Inspired much more by the literary style than the political sentiments of Karl Marx’s famous jottings on Feuerbach, completed in Brussels in March 1845 and later published with some revisions in Friedrich Engels, ‘Ludwig Feuerbach und der Ausgang der klassischen deutschen Philosophie’ *Die Neue Zeit*, 4/5 (1886), these remarks were first presented to the conference, ‘Markets and Civil Society’, *European Civil Society Network (CiSoNet) Meeting* (Madrid), 25th June 2004. The theses are deliberately brief and conjectural. They set out to cause trouble. Their primary purpose is to stir up fresh discussions among the friends and sceptics of civil society about the limits of market-biased thinking and the contradictions and injustices of neo-liberal policies that are today the orthodoxy in many countries, regional settings and global institutions. For their helpful criticisms of any earlier version, I should like to thank especially Helmut Anheier, Daniel Greenwod, Jürgen Kocka, Andrew McVey and Víctor Pérez-Díaz.
1. The Centrality of Markets During the modernization of the concept of civil society that took place in the Atlantic region between the years 1776 and 1848, every commentator on commodity production and exchange thought of markets as an organizing principle of civil society. Some praised, some criticised, some remained ambivalent about markets and their ethic of possessive individualism. Adam Smith’s Wealth of Nations (1776) generally admired the civilizing thrust of markets, but (in Book V) it lamented the decline of martial spirit and the pauperisation and ‘drowsy stupidity’ produced by the great wheels of commerce and exchange. Thomas Paine’s Common Sense (1776) referred positively to the enterprise and wealth of the ‘civilized society’ and the doux commerce of the Americans who struggled against the British empire; later (in Agrarian Justice [1797]) he proposed a far-reaching system of market-correcting grants, paid for from government inheritance taxation, to assist the newly married, the sick and the old.

Hegel later noted the hectic dynamism of markets – civil societies were seen as modern inventions in which the Bürgerstand permanently unsettle and revolutionize social needs and produce a ‘rabble of paupers’. That way of thinking about civil society prepared the ground for the most savage early modern critique of bürgerliche Gesellschaft: Marx’s attack on civil society as a self-paralyzing bourgeois society dominated by the ruthless logic of commodity production and exchange (Marx, 1845/6). During the first phase of modern interest in civil society, these different accounts of civil society had important political consequences. But note the agreement within the disagreement: without exception, all commentators saw capital, investment, production, exchange and the consumption of commodities - the forces and relations of production, mediated by nature - as a constitutive feature, a dynamic motor of civil society.

2. Civil Society Purism In our times, in striking contrast, virtually all commentators on civil society set aside or ignore markets. Something of a ‘purist’ view of civil society predominates. Civil society is treated as a market-free zone. It comprises a non-governmental space of associations in which a complex plurality of individuals, groups, organizations, civic initiatives and social movements cultivate virtues such as communication, solidarity, openness, toleration of differences, non-violence, the yearning for freedom with justice. Civil societies - in contrast to money-driven, power-protected markets - are said to be structured by ‘mutual recognition’ or by ‘autonomy’, ‘public space’, ‘pluralism’, even by the rules of ‘a certain kind of universalising community’ marked by ‘interactional practices like civility, equality, criticism, and respect’ (Alexander, 1998). In some quarters, civil society is assigned the historic role as heir to the proletariat, as a universal subject-object. Civil society is seen as the protector of citizens against the ravages of money-driven markets and governmental power. This ‘third sector’ or ‘third force’ is a space of resistance to ‘colonization’ (Habermas, 1982), an enclave in which the republican ideals of the French Revolution (liberté, égalité, fraternité) are nurtured. An extreme version of this understanding of civil society as a liberated base from which the despotic powers of markets and governments can be challenged and politically
defeated is the tract *Empire*, by Michael Hardt and Antonio Negri (2000): a world civil society capable of sparking off a revolutionary struggle for the joys of communism is conceived as the dialectical child of bio-capitalism’s quest for global domination.

