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Hegel and the Problem of Affluence

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Abstract. It is widely known that Hegel's *Philosophy of Right* recognizes poverty as one of the central problems of modern Civil Society. What is much less well-known, however, is that Hegel sees yet another structural problem at the *opposite side of the economic spectrum*: a problem of affluence. Indeed, as I show in this paper, Hegel's text contains a detailed – yet sometimes overlooked – discussion of the detrimental psychological and sociological effects of great wealth, as well as of how to counter them. By bringing this discussion to the fore, we get a more complete picture of Hegel's theory of Civil Society (and of some of its central concepts, such as 'the rabble') and shed light on an aspect of Hegel's social philosophy that speaks to problems we face today.

Keywords: Hegel, Poverty, Affluence, Civil Society

1. Introduction

It is widely known that Hegel's lectures on the *Philosophy of Right* recognize *poverty* as one of the central structural problems of modern Civil Society (e.g. Avineri (1972: Ch. 7), Wood (1990:Ch. 14) and Hardimon (1994: Ch. 7.III)). Indeed, Hegel thinks that the modern market economy has poverty as one of its necessary side-effects and, because of this, gives rise not only to individual 'misery (*Elend*)' (PR § 185¹), but also, at least among the disenfranchised, to a deep dissatisfaction with the current economic and social order – a dissatisfaction which Hegel even describes as a form of hate and resentment (PR § 244+Z). Given his overall endorsement of the modern market economy², Hegel therefore works hard to show – as has been frequently discussed in the literature as well³ – that the problem of poverty can somehow be contained or at least

¹ In this paper, I cite Hegel's works in the way indicated in the bibliography. All translations are my own, although I have profited from consulting the Nisbet translation of the *Philosophy of Right*.

² For a recent analysis of this endorsement, see Heisenberg (2018). I argue that Hegel does not only value the market as a sphere of free expression, but also and especially as a formative/educational sphere (Heisenberg (2018): 1286-1292).

³ In recent years, the focus of this discussion has particularly zeroed in on Hegel's notion of the 'corporation', which seems essential to his solution of the problem of poverty. See, for example, Schülein (2017) as well as Herzog (2015)

ameliorated from within such a market-based economic system and without conceding its central principles.

But while commentators are certainly justified in directing attention to the problem of poverty, (Hegel seems to think that it is the most serious and urgent problem in modern Civil Society, see e.g. PR § 244Z), we would do well to remember that poverty is not the *only* significant problem of modern Civil Society. In fact, as I will try to show in this paper, Hegel sees another significant structural problem of modern Civil Society at the *opposite end of the economic spectrum* – a problem surrounding the affluent and wealthy (i.e. those who have much more than they require to satisfy their basic needs). This is most clearly expressed in Hegel’s 1819/1820 lectures, when the text, in a somewhat surprising formulation, announces that ‘*[b]oth of these sides, poverty and affluence, represent the scourge (Verderben) of Civil Society*’ (VPR Henrich, 196, my emphasis).

Indeed, if we only read Hegel’s lectures with this particular issue in mind, we can find a detailed, yet sometimes overlooked, discussion of the detrimental psychological and sociological effects of affluence, as well as of the challenges that these effects pose to the social order. As we will see below, Hegel argues that affluence has the tendency to undermine the personal development of wealthy individuals, to corrupt their interpersonal relationships and to corrode the impartiality of the social institutions that surround them (such as law enforcement or the courts). Most interestingly and importantly, Hegel argues that affluence creates the counter-intuitive tendency for affluent individuals to feel *disenfranchised and victimized* by society – which leads them to perceive all social demands made on them (e.g. taxes) as unjustified incursions into their personal freedom.

Moreover, just as he does with the problem of poverty, Hegel explicitly thinks through ways in which this problem of affluence might be ameliorated or contained from within a market-based economic system. The key, Hegel thinks, lies not in abolishing affluence itself or the possibility of it, e.g. by confiscating private property or making wealth accumulation virtually impossible, but rather in finding social means that separate affluence from its detrimental personal, inter-personal and social effects. Indeed, Hegel thinks that institutions that reform the self of wealthy social members play a crucial role to this effect, as they forestall the detrimental consequences of affluence at a psychological and formative level.

My reconstruction of Hegel's discussion of affluence, then, will proceed as follows: In the first half of the paper (Section 2), I will draw out Hegel's *description of the 'problem of affluence,'* while the second half will focus on Hegel's *proposed solution to the 'problem of affluence'* (Section 3). I will close (Section 4) with a couple of observations about what kind of relevance Hegel's discussion of the problem of affluence might still hold for us today. In this section, I will argue that, despite clear shortcomings, Hegel's analysis of affluence in society still has contemporary relevance in a time that some have described as a 'New Gilded Age'⁴.

2. Hegel's description of the problem of affluence

As I have already mentioned, Hegel holds the – I take it: uncontroversial – view that the modern market economy will make some of its participants affluent, i.e. that it will provide them with much more material resources than they require to satisfy their basic needs. But why does Hegel think this is a problem? Why is it not, rather, a feature of the modern economy that we should

⁴ So does, for example, Paul Krugman (*The New York Times*, October 20, 2002)

embrace? – Hegel’s answer comes in four parts, each one of which points out a problematic effect of this affluence.

