

State, Civil Society and Social Context in Hegel's *Philosophy of Right*

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The way in which we interpret the political thinkers of the past is often conditioned by the methods of contextualisation that we employ. More specifically, our approach to contextualisation often frames the way we problematise the project we seek to undertake. It is in this way that the answers we come to are most often conditioned by the way in which we pose our questions. Debates concerning the character of a political thinker's ideas often provide us with the opportunity to explore the issues of historical contextualisation because the debates themselves are predicated upon a particular approach to the relationship between the text and its context. Textual exegesis alone rarely sheds new light on existing debates. Often what is needed is an attempt to pose the question in a new way through a process of problematising this relationship between the text and its context.

What is important about this issue is that it problematises the ways in which historians of political thought have often come to characterize political theorists as being representative of modernity. In many cases, modernity exists in an easy opposition to pre-modernity and we define the former in relation to the way it corresponds to the principles of our own modern societies. Once this is established, the concepts of political theory are subjected to a philosophical analysis. Conclusions are then reached about the political thinker's relationship to 'the modern.' Contradictions within the work that prevent the achievement of modern thought are often treated as logical problems – that is, they stem from a thinker's inability to modernise existing theoretical concepts. The problem with this is that such contradictions are often less the products of logic as they are the products of context. What this means is that political theorists write and think within historically defined contexts by using the conceptual tools available to them. A dynamic tension thus exists between the fluidity of intellectual contexts and the fixity and specificity of social and political contexts. This tension often finds its way into the works of most political thinkers that poses problems of interpretation for later generations of readers.

Many of the debates on Hegel revolve around the issue of his relationship to 'modernity.' Was Hegel a theorist of the modern state, or was he merely an apologist for Prussian absolutism? Was he a

feudal reactionary or a progressive minded – albeit eclectic – scholar?¹ Lastly, did he present an apology for capitalist property relations or did he seek the construction of an ethical civil society? Some scholars believe that Hegel's modernity was in some ways compromised – or at least made problematic – through a logical inability to pursue certain conceptual innovations to their logical extension. More specifically, Hegel, despite his overall modernity, was unable to come to grips with certain aspects of the contradictory class relations of 'modern' society.² His theory of the modern state, therefore, is marred by the logical problems of failing to reconcile the socially destructive implications of the market with the universalising aspects of the state. But how do we account for a problem of logic? What does it mean when we dismiss something as a logical problem? What it means is that we have found a thinker's argument inconsistent at a level of abstraction that does not go beyond the concept itself. But perhaps these problems of logic are not simply the product of an abstract reasoning in itself, but are the products of an abstract reasoning that comes into a tenuous relationship with a much more concrete reality; a reality defined by very specific forms of social relations and political institutions.

In what follows I will attempt to show that the contradiction that scholars have attributed to a problem of abstract logic on the part of Hegel's attempt to construct a theory of the modern state is actually the result of a tension between Hegel's abstract understanding of a specifically capitalist market through his acquaintance with the political economy produced by 'bourgeois' thinkers writing in capitalist England, and his concrete analysis of a specifically pre-capitalist Prussian society. The significance of identifying the source of the contradiction is that Hegel's social and political thought can then be seen as an attempt to adopt what are perceived to be the progressive aspects of the capitalist division of labour in relation to

¹ For some insights into this debate, particularly its historical pedigree, see Eric Weil, *Hegel and the State*, (Baltimore: Johns Hopkins University Press, 1998).

² Raymond Plant, "Hegel and Political Economy," I & II, *New Left Review* 103 & 104, 1977. Shlomo Avineri, *Hegel's Theory of the Modern State* (Cambridge: CUP, 1972). Bernard Cullen, *Hegel's Social and Political Thought* (Dublin: Gill Macmillan, 1979).

the autonomy of the individual while maintaining the socially conservative aspects of feudal society. To merely leave the contradiction unexplained obscures the fact that Hegel's state defies classification as modern in the conventional sense of the term. It prevents us from recognising the possibility that Hegel's conception of the state proposed a different kind of modernity altogether.

The Antimonies of G.W.F. Hegel

A number of influential Hegel scholars have identified what they perceive to be a fundamental contradiction within the work of Hegel. For Shlomo Avineri, it is the 'inconspicuous absence' of the working class. For Raymond Plant, it is Hegel's failure to reconcile poverty with the contradictions of civil society. Avineri argues that there is an alleged problem with Hegel's discussion of civil society, stemming from the fact that Hegel, in his analysis of civil society, points out its contradictory nature, yet fails to adequately resolve this contradiction despite his attempts to create a 'universal' state. In his discussion of civil society, Hegel points out that alongside the creation of increasing wealth lies the creation of increasing poverty. But at the same time he realises that this poses a problem for civil society – in his own words, "one of the most disturbing problems which agitate modern society"¹ – for the obvious reason that the increase in poverty (as well as the excesses of wealth) will lead to the creation of an indignant rabble at both ends of the class structure. When Hegel shifts his analysis to the classes in 'modern' society, the role they play in the functioning of the larger ethical community, the universalistic state, and their location within the system of needs that underpins civil society, the working class – the class that bears the bulk of the devastating effects of 'improvements' in the division of labour – is noticeably absent. As Avineri points out:

We have seen Hegel's masterly account of the structure of modern society and have pointed to his grasp of the social problems brought forth by the advent of modern industry and have pointed to his grasp of the social problems brought forth by the state of those individuals directly involved in production, in *Fabrikarbeit*. Yet it is this group, more than any other, whose needs call for integration and mediation – and one looks in vain for this class in Hegel's system of estates. Obviously the worker is not part of the peasantry nor does he belong to the civil service. But neither does the commercial estate, the class of

¹ G.W.F. Hegel, *The Philosophy of Right*, Translated by T.M. Knox (Oxford: Oxford University Press, 1967), p. 278.

businessmen, include him: in Hegel's account of this estate one finds the small, independent artisan, but as for the worker, he is conspicuous in his absence; and certainly Hegel's paradigm of the burgher spirit cannot, of course, relate to the worker.²

Thus, the working class is conspicuously absent from Hegel's system. He are led to conclude that this absence – because of its 'conspicuousness' – is an indication of the limits of Hegel's logic and of the system itself.