3. *Explanations* How and why did the analytical divorce of markets and civil society happen? The change has been overdetermined by a variety of pressures. The understanding of civil societies as havens of communicative solidarity in a heartless world of state-organized markets sometimes (as in Japan and Latin America) found its inspiration in neo-Gramscian politics. Post-modern attempts to define ‘the power of the powerless’ (Havel, 1985) in opposition to the all-pervasive technological domination of modern forms of power also played a role, as did (in Havel’s case) simple ignorance of political economy, plus a measure of old-fashioned *bourgeois* distaste for money making. Civil society purism has been reinforced as well by the important practical efforts of the ‘third’ or ‘voluntary’ sector to foster social justice in the face of government policies of marketization; and by various research projects that suppose that civil society is equivalent to the not-for-profit ‘third sector’ (Salamon and Anheier, 1997). The conclusion that civil society and markets are opposites has been strengthened by the simple fact that many eye-catching civic initiatives of the past few decades, such as those of Greenpeace or Emergency or Transparency International or the World Social Forum, evidently seek not only to put a stop to the violence of states, armies and gangs, but also to publicise corporate misconduct and market injustices.

4. *Neo-liberalism* Purist accounts of civil society have been profoundly shaped by the breakdown of political economy and the ascendancy of neo-liberal economics. Although driven by good intentions and structured by a wide variety of motives, most contemporary accounts of civil society have absorbed, like a sponge, market presumptions. Some intellectual versions of civil society reasoning have even become the willing accomplice of neo-liberalism and its fetish of markets (Green, 1993). When that happens, talk of civil society plays an openly apologetic role: strong reliance upon markets is said to be obligatory if political tyranny is to be prevented. In most other cases, the market-shy friends of civil society have absorbed market thinking tacitly, often by default. They presuppose that markets and civil society are structured by mutually exclusive logics. Markets are thought to be synonymous with the commodification of nature, people and things, oiled by money. Market economies are therefore always and everywhere unavoidably disconnected from – and on bad terms with - social and political relations. That being so, the friends of civil society have created for themselves three practical options: to defend the happy islands of civil society against the bellicose navies of the unconquerable market; to call on the *deus ex machina* of government to rescue civil society from the clutches of the market; or to liberate civil societies from market oppression by turning against markets, by weakening or abolishing outright commodity production, exchange and consumption.
5. **Blindspots** Purist views of civil society suffer from the hubris of self-righteousness that results in intellectual confusions and political blindspots. To begin with, purist attempts to dualize markets and civil society are mistaken on descriptive, empirical-analytic grounds. It is a fact that all known markets, past and present, are non-governmental, money- and nature-mediated, power-ridden relations of investment, production, exchange and consumption in which buyers and sellers of commodities are constituted and constrained by linguistically mediated social rules that amount to obligations that govern the behaviour of all market actors. Regardless of how dependent civil society actors are upon money or budgets, financial reports and advertising, these linguistically mediated social rules are within and not somehow outside market relations.

The infusion of markets with webs of social relations is quite in accordance with the early modern observation that civil societies are differentiated in complex ways by a multiplicity of non-governmental rules: intimacy and friendship, public debate and social conversation, forms of play and rites of passage to do with birth, marriage, procreation and death, but also by the rules of money, property, commodity production, exchange and consumption. Commentators from Smith and Paine to de Tocqueville understood well that the propensity to ‘truck, barter and exchange one thing for another’ is co-structured, co-determined by other rules of social interaction. Markets require these social rules in order to function. No civil society, no markets (the lesson of the Soviet and Chinese models of socialism). The inverse is also true: no markets, no civil society (the lesson of cases as different as Solidarność and Pol Pot’s Cambodia). The marriage between markets and other civil society institutions may be (and often is) unhappy, but for the sake of their mutual survival their divorce is forbidden.

6. **Civilizing Effects** Certain social rules and habits of the heart are common to ‘the market experience’ (Robert E. Lane, 1991) and other civil society institutions. The market process of producing, buying and selling commodities not only needs to be embedded in a social *habitus* anchored in the unpaid work of households. Markets also have certain socializing or ‘civilizing’ effects (as even Marx himself noted when analyzing the ‘socialization of production’ under capitalist conditions). Civil societies and their market processes functionally require non-violence; money and the capacity for monetary calculation; the self-restraint of actors and their carefully defined self-love (otherwise known as sympathy); and a sense of level-headed responsibility for one’s actions, even the expectation that a price must be paid for mistakes (Pérez-Díaz, 2004). As well, neither civil society nor markets can function without the cultivated ability of actors to negotiate with strangers (as in business deals), to trust others, and to make sense together (as in the social identity formation that takes place through advertising-driven consumption of commodities). Civil societies are marked by a definite impersonality: the stranger is a figure common to markets and all other civil society institutions. Civil societies effect a separation between things and persons (Mauss, 1966); money permits possession and exchange at a distance, which is why (think of Francisco Goya’s *Alegoria del Comercio*) markets stretch spatial relations, so making possible the transition
from *Gemeinschaft* to *Gesellschaft*. Markets and other civil society institutions are basic preconditions of extending the spatial and temporal scope of individual personality and co-operation (Simmel, 1903).

