

proportions of means of production and means of CONSUMPTION have to be produced and exchanged so that production can be undertaken and labour employed in the various sectors of the economy. In terms of exchange value prices must be established and money or credit be available such that capitalists and workers can obtain the appropriate commodities in the appropriate proportions and with profit where required. Bourgeois economics, and some economists within the Marxist tradition who look at these relations of circulation in class terms, take one or other of these balances as a focus for analysis, with its breakdown constituting an explanation of crisis and recession. Marx can be considered to have done much the same in emphasizing the anarchy of capitalist production, but he adds a third balance to be established, and one that combines the use value and exchange value balances of the other two. This is circulation as a balance in value relations. It is only by doing this that the contradictions of capitalist production come to the fore in the analysis of the circulation process.

This follows from the results that Marx has established in *Capital I* in his analysis of capitalist production. Marx shows that as value relations are being formed so they are being transformed by the accumulation of capital that reduces values by promoting productivity increase through the introduction of MACHINERY. If circulation is analysed in abstraction from production, only the possibility of ECONOMIC CRISES is apparent on the basis of given use value, exchange value or value relations. The necessity of crisis in economic relations can only follow from the circulation of capital as it coordinates the accumulation process through exchange. It is this which preoccupies Marx in his discussion of the law of the tendency of the FALLING RATE OF PROFIT.

Different schools of political economy within Marxism have arisen according to how the circulation process has been perceived, although these perceptions are usually not made explicit. For underconsumption theories, circulation of capital is determined by the level of demand and is situated predominantly in the movement of exchange relations. For neo-Ricardians, circulation is determined by relations of distribution which are seen as embodying an inverse relation between wages and profit. Fundamentalists, or

the capital-logic school, determine circulation in production but confine contradictions to the sphere of production rather than seeing them as being a result of circulation as a whole with production as determinant.

### Reading

Fine, Ben 1975: *Marx's 'Capital'*, ch. 7.

— 1980: *Economic Theory and Ideology*, ch. 2.

— and Harris, Laurence 1979: *Rereading 'Capital'*, ch. 1.

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city state. See ancient society.

civil society Although the term 'civil society' was used by writers such as Locke and Rousseau to describe civil government as differentiated from natural society or the state of nature, the Marxist concept derives from HEGEL. In Hegel, *die bürgerliche Gesellschaft*, or civil or bourgeois society, as the realm of individuals who have left the unity of the family to enter into economic competition, is contrasted with the state, or political society. It is an arena of particular needs, self-interest, and divisiveness, with a potential for self-destruction. For Hegel it is only through the state that the universal interest can prevail, since he disagrees with Locke, Rousseau or Adam Smith that there is any innate rationality in civil society which will lead to the general good.

Marx uses the concept of civil society in his critique of Hegel and German idealism, in such writings as 'On the Jewish Question', 'Contribution to the Critique of Hegel's Philosophy of Right: Introduction' and *Economic and Philosophical Manuscripts*. His discussion is in the Hegelian language of that period of his work. The term practically disappears in later works although it can be argued that some of the implications which his earlier discussion has for his view of politics remain. Civil society is also used in his early writings as a yardstick of the change from feudal to bourgeois society. Defined by Marx as the site of crass materialism, of modern property relations, of the struggle of each against all, of egotism, civil society arose, he insists, from the destruction of medieval society. Previously individuals were part of many different societies, such as guilds or estates each

of which had a political role, so that there was no separate civil realm. As these partial societies broke down, civil society arose in which the individual became all important. The old bonds of privilege were replaced by the selfish needs of atomistic individuals separated from each other and from the community. The only links between them are provided by the law, which is not the product of their will and does not conform to their nature but dominates human relationships because of the threat of punishment. The fragmented, conflictual nature of civil society with its property relations necessitates a type of politics which does not reflect this conflict but is abstracted and removed from it. The modern state is made necessary (and at the same time limited) by the characteristics of civil society. The fragmentation and misery of civil society escape the control of the state which is limited to formal, negative activities and is rendered impotent by the conflict which is the essence of economic life. The political identity of individuals as citizens in modern society is severed from their civil identity and from their function in the productive sphere as tradesman, day-labourer, or landowner.

In Marx's analysis two divisions grow up simultaneously, between individuals enclosed in their privacy, and between the public and private domains, or between state and society. Marx contrasts the idealism of universal interests as represented by the modern state and the abstractness of the concept of a citizen who is moral because he goes beyond his narrow interest, with the materialism of real, sensuous man in civil society. The irony according to Marx is that in modern society the most universal, moral, social purposes as embodied in the ideal of the state are at the service of human beings in a partial, depraved state of individual egotistical desires, of economic necessity. It is in this sense that the essence of the modern state is to be found in the characteristics of civil society, in economic relations. For the conflict of civil society to be truly superseded and for the full potential of human beings to be realized, both civil society and its product, political society, must be abolished, necessitating a social as well as a political revolution to liberate mankind.

