

The Beast and the Universal: Hegel's Critique of Political Economy

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Abstract: Hegel investigated the limits of the social order envisaged by political economy, while admiring the universality of modernity. I ask how a series of tropes involved in this critique can illuminate its own limits, the nature and consequences of Hegel's engagement with political economy. The attempts to domesticate and re-integrate the economic, mostly associated with irrationality of the unconscious, turn out to be a failure, while the very logic of domestication has to follow the logic of the economic. The mutual recognition turns into a mutual mimicry, whose success presents a major threat to the speculative enterprise.

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Philosophy is textual. In fact, it may be defined as an art of writing certain kinds of texts. It is thus fully legitimate – and often helpful – to look at the imagery a philosophical text makes recourse to, at the tropes and associations accompanying its operation. Hegel is, despite his reputation to the contrary, a profoundly metaphoric writer, and his philosophy can respond to our concerns in a different way, once we admit the relevance of its *écriture*.

Political economy is a term that, like many others (such as *ontology*), has a double reference designating both the observer and the observed, the system of ideas and its subject. Political economy thus stands both for the new social science created by the intellectual exuberance bestowed equally upon enlightened France and – certainly no less enlightened – Scotland, and for the economic realm in its autonomy, disembedded, in Polanyi's parlance, and challenging political philosophers of the time.

Hegel's attitude to political economy, I would argue, is critical in the most elementary sense provided by the German Enlightenment: his critique is the science of limits, and the way he integrates political economy into his thinking is defined by the necessity to accommodate it *and* to circumscribe its power, to endorse and to confine.

Among the many metaphors characterising the economic in various discourses Hegel prefers to adopt only two. Interestingly, both come about in the same short fragment of his first Jena *Philosophy of spirit* (1803/4)¹. This remarkable text deals with the dynamics of recognition defining the anatomy of the social and what Hegel calls '*absolute consciousness*' or '*the spirit of a people*'² – that is, the actualization of

1 This is the fragment 22 in the Düsing/Kimmerle edition (Hegel 1986, pp. 217-232); I quote it in the English translation of Harris and Knox (Hegel 1979, pp. 236-250).

2 Hegel 1979, p. 241f.

what was before sketched in a more abstract way. It is here that Hegel appeals to the economic as an invisible hand and as a wild unconscious monster threatening to go out of control. Both metaphors refer to the individualistic modernity (to be labeled 'civil society' in the later *Philosophy of Right*), in which individuality is elevated to the status of the universal. The market can be a medium of this elevation simply because in modernity individuals do not work for their own need anymore.

Between the range of needs of the single [agent], and his activity on their account, there enters the labor of the whole people, and the labor of any one is in respect of *its contents, a universal labor for the needs of all, so as to be appropriate for the satisfaction of all of his needs* [...] the satisfaction of needs is a universal dependence of everyone upon one another; for everyone all security and certainty that his labor as a single [agent] is directly adequate to his *needs* disappears; as a singular complex of needs he becomes universal.³

The totality of social cohesion – the invisible hand – universalizes one's private need *ad majorem populi gloriam*. This universality, as we know from Adam Smith, comes about only by radical individualization.⁴ The magic of private vices becoming public benefits is by far the smartest social ontology to be offered by political economy, 'the most important intellectual contribution that economic thought has made to the general understanding of social processes.'⁵

Note the lack of enthusiasm in the Jena fragment and the key concern for security and certainty, for the exact and immediate correspondence of needs and labor that is now dissolved by the market and can make people lose their jobs and sink into misery.

Hegel always held that the universality provided by the invisible hand remains an *unconscious* one. In civil society,

[i]ndividuals [...] are *private persons* who have their own interest as their end. Since this end is mediated through the universal, which thus *appears* to the individuals as a *means*, they can attain their end only in so far as they themselves determine their knowledge, volition, and action in a universal way and make themselves *links* in the chain of this *continuum*.⁶

Hegel's critique is thus fueled by another trope:

Need and labor, elevated into this universality, then form on their own account a monstrous system of community and mutual

3 Hegel 1979, p. 247.

4 On Smith, Hegel, and the market see the most detailed analysis to date in: Herzog 2013.

5 Arrow and Hahn 1971, p. 1.

6 *Philosophy of Right*, Par. 187 (Hegel 1991, p. 224).

interdependence in a great people; life of the dead body, that moves itself within itself, one which ebbs and flows in its motion blindly, like the elements, and which requires continual strict dominance and taming like a wild beast.⁷