The first part of Hegel’s argument consists in the thought that affluence, in the long run, has the tendency to undermine the *individual freedom of the affluent person themselves and of their descendants*, i.e. that it has the tendency to corrupt their capacity to realize their individual ends (VPR Henrich, 196). The underlying argument here is this: As is well-known among scholars of his practical philosophy, Hegel is committed to the thought that it is only *through labor* that individuals⁵ attain several general skills that are necessary for their individual freedom (see e.g. Neuhouser (2000: 158-160)). Indeed, throughout his lectures, Hegel argues that it is only by submitting ourselves to ‘hard work’ (PR § 187, § 197) that we come to acquire and maintain crucial general skills (e.g. strategic planning or good work ethics) that we need in order to realize our ends in the world – and without which, hence, we would not be fully free. Hegel therefore insists that labor is ‘liberation (*Befreiung*)’ for the subject⁶ (PR § 186) and that whoever does not submit herself or himself to labor – as unpleasant as it might initially appear – does not receive the adequate *Bildung* to transform the world in accordance with their own will.

⁵ Here, and elsewhere in the paper, I’m speaking as if Hegel does conceive of participants in the professional world as equally men and women. This, of course, is not correct. Hegel holds the misogynistic view that, at least for the most part, women will be confined to the home, while men will populate the professional world (PR § 171). This is particularly damning, precisely *because* of the argument discussed above: after all, if participation in the working world is crucial for proper self-development, denying women this participation is – by Hegel’s own lights – a way of cutting them off from this opportunity for personal growth. I would like to thank an anonymous referee for prompting me to highlight this connection more clearly.

⁶ For a deeper and detailed analysis of Hegel’s concept of labor see Hans-Christoph Schmidt am Busch (2002).

But affluent individuals, Hegel thinks, will be tempted to *withdraw from the labor force* or to never even enter it, assuming they have already grown up wealthy⁷. After all, in most cases, he argues, social members subject themselves to the unpleasant task of labor in order to be in a financial and material position to satisfy their needs (e.g. PR § 238). But once this material motive is no longer present, or was never present in the first place, they will be strongly inclined to stop laboring and live off the wealth that they already have. Hegel expresses this line of thought when he, in various parts of his lectures, describes individuals whose wealth inclines them to content themselves with the status of ‘mere consumers (*blosse Konsumenten*)’ (VPR Griesheim, 499) and who are therefore ‘not productive, do not acquire means for others, have these means, but do not generate them (*haben diese Mittel, bringen aber keine hervor*)’ (Ibid.). Affluence, to put it from a different perspective, breaks the otherwise tight nexus between labor and consumption (between ‘producing and consuming (*Produzieren und Consumiren [sic!]*)’ (VPR Hotho, 618)) – propelling individuals to avoid the working world⁸.

But, if labor is indeed essential for *Bildung* towards individual freedom, then this avoidance of labor turns out to be self-undermining. Especially for those individuals who never entered the workforce, and who are never able to reap the formative benefits of labor, affluence turns into a roadblock for the development of their capacities for freedom. In fact, Hegel makes this case by comparing the situation of the affluent individual, who avoids labor, with the situation of the

⁷ Hegel thinks that this avoidance of labor is not only detrimental for the personal consequences outlined above, but has also a negative – albeit less important – macro-economic effect: namely that the skills and talents of wealthy individuals are not longer used in a manner that is socially productive (e.g. VPR Griesheim, 499). On further macro-economic consequences of this withdrawal from the workforce, see also Ellmers (2017: 65-66).

⁸ Hegel here, of course, anticipates in some way the idea of a wealthy ‘leisure class’, as later prominently developed in Veblen (1889).

‘master’ in his famous Master-Slave-Dialectic (VPR Henrich, 196⁹, for a helpful analysis of the passage in the *Phenomenology*, see e.g. Neuhouser (2009)): just like the master, the rich person considers himself above labor and chooses to enjoy the work of others (namely of the slave) instead of laboring himself (Ibid.). But this endeavor backfires: even though it initially appears as if the master (and, respectively, the rich person) has found additional liberation by giving up on work, his freedom is ultimately undermined, since the lack of labor erodes the subjective capacities of the master, leaving the slave – and not the master – to represent the ‘realization of freedom (*Verwirklichung der Freiheit*)’ (Ibid.)¹⁰.