7. *Fictitious Commodities* The unbreakable dependence of capitalist markets upon other civil society institutions highlights the fact that labour is a ‘fictitious commodity’ (Polanyi, 1945). Labour power cannot live with the dualism of market and civil society. While labour is organised as a commodity in the markets of contemporary capitalist economies, it is not produced for sale and cannot behave as a pure commodity. Labour is just another name for a type of social activity that is ultimately not detachable from *six* other (overlapping), variously combined types of civil society institutions:

- *non-market forms of production* within households, voluntary and charitable groups and other ‘parallel economy’ activities;
- *forms of recreation*, in which people spend at least some of their disposable time in such activities as sport, travel, tourism and hobbies;
- the (often overlapping) organisations of the *arts and entertainment*, including galleries, cinemas, music and dance clubs, theatres, pubs, restaurants and cafés;
- the *cultivation of intimacy* through friendships and household spaces of cooperation, sexual experimentation, procreation and the social nurturing of infants and adults;
- *non-governmental communication media*, such as newspapers and magazines, bookshops, internet cafés, television studios and community radio stations; and, finally,
- institutions for the definition and nurturing of the *sacred*, including cemeteries, places of religious worship, monuments and sites of historical importance.

These various types of non-market social organisation are indispensable preconditions of labour power. Sometimes they are described through terms like ‘social capital’ and ‘cultural capital’ and ‘human capital’, but that is misleadingly to suppose that employees are mere adjuncts of market forces. Whatever may be thought of the Hitachi model of corporate life - in which workers are required to socialise with other company staff through corporate clubs and organisations – it drives home the general point that labour power depends for its existence upon the social ecosystems of civil society. Employees cannot be reduced to the process of rationally calculated, commodity production, exchange and consumption. It is true that their lives can be more or less media-saturated, more or less religious and - certainly - more or less market-dominated. But short of sociocide, the nervous breakdown of the social, civil societies can never be fully transformed into capitalist markets, into something like a greed-driven factory or stock exchange or shopping mall. Robbed of the protective clothing afforded by civil society and reduced to the status of a mere factor of production, social actors would die of social exposure. ‘To allow the market mechanism to be the sole director of the fate of human beings and their natural environment…would result in the demolition of society. For the alleged commodity “labour power” cannot be shoved about, used indiscriminately, or even left unused, without affecting also
the human individual who happens to be the bearer of this particular commodity’ (Polanyi, 1945, pp. 78-79).

8. *Questions of Strategy* Purist accounts of civil society are also mistaken on strategic grounds. If the political problem is to constrain markets or to abolish them outright, or just to effect a truce between the two spheres, with or without the help of governments, then strictly speaking civil society actors cannot utilize market methods. Money or the means and mode of production cannot be used in the defence of civil society, for that would be to contradict its methods and spirit. Trades unions presumably can be organised, but only outside the entrances of offices and factories and supermarkets. For purists, civil society welcomes the return of Aristotle, for whom profit-oriented exchange is *unnatural*. This way of thinking is bad news not only for trades unions, but also for civil initiatives like Amnesty, Emergency, Greenpeace, or Human Rights Watch. These are not just ‘voluntary associations’, but sophisticated, business-like campaigning networks. There is more bad news: seen from the side of the market, entrepreneurs and businesses sympathetic to philanthropy and ‘corporate social responsibility’ suffer *class unconsciousness*! It is as if they are victims of a judgement disorder that prevents them from acting as capitalists are supposed to act: like the money-grubbing Dutch sea captain who risked everything by sailing his ship through the fires of hell. Of course, some capitalists - traders in child prostitutes, hard drugs, weapons of war - do behave in that recklessly self-interested way. But not all do. In the ‘attention economy’ (Davenport and Beck, 2001), some capitalists well understand the vital need to nurture the social conditions on which their business depend – and they do so by acknowledging the fundamental distinction between the ‘laws of Production’ and the contingent patterns of wealth and income that are determined politically by the ‘laws of Distribution’ (J.S. Mill, 1864, pp. 17-42).