It is this undead bestiality of the economic that defines Hegel's attitude to capitalism and, in fact, informs his economic thinking – be it a general perspective locating civil society in the system of the objective spirit, or specific policy concerns Hegel had throughout, from the *System of Ethical Life* to the later Berlin lectures on the philosophy of right that just added the details of how to tame the beast. In 1802, he claims that in the system of political economy

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.⁸

In the 1820s, Hegel reminds us of the particular interest which is active in civil society and

invokes the freedom of trade and commerce against regulation from above; but the more blindly it immerses itself in its selfish ends, the more it requires such regulation to bring it back to the universal, and to moderate and shorten the duration of those dangerous convulsions to which its collisions give rise, and which should return to equilibrium by a process of unconscious necessity.⁹

Not a whisper of economic rationality is noticeable in this account. Hegel's critique of political economy is, rather, the way to restrain the unconscious, and this fantasmatic incorporation is institutionalized as the massive biopolitical machinery of 'ethical life.'

The invisible hand and the monster of unintended consequences. How do these metaphors communicate with each other in giving the form to Hegel's critique? Jena fragment gives us a clue. In dealing with the nature of recognition Hegel demonstrates the workings of the social in its elemental way. He addresses a primary contradiction. Once each thing – independently of the society or economy it is part of – becomes a possession (a basic economic fact for Hegel), it immediately starts to bifurcate between the particular and the universal. It is mine, but it is also

7 Hegel 1979, p. 249.

8 Hegel 1979, p. 167f.

9 *Philosophy of Right*, Par. 236 (Hegel 1991, p. 262).

the part of the world. The conflict needs resolution, and the dialectical resolution is, as we know, constituted by the menace of death. To be truly mine, my possession has to be exposed to the will of others, I have to struggle for recognition, and only this struggle to death constitutes the social.

Needless to say this post-Hobbesian view adds a decisive new dimension to the ontology of classical political economy by making a tension, a collision not just the starting point or the outcome, but the element, the primeval force of the market society. To state this clearly and to take seriously the consequences of this view is, curiously, still a challenge – despite all the struggles around Marx and Marxism – and penetrates ‘mainstream’ economic science only in a piecemeal way.¹⁰

Another corollary I will not be able to develop here, but something important enough to keep in mind, is the immediate link between the universal, the social and the political in Hegel. He translates, without much reservation, the successes or failures of speculative mediation into the adventures of real or imaginary political bodies. This is what makes Hegel’s prose so impenetrable and captivating at once – the coincidence of two languages, reproducing exactly the same ambiguity of the ‘political economy’ I referred to above, the colonization of the real undertaken by the speculative.

Hence, from a certain point of view it would be enough to concentrate on the beast’s intriguing relation to the universal,¹¹ with the political economy contaminating the speculative argument and thus, in some way, striking back. (In the same sense, history of Hegelian ideas is infected with politics all along, and this allows me to abbreviate my account, as it were, because making one claim implies making a myriad of others.) Now, what is remarkable in Hegel’s account is the irrevocable and overarching presence of the economic in modernity. This is also a background of everything he envisages in his social philosophy. Commenting upon the Christian command that condemns the externality of riches Hegel simply states that

[t]he fate of property has become too powerful for us to tolerate reflections on it, to find its abolition thinkable.¹²

This general acceptance of the new disembedded order, armed with modern individualism and genuinely economic self-interest, has an instructive parallel in the Jena account of recognition. For the possession should become indistinguishable from the totality of the individual. In

10 See, for example: Bowles, Gintis, 1988, 1990.

11 It should be clear for now that Hegel uses bestiality to name a particularizing isolation.

12 Hegel 1948, p. 221.

order to be recognized, the identity of the individuals must be reduced to their possession, like Kleist’s Michael Kohlhaas with the two horses of his. Otherwise, the offence would not be absolute, the conflict would lose its existential force, everything would become tradable and negotiable, any threat could be bought off, take my purse but spare me life.

Hegel’s agents are thus very peculiar species. To go beyond the economic, to embrace the spirit as an intersubjective substance, as an extension of their private wills, they have to identify themselves with their own externality, the possession. A real extension of their existence is possible only at the risk of losing this existence. But then such an individual has to become – for a moment, perhaps – a real *homo oeconomicus*, someone whose deepest commitments are fully externalized, whose innermost self is economic!