The second part of Hegel’s argument focuses not on the affluent person themselves, but on the *interpersonal effects* of affluence. The idea here is that affluence inclines the wealthy to see those around them as ‘lesser’ beings, i.e. as having less rights and privileges than they themselves have. The thought on which Hegel relies here is that wealthy individuals are tempted to perceive the *inequality in wealth and power* that exists between them and others as an *inequality in terms of rights and privileges*, i.e. that they are tempted to think that, because others have less material resources and less influence, they are also entitled to fewer rights and to less respect. In the student notes to Hegel’s lectures, this point is put in the following way: rich individuals will be, at least to a certain degree, tempted to ‘see themselves as no longer obliged to respect the rights of others (*von dem Respekt der Rechte anderer entbunden*)’ (VPR Hoppe, 222) because of the fundamental material asymmetry that exists between them (Ibid.). Indeed, the text continues, ‘[o]ne can also

⁹ I acknowledge that this interpretation of the passage in VPR Henrich, 196 is optional, since Hegel does not cite the *Phenomenology* by name, but rather only discusses a relationship between ‘*Herr*’ and ‘*Sklave*’ in terms that are strongly reminiscent of the famous passage on *Herrschaft und Knechtschaft*.

¹⁰ Of course, I’m not claiming here that this is an exhaustive account of the famous passage in the *Phenomenology*. Instead, I’m just analyzing it insofar it is illuminating for the matter at hand.

call it a depravity (*Verdorbenheit*), that the rich person thinks that everything is allowed for him' (VPR Hoppe, 223).

And that seeing others as lesser beings, in turn, gives rise to a whole host of problematic consequences is obvious. After all, if I come to see others in this way, it is only a small step to also *treat others* in this way, i.e. to subject them to various violations of their individual rights. What Hegel here is foreseeing, in other words, are cases where individuals are not only tempted to hold a corrupted conception of their own ethical status vis-à-vis others, but also to *enact* that conception in ways that violates the rights of other subjects.

The third part of Hegel's description of the problem of affluence, then, moves the focus from the personal and the interpersonal consequences of affluence to the way it affects the *relationship between the affluent and the social order* as a whole. Specifically, it consists in the thought that affluence tempts the wealthy to see public institutions as unjustified constraints on their personal freedom – and, consequently, to refuse adequate participation in them. Hegel's precise line of argumentation here is this: affluence, in the first instance, has the tendency to give social members a mistaken *sense of self-sufficiency*, i.e. a sense that, ultimately, they don't need the social institutions which they inhabit. In his text, Hegel articulates this point by saying that wealth tempts the affluent to develop a deluded sense of "pride (*Hochmut*)" (PR § 253A) – or, in other words, that it tempts them to conceive of themselves as a kind of 'power (*Macht*)' (VPR Hoppe, 222; VPR Henrich, 196) that does not need social institutions to flourish.

But this strong sense of self-sufficiency, Hegel thinks, motivates the wealthy to perceive contributions to social institutions (e.g. taxes, respect for the ordinances of the courts) as unnecessary and superfluous. Furthermore, if the social institutions *demand* these contributions (e.g. through the actions of the police), these demands come to be perceived as unjustified

incursions into the personal freedom of the wealthy individual – which leads the affluent, over time, to develop a kind of resentment and even hate against the social order. To put this thought in a more Hegelian manner: affluence has the tendency to lead social members to a sense of self-sufficiency, which then, in turn, gives them the feeling of ‘having been wronged (*Gefühl ihres Unrechts*)’ (PR § 241) by the social institutions making demands on them (PR § 184Z¹¹). This sense of having been wronged then gives rise to an ‘inner indignation (*innere Empörung*)’ (VPR Hoppe, 222) and to a ‘feeling of rightlessness (*Gefühl der Rechtlosigkeit*)’ (Ibid¹²), which leads them to refuse to play their part in the social institutions that they live in.

This is an unusual thought and it is important not to miss its specificity. Hegel is not merely saying, somewhat generically, that the affluent are tempted to refuse participation in the social order and to reject its demands (e.g. for selfish reasons). He is saying, more specifically and more interestingly, that they are structurally tempted to see themselves as *victims* of society, and that it is this sense of violation (this “inner indignation” (VPR Hoppe, 222) and “feeling of rightlessness” (Ibid.)) that draws them away from social cooperation. The driving force behind their rejection of social demands, if they yield to this temptation, hence, is – on the Hegelian picture – not a mere selfish consciousness that those demands are impractical or inopportune, but a righteous resentment against these demands i.e. a feeling of ‘having been wronged (*Gefühl ihres Unrechts*)’ (PR § 241).

¹¹ In PR § 184Z, Hegel makes the point that *in general* individuals have the tendency to see contributions to the social order, such as taxes, as unjustified incursions on their personal freedom. From that point of view, affluence acts as a kind of amplifier of this general feeling.

¹² It is important to note that, while the immediate context of these passages in VPR Hoppe, 222 is a discussion of the poor rabble, Hegel immediately goes on to make clear that this description is not only meant to apply to the poor rabble, but to the rich rabble as well (‘This rabble mentality [which Hegel just described – TH] happens as much on the side of affluence, as it does on the side of poverty (*steht auf der Seite des Reichtums ebensogut [...] als auf der Seite der Armut*)’ (VPR Hoppe, 222)). Thanks to an anonymous referee for pressing me on this point.

It is *this* specific idea which Hegel also means to express when he writes, in a somewhat surprising turn of his argument, that affluence tempts rich individuals to become members of ‘the rabble (*der Pöbel*)’ (VPR Henrich, 196-197, VPR Hoppe, 222-3, PR § 244Z)¹³. After all: for Hegel, the ‘rabble’ is not merely a group of people who have come to generally dislike society and refuse to play their part in it, it is a group of people who see society with a kind of (self-)righteous anger and who refuse participation due to their grievances¹⁴ (VPR Hoppe, 223).