Raymond Plant argues something similar. Like Avineri, he points out the significant observations that Hegel makes regarding the political economy of the modern world. Again, the contradictions of civil society are presented in a way that precludes Hegel's ability to reconcile them. Plant argues that:

The importance of this is that Hegel was *forced* to conclude that the modern state could not, from within itself, furnish an answer to perhaps the most serious of its own self-generated problems; hence even when philosophically comprehended, could not provide a home in the world for certain of its members. At the heart of this claim was a deep contradiction, when it is brought into the perspective of Hegel's own account of poverty in the modern state.³

At the heart of these critiques is a notion that Hegel *failed* in his endeavour to construct a holistic theory of the modern state. This failure – which compromises the totality of his social and political thought – is the result of a failure of logic. It signifies the logical limits of Hegel's social and political philosophy.⁴

To pose this problem in the form of the 'limits' of one's philosophy raises some questions. How is someone's social and political philosophy limited? What is preventing Hegel from reconciling this contradiction? Implicit in the work of both Avineri and Plant is an understanding that this problem is merely one of Hegelian logic. In other words, Hegel just didn't seem capable of constructing an abstract conception of the state that would resolve these contradictions. To dismiss this as a problem of logic, however, is to fundamentally misconstrue the way in which political thinkers engage in political theorising. The problem here is not so much one of logic, but rather, of context. It is the way in which abstract knowledge

² Avineri, p. 108-9.

³ Plant, p. 113, my emphasis.

⁴ "Nevertheless, his self-acknowledged failure to explain how the problem of poverty, whose importance he recognised, could satisfactorily be resolved within the modern state, demonstrated very clearly the limitations, even on its own terms, of the Hegelian enterprise in social and political philosophy." Plant, p. 113.

and logic interact with a particular social context that is the source of the contradiction. What needs to be examined is the dynamic and tenuous interplay between the fluidity of disparate intellectual contexts and the fixity of historically specific social relations. Only then can we have a better understanding of the nature of Hegel's contradictions.

At the end of his essay, Plant makes an interesting observation that subsequently goes unexamined. He argues that a tension, if not an incompatibility, existed between Hegel's values and the character of the capitalist economy. This, to be sure, is an interesting tension. But why wasn't Hegel aware of it? Is this merely another logical problem? Both Plant and Avineri assume the existence of something that is necessary to support their arguments. They both assume that Hegel was writing his philosophy in a capitalist society.⁵ It is only within this context that the 'problems' identified by Plant and Avineri appear in the way that they do: logical problems. Hegel becomes unaware that the moral basis of his politics is incompatible with the existence of capitalist social relations. But what if capitalism did not yet exist in Hegel's Prussia? How does this change the way we understand these contradictions? In order for us to understand the nature and origin of this problem – rather than dismissing it outright as a contradiction or a case of intellectual defeatism – we must situate Hegel in both his historical and intellectual contexts, for Hegel's conception of civil society has two qualitatively different sources. First, Hegel's understanding of the dynamics of the market stems from his reading of the bourgeois political economists, whose works reflect the specifically capitalist conditions of England. These 'bourgeois' political economists were addressing the problems of a capitalist economy. The second source for Hegel's conception of civil society comes from his own immediate experience in absolutist Germany. What is important here is that Hegel then proceeds to superimpose his understanding of capitalist civil society on the pre-capitalist conditions of Prussia. I will attempt to argue that it is precisely this synthesis of capitalist political economic theory and the pre-capitalist political economic reality that leads Hegel into the conundrum that both Plant and Avineri emphasise, but cannot ultimately resolve.

⁵ Avineri has a tendency to conflate capitalism with 'modernity,' whereas Plant merely assumes, in his discussion on the division of labour, that such occurrences are actually going on in Hegel's time.

The Dynamics of Prussian Absolutism

Contrary to the beliefs of some mainstream commentators, Hegel was not "avidly observing the theory and practice of what he knew to be the most advanced commercial and industrial country in the world."⁶ Such problematic assertions take for granted precisely what needs to be explained: namely, the form of social relations that underpinned Prussian society. Many scholars have assumed the existence of capitalism in Germany, conflating it with 'modernity' and 'industrialism,' or pointing to the presence of a high degree of foreign trade as evidence of the existence of capitalist social relations. Recent Marxist historiography has begun to challenge these assumptions, for the existence of extensive networks of trade, and even industrial production is not enough to ensure the existence of capitalism.⁷ In order to get a better understanding of the social relations and political institutions that were specific to Prussian society in the eighteenth and nineteenth centuries, it is perhaps helpful to make some comparisons with England during the same period.

In the German case, Prussian absolutism under the Hohenzollern dynasty represented a particularly continental development of feudalism. Whereas in England, the gradual emergence of capitalist social relations aided in the development of the mixed constitution – i.e. the Crown in Parliament – a constitutional arrangement that prevented the emergence of royal absolutism – in Prussia, the absolutist state emerged as a class competitor to the landed *Junker* class engaged in the direct exploitation of the surplus labour of the peasantry. The royal state often 'defended' the peasantry against attempts by the *Junkers* to intensify the level of exploitation, precisely because the absolutist state depended for its fiscal survival upon the peasantry's ability to pay taxes.⁸ The ability of the Prussian landed classes to reproduce their means of subsistence rested upon

⁶ Forbes, quoted in N. Waszek, *The Scottish Enlightenment and Hegel's Account of 'Civil Society'* (Dordrecht: Kluwer Academic Publishers, 1988), p. xiii. Forbes dismisses the interpretation by a (conveniently) unnamed Marxist that "sees his [Hegel's] political and social thinking as essentially German-bound and therefore backward looking and indeed medieval."

