

Class-Struggle in the Rational State: Proto-Marxist Ideas in Hegel's theory of Poverty

This article aims to recover from Hegel's writings a theory of class (or of the class struggle) that anticipates the one in Marx. I focus specifically on Hegel's *Philosophy of Right*, and his well-known discussion of the rabble (der Pöble). This discussion has been an inspiration to "left-Hegelians." However, the specific argument I discuss here (concerning class struggle) is unknown, so far as I can tell.

I begin with some background not intended to be controversial. Who are Hegel's rabble? An important preliminary to note is that not all rabble are poor. Yet although we will discuss Hegel's account of the rich rabble in a later section they are not central to the project of this paper.¹ The focus of this paper is on those of the rabble who are poor, i.e. materially deprived. Even for these poor rabble, however, material deprivation is not Hegel's main focus. The plight of the rabble is mostly due to lacking a position in society. Their problems are therefore as much psychological and socio-cultural as material.

As Hegel writes, they have lost " 'sense of right, integrity [Rechtlichkeit] and honour which comes from supporting oneself by one's own activity and work' (§244)." They are said to suffer from a sense of indignation against society: 'inward rebellion against the rich, against society, the government, etc.' (§244A). Some social commentators believe poverty is ennobling, or even that the poor as a class have a monopoly on virtue. Yet Hegel does not seem to share this view, at least not when he describes the poor as suffering from "frivolousness" and "laziness" (Ibid.) Even so, Hegel believes their claim for relief is legitimate. This in spite of the fact that, as many commentators have noted, Hegel does not seem to fully endorse any of the obvious solutions (transfer payments, public works, colonies, corporations). Hegel acknowledges that some of the rabble may be responsible for their fate, due to extravagance and poor-planning. Yet, is also well aware of the problem of structural unemployment: unemployment due not to the individual's poor choices but to the normal operations of the market itself. It is this latter structural form of poverty that will concern us here.

Among Hegel scholars, the topic of the rabble has attracted considerable attention (Avineri 1972: 147-54, Wood 1991: 247-254, Hardimon 1994: Ch. 7 § III, pp. 236-251, Novakovic 2017: 235, 240, Moyer 2021: 248 ff.) As is well known, this class of people poses a problem for Hegel's project of reconciliation. It is also increasingly recognized that extreme wealth was of concern to Hegel (Ruda 2011, Heisenberg 2021). Hence it will not come as news to anybody that Hegel recognized the presence of (severe) inequality in the modern market economy.

Yet identifying who, exactly, Hegel's wealthy and his poor are meant to be is more difficult than might initially be apparent. The main stumbling block: these two classes are not part of Hegel's official theory. I mean the theory of society's three estates (agricultural, mercantile, and universal).² As Wood notes, Hegel calls the poor a

¹ An anonymous reviewer points out that Hegel's idea of a rich rabble is among his most important insights. Elites of today resemble the rich rabble, a group of wealthy people who essentially live off of others' labor and contribute very little in turn.

² On a received view, Hegel's theory of the estates is hopelessly out of date. This view is challenged by Yeomans (2017).

class, not an estate (251).³ We will discuss the distinction between class and estate later. Yet it is sufficient for now to say that the poor's lack of belonging to one of society's three great estates is part of their plight.⁴ This means they lose out on benefits of belonging to an estate: for example, the dignity of belonging to a profession.

Some attention has been devoted to identifying who, exactly, Hegel's poor are meant to be. In these discussions, Hegel is sometimes said to anticipate Marx's idea of the industrial proletariat: precariously employed factory workers (see esp. Knowles 2005: 269, 288-9).

While I have no deep objection to this approach I do think it is incomplete. For it is seldom asked who, exactly, his wealthy might be (owners in Marx's sense? *Skilled* workers? Managers or members of the "PMC" (professional managerial class)? Somebody else). This is an important question. Its answer determines the basic profile of Hegel's theory of society's structure, the groups that make it up and their interrelations.

One obvious proposal has symmetry on its side: just as we tend to identify Hegel's poor with Marx' proletariat, why not simply identify Hegel's wealthy with Marx's capitalist class? Though tempting to those of us (left) Hegelians sympathetic to Marx, this approach is in my view mistaken. This distinguishes me from Wartenberg (1982), the only other commentator of whom I am aware to attempt to interpret Hegel's theory of class in an orthodox Marxist way.⁵⁶ Though I am sympathetic to Wartenberg's

³ Cf Rawls (2000: 348)

⁴ Neuhausser makes the related, but distinct, point that that the poor, as day laborers, are unlikely to belong to a corporation (2000: 172). This is another instance of a point I take from Knowles (2005), and which will be important to my analysis here: namely, that there is not necessarily any contradiction in the idea that members of the rabble do occasionally work. When employed, they are precariously employed - - and therefore very often unemployed. Scarcely anybody will be unemployed their entire life, and for even the poorest people there are periods of employment and periods of idleness. As Knowles writes: "The poor, on this account, are those who are socially excluded in virtue of their absolutely or comparatively miserable social condition. Hence it is not only the unemployed who suffer from poverty. The factory system, we have noticed, turns workers into machine hands (§198) and work into drudgery (§243)." (2005: 288)

Here, there is an analogy to be drawn with Marx's idea of the proletariat, who are also by turns employed and unemployed. Much in the way that Marx treats as members of the same population those in the industrial proletariat and those in the industrial reserve army of the unemployed, so too, I will suggest, Hegel also recognizes both precariously employed and unemployed poor people. In fairness, if one is being specific, then the precariously employed factory workers are not so much rabble themselves as those who will soon fill the ranks of the rabble.

⁵ Given the extraordinary amount written about Hegel's *Philosophy of Right* in English in recent decades, it is surprising there is not more work which considers his relationship to Marx and the tradition of thought he inspired. Hegel's *Philosophy of Right* has been read in a dizzying variety of ways, even some that are less obviously connected with politics: Brandomian "inferentialism," as in Moyer (2021) post-Wittgensteinian philosophy of action, as in Quante (2005) and Pippin (2008), and so on.

