enlightenment and Hegel's Account of 'Civil Society'* (Dordrecht: Kluwer, 1988), xii.

² S. Avineri, *Hegel's Theory of the Modern State* (Cambridge: Cambridge University Press, 1972), 147-48. This Marxist interpretation can also be found in G. Lukács, *The Young Hegel: Studies in the Relations between Dialectics and Economics*, tr. R. Livingstone (Cambridge, MA: MIT Press, 1975), 330-2. See also R.R. Williams, *Hegel's Ethics of Recognition* (Berkeley: University of California Press, 1997), 242ff.

³ A.W. Wood, *Hegel's Ethical Thought* (Cambridge: Cambridge University Press, 1995), 248. See also M.O. Hardimon, *Hegel's Social Philosophy: The Project of Reconciliation* (Cambridge: Cambridge University Press, 1994), 244-5. E. Gans, *Naturrecht und Universalrechtsgeschichte*, ed. Manfred Riedel (Stuttgart: Klett-Cotta, 1981), 92.

⁴ S. Houlgate is an exception, see *Freedom, Truth, and History: An Introduction to Hegel's Philosophy* (London: Routledge, 1991), 114-19.

⁵ PR §185. There are four translations of Hegel's *Philosophy of Right* (cited as PR) available in English. *The Philosophy of Right*, tr. A. White (Newburyport, MA: Focus Publishing, 2002). *Elements of the Philosophy of Right*, tr. H.B. Nisbet (Cambridge: Cambridge University Press, 1991). *Hegel's Philosophy of Right*, tr. T.M. Knox (Oxford: Clarendon Press, 1952). *Philosophy of Right*, tr. S.W. Dyde (Mineola, New York: Dover Publications, 2005). I will usually use the Nisbet translation.

When I cite from the other translations I will indicate the translator: e.g., PR (White). In citing the PR, I will cite paragraph numbers, rather than page numbers, so that any edition, English or German, may be used: e.g., PR §127. To these numbered paragraphs, Hegel appended remarks. Depending on the translator, these appear after the main text in a different font or as indented; Dyde simply identifies them as Notes. These will be indicated as, e.g., PR §127R. Besides these remarks there are additions incorporated by E. Gans from the lecture notes of Hegel's students. These will be indicated as, e.g., PR §127A. And besides these additions, White, in his translation, adds supplements taken from now published versions of student transcriptions of Hegel's lectures. These I will indicate as, e.g., PR §127S.

⁶ PR §§243, 244, 244A, 245 (brackets in the text).

⁷ PR (Knox) §242R.

⁸ G.W.F. Hegel, *Lectures on Natural Right and Political Science: The First Philosophy of Right* (hereafter LNRPS), tr. J.M. Stewart & P.C. Hodgson (Berkeley: University of California Press, 1995), §107.

⁹ PR §253R.

¹⁰ The police, for Hegel, would include what we would call Departments of Labor, of Commerce, and of Health.

¹¹ PR §230 (brackets in the text).

¹² PR §249 (first brackets in the text).

¹³ PR §240A.

¹⁴ PR (White) §206S.

¹⁵ LNRPS §107.

¹⁶ LNRPS §120.

¹⁷ PR §244A.

¹⁸ PR, xix, xxi. See also Wood, *Hegel's Ethical Thought*, 247.

¹⁹ A. Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, ed. R.H. Campbell and A.S. Skinner (Indianapolis, IN: Liberty Books, 1981), I, 456.

²⁰ Williams, 259. See also Houlgate, *Freedom, Truth, and History*, 111-12.

²¹ PR §238A.

²² PR §240A.

²³ PR §230.

²⁴ LNRPS §118.

²⁵ PR (White) §249S.

²⁶ PR §229A.

²⁷ PR §236.

²⁸ *Hegel's Philosophy of Mind*, tr. W. Wallace (Oxford: Oxford University Press, 1971), §534.

²⁹ G.W.F. Hegel, *System of Ethical Life*, tr. H.S. Harris & T.M. Knox (Albany: State University of New York Press, 1979), 167-8.

³⁰ Avineri, 101.