Indeed, it is precisely this specific dimension that leads commentators to think of the rabble as primarily, or even exclusively (see e.g. Knowles (2002: 289 and 291-292)), composed of poor people. After all: it is very easy to see how poverty and economic disenfranchisement can give rise to a (in many cases legitimate) feeling of ‘having been wronged’ and a resultant refusal to play a part in a society. But this should not lead us to overlook the proposal contained in Hegel’s idea of the ‘rich rabble (*reicher Pöbel*)’ (e.g. VPR Henrich, 196-197, VPR Hoppe, 222): namely that affluence too can tempt individuals to have a type of quasi-moral outrage against society that leads to a refusal to play one’s part in the social order.

Now, of course, this is not say that there are not also important differences between rich and poor ‘rabble’: the most important of which, as already alluded above, is that the moral outrage of the poor is often indeed legitimate (as it arises from genuine instances of disenfranchisement), whereas that’s not necessarily the case on the other side of the economic spectrum (as here the inner indignation is, as we have seen, connected to a sense of “pride (*Hochmut*)” (PR § 253A)) – and, indeed, it is probably this difference that gives Hegel philosophical reason to generally

¹³ This idea of a ‘rich rabble’ is the one part of Hegel’s account of the problem of affluence that is sometimes mentioned in the literature, even though it is rarely systematically explored. See, for example, Hardimon (1994: 238 note 8); Ruda (2011: Chs. 5 and 6) and Ellmers (2017: 88).

¹⁴ The important point that self-righteous indignation, a feeling of being wronged, is explicitly part of *both* the rich and the poor rabble’s mindset is, I think, crucially missed in Ruda’s otherwise helpful analysis (e.g. Ruda 2011:50-51).

foreground the poor rabble in his discussion of these matters. Yet, these differences should not lead us to overlook the doubly dialectical proposal Hegel is making here: namely that affluence tempts rich individuals to seeing themselves as victims (even though they are powerful), and that this sense of victimization leads, in this particular respect, to a kind of ‘inner kinship’ with those at the very other end of the economic spectrum (even though there are significant differences in economic interest, lifestyle etc.) .

The fourth and final part of Hegel’s analysis of the problem of affluence turns our attention from how affluence affects the *relationship* of wealthy social members to public institutions to how this affluence affects the workings of *public institutions themselves*. The argument here is that affluence has the tendency to corrupt the impartiality that should be characteristic of certain public institutions, such as law enforcement (PR § 230-249) or courts (PR § 219-229). Hegel’s argument here is this: even though these institutions are committed to the ideal of impartiality (or ‘universal’ treatment, as Hegel prefers to put it) they are still administered by particular people, with particular needs, desires, and loyalties (PR § 294, § 296).

And such administrators are, of course, not completely immune to the power affluent social members exert over both material resources and people (e.g. VPR Hoppe, 222). This power can manifest itself directly, e.g. in the form of bribes (Hegel’s laconic remark that, for the rich person, “everything looks purchasable (*käuflich*)” (VPR Henrich, 196) certainly raises this possibility) – but it does not even have to do so. That a public official working for the ‘administration of justice’ (PR § 219-229) or for the ‘police’ (PR § 230-249) knows what a certain affluent individual *is in principle capable of* may be enough to guarantee special treatment out of sorts with the putative impartial status of these institutions. Indeed, to put it in more Hegelian language, it can sometimes

be the mere possibility of influence on the particular desires of a public official that makes them assert their particularity over the universal purpose which they are appointed to serve (PR § 294R).

That Hegel is worried about the possibility of such ‘misuse of power on the part of the official bodies and their officials’ (PR § 295) is also evident from the fact that his recommendations for the selection of public officials not only place the greatest emphasis on their impartial perspective (PR § 296), but also urge the public to specifically assure the *financial and material independence* of their respective officials (PR § 294R). Indeed, Hegel writes that the state needs to guarantee, as far as possible, the ‘satisfaction of particular needs’ (Ibid.) of its officials, in order to make them less vulnerable to the effects of affluence sketched here. After all, it is through material independence that the public official will be less likely to ‘seek the satisfaction [of his needs] at the expense of his official activities and duty’ (Ibid.) – which affirms, indirectly, the kind of influence that affluence can exert on the impartial workings of political administration.

To summarize: Hegel thinks that affluence tempts the wealthy to undermine their own freedom (Part 1), to disrespect others (Part 2), to develop a noxious relationship to the surrounding social order (Part 3), as well as a noxious influence *on* the social order itself (Part 4). As we have seen, the most surprising contention here is Hegel’s doubly dialectical proposal that affluence tempts the wealthy to feel ‘rightless’ (even though they are powerful) and that this feeling of rightlessness can lead them to a kind of ‘inner kinship’ with those who are actually economically disenfranchised (even though those social members live a very different kind of life and have very different economic/social interests).