By contrast, Marxism would seem to be among the few philosophical schools of thought that Hegel's philosophy of right is not read in terms of. Marxists themselves have been skeptical of Hegel's project in the *Philosophy of Right*. It was the Bible of the right Hegelian school, not the left-Hegelians. Even Honneth (2018), who seeks a re-actualization of Hegel for the 21st c. does not connect his thought to orthodox Marxism, but rather to the tradition of "moral economism" (Durkheim, Polanyi etc.). As Ruda (2011: 68) notes, Honneth does not discuss the rabble.

⁶ The project of Ruda (2011) has broad affinities with mine and Wartenberg's but poses special challenges perhaps because it incorporates another tradition: psychoanalysis, especially the Lacanian variety.

account, I question his decision to simply identify Hegel and Marx's accounts. *While Hegel's poor are, indeed, Marx's industrial proletariat, his wealthy are not Marx's capitalist class.*

My argument will be that Hegel's wealthy are, in fact, a distinctive type of worker: members of the mercantile estate. Indeed, it will turn out to be important that they are intellectual workers. In Hegel's terms, they are members of the "reflecting" estate who use "understanding" or "abstraction." Unpacking what this means is an important part of the project.

Crucial to the proto-Marxist reading I defend is the idea that extreme wealth and extreme poverty are not just co-present or correlated but interdependent.⁷ It is not just that A is extremely wealthy and B extremely poor, but that A's extreme wealth derives from B's extreme poverty (and vice versa). *There is not just class structure or class difference, but class struggle (warfare, conflict etc.)*

Here we reach another fork in the road. In keeping with his Marxist interpretation, Wartenberg extends to Hegel Marx's idea of how the wealthy interact with the poor: exploitation. By contrast, I will argue for a distinct, non-Marxist account of how one's wealth derives from the other's poverty: an account centered on the division of labor. Hence in addition to offering a different account of who Hegel's wealthy are, I offer a different account of what they do to the poor in order to become wealthy.

One benefit of this reading is that it allows us to avoid Wartenberg's arguably uncharitable final assessment of Hegel's theory of class. I mean his conclusion that Hegel's official theory of estates is undermined by the presence of this second, proto-Marxist theory. On the contrary, I argue that the two theories are consistent, once the latter is understood in the way I advocate. Essentially, the official Hegelian estates tend to devolve into the proto-Marxist classes of wealthy and poor, as I understand them.⁸ Hegel, I think, recognized the tendency of factory work to "colonize" all other spheres of economic activity, e.g. agriculture.

1. Poverty: natural and artificial

It is often noted that Hegel did not think of poverty as something for which nobody is to blame (Wood 1991: 253). My project could be described as that of specifying more clearly than is often done who, in particular, is to blame. My non-standard answer that the wealthy impoverish the poor, and that poverty is inflicted on one class by another as part of the class struggle.

Unfortunately, there is a stumbling block to this project. The account I defend goes well beyond anything Hegel says in the well-known passages in which he cautions against treating poverty as something "natural."⁹

⁷ Cf. Avineri (1972: 150) who calls the interdependence of extreme poverty and extreme wealth "dialectical." Yet whereas I argue that this gulf is the result of the division of labor, Avineri does not go on to identify the reason for the interdependence of (extreme) wealth and poverty.

⁸ An anonymous reviewer points out that Richard Dean Winfield also reads Marx in a Hegelian way.

⁹ Marx, in his *Contribution to a Critique of Hegel's Philosophy of Right*, puts the point more succinctly: "what constitutes the proletariat is not naturally existing poverty, but poverty artificially produced" (1978: 67).

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 [*eines Unrechts, was dieser oder jener Klasse angetan wird*]. The important question of how poverty can be remedied is one which agitates and torments modern societies especially. (PR § 244 Z)¹⁰

Hegel's point of departure in this passage is the thought that modern poverty is not caused by "nature." If that were so, then we would not have a right not to be poor. Presumably, Hegel thinks that one can only have a right against other people, and not ever against anything in the natural world.

Incidentally there seem to be a range of ways nature could be the cause of poverty, and therefore a range of ways Hegel wants to set aside as irrelevant for his purposes. For example, on what we might call the "Malthusian" view, there could be a "ceiling" on nature's resources, and therefore a scarcity of resources. This would mean that there is only so much to go around. Alternatively, it could be that human nature some of us to be poor, because some have natural endowments that make them better positioned to become wealthy. However, I do not think it is especially important to envision what, exactly, Hegel means by natural poverty. It only figures here for the purposes of drawing a contrast with the artificial variety of poverty.

Hegel's argument is this if poverty were caused by nature, in any of the above ways, there would be no right against poverty. Yet it is not caused by nature in these ways. Who, then, causes it? The answer seems clear: society. However, this is somewhat vague. It does not tell us who (or what) in society is responsible. Hence we need to render Hegel's answer a more precise.

Here we encounter a stumbling block to my thesis that the rich exploit the poor in Hegel's rational state. Why not simply say that Hegel implicates the social structure in general? And that he therefore does not single out any person or group in particular? This would be out of step with the interpretation I have advocated, but it would be a perfectly fine view. After all, the most obvious cause of the plight of the rabble is the modern market economy itself. If economic life were organized some other way, they would not be unemployed (though they might have other problems such as those faced by serfs or slaves). It would appear, then, that it is nobody in particular, but rather "the system" which is to blame. What is more this is consistent with Hegel's insistence that poverty not be blamed on nature, against which I can have no right.

Just to give it a name, though, let us call the first option, "structural oppression." We can define this as the view that the structure — and only the structure — is to blame.¹¹ The reason for the qualification is that alternative views, like the one I favor, may leave room for *some* dimension of structural oppression. A class or individual or group could be to blame. Yet the structure could also be an enabling condition. All that I need to deny is that the structure is solely to blame: anonymous "structural oppression."