³¹ In the Introduction to the *Philosophy of History*, Hegel says, "a real state and a real government only arise when class distinctions are already present, when wealth and poverty are far advanced, and when a situation has arisen in which a large number of people can no longer satisfy their needs in the way to which they

have been accustomed. But America has a long way to go before it experiences tensions of this kind; for the outlet of colonization is fully adequate and permanently open.... By this means, the principle source of discontent has been removed, and the continued existence of the present state of civil society is guaranteed.” (*Lectures on the Philosophy of World History: Introduction: Reason in History*, tr. H.B. Nisbet [Cambridge: Cambridge University Press, 1975], 168-9). This passage is certainly claiming that the tendency to polarization and pauperization is a necessary tendency as a nation develops, and the claim that you only get a real state and a real government when this tendency is realized could be understood in the sense that only then do you have a real task, a real problem, which will necessitate a real state if it is to be handled. There is nothing in this passage to suggest that for Hegel this points to collapse and failure. After all, a page later he calls America the “country of the future” (170). Also, here, as in the *Philosophy of Right* (PR §§246, 247, 247R, 248, 248A), Hegel holds that colonization allows the state to stave off pauperization.

³² Avineri emphasizes this; see Avineri, 101.

³³ *Hegel and the Human Spirit*, tr. L. Rauch (Detroit: Wayne State University Press, 1983), 145.

³⁴ LNRPS §107.

³⁵ PR §§244, 244A, 245, 245A.

³⁶ PR §253R.

³⁷ PR §255.

³⁸ PR §252. See also Wood’s “Introduction” to PR, xix.

³⁹ PR §§244, 244A, 245, 245A.

⁴⁰ Houlgate thinks corporations do solve the problem. Wood rejects this view. See S. Houlgate, "Hegel's Ethical Thought," *The Bulletin of the Hegel Society of Great Britain*, 25 (1992), 13-14. See also, Houlgate, *Freedom, Truth, and History*, 114-19. And A.W. Wood, "Reply," *Bulletin of the Hegel Society of Great Britain*, 25 (1992), 47.

⁴¹ PR (White) §254S.

⁴² PR (White) §207.

⁴³ PR (Knox) §253.

⁴⁴ PR (Dyde) §253R.

⁴⁵ PR (White) §255A.

⁴⁶ LNRPS §121.

⁴⁷ PR §255R.

⁴⁸ E. Bernstein, *Evolutionary Socialism: A Criticism and Affirmation* (New York: B.W. Huebsch, 1912), 139-40.

⁴⁹ G.D.H. Cole, *Fabian Socialism* (London: George Allen & Unwin, 1943), 69.

⁵⁰ Wood, *Hegel's Ethical Thought*, 242. Hardimon, 197. P. Lakeland, *The Politics of Salvation: The Hegelian Idea of the State* (Albany: State University of New York Press, 1984), 33.

⁵¹ B. Cullen, *Hegel's Social and Political Thought: An Introduction* (New York: St Martin's Press, 1979), 94. Wood seems to agree with Cullen; see Wood, PR, xx. Wood, "Reply," 47.

⁵² For a good rebuttal of Cullen's view on this matter, see M. Prosch, "The *Korporation* in Hegel's Interpretation of Civil Society," in *Hegel, History, and*

Interpretation, ed. S. Gallagher (Albany: State University of New York Press, 1997), esp. 200-1.

⁵³ PR §252R.

⁵⁴ PR §245.

⁵⁵ K. Marx, *Communist Manifesto*, in *Marx Engels Collected Works* (hereafter MECW) (New York: International, 1975 ff.), VI, 489-90.

⁵⁶ On this matter, see also D. Knowles, *Hegel and the Philosophy of Right* (London: Routledge, 2002), 291.

⁵⁷ PR §311 and 311A.

⁵⁸ PR, xx

⁵⁹ PR §311A.

⁶⁰ PR §§314, 315, 315A

⁶¹ PR §315.

⁶² PR §230.

⁶³ Aveneri, 147-8.

⁶⁴ PR, 21. See also PR §214R.

⁶⁵ Gans, 92.

⁶⁶ In the *Communist Manifesto*, Marx describes what he calls petty-bourgeois socialism. It “dissected with great acuteness the contradictions in the conditions of modern production. It laid bare the hypocritical apologies of economists. It proved, incontrovertibly, the disastrous effects of machinery and division of labour; the concentration of capital and land in a few hands; overproduction and crises; it pointed out the inevitable ruin of the petty bourgeois and peasant, the misery of the

proletariat, the anarchy in production, the crying inequalities in the distribution of wealth ... ” Notice that much of this comes close to describing Hegel. Marx continues, “In its positive aims, however, this form of Socialism aspires either to restoring the old means of production and of exchange, and with them the old property relations, and the old society, or to cramping the modern means of production and of exchange, within the framework of the old property relations that have been, and were bound to be, exploded by those means. In either case, it is both reactionary and Utopian.” I think one can see that Marx might well consider that much of this would come close to describing Hegel. We will also see that a social democrat would disagree with Marx. Marx concludes by saying that the last words of petty-bourgeois socialism are, “corporate guilds for manufacture, patriarchal relations in agriculture.” (*Communist Manifesto, MECW, VI, 509-10*).