⁷ See R. Brenner, "Agrarian Class Structure and Economic Development in Pre-Industrial Europe," in T.H. Aston and C.H.E. Philpin (eds.), *The Brenner Debate*, (Cambridge: CUP, 1993); as well as E. M. Wood, *The Origins of Capitalism* (New York: Monthly Review Press, 1999).

⁸ See C. Moors, *The Making of Bourgeois Europe* (London: Verso, 1991).

'extra-economic' forms of surplus extraction. Such powers took the form of patrimonial jurisdiction including the right to impose forms of forced labour upon sections of the peasantry who did not possess legal property rights over their plots of land. In the case of this latter class of peasants, forced labour could amount as much as five or six days a week.⁹ In general, however, peasants:

[L]ived in a condition of hereditary serfdom, the forms of that serfdom differing in various areas. They were unable to move, or to marry, without the permission of the lord to whose estates or person they were bound. Their children were obliged to work on these estates. Even those peasants who owned land were forced to provide labour service on the aristocratic (*Junker*) estates, and such peasants were also bound to the land, for their ownership depended on the performance of feudal duties. Harsh punishments were meted out to those who failed to meet their obligations, frequently involving brutal floggings, from which women were not excluded. The hunting rights of the aristocracy were a particular hardship which excited the indignation of the reformers.¹⁰

This condition of feudal dependence, however, would come under sustained attack in the opening years of the 19th century.

The post-Napoleonic reform movement attempted to abolish the feudal privileges of the landed aristocracy by eliminating serfdom in the countryside. But the reform process was by no means easy or automatic; and it did not occur in a chronologically linear fashion. Rather, the process of rural reform occurred gradually over the course of decades – often suffering from reactionary setbacks – and was unevenly distributed throughout the German Confederation.

The reform process began in 1807, but serfdom, as a social relationship, was never wholly abolished until after 1865. Despite the abolition of some of the feudal privileges of the *Junker* class (i.e. the abolition of compulsive labour services, control over peasant marriages, etc.), the relationship between landlord and peasant was still governed by 'regulations of servants' that effectively restricted the 'freedom' of the labour market. What little reforms were passed during the first two decades of the 19th century also proved difficult to implement due to the resistance of the landed aristocracy. As a result, by 1816 the majority of the peasantry "continued in a state of semi-feudal dependence and were at the mercy of the aristocracy."¹¹ This

⁹ H. Harnisch, "Peasants and Markets: The Background to the Agrarian Reforms in Feudal Prussia East of the Elbe, 1760-1807," in R.J. Evans and W.R. Lee (eds.), *The German Peasantry* (New York: St. Martin's Press, 1986), p. 42-3.

¹⁰ M. Kitchen, *Political Economy of Germany: 1815-1914* (Montreal: McGill-Queen's University Press, 1978), p. 10.

¹¹ *Ibid.*, p. 12.

condition of semi-feudal dependence was not fully abolished until the revolution of 1848, and it was not until 1865 that the abolition of serfdom proper was complete, creating a polarisation between an independent peasantry and an emerging class of landless labourers. It was this tension between a feudal landed aristocracy attempting to hold on to its traditional privileges and the centralising absolutism of 'enlightened despotism' – the "inherent contradictions between state power and private property"¹² – that created the dynamic of Prussian absolutism.

By contrast, in England, the state depended for its revenues on the agreement of the landed gentry to tax themselves. What is significant here is that both the Prussian state and the landed *Junkers* had a class interest in the *preservation* of the peasantry. The English landed class, however, had an interest in the rent that accrued from the profits gained by the capitalist farmers to whom it rented land and hence the conditions for the transformation of the peasantry into a dispossessed rural proletariat were established. In other words, the English landed classes had since lost their non-market access the means of their own social reproduction. As a result of this process, the constellation of class relations that were necessary for the emergence of capitalism – landlord, capitalist farmer and rural wage-labourer – developed in the English countryside, but never emerged in Prussia.

Absolutism in general, and Prussian absolutism in particular, therefore belong to a set of pre-capitalist social relations, and the state is characterised by its private function, that is, its role as an instrument of surplus extraction and appropriation. As Ellen Wood points out:

The absolutist state had followed an economic logic of its own, which owed more to its pre-capitalist antecedents than to an emerging capitalist economy. Here, the state was a primary instrument of appropriation, a private resource for public officeholders. Just as feudal lords had appropriated the surplus labour of peasants by means of their political, military and jurisdictional powers and by virtue of their juridical privileges, so their successors continued to rely not only on the vestiges of these old powers and privileges but on new forms of politically constituted property. Office in the absolutist state represented a 'centralisation upwards' of feudal exploitation, in which peasant-produced surpluses were appropriated in the form of tax instead of rent.¹³

¹² George C. Commelin, "Marx's Context," *History of Political Thought* (2000).

¹³ E. M. Wood, *The Pristine Culture of Capitalism* (London: Verso, 1991), p. 23.

Rather than representing a qualitative break from feudalism, therefore, Absolutism represented the re-organisation and centralisation of feudal forms of social relations, under a centralised state form.