Though Hegel never directly says this, some of his language does suggest he does not blame an anonymous "system" but, rather, a person or group: more

¹⁰ PR = Hegel, G.W.F. *Philosophy of Right*. ed. Wood, A, trans. Nisbet, H.B. Cambridge: Cambridge University Press.

¹¹ A recent account of "structural domination" is Hasan (2021).

specifically, something with an “arbitrary will.” Consider the following passage from the lectures:

...The poor man experiences himself as relating to an arbitrary will, to human contingency; and this in the final analysis is the source of his indignation: that he is placed in this state of division through an arbitrary will. (1983: 194-5)

Unfortunately, even this passage is vague. Whose “arbitrary will” exactly? If before it seemed as if Hegel were blaming the system and absolving individuals of responsibility then this passage runs the opposite risk: blaming social problems on a single individual who could not possibly be single-handedly responsible (a mustache-twirling villain). Ultimately, I will argue that it is not an individual, but a class who is to blame. However, we are not in a position to draw this conclusion just yet.

2. Hegel’s Wealthy

The point of departure for my analysis of Hegel’s account of the class struggle is his claim that the poverty of the rabble allows for “the concentration of wealth in few hands.”

When a large mass of people sinks below the level of a certain standard of living – which automatically regulates itself at the level necessary for a member of the society in question – that feeling of right, integrity [Rechtlichkeit], and honour which comes from supporting oneself by one’s own activity and work is lost. ***This leads to the creation of a rabble, which in turn allows for the accumulation of wealth in a few hands.*** (PR § 244, italics added)

This suggests a picture on which extreme wealth and poverty are not simply co-present, or correlated, but, rather, causally connected. The fortunes of a small number of extremely wealthy people derive from the poverty of the rabble. Hegel repeats this claim a number of other times, though he occasionally suggests different root causes:

The tendency of the social condition towards an indeterminate multiplication and specification of needs, means, and pleasures – i.e. luxury – a tendency which, like the distinction between natural and educated needs, has no limits [Grenzen], involves an equally infinite increase in dependence and want. (PR § 195)

Where, on the one hand, luxury is at its height, want and depravity are equally great on the other, and Cynicism is then evoked by the opposite extreme of refinement (195 Z)

Here, an important qualification is in order. Evidently, it is not always true that great wealth accompanies great poverty. For Hegel says that concentration is “made easier”

by rabblement, not that the former requires the latter. Still, the idea that it is “made easier” suggests that rabblement is the most *likely* cause of concentrated wealth, even if it is not the only possible one.

However, Hegel’s account is incomplete. He has not yet explained to us the *mechanism* by which the wealthy profit off of the rabble. Why, exactly, should the impoverishment of some mean the enrichment of others? Why is one’s loss the other’s gain? How does one’s poverty become another’s wealth? However, he is here insisting the two developments are related. Indeed, his language suggests they are little more than two sides of a single process (“einerseits” “andererseits”).¹²

Just to give it a name, I want to refer to the process by which one’s loss is another’s gain as “exploitation.” However, I here want to make clear that I am using this term in a fairly thin, non-normative sense. We do not yet know that “exploitation” in this sense is wrong. We do not even know that it is deliberate. We do not even know how it occurs. “Exploitation” here resembles the rather neutral sense of the term Marx occasionally calls upon.¹³ I mean when he wants to compare the extraction of surplus value from workers to the extraction of value from any other source, e.g. nature.

At least one other commentator, Michael Hardimon, notes the presence of this proto-Marxist idea in Hegel: “Hegel does think that the formation of the rabble facilitates the creation of wealth” (245). However, Hardimon goes on to minimize the significance of this idea in a way I believe is possibly misleading: “he [Hegel] is not committed to the thesis that the creation of wealth absolutely requires the existence of a rabble” (Ibid.)

Hardimon’s larger motivation in this section is to defend Hegel’s project of reconciliation from the accusation that it is significantly undermined by poverty. Hardimon’s specific point concerning “exploitation” (as I have called it) is the following. While the wealth of some may sometimes derive from great poverty, nothing in Hegel’s account implies this is necessarily the case. Some social wealth, even the majority of it, might derive from other sources. Even if exploitation is all too often the source in the non-ideal social orders we inhabit, this does not mean it would have to be. Hence exploitation of this sort is not an inevitable concomitant of the rational state.

Yet even if this is true, it is (in my view) irrelevant to Hegel’s point in the passage. Hegel is not here making a claim about the sources of social wealth in general, but of the sources of its “concentration in a few hands.” To be sure, wealth in general, i.e. economic value, may derive from many sources. Yet to speak of economic value is to speak vaguely. In speaking of wealth “concentrated in very few hands,” Hegel fills in the details. He clarifies that he is specifically concerned with a large of money shared among very few people. It is *this* “concentrated wealth” Hegel is claiming derives from “exploitation,” not wealth or value as such.

As we said above, there is a qualification. Technically, concentration could have other causes. However, the most likely one is rabblement.

¹² This ought to remind one of the logical structures so important to Hegel’s metaphysics: “internal relations” or “unities of opposites” (negative and positive charge, plus and minus, east and west) and so on.

¹³ So, for example, “women and children” can be exploited (1978: 402), but so too can a mere “process” (1978: 409).

It therefore seems to me that Hegel is describing a hybrid system: one in which wealth, in general, has many sources, but concentrated wealth derives from exploitation.¹⁴ I want to elaborate on this contrast in the next section.

3. Inequality versus Exploitation

To be sure, not all affluent people are exploiters whose wealth comes from the impoverishment of others. Hegel has an account of where the non-exploiters' wealth comes from if not from the poor. He tells us that each individual's share in the social resources reflects a complex of factors.