Now, before we conclude this section, it is important to make two more observations in order to bring out the full complexity of Hegel’s argument. First, on the modal status of Hegel’s claims: Hegel does merely argue, as we have seen, that affluence has a strong tendency to cause

the kind of problems he describes – not that it does so *necessarily*. Just as poverty does not necessitate, but only creates a strong tendency towards different forms of corruption (PR § 244Z), so does affluence, as we might infer. That there are, for example, some affluent social members who do *not* cease to work, who do *not* shed respect for the rights of others and who do *not* come to see themselves as victims of the public order, is therefore not a problem for the type of argument that Hegel is developing here. Even if there are some individuals able to withstand its seductive power, affluence, or so one could say with Hegel, is a corrupting social force.

Second, on the textual status of Hegel's claims: it is noteworthy that, even though the problem of affluence is a consistent concern throughout all of the student notes on Hegel's lectures from 1817 to 1822, Hegel seems to be toning this topic down in the published version of his lectures from 1821. Here, as we have also seen above, the problem of affluence is mentioned and discussed in various places (esp. PR § 253A, § 245, § 243, § 195+5), but is not *as* explicit and *as* prominent as it is in the student manuscripts from his lectures. The explanation for this is not too difficult: as has often been observed, the published version of the *Philosophy of Right* is much more careful than some of the lecture notes in terms of how critical it is towards those who are powerful in society (e.g. Henrich (1983: 18-22)). Hegel, in his printed word, seems to have been worried about generating too much controversy on concrete issues of social policy – and his discussion of the problem of affluence perfectly fits this pattern. While Hegel was comfortable explaining the potential problems of affluence in front of his students (before and after 1821), he was less comfortable discussing it directly in print.

3. Hegel's proposed solution to the problem of affluence

Of course, despite his perceptive analysis of some of the problems of the modern market economy, Hegel is, overall, one of its theoretical defenders. Indeed, Hegel holds the view that the modern market economy is superior to alternative models of economic organization (PR §185A) and one of the elements that contributes to the rationality of the modern social world (Ibid.). And while his optimism regarding the market does not go quite as far as it does e.g. in Adam Smith¹⁵, whom he often cites in his lectures,¹⁶ (e.g. PR § 189A, VPR Wannemann 118, VPR Henrich 158, for helpful analysis of these passages see Waszek (1985) and Henderson and Davis (1991)), his basic commitment to the value of the market economy nevertheless puts pressure on Hegel to explain how the problem of affluence – as he himself describes it – can be solved or at least somehow ameliorated without giving up completely on the basic principles of this modern economic system¹⁷.

Hegel is here essentially in the same position as he is vis-a-vis the much more well-known ‘problem of poverty’: just like in the case of this problem on the other side of the economic spectrum, Hegel needs to show how this challenge can be overcome on the societal level, without giving up a basic commitment to a system of exchange and production that is driven by self-interest

¹⁵ Hegel is, for example, less optimistic than Smith about the material as well as about the technological benefits of the market economy (Heisenberg 2018: 1285-1286). The connection between Hegel and Smith has recently also been fruitfully explored in Herzog (2013: esp. Ch. 2 and 3).

¹⁶ It is important to note here, however, that despite these frequent references, Smith is far from the only central influence on Hegel's discussion of the market economy. Hegel famously wrote a (now lost) commentary on James Steuart's *Inquiry into the Principles of Political Economy*, which left a lasting impression on his understanding of economics, as Priddat (1990: 9-21 and *passim*) shows.

¹⁷ As Stern (1989: 75-76) already reminds us, this Hegelian defense of the market-economy takes place against the background of several contemporary criticisms, put forward by such luminaries as Schiller, Hölderlin and Fichte. Especially Fichte's critique of the market economy has recently been helpfully reconstructed in Nance (2019: esp. 652-654)

and regulated to a significant degree by supply and demand. After all: if Hegel can show that such a solution is available, then the generation of affluence (and, respectively, of poverty) will no longer appear to be an obstacle to our embrace of the market economy – and will, hence, clear the way for our rational reconciliation to this economic system.

But what is Hegel's solution to the problem of affluence? Hegel proposes two central means of addressing the problem: in the first place, Hegel thinks that the problem of affluence will be kept in check, at least to a certain degree, by *external constraints* (e.g. taxes and tariffs) that slow down the accumulation of wealth in individual social members, thereby eliminating the material preconditions for the problem of affluence to arise. Indeed, Hegel's discussion of the market economy in the *Philosophy of Right* opens with a reminder of the necessity of paying taxes, even though they might be perceived as burdensome and arduous (PR § 184Z, cf. also PR § 236Z) – and it does not seem far-fetched to link this endorsement of taxes with his attempts to contain the problem of affluence, as he himself describes it. Even more, Hegel himself argues that this particular way of dealing with the problem of affluence has been around since antiquity. He says, for example, that in ancient Athens 'the law-givers tried to forestall the improper accumulation of wealth (*unangemessene Vergrößerung des Reichtums*)' (VPR Wannemann, 122) by making it such that 'the richest person had to pay the public festivities (*Schauspiele*) for the demos' (Ibid., see also VPR Wannemann 199) and by putting into place various constraints on big 'inheritances (*Erbschaften*)' (Ibid., see also VPR Wannemann 199). That way, wealth was constrained and 'its amassment limited,' (VPR Wannemann, 122) thereby providing some relief vis-a-vis the problem of affluence.