The centralisation upwards of extra-economic forms of exploitation, the continued existence of an independent peasantry and the maintenance of unfree forms of labour (in the sense of both forced labour and regulated labour) organised in guilds and corporations seems to suggest that Hegel was writing in a pre-capitalist social context. In fact, the process of substantive economic reform along capitalist lines seems to have occurred in the wake of the 1848 European upheavals; and in Germany, the bulk of the impetus for reform occurred under Bismarck – a good fifty years after Hegel's death – in response to increasing geopolitical and economic pressures. The development of capitalism in England had led to a massive increase in the productive forces, an increase that was reflected in the rapid rise of English naval power. The competitive pressures accompanying the increase of English power sparked a process of rapid state centralisation and consolidation on the continent; first in France, and then in Germany. So in England, the process of capitalist development began in agriculture, and industrialisation was driven by a relatively decentralised capitalism, while in Germany, capitalism was driven by the process of industrialisation under the auspices of an increasingly centralised, bureaucratic state. Thus, Wood argues, "Germany's mode of industrialisation has, at least in part, to do with the persistence of pre-capitalist forces."¹⁴

Hegel and the Bourgeois Political Economists

Now, although Hegel is writing within a pre-capitalist social context – namely, an economy characterised by "state service, artisanal production and small enterprise"¹⁵ – much of what he understands in the way of political economy is due, indirectly, to capitalism. As Avineri himself points out, Hegel was very much influenced by the work of the English political economists, particularly Sir James Steuart and Adam Smith, and it is from these writers that Hegel gains his understanding of the market:

During his stay in Berne, Hegel's reading included Montesquieu and Hume, Thucydides and Gibbon, as well as Benjamin Constant. But the

¹⁴ Ibid, p. 103.

¹⁵ Sheehan quoted in Mooers, p. 135.

deepest influence left on him at this period was Sir James Steuart's *An Inquiry Into the Principles of Political Economy*, which he read in German translation...It is from this description of the activity and analysis of the market mechanism by Adam Smith's mentor and contemporary that Hegel derived from that time onwards his awareness of the place of labour, industry and production in human affairs. Alone among the German philosophers of his age, Hegel realised the prime importance of the economic sphere in political, religious and cultural life and tried to unravel the connections between what he would later call 'civil society' and political life. Fichte's *The Closed Commercial State* (1800) conspicuously lacks a comparable grasp of political economy, and thus reads like a latter-day mercantilist pamphlet, basically out of touch with the realities of modern economic life.¹⁶

Raymond Plant has also pointed out the significant influence that Hegel's reading of James Steuart had on his conception of civil society. At a more general level, Plant argues that it was due to Steuart that Hegel was able "to take up a far more positive attitude towards the development of modern society," and develop the idea that "the development of the exchange economy caused an increase in human freedom and self-development."¹⁷ As Plant himself points out:

This possibility, that forms of harmony and integration could be developed out of what seem to be forms of differentiation, in this case the striving to satisfy personal physical need, was most likely suggested to Hegel by his reading of Steuart and indeed, as we shall see, in his future discussion of political economy Hegel was very keen to show how apparently egocentric interests, the ownership of property, the labour of the individual in the satisfaction of his own needs, his use of tools, all of which seem to involve a progressive differentiation of one man from another, also generate new, less immediate but still perceptible forms of harmony and social solidarity.¹⁸

But Steuart's influence reaches beyond this as well, for his stagist conception of history, argues Plant, coincides with that of Hegel's in the latter's *Philosophy of History*.

In addition to this, Hegel's discussion of the division of labour, a discussion that he borrows from Adam Smith, is a division of labour that is characteristic of a capitalist economy, not an economy based upon artisanal and peasant production. Hegel's most elaborate

¹⁶ Avineri, p. 4-5.

¹⁷ Raymond Plant, "Economic and Social Integration in Hegel's Political Philosophy," in D.P. Verene (ed.), *Hegel's Social and Political Thought* (New Jersey: Humanities Press, 1980), p. 64.

¹⁸ Ibid, p. 68.

discussion of the division of labour, and its role in the increasing specialisation of work, the increases in productive output, the deskilling of labour and the degrading effects it has on the worker, appear not in the *Philosophy of Right*, but in an earlier work entitled *Realphilosophie*. In fact, Hegel's account of the division of labour is all but identical to that of Adam Smith in *The Wealth of Nations*. Hegel virtually mimics Smith's famous account of the capitalist division of labour in the manufacture of pins. Where Smith argues that this "division of labour, however, so far as it can be introduced, occasions, in every art, a proportionable increase of the productive powers of labour," Hegel, using the example of needles, argues that the "particularisation [i.e., specialisation] of labour multiplies the mass of production... But the value of labour decreases in the same proportion as the productivity of labour increases."¹⁹ Waszek has extensively documented Hegel's indebtedness to the bourgeois political economists, arguing that the "obvious reason why Hegel should use British rather than German empirical data is the comparative backwardness of his country's industrial development," but Waszek, like Avineri, fails to see the full implications that this has on Hegel's thought.²⁰

Within an economy based upon artisanal production – which, as I argued above, characterised Hegel's Germany – the producer is in direct possession of his means of production. The artisan produces a commodity and sells it to the merchant. The merchant, who is in the business of 'buying cheap and selling dear,' then sells the commodity at a greater price than that at which he bought it. The artisan maintains full control over the labour process; he is not 'freed' from direct possession of his instruments of production – a freedom that is essential for the functioning of both Smith's and Hegel's division of labour.²¹ It is only within a capitalist economy that the labour process is seized by an enterprising capitalist and subsequently reorganised along Smithian lines in order to increase the overall productivity. For the artisan, production is about livelihood, but also about craft; for the

¹⁹ A. Smith, *The Wealth of Nations* (New York: The Modern Library, 1937), p. 5; Hegel quoted in Avineri, p. 93.

²⁰ Waszek, p. 215.