The possibility, of sharing in the universal resources – i.e. of holding particular resources – is, however, conditional upon one's own immediate basic assets (Le capital) on the one hand, and upon one's skill on the other; the latter in turn is itself conditioned by the former, but also by contingent circumstances whose variety gives rise to differences in the development of natural physical and mental [geistigen] aptitudes which are already unequal in themselves [für sich]. In this sphere of particularity, these differences manifest themselves in every direction and at every level, and, in conjunction with other contingent and arbitrary circumstances, necessarily result in inequalities in the resources and skills of individuals. (PR § 200)

Chief among these factors that influence life outcomes are the skills and assets with which one starts. Yet Hegel also mentions the random ("contingent") changes in circumstance. He means those contingencies that affect skills and assets: specifically, the further development of one's skills and whether one's assets grow or shrink. In another context, Hegel identifies health and illness as an influencing factor (PR § 237).

Significantly, Hegel seems to have no serious objection to inequalities that result from unequal starting points and unequal talents. He claims that the demand for strict equality "is characteristic of the empty understanding, which mistakes this abstraction and obligation of its own for the real and the rational."

If Hegel thinks some inequality is benign, then how can he bemoan the condition of the rabble? One suggestion is that, once a rabble appears, we are dealing with *extremes* of wealth and poverty and not simply a wealth gap in general. Another difference concerns, not simply the gap between the rich and poor but rather the relationship between these classes. Crucially, the rabble are exploited by the wealthy, in some sense of that term. However, there is no evidence Hegel thinks this is in general true of rich and poor. It is one thing to outperform the poor, and another to grow rich off of their poverty. Both types of relationship are likely present in Hegel's rational state, but only the latter would be relevant to the rabble.

¹⁴ At this point, Hardimon could insist, once more, that it is in no way necessary that wealth become concentrated. Yet it would be very out of character for Hegel to appeal to what is merely possible, as opposed to what is "present and actual."

A further distinction can be found in the rhetoric of “every level” and “in every direction.” This suggests that benign inequality is graded, giving rise to *many* tiers of the social hierarchy. Interestingly, Hegel does not say *both* levels or *both* directions. This latter dichotomous description would be more accurately applied to concentrated wealth, since it commonly has as its precondition the formation of a rabble.

The reason that wealth is found “in every direction” is dispersed (less concentrated) would be that the factors Hegel cites as responsible for ordinary wealth are dispersed (less concentrated) as well: for example, good health as well as the sheer randomness involved (“contingency” or “contingent and arbitrary circumstances”).

It will be useful to rehearse Hegel’s reason for thinking certain kinds of inequality are legitimate, so that we can extrapolate from it his reason for thinking others, involving the rabble, are not. One consideration Hegel seems to raise in favor of certain kinds of inequality is that these allow us to replace natural inequalities with “spiritual” ones. More accurately, he describes “rais[ing]” natural inequality to a spiritual level (perhaps in something like the way natural sexual desire is elevated to a spiritual level by marriage) (PR § 163). He writes:

The spirit’s objective right of particularity, which is contained within the Idea, does not cancel out [nicht aufhebt] the inequality of human beings in civil society – an inequality posited by nature, which is the element of inequality but in fact produces it out of the spirit itself and raises it to an inequality of skills, resources, and even of intellectual and moral education. (PR 200)

Why, though, are the latter “spiritual” inequalities preferable to the former “natural” ones (why, in Hegel’s terms, does the former need to be “raised” to the level of the latter)? One reason to think so is that the “spiritual” inequalities reflect socially-recognized “skills” or talents to at least some extent. The point is not that inequalities in nature might not reflect differences in skill either: for example, strength. It is, rather, that the type of skill differs in each case: “spiritual” and “natural.”

To clarify Hegel’s point, I want to invoke another argument of his. In another context, Hegel describes as superior the socially-created desires for goods dependent on “opinion.” As an example, he gives what he thinks of as an English value: comfort.¹⁵ Such desires are superior to the more straightforwardly animal ones we have as part of our biological nature. This is because, in the face of the socially shaped desires, we are less alienated. We are “spiritual” beings confronting something that is itself, at least in part, “spiritual.” We are not “spiritual” beings confronting nature.

Extrapolating from this, we can predict that Hegel would deem superior inequalities reflecting differences in “spiritual” skills, i.e. those that are in-demand by one’s fellow social members. These are superior to inequalities reflecting differences

¹⁵ “What the English call ‘comfortable’ is something utterly inexhaustible; its ramifications are infinite, for every comfort in turn reveals its less comfortable side, and the resulting inventions are endless. A need is therefore created not so much by those who experience it directly as by those who seek to profit from its emergence.” (191 + Z)

only in natural talents and endowments. The former are “spiritual” and therefore freedom-promoting in a way the latter are not.¹⁶

4. The division of labor

In this section, I identify and explain the mechanism by which the wealthy are enriched by the poverty of the poor. I argue that what simultaneously enriches the wealthy and impoverishes the poor is the division of labor. To some extent, this is unsurprising. After all, the rabble are typically factory workers prone to unemployment. In the following passage, the division of labor is identified as one of the main causes of their unemployment: more specifically, through automation.

Through this division, the work of the individual [des Einzelnen] becomes simpler, so that his skill at his abstract work becomes greater, as does the volume of his output. At the same time, this abstraction of skill and means makes the dependence and reciprocity of human beings in the satisfaction of their other needs complete and entirely necessary. Furthermore, the abstraction of production makes work increasingly mechanical, so that the human being is eventually able to step aside and let a machine take his place.” (PR § 198)

Here, Hegel describes the plight of the rabble as essentially due to the division of labor, which de-skills their work and renders them easily replaced (first by others and ultimately by machines). There are obviously enormous gains to be reaped by the beneficiaries of the division of labor (and those beneficiaries are clearly not the rabble).¹⁷ Who then reaps these rewards? I want to suggest that the beneficiaries of the division of labor are Hegel’s wealthy, and that this can help us gain a clearer picture of who this social group is.