However, Hegel is committed to the thought that limiting the accumulation of wealth through external constraints is not the most important means of dealing with the problem of

affluence. He seems to have two reasons for this. Firstly, he thinks that such measures, if they were to take center stage, would dampen the ambition and competition that are constitutive of the market economy (VPR Wannemann, 199, cf. also PR § 236). If it is only higher taxes and somewhat punitive public measures awaiting me once I start being economically successful, Hegel thinks, there is clearly less of a motivation to even *want* to become economically successful in the first place. Yet, if I'm no longer driven to become economically successful, one significant driving force of the modern market economy has disappeared: our particular self-interest will no longer have the opportunity to 'develop and express itself *in all directions*' (PR § 184, my emphasis), but instead will be stifled, which weakens the self-interest-driven 'motor' of innovation and production that is at the heart of the modern economic system.

But Hegel seems to have a second reason as well¹⁸. After all: as we have seen above, Hegel thinks that economic success tempts individuals to perceive taxes and other redistributive measures as injurious to their personal freedom, such that they warrant 'inner indignation' (VPR Hoppe, 222) and a 'feeling of rightlessness' (Ibid.), which – in turn – fosters a resistance against social participation in the affluent individual (we saw this in the discussion of the 'rich rabble' above). Against this background, however, it seems plausible to think that, on Hegel's view, relying *too much* on taxes and such external limits in addressing the problem of affluence might ultimately be a counterproductive thing to do: for even if such measures might indeed ameliorate *some* problems arising from affluence (by preventing economic inequality to rise to astronomic heights), those 'victories' might come at the cost of further inflaming the 'inner indignation' on part of those social members who remain economically more successful.

¹⁸ I would like to thank an anonymous referee for this suggestion.

Given these two reasons, Hegel argues that the first means of addressing the problem of affluence needs to always be accompanied by a second one he deems more important: the presence of public institutions that *reform the self* of affluent social members, such that they are less liable to give into the temptations that come with having great wealth¹⁹. To put this differently: Hegel's solution to the problem of affluence turns on the idea that introducing external limits to capital accumulation should only play a subordinate role in solving this problem, whereas the main role needs to be played by institutions that bring forth an *internal transformation* in wealthy social members. The institutions, more specifically speaking, that Hegel tasks with bringing about this internal transformation are the *corporations*, i.e. the associations²⁰ which Hegel thinks bring together different members of a profession into one social whole²¹ (PR § 255). On Hegel's view, it is here that individuals regularly meet others who exercise the same type of labor as them, bond over a shared sense of pride in their respective work (PR § 253), take care of one another in cases of great need (PR § 252) and, importantly, work together to represent their shared professional interest towards the state and the public as a whole (PR § 256, for an overview over the different functions of the corporation see Ellmers and Herrmann (2017)). And it is *here*, finally, that Hegel locates what, for him, is the central response to the problem of affluence. Here is Hegel, as quoted in the Ringier notes from his lectures in 1819/1820:

¹⁹ The idea that Hegel always employs these two-fold strategies in approaching problems of the economic sphere has been, at a more general level, developed by Herzog (2015).

²⁰ Hegel sometimes uses the term *Korporationen* in a wider sense, where 'corporations' also simply means local communities such as cities (e.g. VPR Hoppe, 232), as is helpfully explained in Ellmers (2015: 77).

²¹ This is not to say that corporations *only* play a role as vehicles for the formation of its members. Since Hegel clearly holds the view that corporations also have a redistributive dimension (richer members are supposed to give support to poorer members, cf. PR § 252) they do also contribute to what I above call the 'first' means of addressing affluence: namely to the redistribution of wealth. Thanks to an anonymous commentator for prompting this clarification.

The scourge of affluence (*das Verderben des Reichtums*) is taken care of by the corporation. Within their bounds, the rich person is no longer just for himself. Firstly, he has to think that he owes his profits to the community; he will not be as proud of what he has. Moreover, he will have duties to care for the corporation (VPR Ringier, 152/153, cf. also PR § 253A, VPR Wannemann, 121)

But how exactly is this supposed to work? How, more precisely speaking, will the corporations be able to effect an internal transformation in their affluent members, making them less liable to the temptations of affluence? The central idea here seems to be that the corporations exercise a formative influence on the identities of its members in several ways. Most immediately, they foster an *identification with one's particular profession or type of work* (PR § 253). The argument here is that by participating in a whole community centered around a profession (e.g. bakery, brewery, butchery), individuals of all stripes build up a kind of 'professional pride (*Standesehre*)' (PR § 253) around the profession itself and around what it does – thereby making it less likely that affluent individuals simply abandon this work and the formative benefits that it entails. To put this point in another, equally Hegelian way: corporations foster an attitude in its members on which their profession is not a mere means to material income, but rather an integral component of their sense of self (PR § 255) which, along with the *Bildung* that it bestows, will not be discarded once the motivation to gain material income loses its pull.

