

The Politics, The Social, and The Market: Tocqueville, Arendt, and Polanyi

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1. Tocqueville's views on democracy as a problem

In 1833, Alexis de Tocqueville, who returned from an investigative tour of America, visited England, which he had been eager to see. He wrote an essay titled "Memoir on Pauperism" (1835) based on his observations in England. He began with the following impressive passage: "The countries appearing to be the most impoverished are those, which in reality, account for the fewest indigents, and among the peoples most admired for their opulence, one part of the population is obliged to rely on the gifts of the other in order to live." (Tocqueville, 1997, pp.37-38). In the world's then most prosperous country, a fairly large part of the population lived on "almsgiving" and "public charity." Tocqueville identified the cause of poverty with the appearance of the "laboring class," as a result of the fall of the feudal society and the transformation of the industrial structure. As laborers worked for the fulfillment of others' desires, their condition depended on society. They earned wages as a reward for their labor, which was influenced by several elements that they could not control, such as the speculation of the employer, good or bad times for business, trends in trade, and so on. Laborers in urban areas had no other means of sustenance than dependence.

The development of industry and the ensuing prosperity in society inspired desire in people and made them seek enjoyment beyond their minimum needs. Once this enjoyment was disrupted, poverty and death took over. Although people could afford to enjoy comfortable lives, they also became extremely fragile. The development of industry was accompanied by the spread of poverty. Thus, there were more paupers in England than in any poor country at the time. Tocqueville noted thus: "In all countries, it is bad luck not to be rich. In England it is a terrible misfortune to be poor" (Tocqueville, 1995, p.115).

In *Democracy of America* (1835), Tocqueville noted that democracy is "the gradual development of equality of conditions." This is a "universal" and "lasting" process, and there is no possibility of the revival of aristocracy based on the ownership of land (Tocqueville, 1995, pp. 10-12). However, Tocqueville did not overlook the possibility of "new aristocracy" as a result of other kinds of inequalities.

In aristocracy, the ideas of "gain" and "labor" were separated. However, in democracy, both were united, and "labor" for "gain" was recommended (Tocqueville, 1995, p.970). Commerce and industry evolved based on people's "universal desire for happiness (bien-être), but division of labor makes a new relation of rule and subordination between the employer (master) and laborer (worker). This rule is not founded on the hierarchy of land origin, but "an industrial theory more powerful than mores and laws" (Tocqueville, 1995, p.982). Tocqueville

called this new form of aristocracy “aristocracy established by trade,” “manufacturing aristocracy” or “aristocracy of money” (Tocqueville, 1995, p. 984, p.996).

New aristocracy has a completely different nature from the old one. Territorial aristocrats thought that they were obliged to lessen the suffering of the poor by “law” or “manners(customs).” In contrast, manufacturing aristocrats didn’t care for laborers, and left their maintenance to public assistance. The manufacturing aristocracy, “after impoverishing and brutalizing the men it uses, delivers them in times of crisis to public charity to be fed.” The relationship between employer and employee was monetary, so there were no personal or moral ties. No personal relationships were established between the rich and the poor (Tocqueville, 1995, p. 984). Thus, in democratic societies, equality of conditions was extended but the inequality of wealth was increased. Tocqueville said, “you see aristocracy come by a natural effort from the very heart of democracy” (Tocqueville, 1995, p.983).

Wealth supports new aristocracy and gives aristocrats “privilege.” However, competition for wealth is free and open to anyone, so chances of earning and accumulating wealth remain equal for everyone. All the more for equal chance, competition for wealth is getting harder, and soon a “hidden war” takes place among all citizens. This is “the state of England today,” wrote Tocqueville (Tocqueville, 1995, pp. 996-97). In England, “the good of the poor has often ended by being sacrificed to that of the rich, and the rights of the greatest number to the privileges of a few. Therefore, within England today all the greatest extremes of fortune are present together, and miseries are found there that nearly equal its power and glory” (Tocqueville, 1995, pp.382-83) Manufacturing aristocracy or aristocracy of money is “one of the harshest that has appeared on the earth,” according to Tocqueville (Tocqueville, 1995, p. 985).

Tocqueville’s evaluation of economic inequality seems ambivalent. On the one hand, he said, inequality is increased only in “a small society,” that is the market, so it is one of the harshest but “one of the most limited and least dangerous” (Tocqueville, 1995, p. 985). On the other hand, he said, economic inequality is “an exceptional fact” contrary to the entire tendency toward equality, and that is why, “there is no fact more serious, or that better deserves to attract the particular attention of the legislator” (Tocqueville, 1995, p.1030). Couldn’t he anticipate that the crisis of democracy would occurred had “a small society” swallowed up “a big society”?