Here it is important to be clear about an interpretive choice I make that not all Hegel scholars would regard as legitimate: treating the rabble and factory

¹⁶ An anonymous reviewer correctly notes that, for Hegel, spiritual and the natural are not mutually exclusive categories (the reviewer refers here to Althusser, and the idea of a reciprocal relationship between social being and social consciousness, base and superstructure etc.). Spirit and nature are, instead, reciprocally interacting in some difficult to specify way. Hence it may be that the opposition I have introduced between the two is overly stark. A way to respect this important point in the present context would be to remind ourselves that even spiritual inequalities, such as those of status and position, involve natural factors. These natural factors would be -- “sublated” (aufgehoben) – raised up, cancelled and preserved. Just what this would mean for the old question of whether inequality is natural or conventional would require further discussion.

¹⁷ A reviewer helpfully points out that not everybody agrees with this dim assessment of the consequences of automation for the average worker. Some argue to the effect that gains in efficiency due to automation will ultimately benefit workers, or even those who are poor and unemployed (consumer products will be cheaper). Ultimately, this is an empirical question, and I think the data is on Hegel’s side. Yet there is another consideration worth emphasizing, which is that even if those who lose their jobs because of automation remain financially solvent they would still lack a position in society.

Again we should here recall Hegel’s refusal to identify poverty with material conditions, and his insistence that lack of standing in society is as destructive as anything else. So Hegel is well positioned to respond to this analysis.

workers as overlapping, or even identical groups.¹⁸ One obstacle to doing so has already been dealt with, namely, the alleged contradiction in conceiving of the rabble, who are unemployed, as working. In my view, there is no contradiction, since precarious employment will be part of the life experience of a regularly unemployed person.

The main obstacle I wish to address here is that Hegel never explicitly says that factory workers are among the precariously employed, or soon-to-be-unemployed, people he calls the rabble. While this is undeniably true, it seems to me that the equivalence in question is logically entailed by two things Hegel does say:

1. That poverty, even rabblement, arises from the division of labor when “limitation” and “simplification” of work increase “dependence.”
2. That mechanization or automation are simply an instance of this trend towards “dependence” and the simplification of work.

We here have a general explanation of the causes of poverty and unemployment, on the one hand, and then what seems to be a specific instance of it in mechanization and factory work, on the other. Hence it would seem to follow that mechanization and factory work are causes of poverty and unemployment. Indeed, 2 is simply a species of the genus in 1, with factory work being a particular instance of the general process of impoverishment through overspecialization.

One could add to this a third claim, an empirical one that Hegel does not make but which is independently plausible in light of the recent experience of many late capitalist countries with de-industrialization: this would be the claim that the consequences of automation generally is unemployment and poverty. Obviously not every economist or philosopher accepts this, and it is sometimes predicted that the consequences of automation for the poor will be beneficial (gains in efficiency, cheaper consumer goods). But, given that my project is to interpret Hegel in a proto-Marxist way and my lack of sympathy with this rosy-hued depiction of automation, I cannot respect this point here.

An initial clue comes in the form of Hegel’s clear statement that the super-rich he has in mind are members of the professional classes: “that luxury and love of extravagance of the professional [*gewerbetreibenden*] classes which is associated with the creation of a rabble” (PR § 253).¹⁹ Here, as he did before, Hegel draws a connection between the creation of the rabble and the creation of concentrated wealth: “luxury...and extravagance.” These terms imply that it is

¹⁸ Two anonymous reviewers are skeptical of it.

¹⁹ Any complete account of Hegel’s conception of the wealthy would have to explain in more detail what luxury and extravagance mean for him. To some extent, this is initiated in a passage referred to earlier, where Hegel puts forward his idea that civil society gives rise to goods whose value is partly constituted by opinion (for example, comfort in England). However more would need to be said about luxury, and whether it is ultimately about recognition or some other good. The most sophisticated and comprehensive recent treatment in the literature is Heisenberg (2022)

not simply higher than average income per se that is at issue here but an extreme concentration of wealth.

Though we might define membership in the professional class in myriad ways, Hegel is likely thinking of the second estate of his three estates [*Stände*]: the estate of manufacture and commerce [*Stand des Gewerbes*]. Significantly, Hegel regards this class as defined, less by the products of its own work, then by the fact that it deals in the products of the work of others.

The estate of trade and industry [*Stand des Gewerbes*] has the task of giving form to natural products, and it relies for its livelihood on its work, on reflection and the understanding, and essentially on its mediation of the needs and work of others. (PR § 204)

This would certainly fit with the picture that is emerging of a group of ultra-rich profiting off of the menial, factory work done by the members of the rabble — soon to be replaced by machines. Within the second estate are manufacturers, a group who it seems would be well-positioned to profit from the repetitive, menial work done by workers and made possible by the division of labor. Hegel defines manufacture as “[the more abstract work of mass production which supplies individual needs but is more universally in demand (the estate of manufacturers)” (204)

So far, I have claimed that the wealthy are the beneficiaries of the division of labor, which, in turn, impoverishes the poor. Yet I now want to turn to a more speculative part of my argument, the claim that the wealthy are, in fact, the architects of the division of labor as well. One way to introduce this idea is to ask: where does the division of labor come from? Does it just arise spontaneously without having been introduced by any particular person or group? To some extent, this question confronts us with a version of the problem from earlier.

Hegel’s explanation for the advent of the division of labor is peculiar for what I will call its “intellectualism.” By this, I mean that Hegel seems to regard it as a kind of achievement of the human mind (or intellect): more specifically, what he calls the mind’s capacity for “abstraction.” To see this, we need to bear in mind that the division of labor, though related to production is also related to consumption and need-satisfaction.

As needs multiply, so to do the means of meeting them and the work tasks necessary to produce those means. How, though, do needs multiply in the first place? Hegel claims this is the human intellect which divides the need into sub-needs. In one passage, Hegel attributes this accomplishment to “abstraction.”

...abstraction which confers a specific character on means and needs and hence also on production, so giving rise to the division of labor (PR § 198)”

Hegel makes clear that his meaning is *abstract thought* when he equates abstraction with the intellect.²⁰ What is more, he credits both with dividing needs in such a way that the division of labor results.