²¹ Waszek points out that Hegel's discussion of political economy relies upon 'free labour'; but free labour is more than merely the opposite of forced labour or slavery as Hegel seems to think it is; it is labour that is free of corporate mediations, guild restrictions, of forms of dependence (i.e. serfdom, peasant labour, artisanal production, etc.). In other words, free labour presupposes the proletarianization of the workforce, i.e., the creation of a class of propertyless wage labourers.

capitalist, production is strictly about profit, and any sacrifice of craftsmanship in the interests of increased productivity are not only rational, they are necessary to survive in an increasingly competitive marketplace. As Hamerow points out, the guild or handicraft system's purpose was to maintain a level of social justice and the "advantages inherent in mechanical efficiency and competitive individualism were renounced for the sake of security and order."²² As I mentioned above, this guild system was still well entrenched at the time of Hegel's writing, so Hegel could not have gained his understanding of the capitalist labour process from it. On top of this, guilds or corporations play an essential role in the maintenance of Hegel's system, at both the economic and the political level, a role that will be elaborated upon below.

So Hegel's understanding of the market and the division of labour are inherited from the English political economists and reflects the specifically capitalist social relations that exist there. But when Hegel turns his attention to the configuration of civil society as it appears in his *Philosophy of Right*, we see a qualitatively different set of social relations – social relations that are more reminiscent of a feudal society than a burgeoning capitalist one. The fundamental role that Hegel ascribes to corporations and guilds reflects the pre-capitalist conditions of his contemporary Prussia.²³ As Knox points out, the Hegelian corporation is not akin to a trade union – for it also encompasses associations of employers – but rather includes economic organisations, town councils, religious bodies, etc.²⁴ What is important about the corporation, or guild, is its role in the Hegelian system. Hegel himself states that:

In accordance with this definition of its functions, a Corporation has the right, under the surveillance of the public authority, (a) to look after its

²² Theodor. S. Hamerow, *Restoration, Revolution, Reaction: Economics and Politics in Germany: 1815-1871* (Princeton: Princeton University Press, 1958), p. 21.

²³ Cary J. Nederman makes a similar argument about the nature of corporations in Hegel's political thought. Nederman argues that the corporation is a modern reconceptualisation of the medieval guild both in its function and in its composition. Whereas the medieval corporation proved to be an obstacle to the development of a truly sovereign state power – in the sense that the corporation acted as a 'state within a state' – the modern corporation would be subordinated to the modern state, thereby acting as a component of, rather than an obstacle to, the development of sovereignty. Cary J. Nederman, "Sovereignty, War and the Corporation: Hegel and the Medieval Foundations of the Modern State." *The Journal of Politics*, 49:2 (May 1987), p. 500-20.

²⁴ Knox, in Hegel, p. 360, §229.

own interests within its own sphere, (b) to co-opt members, qualified objectively by the requisite skill and rectitude, to a number fixed by the general structure of society, (c) to protect its members against particular contingencies, (d) to provide the education requisite to fit others to become members. In short, its right is to come on the scene like a second family for its members, while civil society can only be an indeterminate sort of family because it comprises everyone and so is farther removed from individuals and their special exigencies.²⁵

Hegel then proceeds to differentiate the guild worker from the day labourer, arguing that the former "is, or will become, master of his craft," and he is "a member of the association not for casual gain on single occasions but for the whole range, the universality, of his personal livelihood."²⁶ In fact, next to the family, the corporation is the "second ethical root of the state, the one planted in civil society"²⁷; it is a fixed point "round which the unorganised atoms of civil society revolve."²⁸ Thus, for Hegel, the Corporation serves to organise the atomised activity of civil society by shielding its members from the negative contingencies of the economy, by protecting entire branches of industry and by regulating the quantity of particular kinds of producers. In other words, corporations and guilds regulate and prevent the emergence of market forces and labour markets. They effectively subordinate commercial activity to broader social and political interests. The dissolution of Corporations in modern society is, to Hegel, subversive towards the establishment of an ethical state, for it is in the Corporation that men's work is imbued with a "public character over and above their private business."²⁹ Such an argument concerning the social function of corporations is diametrically opposed to the views of Adam Smith, who argues that:

The pretence that corporations are necessary for the better government of the trade, is without any foundation. The real and effectual discipline which is exercised over a workman, is not that of his corporation, but that of his customers. It is the fear of losing their employment which restrains his frauds and corrects his negligence. An exclusive corporation necessarily weakens the force of this discipline. A particular set of workmen must then be employed, let them behave well or ill. It is upon this account, that in many large incorporated towns no tolerable workmen are to be found, even in some of the most necessary trades. If

²⁵ Hegel, p. 152-153, §252.

²⁶ Ibid.

²⁷ Ibid, p. 154, §255.

²⁸ Ibid.

²⁹ Ibid, p. 278, §151.

you would have your work tolerably executed, it must be done in the suburbs, where the workmen, having no exclusive privilege, have nothing but their character to depend upon, and you must then smuggle it into the town as well as you can.³⁰

In contrast to Hegel then, the corporation is not an ethical root of the state, but the corrupter of labour and of the market as a whole, because it serves to shield the worker from the 'discipline' of the market, a discipline that supposedly increases the efficiency and productivity of labour and thereby the 'wealth of nations.' Smith argues this because in England, the development of capitalist social relations served to detach property from any and all forms of corporate privilege. The market, not the corporation, was the prime mediator between men and men, and men and their needs – a phenomenon that is specific to capitalism.

Class and the Philosophy of Right

In light of all this, we can now turn to Hegel's class analysis in the section entitled 'Civil Society' in the *Philosophy of Right*. For those familiar with Weberian and Marxian conceptions of class, Hegel remains somewhat of a curiosity, for he adheres to an understanding of class that is neither defined in terms of occupational stratification nor as a relationship to the means of production. Whereas the bourgeois political economists identified classes based upon their economic position, what determines Hegel's conception of class seems to be forms of social consciousness, rather than social position. As a result, Hegel conceives of three distinct classes in Prussian society: the substantive or immediate class; the formal or reflective class; and the universal class. It is necessary to look at each class in turn, for unlike Hegel's theoretical discussion of the market, his class analysis reflects the concrete reality of Absolutist Prussia, for the capitalist class relations identified by the bourgeois political economists – landlord, capitalist tenant farmer and wage-labourer – are absent from Hegel's discussion of 'estates.'