Secondly, Hegel thinks that the corporation fosters an *identification with the other members of one's profession*. The idea here is this: by cooperating with other members of one's profession both within the inner business of the corporation (PR § 252+A), as well as within its external representation towards the state and other corporations (PR § 252), members will be habituated

into seeing themselves in precisely those individuals, with whom they are, qua being in the same profession, in closest economic competition. This strong sense of identification, then, tamps down the tendency to let this competition ‘escalate’ into unjust treatment/violations of right or to accept and solicit unequal treatment by public institutions – even *if* affluence and economic success tempts a social member to engage in these forms of behavior. A successful baker who truly sees himself in the struggling baker across the street, or so the thought goes, will be less liable to the illusion that his economic success also entitles him to a higher moral status and to preferred treatment by the public order. As Hegel himself is quoted saying in the lecture notes from 1821/22: ‘The rich person is a member of the corporation and only counts as such. He is guided back to equality with his fellows (*zur Gleichheit zurückgeführt seiner Genossen*), and to occupying the same standpoint as the others.’ (VPR Hoppe, 231)

Thirdly and finally, Hegel thinks that corporations lead social members *to identify with the corporation as an institution* (PR § 254). The idea here is that working together in the social whole of the corporation does not merely foster an identification with the other members of the corporation individually, but also leads social members into identifying with the collective agency of the corporation as a whole. Seeing themselves as members of a collective, rather than merely as self-standing individuals, social members will be less tempted to attribute their economic success only to themselves (their ingenuity, talents or whatever), but rather will acknowledge the substantial role that *others* play in their success – in particular, the substantial role that the corporate collective and its ‘conscious activity for a shared aim’ (PR § 254) plays in creating conditions for the economic success of each individual member.

But this acknowledgment tamps down precisely the false “pride” (PR § 253) that made individuals think they can ‘do it alone’, such that any social demand on behalf of others is an

unwarranted encroachment on their personal freedom (which as we have seen, gives rise to the ‘rabbelization’ of the affluent). As Hegel himself puts it in the quotation I already alluded to above: ‘Within their bounds [i.e. the bounds of the corporation], the rich person is no longer just for himself. [...] [H]e has to think that *he owes his profits to the community*; he will not be as proud of what he has’ (VPR Ringier, 152/153, cf. PR § 253A).

Stepping back a bit, it seems, then, that Hegel’s solution to the problem of affluence can be summarized thus: while he allocates a certain subordinate significance to external constraints on wealth accumulation (Hegel’s first means of addressing affluence), he locates the core of his solution in an internal transformation effected by the corporations (the second means of addressing affluence). By reforming the self of social members in different ways – fostering identification with the particular profession, with other individuals and with the corporative collective – corporations, or so Hegel thinks, counteract at least *some of* the temptations of affluence, thereby creating a psychological shield against its detrimental social force.

Now, of course, this Hegelian attempt to solve the problem of affluence immediately seems to invite many objections, once we start thinking it through from a contemporary perspective. What about, for example, wealthy social members who have ceased to work and are no longer members of any corporation? More generally: why should we be confident that the formative force of the corporations will overpower the temptations of affluence? Could certain ‘wealthy’ corporations – e.g. the professional associations of bankers or lawyers – themselves become liable to the pathologies of affluence? I will take up these kinds of questions when I now, in closing, come to evaluate the contemporary relevance of Hegel’s discussion of affluence.

IV. Conclusion: Hegel and us

It is virtually impossible to read Hegel's discussion of affluence without thinking about how and in what way Hegel's whole discussion of affluence applies today, in *our* social world. After all, we still live in societies that are not only marked by wide-spread poverty, but also by instances of great, sometimes even staggering, wealth: indeed, some have come to describe the present as a 'New Gilded Age' and a time of 'plutonomy' (e.g. Streeck (2014: 59)). Does Hegel's view, then, still hold valuable insights for us today?

The first thing to say here is that, if we narrowly focus only on Hegel's *solution* to the problem of affluence, the answer probably has to be 'No'²². The shortcomings of this solution – which places such significant weight on the 'corporations' – are just too obvious and too multitudinous. Most immediately²³, Hegel's proposed solution leaves unexplained what society is supposed to do with social members who have *grown up* in wealth, and who have therefore neither become members of any determinate profession nor of any corporation. This problem seems specifically pressing, since Hegel's own analysis of the problem of affluence explicitly suggested that growing up in wealth will incline social members to avoid labor altogether – which also seems to render them beyond the grasp of any corporative transformation Hegel stakes his solution to the problem of affluence on.

And even when it comes to wealthy social members who *are* members of a corporation, we might wonder whether Hegel really says enough about how the workings of the corporation will be able to *overpower* the temptations of affluence. This is an especially salient problem because Hegel's discussion of the corporations – even though they evidently play such an

²² Although something might be said, at a more general level, for Hegel's broader argument that limiting the market cannot be the only approach to taming it.