The glimmer of universal principle in this particularity of wants is found in the way intellect creates differences in them, and thus causes an indefinite multiplication both of wants and of means for their different phases. Both are thus rendered more and more abstract. This 'morcellement' of their content by abstraction gives rise to the **division of labour**. The habit of this abstraction in enjoyment, information, learning, and demeanour constitutes training in this sphere, or nominal culture in general. (Enc. § 525)

Equivalently, Hegel also describes the multiplication of needs as a product, not simply of abstraction or intellect but “understanding.”

The understanding, which can grasp distinctions, brings multiplicity into these needs; and since taste and utility become criteria of judgement, the needs themselves are also affected by them. (PR § 190Z)

As Hegel explains in the same passage, it is because we possess understanding that we are capable of multiplying our needs, whereas animals do not have this ability:

The animal is a particular entity [ein Partikulares] which has its instinct and the means of satisfying it, means whose bounds cannot be exceeded. There are insects which are tied to a specific plant, and other animals whose sphere is wider and which can live in different climates; but there is always a limiting factor in comparison with the sphere which is open to the human being. (PR § Ibid.)

Hence, Hegel not only wants to credit a particular cognitive faculty with Advent of the division of labor but also to insist that only human beings and not animals have this faculty. It is therefore perhaps unsurprising that Hegel tells us, at the outset of the discussion of the system of needs, that here the human being makes its appearances for the first time. (We could think of this as Hegel's contribution to the discourse touched off by Smith in Book 1 of the *Wealth of Nations*, when he noted the human propensity to truck barter and trade).

Yet while the role of the intellect in the advent of the division of labor might tempt us to attribute its invention to a class, this would obviously be overhasty. The human intellect may be responsible for the evolution of language. Yet that does not mean that any particular person or group is responsible for changes in usage or meaning. Responsibility might be very widely diffused throughout the community, or even throughout the human race.

²⁰ To be sure, there are forms of abstraction other than those which are present in the mind. Hegel is an objective idealist, somebody for whom there are abstract structures “in the world,” e.g. the kinds, essences, natures or ends Hegel calls “the Concept.” Obviously, Marxists have

Yet Hegel does indicate he has a specific group in mind, one in which the faculty responsible for the division of labor is especially developed. He says it is the producers, rather than the consumers, who are responsible. In other words, Hegel deems responsible for need-creation the producers, aiming to profit from the means to satisfy those needs. It is not the consumers, who will have these needs instilled in them and then purchase the means. As he writes: “need is therefore created not so much by those who experience it directly as by those who seek to profit from its emergence” (PR § 191 Z). Though needs-creators are not explicitly named by Hegel as the members of any particular estate, it seems clear they are members of the mercantile estate. What is need-creation if not a form of marketing?

However, there is a *deeper* reason it is likely that the division of labor is introduced by members of the mercantile estate: it is in this group that the psychological faculty responsible for the division of labor is most developed. As Hegel tells us, the mercantile estate is the state of “reflection” or alternatively “understanding.” These are terms similar to the ones Hegel used to characterize the psychological faculty responsible for multiplying needs.

Simply put, the attribution fits. “Understanding” or “reflection” is not just any use of the intellect, but its application to some externally given material: more specifically, the material the senses present. Hence it stands to reason that this would be the cognitive capacity that is especially developed in members of the mercantile estate, “who depend on the ...of others.” Indeed, one could envision a quasi-materialist account in which the type of economic role this class plays is mirrored in the type of cognitive activity in which it engages. Mercantile activity operates in a second-order way on the work and products of others. By the same token, the intellect (understanding, reflection) operates on a second-order way on deliverance of the senses.

Though it may seem strange that Hegel would align the mercantile estate with a cognitive faculty, this seems to be mirrored in his treatments of the other estates.²¹ Most obviously, the third estate, the estate of bureaucracy, is aligned with “universality” and “pure thought.” Not “understanding” or “reflection,” a form of thought that operates on the material presented by the senses, but “pure thought” is the province of these bureaucrats. Presumably, this is because the ethical ends which guide them are products of pure reason, in something like way Kant’s Categorical Imperative is meant to be. Here too there is a parallel between economic role and cognitive activity. The universal estate earns a state pension, rather than participating in the market. It is not meant to enrich itself, but rather to remain “above the fray” and impartial. Hence it transcends the system of need. Correspondingly, it is engaged in pure thought, rather than thinking operating on the material the senses present.

Though it is somewhat less obvious, there is also reason to think Hegel adopts a similarly psychological approach to understanding the first estate: agriculture. He describes this as the estate of “immediacy” or “feeling” [Empfindung].

The estates are determined, in accordance with the concept, as the substantial or immediate estate, the reflecting or formal estate, and lastly, the universal estate. (PR § 202)

²¹ It could be thought of as Hegel’s “economic” version of the city-soul analogy, Plato’s idea that different parts of the soul predominate in different political regimes.

The human being reacts here with immediate feeling [*Empfindung*] as he accepts what he receives (203 + Z)

My proposal is that we understand the term “immediacy” in something the sense given to it by Kant in his first critique, and retained by Hegel in his famous discussions of sense-experience (for example, the “sense-certainty” chapter of the *Phenomenology*). Essentially, immediacy refers to the characteristically direct mode of cognitive access to objects that sense-experience makes possible. Hence, the contrast between the cognitive orientation of this class and that of the others would be as follows. If “pure thought” transcends sensible-representation and “reflection” operates on it then “immediacy” is a matter of being completely absorbed in the senses. Here too there is a parallel between the economic function of the estate in question and its cognitive stance. The receptivity of sense-experience is mirrored in the receptivity of this class, which must adapt itself to the natural order (processes, cycles, species or kinds etc.).