9. *Uncivil Effects of Markets* Finally, purist accounts of civil society, understood as a desirable but not-yet-achieved norm, are paralysed in the face of market power and market dynamics. The champions of civil society can appeal to virtues like civility, mutual recognition and social solidarity. They can and do moralise against the market. But because they believe in the holy dualism of ‘market’ and ‘civil society’ they are perforce obliged to respect the market and its distinctive logic. It is seen as a functionally necessary domain of profit and risk-structured commodity production and exchange, using nature as a means. It follows that those who exercise power within markets must be allowed to get on with business as usual. This stipulation would be unproblematic if markets were always and everywhere ‘socially friendly’. Unfortunately, that is not normally the case. For all their socialising effects – von Hayek (1976, volume 2, pp. 108-109) even speaks of the ‘catallaxy’ of markets (from the Greek verb *katallatein*, ‘to exchange’, but also ‘to admit into the community’ and ‘to change from enemy into friend’) - markets regularly spoil social interaction. They stir up social competition and (because someone has to lose) reduce social pluralism; they vandalise the quest for social equality. The much-vaunted civilising effects of markets are constrained, counter-balanced by *uncivil* effects. Friends of civil society should tremble in their presence.
10. Market Failures

Why do markets threaten civil societies from within? Contemporary theories of civil society need to revisit – and to revise – the classical theories of market failures that were part and parcel of virtually all modern accounts of civil society until recently. Examples include: the theory of alienation, with its critique of the modern division of labour and the counterfactual vision of a world where humans could hunt in the morning, fish during the afternoon and enjoy polite criticism after dinner (Marx, 1845/46); and (from the early nineteenth century) the attack on markets as sources of inequality and class domination (Hall, 1805).

More recent critiques of markets have concentrated upon ‘externalities’: the activities of firms are seen to produce unintended effects, ‘public bads’ like pollution and urban over-crowding, that do not figure in the costs and benefits associated with the firm. There has also been much theorising of the crisis tendencies of markets: for instance, the ‘anarchy’ and periodic convulsions caused by falling rates of profit and class antagonisms; their tendency to promote under-consumption or consumer dissatisfaction; the propensity of firms to cause unemployment by hanging on to their capital, by not placing investment ‘bets’; and the tendency of markets to whip up socially destructive storms of technical innovation.

These and other theories of market failures deserve reconsideration. Some critiques of markets, like the Romantic theory of alienation and the authentic self, are implausible and should be rejected by a civil society perspective. Other analyses - like the emphasis on the ‘extractive power’ within markets (C.B. Macpherson, 1973) and the inequalities produced by the fact that in market competition there are always losers – continue to be important. Consider the United States: its otherwise vibrant civil society is scarred by the fact that 1% of households owns 38% of the national wealth, while the bottom 80% of households owns only 17% of national wealth. Such figures suggest that markets are not describable in the happy terms of Pareto efficiency; they can be, and often are, ‘prisons’ of powerlessness and protectors of ‘dead capital’ (de Soto, 2000) that stifles the operation of so-called trickle down effects.

That is why new insights into the self-paralysis of markets are urgently required. Today, new arguments have surfaced to explain why markets malfunction. Two examples: giant market actors frequently manipulate local information for their own interests, to the point where corporate ‘mega-projects’ (Flyvbjerg, 2003) so distort information that they result in massive cost miscalculations and projects that are never ready on time. In such cases, the self-adjustments triggered by market failure do not apply to corporate actors. It turns out that the Hayekian claim that markets offer an effective set of inter-related co-ordination functions under conditions of complexity, that the beauty of markets is that they are decentralised mechanisms for incorporating and processing local information into large-scale productive and distributive outcomes, is untrue, or greatly exaggerated (Hayek, 1966).