²³ I would like to thank an anonymous reviewer for pressing me on this point.

important role for his theory of Civil Society – is notoriously short and indeterminate in a lot of places. The reader never learns, for example, exactly how these corporations are precisely supposed to be organized internally, what kind of legal status they are supposed to have and how a system of corporations is supposed to keep up with the continuing evolution of the many professions (and the constant generation of new ones). Indeed, one might say that there is a curious theoretical asymmetry in Hegel’s lectures between the great ethical significance that he intends to attribute to these corporations and the relatively small space that is actually devoted to their discussion: of the 76 paragraphs devoted to Civil Society, only seven have the corporation as their explicit topic.

Moreover, it remains unclear how Hegel means to rule out the possibility that the problem of affluence starts to affect the corporation *itself*²⁴. It seems, for example, perfectly possible that a corporation (e.g. of lawyers or bankers) has a majority of affluent members and, hence, as a *collective agent* comes to be itself liable to some of the temptations of affluence, e.g. to the temptation to think that other corporations are less valuable or to the idea that the public order puts unjustified constraints on its activity. On such a picture, it seems that the corporations might, under certain circumstances, amplify the problem of affluence, rather than mitigate it: they might themselves fall prey to the ethical corruption that Hegel thinks great wealth can cause, thereby fortifying its detrimental social and political effect.

Yet the shortcomings of Hegel’s own solution to the problem of affluence should not lead us to discount Hegel’s discussion of affluence completely. This is because, even though his solution to the problem of affluence might be problematic, his *description* of this problem – his view of how exactly affluence comes to be problematic on a social level – continues to be

²⁴ I would like to thank an anonymous reviewer for raising this possibility to me.

interesting and relevant, even today. After all, Hegel's view here seems rather original: one would not ordinarily think that affluence generates the temptation to feel *rightless or victimized*, nor that this feeling of rightlessness should be central to understanding the social problems affluence causes. But Hegel disagrees. As we have seen above, it is one of the central ideas in Hegel's description of the problem of affluence that a sense of victimization can arise from great wealth, and that this sense of victimization can be one of the most socially threatening aspects of affluence.

Indeed, as we have seen above, Hegel proposes that this sense of victimization can even lead to an unexpected 'inner kinship' between the affluent and the economically disenfranchised: despite their divergent economic interests, their different styles of life etc., rich and poor individuals might come to be unified in their sense of being wronged by the society of which they are part. Indeed, by suggesting that rich and poor members can become different parts of the *same* rabble, Hegel's text – even though this is, admittedly, not fully explicit here – certainly evokes the specter of a *cooperation or political alliance* between those who feel aggrieved on both sides of the economic spectrum: a cooperation that 'unites' both extremes of the economic divide, despite their significant differences and mutual antipathies, and leads them to attack the norms, practices and standards of Civil Society *from both sides*.

Indeed, only a cursory glance at contemporary reality shows that Hegel might indeed be onto something: as Wolfgang Streeck has recently argued in another context, there does indeed seem to be a surprising degree of dissatisfaction with current Civil Society *on both sides* of the economic spectrum (Streeck (2014: 44)) – a dissatisfaction that, indeed, seems to have something to do with the feeling of being victimized²⁵. And even the proposal of a kind of 'inner kinship'

²⁵ In this context, it seems significant that some affluent members of contemporary American society openly, and in the public sphere, complain about a 'war on the rich' that is perpetrated by society. A good example of this is Tom Perkins' "Is a Progressive *Kristallnacht* coming?" (*The Wall Street Journal*, January 24, 2014).

between those sides seems to be born out in a certain way: otherwise it would be hard to explain why, as contemporary political events e.g. in Italy or in the US have shown, some of the wealthiest individuals in the country have managed to make themselves ‘relatable’ to those at the opposite end of the economic spectrum (despite their complete divergence in lifestyle, economic interests and lived reality).

Now, of course: what I have said here is certainly *not* enough to establish Hegel’s description as true. But it is enough to give us a strong *prima facie* reason to subject Hegel’s analysis of affluence in society to further scrutiny, utilizing the means of modern social science that Hegel simply did not have at his disposal²⁶. Hence, while Hegel might not be able to present us with a satisfying *solution* to the problem of affluence, his discussion of this problem can, even today, guide our own understanding and study of the problem itself. Hegel’s discussion of wealth in society, therefore, serves as a reminder of the intellectual wealth of Hegel’s social thought²⁷.

²⁶ In recent years, there has been a surge of empirical literature studying affluence, on which one could draw here. Empirical social psychology, for example, has turned more and more to the study of affluence. Good examples of this are Cashman and Twaite (2009) or Nicole L. Mead and Annika Stupy (2014).

²⁷ I would like to thank Borhane Blili-Hamelin, Raphael Causapin, Matthew Heeney, Alex Jensen, Sebastian Kanally, Gal Katz, Katja Vogt and Mira Wolf-Bauwens for comments on earlier draft of this paper. Many thanks also to several anonymous referees for helpful suggestions and prompts. As always, my gratitude belongs also to Fred Neuhouser, for encouragement, comments and inspiration.

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