Yet while the second estate’s propensity for “reflection” may seem to make it ideally placed to be the source of the division of labor, this argument is not quite conclusive. All we have shown is that it would make sense if this estate were the source, not that this estate actually is. Hence, we may approach the issue by asking a different question: who, within the mercantile estate, are Hegel’s creators of needs for luxuries, assuming this is where such people are to be found at all? Admittedly, Hegel does not identify advertisers as members of this estate. However, he does identify merchants, and advertising could be considered part of the business of selling.

the business of exchanging separate commodities [Mittel] for one another, chiefly through the universal means of exchange, namely money, in which the abstract value of all goods is actualized (the estate of commerce). (PR § 204)

What is more, we should here recall that the multiplication of needs is linked to the multiplication of means of satisfying them. Once there is a need not only for coffee in general but for Columbian coffee, decaf coffee and so on the means of satisfying these needs are multiplied as well: Columbian coffee, decaf coffee and so on.

The creation of new needs, achieved through the multiplication of the old, implies the creation of new-products, achieved through the multiplication of the old. For the production process itself will need to be divided into sub-processes that produce these means: there must be producers of Columbian coffee, decaf coffee and so on. Hence, it would make sense that, not only multipliers or sub-dividers of needs and means, but also the multipliers or sub-dividers of production processes be found among the mercantile estate. This latter group, I think, could be found among the group Hegel calls “manufacturers.” (This is the second out of three sub-groups found in the mercantile estate). In this group, there will be those who manage, oversee, and organize the production process. They will be responsible for introducing sub-divisions into the labor process. They will be the architects of the division of labor.

In the foregoing, I have sought to explain the rationale behind Hegel’s identification of the wealthy with members of the mercantile estate. Here, I will approach

this task from a different angle by asking why it not make sense for Hegel to locate them the wealthy in another class. This is easiest to explain in the case of the universal or bureaucratic estate. This estate is discouraged from enriching itself, and instead earns a pension. If there were wealthy bureaucrats, this would signal dysfunction.

Why, though, could we not locate Hegel's wealthy in the agricultural estate? Presumably, there are wealthy landowners in this class. However, he is explicit they do not accumulate large fortunes in the way the wealthy members of the professional classes do: "This is a simple disposition which is not concerned with the acquisition of wealth; it may also be described as that of the old nobility, which consumed whatever it had" (203 Z). Here the old nobility are to be contrasted with the new rich.

5. Rich Rabble?

While I have argued that Hegel's wealthy, the exploiters of the poor, as members of the mercantile estate, it remains to be seen whether this can be squared with Hegel's discussion, from his lectures, of a group of people he calls "the rich rabble."²² Evidently, being materially deprived is neither necessary nor sufficient to constitute one as a member of the rabble.

Thus wealth can lead to the same mockery and shamelessness that we find in the poor rabble. The disposition of the master over the slave is the same as that of the slave . . . These two sides, poverty and wealth, thus constitute the corruption of civil society. (VP R I9 196)

Like the poor rabble, the rich rabble are a group of people who feel entitled to the benefits of civil-society without contributing to it through productive work.

Hegel's account of the rich rabble poses something of a problem for my account: specifically, my account of who, exactly, Hegel's wealthy are supposed to be. I argue that Hegel's wealthy are members of the second estate, and this means that they do contribute to the economy (unlike the rabble). Whatever one thinks of the type of work that managers, manufacturers etc. do it would be going to far to denounce them as the kind of parasites Hegel seems to find in the ranks of the rich rabble.

Another way into the problem would be to recall that the poor rabble are not members of an estate either. The rough idea is that this is a group of people who are simply defined by their low level of wealth and income. They are not defined by their membership in a social group, whose function complements that of the others and whose members share certain skills, attitudes, etc. Wood writes:

Hegel describes the rabble as a "class" rather than an "estate"...Estates rest on "concrete distinctions" between functionally different and complementary social positions or roles. Class distinctions rest on mere "inequalities" ... The rabble is a class drawn from those whose wealth, education, and skills are minimal, and therefore have either a marginal place in civil society or none at all. (251)

²² For scholarly discussions of the rich rabble see Moyar (2021: 248-9), Wood (1991: 253)

Something similar seems to be true of the rich rabble. They too are defined by their (high) level of wealth and income, and do not seem to belong to an estate. So the problem of finding a place for a class that is not an estate has these two faces.

The way I propose to resolve this discrepancy is to introduce a temporal qualification. Simply and crudely put, yesterday's wealthy members of the mercantile estate are today's rich rabble. It is not difficult to see how one would make the transition from the former group to the latter. Initially, one is a member of the mercantile estate, perhaps a manufacturer. One makes a contribution to the economy by overseeing the work of others. Then, one hits upon a way of sub-dividing the labor process to such an extent that it is more profitable than ever before. The position of the workers is now less favorable. Their work is now unskilled, repetitive drudgery. What is more, they can be easily replaced by other workers, and ultimately by machines. However, the process as a whole is more profitable. At this point, our manufacturer may have much else to do. Hence, he might decide to appoint someone in his place. This person would ensure that production continues to be organized in the same way. His predecessor would retire to life as a member of the "rich rabble." He would hope to reap the profits of his factory, on the grounds that it is he who is responsible for them. He would be exactly the type of parasitical figure Hegel denounces as the rich rabble.

One way to defend this account, in which people pass out of the second estate and into the rich rabble, would be to point out that something similar could be true of the poor rabble. Suppose we ask whether these people are, in fact, unemployed, or simply at risk of unemployment. Could one qualify as poor rabble if one were a factory worker whose job is menial, unskilled and repetitive and who will soon be replaced by a machine or another worker? While there is no clear answer in the text, I would encourage us to answer "yes." If being a member of the rabble is a matter of being unemployed, then surely precarity — that is, being at risk of unemployment — is problematic as well.²³ If that is so, then it seems clear that the poor rabble were also once members of the second estate. Hence the picture we are left with is one in which the second estate, in effect, degenerates wealthy and poor classes. For Hegel, this is not a development for the better, but a form of decline.