A second example of innovative thinking: because modern market-directed conquests of nature went too far, contemporary civil societies are for the first time grasping self-reflexively their co-dependence upon, and dwelling within, the biosphere. Civil societies de-nature the modern project of dominating nature. They demonstrate that
nature too is a fictitious commodity, and in so doing they slowly but surely expose the fundamentalism inherent in talk of the ‘efficiency’ of markets that began in the late nineteenth-century work of Leon Walras and others. Markets should not be trusted to ensure the best possible use of resources in the context of alternative possible uses by means of what has been called tâtonnement (groping), the process through which prices are clumsily adjusted in response to excess demand or supply (Walras, 1954). In the name of ‘efficiency’, there is mounting evidence, some of it alarming, that markets can and do foul the nests of our biosphere - permanently. Hence the emerging battles over corporations’ responsibility for bio-simplification, the melting of the polar ice caps and the probable polluting effects of nanotechnologies.

11. Can Markets be Socialized? The nineteenth-century communist, socialist and anarcho-syndicalist vision of abolishing markets is dead. It failed. More honestly: it ruined itself in an orgy of hubris, violence and political despotism. The utopia of abolishing markets proved disastrous (as Democracy and Civil Society [1988] tried to show) either because it trusted in the full state take-over of the exchange with nature (as Hayek in The Road to Serfdom [1944] predicted it would) or because it thought in terms of the abolition of law and government by forging social harmony based on the solidarity of the collective producers (autogestion).

Either way, civil society was supposed to become a mere memory, an unpleasant experience from the past. Given the follies and cruelties associated with the past century’s efforts to exterminate civil society, and given also that today’s blind trust in the arrogance of market-centred policies is to be rejected, how can normative theories of civil society find a new way? Who or what is the heir of the socialist and anarcho-communist project of reducing the grip of markets on people’s lives? How can markets be re-embedded in the mosaic of legally guaranteed social relations we call civil society, so as to bring greater freedom and equality (understood in new and more complex ways) into our world, on a global scale?

Specifically, what does the eighteenth-century vision of moral economy (E.P. Thompson, 1971) mean today? Which demands shall in future succeed the nineteenth-century call for Eight Hours Work, Eight Hours Recreation, Eight Hours Rest? Is civic capitalism (O’Neill, 2004) a plausible, politically legitimate norm? Is it feasible in democratic countries to pursue a politics of noblesse oblige – a politics that aims at seducing, threatening, legally forcing businesses to acknowledge and to honour their social responsibilities, on a global scale? How can actually existing civil societies stop market fundamentalism in its tracks? By means of modest efforts to strengthen shareholders’ and stakeholders’ rights? Through works councils, the extension of trade union rights, or the systematic inclusion of households within labour market policies? How feasible are schemes geared to the social needs of women, to the reduction of working time, and to new forms of production and consumption that do not wreck the biosphere? Can whole areas of civil society be actively de-commodified through bans on advertising, public-private partnerships (PPPs), public service media or new types of consumer citizenship? Does the survival of a global civil society require the cancellation of debts of poor countries, their fair representation in global institutions, or a global tax on corporate profits? Does the humbling of corporate power require the
defence of new forms of citizenship, such as the legal right to decent maternity/paternity leave, adequate care for the old, and a basic citizens’ income? How important are policies that foster inter-generational justice, for instance by empowering children, civil society’s most market-vulnerable participants?

For tactical reasons alone, these and other concerns cannot openly be described as elements of a wider vision of ‘post-capitalist’ or ‘socialist’ civil society. In the era of turbo-capitalism and neo-liberal economics and Third Way politics, all talk of socialism seems to be publicly forbidden. These are times in which the old sarcasm of Rousseau (1817) has a strange, new relevance: ‘Societies have assumed their final form: no longer is anything changed except by arms and cash.’ That being so, how shall the old political project of ‘socialising’ markets and making civil societies more equal and more open and more ‘civil’ be kept alive and nurtured in the coming years? The point is not only to change the world, but also to interpret it in new ways. Stale answers need to be questioned, fresh questions need to be put, new emphasis given to the wise words of William Morris (1896): ‘[People] fight and lose the battle, and the thing that they fought for comes about in spite of their defeat, and when it comes turns out not to be what they meant, and other [people] have to fight for what they meant under another name.’

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