Although GRAMSCI continues to use the term to refer to the private or non-state sphere, including the economy, his picture of civil society

is very different from that of Marx. It is not simply a sphere of individual needs but of organizations, and has the potential of rational self-regulation and freedom. Gramsci insists on its complex organization, as the 'ensemble of organisms commonly called "private"' where HEGEMONY and 'spontaneous consent' are organized (Gramsci 1971, pp. 12-13). He argues that any distinction between civil society and the state is only methodological, since even a policy of non-intervention like *laissez-faire* is established by the state itself (ibid. p. 160). In his notes, the metaphors he uses to describe the precise relationship between the state and civil society vary. A fully developed civil society is presented as a trench system able to resist the 'incursions' of economic crises and to protect the state (ibid. p. 235), while elsewhere in a note contrasting Russia in 1917, with its 'primordial' and undeveloped civil society, with countries in the West, the state is described as an outer ditch behind which stands a sturdy and powerful system of defence in civil society (ibid. p. 238). Whereas Marx insists on the separation between the state and civil society, Gramsci emphasizes the interrelationship between the two, arguing that whereas the everyday, narrow use of the word state may refer to government, the concept of state in fact includes elements of civil society. The state narrowly conceived as government is protected by hegemony organized in civil society while the hegemony of the dominant class is fortified by the coercive state apparatus. Yet the state also has an 'ethical function' as it tries to educate public opinion and to influence the economic sphere. In turn, the very concept of law must be extended, Gramsci suggests, since elements of custom and habit can exert a collective pressure to conform in civil society without coercion or sanctions.

In any actual society the lines of demarcation between civil society and the state may be blurred, but Gramsci argues against any attempt to equate or identify the two, be it in the works of various Italian fascist thinkers or by the French Jacobins. And while he accepts a role for the state in developing civil society, he warns against perpetuating statolatry or state worship (ibid. p. 268). In fact, the withering away of the state is redefined by Gramsci in terms of a full development of the self-regulating attributes of civil society.

Where in Marx's writings civil society is portrayed as the terrain of individual egotism, Gramsci refers to Hegel's discussion of the estates and corporations as organizing elements which represent corporate interests in a collective way in civil society, and the role of the bureaucracy and the legal system in regulating civil society and connecting it to the state (Razeto Migliaro and Misuraca 1978). He points out, however, that Hegel did not have the experience of modern mass organizations, which Marx also lacked despite his greater feeling for the masses (op. cit. p. 259). These differences may relate to Gramsci's emphasis on the need to analyse the actual organization of civil society and the interconnections between the state and society including the economy. It should be pointed out that in both Marx and Gramsci the term 'civil society' contains elements from both the economic base and the non-political aspects of the superstructure (see **BASE AND SUPERSTRUCTURE**), and therefore does not fit neatly into this metaphor.

A reading of the concept of civil society in both Marxist and non-Marxist thinkers leads to an examination of the concept of politics itself. It involves the relationship between individuals, and between individuals and the community, a view of society as organized or not, the delineation of public and private. Although the term disappears in Marx's later works, the theme of the withering away of politics as a separate sphere uncontrolled by society, and its substitution by a new type of democracy reappears in *The Civil War in France*, is found in Lenin's *State and Revolution*, and is further developed by Gramsci.

Most recently civil society has occupied a prominent place in debates in Eastern Europe as a result of the challenge to the socialist regimes there, and has entered discussions in the West about changes in the role of the state, the concept of citizenship, and the need to protect civil liberties.

### Reading

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class The concept of class has a central importance in Marxist theory, though neither Marx nor Engels ever expounded it in a systematic form. In one sense it was the starting point of Marx's whole theory; for his discovery of the proletariat as 'the idea in the real itself' (letter to his father, 10 November 1837), a new political force engaged in a struggle for emancipation, led him directly to an analysis of the economic structure of modern societies and its process of development. During this period (1843–44) Engels, from the perspective of political economy, was making the same discovery which he outlined in his essays in the *Deutsch-Französische Jahrbücher* (1844) and developed in *The Condition of the Working Class* (1845). Thus it was the class structure of early capitalism, and the class struggles in this form of society, which constituted the main reference point for the Marxist theory of history. Subsequently, the idea of CLASS CONFLICT as the driving force of history was extended, and the *Communist Manifesto* asserted, in a famous phrase, that 'the history of all hitherto existing society is the history of class struggles'; but at the same time Marx and Engels recognized that class was a uniquely prominent feature of capitalist societies – even suggesting in the *German Ideology* (vol. I, sect. I C) that 'class itself is a product of the bourgeoisie' – and they did not undertake any sustained analysis of the principal classes and class relations in other forms of society. Kautsky, in his discussion of class, occupation and status (1927), argued that many of the class conflicts mentioned in the *Communist Manifesto* were in fact conflicts between status groups, and that Marx and Engels were quite aware of this fact since in the same text they observed that 'in the earlier epochs of history, we find almost everywhere a complicated