As for the substantive or immediate class, Hegel has in mind those who are tied to the land in one form or another. What is curious is that Hegel includes both the peasantry and aristocracy – what would amount to two distinct classes in Marxism – in this immediate class. To use Avineri's term, the immediate class is a "curiously bicephalous entity, encompassing the two extreme poles of the social

³⁰ Smith, p. 129.

spectrum.”³¹ What determines membership in this class is less the relationship a social group has to the soil than its lack of reflective rationality or consciousness:

The substantial class has its capital in the natural products of the soil which it cultivates – soil which is capable of exclusively private ownership and which demands formation in an objective way and not mere haphazard exploitation. In face of work and its fruits with separate and fixed times of the year, and the dependence of harvests on the variability of natural processes, the aim of need in this class turns into provision for the future; but owing to the conditions here, the agricultural mode of subsistence remains one which owes comparatively little to reflection and independence of will, and this mode of life is in general such that this class has the substantial disposition of an ethical life which is immediate, resting on family relationship and trust.³²

Although Hegel recognises what he calls reflective changes in the nature of agriculture, he maintains that agricultural life will maintain a patriarchal and therefore dependent form of existence. In spite of the productivity increases due to innovations in the techniques of agricultural production, the social relations within which these productive techniques are embedded remain of a dependent (i.e. unfree) and patriarchal kind. The lifestyle of a member of the immediate class is not one dictated by the quest for riches, argues Hegel, but by its immediate form of consciousness, a form of consciousness that is reflected in the nature of agricultural life. The attitude of this class “may be described as the attitude of the old nobility.... So far as this class is concerned, nature does the major part, while individual effort is secondary.”³³ Thus, the immediate class is characterized by a kind of rationality that is mired in tradition, superstition and unreflection.

The formal or reflective class amounts to what Knox calls the ‘business’ class. This class also deviates from Marxian and Weberian conceptions of class by incorporating three subdivisions of urban life: craftsmanship, manufacture and trade. So we have an equation of three forms of industry that, under capitalism, would require separate classifications: the craftsmanship of artisanal production, the large scale production of manufacture, and the exchange of goods through the medium of money. Whereas Marx differentiated between these

³¹ Avineri, p. 156. Avineri remarks that Hegel’s attempt to insert the aristocracy into the top rung of the immediate class “has the effect of turning Hegel’s account into a far less adequate theory of social classes than it might otherwise have been.”

³² Hegel, p. 131.

³³ Hegel, p. 270.

three groups by virtue of their material interests, Hegel identifies them by emphasising the reflective nature of their activity and rationality:

The business class has for its task the adaptation of raw materials, and for its means of livelihood it is thrown back on its work, on reflection and intelligence, and essentially on the mediation of one man’s needs and work with those of others. For what this class produces and enjoys, it has mainly itself, its own industry, to thank.³⁴

Whereas the immediate class has “little occasion to think for itself,”³⁵ due to its unreflective activity in relying on nature for its means of subsistence, the reflective class, by virtue of its position within the system of needs, is the embodiment of self-hood and freedom. Thus, whereas the agricultural class is prone to subservience and dependence, the business class is inclined to freedom.

Lastly, the universal class represents the class of civil servants serving in the Prussian state. The universality of the civil servant stems from his role within the state, which Hegel theorises as existing over and above the particularities of civil society. The universality of the bureaucracy takes on an added significance once it is placed within the context of pre-capitalist absolutism. The movement for state reform in Prussia came not from the ‘bourgeoisie,’ meaning an emergent class of capitalists.³⁶ Rather, it came from a group of ‘enlightened’ professionals and civil servants occupying the state apparatus. Similar to France, the push for ‘careers open to talent’³⁷

³⁴ Hegel, p. 156.

³⁵ Hegel, p. 270.

³⁶ This reflected perhaps both an unwillingness and weakness on the part of the commercial bourgeoisie. The fact that the Prussian state, under Bismarck was able to implement the kinds of social reforms that it did was due to the weakness of the bourgeoisie and its dependence on alliances with the imperial monarchy and the old aristocratic ruling class.

³⁷ It is in terms of ‘careers open to talent’ that Hegel’s discussion of the universal class should be approached, for Hegel argues that “the question of the particular class to which an individual is to belong is one on which natural capacity, birth and other circumstances have their influence, though the essential and final determining factors are subjective opinion and the individual’s arbitrary will, which win in this sphere their right, their merit, and their dignity.” This is in contrast to the organization of class in the ancient world (as well as in the east), a world in which the “division of the whole into classes came about objectively of itself, because it is inherently rational; but the principle of subjective particularity was at the same time denied its rights, in that, for example, the allotment of individuals to classes was left to the ruling class, as in Plato’s *Republic*, or to the accident of birth, as in the Indian caste-system... But when subjective particularity is upheld by the objective order in conformity with it and is at the same time allowed its rights, then it becomes the animating principle of the entire society of

had nothing to do with removing the 'fetters' of feudalism to allow the free development of capitalism, rather, it had to do with a frustration over access to state offices. The liberal reformers, however, were in a contradictory position; on the one hand, they sought to secure a more open career structure within the state, but at the same time, did not wish to eliminate the surplus-extracting character of the state from which they would derive their livelihood. Hegel's universal class, however, is an attempt to go beyond this particularistic characteristic of the existing bureaucracy and secure a truly universal class of civil servants free from the particularities of state run surplus-extraction. The contradiction within this formulation is that without transforming the surplus-extracting character of the state itself, its bureaucracy will never be able to attain the universality that Hegel accords it.