Here, the death is not just indefinitely postponed and suspended in the dynamics of recognition, it also comes back as a ghostly shadow of economic externality – in the monstrosity of market, in the lifeless positivity of economic formalism, and in the deadly coldness of a machine and machine-like workers now embedded into the capitalist division of labor.¹³ The resulting view, Hegel’s social ontology and *tropology* – never seriously revised since Jena years – internalizes both these macabre associations *and* the labor of this externality. For it is the economic in the most general sense that bypasses the immediacy of relations (which the speculative reason condemns) by monetizing them, by making them complex and intricate; and provides a ‘residue’ restraining the all-embracing speculative consumption that would otherwise destroy all finitude and be ‘the end of being and of its speculative-dialectical self-relation, the end of social synthesis, of history, of ontology.’¹⁴

This is how political economy becomes not just a historical datum, but an intimate part of Hegel’s argument. The reason behind this dangerous entanglement lies, first, in the very world Hegel purports to rationalize. An invisible hand – later to be rediscovered as the ‘cunning of reason’ – is not strictly separable from the monstrous and unpredictable motion of this system of interdependence, producing prosperity and poverty, growth and rabble, new mediations and new injustice. The most fatal threats come from the social bond itself – promised by the institutional structures of modernity. The taming proposed by Hegel operates against itself and is thus a forlorn attempt – it fights the consequences of market society while leaving its structural elements untouched.¹⁵

13 On the last point see, esp., Hegel 1979, p. 247.

14 Hamacher 1998, p. 181.

15 This is lucidly demonstrated by Frank Ruda’s (2011) discussion of Hegel’s policy proposals in an attempt to limit poverty and to prevent the formation of rabble.

The second reason for this eminence of political economy is that the movement of the speculative, the economy of dialectics¹⁶ requires externalization and always suspends 'the first,' making it dependent upon 'the second' both in its identity and in its very existence. In a certain sense, no speculative movement of the objective spirit is ever possible without this formal economic externality. Only by making itself formal and empty, by renouncing one's identity can the consciousness become 'the eternal movement of the one coming to itself in another, and coming to be other within itself' and thus '*the spirit of a people*, for which consciousness qua singular is itself only [the] form that of itself immediately becomes another, the side of spirit's motion, the absolute *ethical life*.'¹⁷ And this is the deeper reason behind Hegel's cautious attitude towards political economy. Its merely *formal* universality – to be achieved by *Bildung*¹⁸ – should help integrate it into the social totality, with individual interests to be eventually reconciled with the interests of the state by force of internalization. But no guarantee is given that this will ever happen, and Hegel's plea for mastering the blind forces turns out to be itself a helpless formalism, a inexecutable, albeit self-imposed, order, accepted and handled as an intrinsic part of the system, be it the system of objective spirit or its self-consciousness – the system of philosophy.

Hegel should have been aware that the universality of political economy is a *false*, a deficient one, for it is based on the mechanics of self-interest and on the formal procedures of understanding. Moreover, he was a good reader of Paul, for whom

[t]here is [...] an essential link between the "for all" of the universal and the "without cause." There is an address for all only according to that which is without cause. Only what is absolutely gratuitous can be addressed to all. Only charisma and grace measure up to a universal problem.¹⁹

Only the pure gift – associated, in Hegel's early speculative Pauline economy, with love – could achieve a universality which would satiate the speculative hunger.

The main problem of Hegel's critique, I suggest, is that the false universality can refuse to go and can become a successful *ersatz* of dialectical mediation, with bad infinity turning indistinguishable from the

16 Here I should, of course, refer to the well-known analysis of Hegelian 'restricted economy' in Derrida's *Writing and Difference*.

17 Hegel 1979, p. 241f.

18 *Philosophy of Right*, Par. 187.

19 Badiou 2003, p. 77.

genuine one. Just like Hegel's overall political theory cannot isolate itself from the institutions of modern self-seeking and has, instead, to accept the ineluctability of the new economic order and to get entangled into the formality of the civil society, 'the world of appearance of the ethical'²⁰; and like an individual consciousness that, in the Jena system, has to identify herself with her possession for this possession to be eventually transformed into a recognized property – so the speculative itself is by its own structure predisposed to taking this risk of involvement with the economic. Hegel's critique becomes a precarious procedure, his task, deeply entangled with his own historical situation, with the attempts to heal the wounds and overcome the ruptures of modernity, turns into a self-defeating, almost suicidal enterprise. It is the logic of this 'almost' that remains my question, our question – its promise never to be fulfilled, but never to be abandoned, either.

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20 *Philosophy of Right*, Par. 181 (Hegel 1991, p. 219).