6. Classes v. Estates

Once we see that the second estate is the birthplace of the wealthy class, we are in a position to integrate the theory of estates to the theory of classes. This would constitute a response to Wartenberg's accusation against Hegel — in effect, the accusation that he has two separate theories that contradict one another. Wartenberg alleges that the presence of this second, proto-Marxist theory of class in Hegel's account alongside the official theory of estates compromises it. The implicit assumption seems to be that, if the proto-Marxist story, is the real truth about class, then Hegel's theory of estates is invalidated. However, I think it is possible to respond on Hegel's behalf by showing how the two theories integrate. According to Hegel, as I read him

²³ I here follow Knowles (2002: 288-9) "Hence it is not only the unemployed who suffer from poverty. The factory system, we have noticed, turns workers into machine hands (§198) and work into drudgery (§243)."

here, the wealthy and poor classes are what the three estates have a tendency to degenerate into.

Seen in this light, Hegel's inclusion of both stories alongside one another seems unobjectionable. True, Hegel's focus is the "Idea of the state" (PR 258Z) Yet as Hegel tells us, this idea can be discerned in imperfect states in something like the way humanity is present in even the sick person or the criminal (Ibid.). Hence if the two class-structures are related as sickness and health, then it is consistent for Hegel to include both. In his terms, they would be related as "actuality" [*Wirklichkeit*] and simple "existence" [*Existenz*] (EL § 6).²⁴

However, Hegel would owe us a story about why health is in some sense more fundamental than sickness, why the three estates will prevail even if they have a tendency to degenerate into the two classes. This is a challenge for Hegel's relatively optimistic perspective — but it is not an outright self-contradiction.

While I have said that the three estates give rise to the rich and poor classes, it is, in fact, the second estate which does so, meaning there is a question about the role of the other two estates in Hegel's scheme. Here, it is significant to note that Hegel saw the agricultural estate as increasingly taken over by the mercantile estate:

In our times, the [agricultural] economy, too, is run in a reflective manner, like a factory, and it accordingly takes on a character like that of the second estate and opposed to its own character of naturalness. (PR §

What, then, does this assimilation of the first estate to the second amount to? Hegel tells us that agriculture increasingly resembles factory production, and it is probably not too difficult to envision what this entails: the application of industrial techniques and methods to tasks of farming. However, he also goes on to clarify the deeper significance of this change: the increasing prominence of the understanding or reflection.

In this estate, the main part is played by nature, and human industry is subordinate to it. In the second estate, however, it is the understanding itself which is essential, and the products of nature can be regarded only as raw materials. (PR § 203 Z)

Here too, as he has before, Hegel associates the understanding with the second estate, Earlier in the same passage, he once again associates the contrasting orientation, feeling, with the first estate. Evidently, then, the colonization of the first by the second estate is not simply a matter of the displacement of traditional agriculture under factory work but of feeling by intellectual reflection.²⁵

To repeat a point from earlier, the older nobility of the agricultural estate did not concern itself with accumulating wealth or money-making. Hence part of what it means

²⁴ Elsewhere (redacted) I have argued that the two (actuality and existence) are not classes of distinct objects, e.g. good states and bad, but, rather, aspects of the same object, e.g. the good aspects of a single state and the bad aspects. Hegel's conviction is that the former is more fundamental than the latter.

²⁵ The idea of the "colonization" of one social sphere by another is integral to Frankfurt School critical theory, especially to Habermas's *Theory of Communicative Action*. There the pathologies of modern society are described as resulting from the "colonization" of "life-world" by "system," and the crowding out of substantive, value-based modes of rationality by instrumental ones.

for the second estate to “colonize” the first is for this money-making disposition to infiltrate the old (agrarian) nobility.

A tempting conclusion to draw would be one on which the picture that emerges, then, involves two movements, not one. The double-movement would involve both the subsumption of other estates by the second, and the dissolution of the second into the classes of wealthy and poor.

However, this conclusion would be overhasty, as Hegel does not anywhere take seriously the possibility that the state bureaucracy would be infiltrated by mercantile estate. Yet if one is interested in reading Hegel in a proto-Marxist way, his view that factory production tends to colonize other spheres of social life will seem prescient. Still, we need to remember that this is according to Hegel a problem to be solved, rather than something to simply capitulate to (let alone welcome).

7. Conclusion

In this essay, I have defended a proto-Marxist interpretation of Hegel’s view of poverty. I focused on a question not often posed in the literature: who, exactly, are Hegel’s wealthy? While sympathetic to others who have pursued this approach, I rejected the idea that Hegel’s wealthy are simply Marx’s capitalist class: owners of the means of production. Instead, I proposed that Hegel’s wealthy are a type of intellectual, rather than manual, worker. Hegel’s wealthy are members of the second (mercantile) estate. They employ understanding (intellect, abstraction) to divide the labor-process in such a way that it is more efficient.

One issue it would be interesting to address is whether people need to know they are fighting in the class war to qualify as doing so. It is somewhat unclear what Marx’s own perspective is on this issue (he famously says that exploitation is a stroke of good luck [“ein besonderes Glück”] for the capitalist, and no injustice to the worker [kein Unrecht gegen den Verkäufer]). Whether Hegel thinks his wealthy are similarly aware, or else deluded about their role in society is also unclear. I prefer to leave the question open. A suggestion: the truth probably lies somewhere along a spectrum whose extremes are full reflective insight and total ignorance

Ultimately, the theory that results is intended to avoid two extremes. Most obviously, it is meant to avoid being neither Pollyanna-ish in the way critics of Hegel’s project of reconciliation have feared it would have to be. Less obviously, it is meant to avoid the error of finding potential for critical theory in Hegel by simply assimilating him to Marx. The Hegel who emerges is a figure whose defense of society is strengthened by his clear-sighted and prescient account of its flaws, not contradicted by it. These flaws include not only poverty, as is well known, but also class warfare or class struggle, something less often associated with Hegel.

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