In contrast to the class analysis found in the *Philosophy of Right*, the bourgeois political economists – from whom Hegel obtains his conception of the market – embed their analysis of political economy within a fundamentally different set of class relations. Central to the main texts of classical and pre-classical political economy is the triadic class structure of landlord, tenant farmer and landless labourer. This 'trinity formula,' identified most explicitly with the capitalist mode of production by Marx can be traced all the way back through Adam Smith to the work of William Petty, whose political economy "clearly set forth the triadic structure of landlord, tenant farmer, and wage labourer which was to become the foundation of classical English economics."³⁸ This triadic structure of social relations has

the development alike of mental activity, merit, and dignity." Hegel, *Philosophy of Right*, p. 132-3.

³⁸ Marx elaborated upon the centrality of this triadic structure for the development of capitalism in both volumes one and three of *Capital*. In volume one, he discusses the historical development of this trinity formula through a process of 'so-called primitive accumulation.' In volume three, he discusses the relationship between the economic forms of these social relations – rent, profit (interest) and wages. The point is that this triadic structure comprises "all the secrets of the social production process" of the capitalist mode of production. Karl Marx, *Capital, Vol. 3* (Moscow: Progress Publishers), p. 814. See also, Karl Marx, *Capital, Vol. 1* (Moscow: Progress Publishers). For more on Petty's and Smith's roles in the formulation of the triadic structure of landlord, tenant-farmer and wage-labourer, see David McNally, *Political Economy and the Rise of Capitalism* (Berkeley: University of California Press, 1988). Interestingly, Smith comments on the some the 'peculiarities' of the physiocratic conception of economic classes and their relationship to the production of social wealth: "The different orders of people who have ever been supposed to contribute in any respect towards the annual produce of the land and labour of the country, they divide into three classes. The first is the class of the proprietors of land. The second is the class of

since been identified as the key development in the rise of capitalism in Europe.

In light of Hegel's class analysis in the *Philosophy of Right*, we may now ask Avineri: *what is so conspicuous about the absence of the working class?* Perhaps this class analysis accurately reflects the configuration of social relations that existed in Hegel's Germany? If Germany is not yet a capitalist society, it only makes sense that the working class does not exist. The case has been made that Prussian Absolutism was rooted in pre-capitalist social relations. But what about Prussian industrialism? Isn't the existence of industrialisation a characteristic of a 'modern' economy? What needs to be pointed out here is the distinction between capitalism and industrialism, or capitalism and 'bourgeois society.' Liberal scholars and some Marxists as well, often tend to conflate the two phenomena. But we need to untangle the two and analyse German industrialisation as a pre-capitalist phenomenon. Avineri was quoted above commenting on the fact that the economic writings of Hegel's contemporaries, such as Fichte, 'conspicuously' read like 'latter-day' mercantilist pamphlets, as if this is some kind of oddity needing explanation. However, Hamerow points out that up until 1848, "the free-trade ideas dominant in Germany were soon under attack from important industrial circles suffering the effects of English, Belgian, and French competition."³⁹ In other words, mercantilism and state intervention, as economic doctrines and economic realities, were alive and well in Prussian society up until midway through the nineteenth century, for without some form of state protectionism, a pre-capitalist Prussian economy had no hope of competing with the dynamism of English capitalism. Hamerow also points out that the "growth of an industrial working class in Germany was considerably slower than in England or France" and that up until "the middle of the nineteenth century the number of factory workers in Prussia was reported as less than 700,000, about 4 per cent of the population."⁴⁰ Liberal reforms regarding industry and manufacture proved to be just as difficult – in the first half of the 19th century – as did the abolition of serfdom. By 1811, the rights of guilds began to be eroded through a series of economic reforms and the attempt, by liberal reformers, to create a class of 'free masters' (master craftsmen not licensed by the guilds

the cultivators, of farmers and country labourers, whom they honour with the peculiar appellation of the productive class. The third they endeavour to degrade by the humiliating appellation of the barren or unproductive class." Adam Smith, *The Wealth of Nations*, p. 628.

³⁹ Hamerow, p. 12.

⁴⁰ Ibid, p. 17-18.

but by the state) was underway; moves that also signalled the attempt to create a free market in urban labour. But rather than seizing the alleged 'opportunities' of the liberalisation of the market, most skilled artisans adhered to their guild affiliations, fearing the undermining of their craft. Overall, artisanal production declined only slightly between 1800 and 1843 – dropping from 15% to approximately 13%.⁴¹ Hardly a significant decline.

Overall, the process of liberalisation and 'modernisation' was viewed, by many, with suspicion and even fear. Such attitudes developed into active resistance on the part of skilled artisans and even members of the bourgeoisie:

There was probably less general enthusiasm for the reform of the handicraft system among the bourgeoisie than there was for the liberation of the peasants. The artisans resisted change, fearing the loss of the security of the guilds, the competition of a freer economic system, and the challenge of mass-produced industrial goods. The reform was the work of liberal civil servants who were fully committed to the ideas of economic liberalism. Men of property were uncertain in their attitude towards the artisans, just as they were suspicious of the new age which seemed to be dawning. They welcomed the new freedoms and opportunities and the diminution of the importance of birth and privilege, but they also feared that the changes were too abrupt, that society would be prey to new and more violent tensions, and that freedom also involved uncertainty and risk.⁴²

Thus, the existence of a class of wage-labourers appears on the German scene only decades *after* Hegel's death. It is in this context that Hegel's discussion of the division of labour must be understood. Once this is recognised, we are able to see that the wage labourer was central to Hegel's discussion of the division of labour only because that discussion reflected, via the English political economists, a specifically capitalist division of labour. Since capitalism did not yet exist in Germany, the working class suddenly disappears from Hegel's tripartite system of agricultural, business and universal classes. In light of a proper historical contextualization – one that problematises the existence of capitalism in Germany and situates its textual analysis within its historical context – we can now see that the disappearance of the working class in Hegel is not so mysterious after all.