⁶⁷ See J. Spargo, *Social Democracy Explained: Theories and Tactics of Modern Socialism* (New York: Harper & Brothers, 1918), 64-5.

⁶⁸ See, e.g., L.T. Sargent, *Contemporary Political Ideologies: A Comparative Analysis* (Belmont, CA: Wadsworth, 2003), 92.

⁶⁹ T. Meyer with L.P. Hinchman, *The Theory of Social Democracy* (Malden, MA: Polity Press, 2007), 112-13, 135. Meyer’s excellent book sets out a theory of social democracy in relation to Rawls, Dworkin, and others. At the same time it captures and explains social democracy as an actually existing phenomenon in western Europe and has sections on its historical development.

⁷⁰ Meyer, 35. Meyer, sounding much like Hegel, says that there are three modes of political steering available to modern societies, “the state, the market, and

civil society. The decision about which of these modes of steering ought to be selected for which politically determined goals, and whether one of them should be used exclusively or primarily, is a *meta-political* issue. Such decisions involve empirical judgments about the kinds of effects each instrument might have, the limits of its effects, and possible unintended consequences. But they also entail value judgments about the suitability of each instrument in light of its possible impact on the autonomy and responsibility of the citizenry. As a type of regulation, civil society is unique in its dependence on the availability of a steering resource, solidarity, which the state can neither generate nor replace, at least in the short run.” (Meyer, 81).

⁷¹ See Sargent, 91-3.

⁷² Meyer, 16. Social democracy is very much concerned with economic rights, not just political rights. It is really rather astonishing how few people in the United States pay attention to the economic rights listed in Articles 22 through 29 of the UN “Universal Declaration of Human Rights;” see:

<http://www.ohchr.org/EN/UDHR/Pages/Language.aspx?LangID=eng>

⁷³ PR (Dyde) §§236, 236A.

⁷⁴ PR (White) §233S.

⁷⁵ Bernstein, 139-40.

⁷⁶ Meyer, 147.

⁷⁷ Hegel also holds that justice demands that “everyone should have property,” though not that it be equal (PR §49A).

⁷⁸ Avineri, 147-48.

⁷⁹ As early as 1844, Marx discusses alienation in exchange in ways that anticipate his discussion of fetishism in Chapter 1 of *Capital*; see “Comments on James Mill, *Éléments d’économie politique*,” in *MECW*, III, 224-28.

⁸⁰ *Capital*, *MECW*, XXXV, 83-86. For a fuller and more detailed treatment of the issues discussed here in Section V, see my “Estrangement and the Dictatorship of the Proletariat,” *Political Theory*, VII (1979), 509 ff. For an extended discussion of fetishism, see G. Lukács, *History and Class Consciousness: Studies in Marxist Dialectics*, tr. R. Livingstone (Cambridge, MA: MIT Press, 1971), 83-110. Lukács uses the terms fetishism, reification, and alienation (or externalization) more or less interchangeably; see *History and Class Consciousness*, xxiv-v, 84; see also *The Young Hegel*, 384-5, 538-41 (in this text alienation is usually translated as externalization; see v).

⁸¹ “Comments on James Mill,” *MECW*, III, 224-25.

⁸² *Capital*, *MECW*, XXXV, 87-89.

⁸³ *Capital*, *MECW*, XXXV, 89-90. See also “Critique of the Gotha Programme,” in *MECW*, XXIV, 85-6.

⁸⁴ “Critique of the Gotha Programme,” *MECW*, XXIV, 86.

⁸⁵ *Communist Manifesto*, *MECW*, VI, 505.

⁸⁶ Habermas too, though he gives us a far more complex and sophisticated treatment of the matter, agrees that liberal capitalism or social democracy can regulate the market and overcome fetishism or alienation; see J. Habermas, *Legitimation Crisis*, tr. T. McCarthy (Boston: Beacon Press, 1973), 20-2, 30-1. Also see J. Habermas, *The Theory of Communicative Action*, tr. T. McCarthy (Boston:

Beacon Press, 1984, 1987), Vol. I, 357-8; and Vol. II, 96-7. However, it is not the case that Habermas recognizes that in Volume I of *Capital* Marx himself anticipates this model; see *Theory of Communicative Action*, Vol. II, 339-40, 343-4.

⁸⁷ Of course, there would be other forms of alienation that would need to be dealt with; see my “Estrangement and the Dictatorship of the Proletariat,” 512 ff.