⁴¹ Kitchen, p. 21.

⁴² *Ibid.*, p. 20.

An Alternative Path to Modernity?

But the question that remains is this: *how is this significant for our understanding of Hegel?* The originality of Hegel lies in his particular contribution to the problem of the relationship between the autonomous individual and the self-governing republic. This problem manifests itself in a specific manner in the political theory of pre-capitalist societies due to the nature of politically constituted property. Given the politicised nature of surplus-extraction, access to the state – as an instrument of extra-economic surplus extraction – becomes the privilege of élites and the opening up of the public sphere to the 'talents' becomes a contentious affair. Citizenship, in pre-capitalist societies becomes restricted to particular classes, for opening it up to the 'talents' serves to jeopardise the powers of surplus extraction of the ruling class. Thus, in pre-capitalist societies, the private interests of the political classes are often conflated with the public interests of the political community in order for them to maintain power. For Rousseau, this problem took the form of the General Will and the bifurcation of the individual into both the universal citizen and the particularistic private individual as a means of transforming the state into a truly public institution. The difficulty Rousseau faced in his elaboration of the General Will was that its social basis required a relatively small-scale, homogeneous society. Rousseau's edict that under the General Will no man would be rich enough to buy the labour of another, and likewise, no man would be so poor as to be compelled to sell his labour, dictated, in conjunction with the equal distribution of individual private property, a relatively undeveloped division of labour. The issue of individual freedom, however, remained somewhat ambiguous: citizens who deviated from the General Will needed to be "forced to be free."⁴³ Hegel, therefore, seems to be attempting to move beyond Rousseau. The expansion of the division of labour was seen, by Hegel, as a form of individual freedom. The complex interdependence of civil society liberated the individual from traditional forms of unfreedom.

However, individual freedom can only be taken so far. The attempt to reconcile this dual identity through the creation of a

⁴³ For an illuminating discussion on Rousseau's concept of the General Will, see Ellen M. Wood, "The State and Popular Sovereignty in French Political Thought: A Genealogy of Rousseau's 'General Will,'" in Frederick Krantz (ed.), *History From Below: Studies in Popular Protest and Popular Ideology in Honour of George Rudé* (Montreal: Concordia University, 1995).

universal state was for Marx nothing but a sham, for the state – being an instrument of surplus extraction itself – simply manifested itself as yet another particular interest among many, albeit cloaked in the mantle of universality. For English theorists, this problem was posed in a different way – the General Will was supplanted by the Wealth of Nations, and the organic relationship between the individual and the institutions of the self-governing pre-capitalist republic gave way to the freedom of the individual's self-propriety, through the legalisation of individual property rights and parliamentary representation, from the very institutions of government itself. What concerned English political thinkers, such as John Locke and the bourgeois political economists, was not so much the precarious balance between private interests and the common good, but the very conflation of the two. The free pursuit of private interests – with varying degrees of qualification – formed the basis of the good of the commonwealth.

But whereas the Bourgeois political economists developed political economy in order to scientifically 'prove' that the public good was not much more than the sum total of unfettered (or nearly unfettered) private interests, Hegel was looking at a different problematic – the development of subjective freedom – and political economy was to play a significant role in his resolution of this problematic. Although the way in which political economy fits into Hegel's larger intellectual project is worthy of a paper in itself, some initial points can be touched upon here. Hegel's overall problematic is the development of a subjective freedom, the process of which is developed through progressive stages of history. The division of history into different epochs – the Oriental, Greek, Roman and German worlds – is predicated on the degree of the development of this subjective freedom defined by the qualitative relationship between the individual and the state. Pre-modern social formations are characterised by the existence of *substantive* freedom. This form of freedom – as distinct from subjective freedom – is defined by Hegel as "the abstract undeveloped Reason implicit in volition, proceeding to develop itself in the State."⁴⁴ It is only with the onset of the Germanic world that true subjective freedom, i.e., the liberation of individual consciousness from the restraints of tradition, dependence, servitude, etc., is attained. The development of subjective freedom, "which constitutes the reflection of the Individual in his own conscience,"⁴⁵ requires the emergence of a collective agent that is defined by its reflective character. And, as we already have seen in

our discussion of the *Philosophy of Right*, the reflective class for Hegel is the business class – the *Burgher*. It is the very act of engaging in the complex relations of the system of needs – that is, market relations – that represents the reflective character of this class. Political economy therefore becomes integral to Hegel's conception of the development of subjective consciousness – the necessary step towards the 'end of history' as it manifests itself in the universal state.

Once we move away from the view that conflates Hegel's use of political economy with that of the Bourgeois political economists, we can see that Hegel was looking at a problematic that was different than that of the political economists. Indeed, as Avineri has pointed out, Hegel is concerned with the integration and mediation of needs and interests in society by means of a universalistic state. But if the underlying commonality of the bourgeois political economists was that private and public interests need no reconciliation – the self-regulation of the market is all that is needed – by the capitalist state, this seems to sit in contrast to the ideas of Hegel. And if we consider the capitalist state of England to be a modern state, then perhaps the Prussian state of Hegel's work was neither capitalist nor very modern, or perhaps it is something qualitatively different; perhaps it represents an alternative path to modernity.

⁴⁴ G.W.F. Hegel, *The Philosophy of History* (New York: Dover, 1956) p. 104.

⁴⁵ *Ibid.*