Tocqueville anticipated another image of democracy’s future in *Democracy in America*. Equality isolates people and makes them indifferent to others. They do not care about the destiny of their fellow citizens, except for those who are quite close to them. As the taste for material enjoyment among people gains strength, they hasten to make a fortune and forget close bonds that unite them with their fellow citizens. As they are reluctant to engage in public activity because of the lack of time, they are willing to let their political rights go. “Since the citizens who work do not want to think about public matters, and since the class that could fill its leisure hours by shouldering these concerns no longer exists, the place of the government is as though empty” (Tocqueville, 1995, p. 951).

“Above those men arises an immense and tutelary power that alone takes charge of assuring their enjoyment and of looking after their fate. It is absolute, detailed, regular, far-sighted, and mild. It would resemble paternal power if, like it, it has a goal to prepare men for manhood; but on the contrary, it seeks only to fix them irrevocably in childhood; it likes the citizens to enjoy themselves, provided that they think only about enjoying themselves. It works willingly for their happiness; but it wants to be the unique agent for it and the sole arbiter; it attends to their security, provides for their needs, facilitates their pleasures, conducts their principal affairs, directs their industry, settles their estates, divides their inheritances; how can it not remove entirely from them the trouble to think and the

difficulty of living?” (Tocqueville, 1995, pp.1250-51)

People are always busy. As they are immersed in the pursuit of wealth, they have only a limited amount of time to think and act. Citizens who forget to think and act become like a “flock of timid and industrious animals” and behave as they are told by the government, which acts as their “shepherd.” People look for “trivial and snobbish pleasure.” Tocqueville said that such servitude may be easily compatible with “the external forms of liberty” (Tocqueville, 1995, p.1252). If it is correct, this “administrative despotism and sovereignty of the people” leads to “comfortable totalitarianism.”

2. Arendt's view on social problems

Over a hundred years later, Hannah Arendt tacitly took over Tocqueville's perspective in her book, *On Revolution* (1963). Arendt thought that Tocqueville considered America “a large and wonderfully equipped laboratory,” to study the factors that affect equal conditions causes on people and society (Arendt, 1994, p.411). Tocqueville discovered the emergence of manufacturing aristocracy and calm despotism in democracy. Aristocracy of money is accompanied by new poverty, which was the most important problem in nineteenth century politics.

Arendt severely criticized the idea of politics coping with poverty. She insisted that as a result of the problem of poverty breaking into the realm of politics, politics was eroded by the social realm. The French Revolution was a failure, because paupers appeared on stage. This failure led to a radical change, or the “degradation” of politics.

“Since the revolution had opened the gates of the political realm to the poor, this realm had indeed become ‘social’. It was overwhelmed by the cares and worries which actually belonged in the sphere of the household and which, even if they were permitted to enter the public realm, could not be solved by political means, since they were matter of administration, to be put into the hands of experts, rather than issues which could be settled by the twofold process of decision and persuasion” (Arendt, 2006, p. 81).

In the beginning, the goal of the revolution was “the despotism of liberty,” which meant Robespierre's dictatorship for the establishment of freedom (Arendt, 2006, p. 50). Arendt discerned liberty and freedom. Liberty means being liberated from, in this case, oppression of the old regime. But being liberated does not necessary lead to freedom, because freedom means “participation in public affairs, or admission to the public realm,” as a political subject in the new regime (Arendt, 2006, p. 22). The original purpose of the revolution was to institute a new political space in which people as citizens can exercise their freedom. Revolution in its modern sense refers to paupers in the lower class, living in “darkness,” rising up and taking the position of “the supreme sovereign” (Arendt, 2006, p.30).

However, at the sight of the poor crowd, the revolutionaries had no choice but to change their purpose from establishing an institution for freedom to securing the lives of paupers. They were liberated from the despotism of a merciless ruler, but not from “necessity.” However, this resulted in “the stillbirth” of the new republic, according to Arendt. Freedom should have yielded to necessity, that is the “urgency of the life process.” The revolutionary government under the banner of freedom transformed into a government for the “welfare of people” (dress, food, and the reproduction of their species), or “happiness.” The opportunity to establish politics as an institution of freedom was missed forever.

Compared to this, the American Revolution was successful. This was because the United States was a “society without poverty,” which surely had poor people but no “misery and scarcity” (Arendt, 2006, p. 58). The main

concern of people or Founding Fathers in the American Revolution was the “deep concern for the form of government” (Arendt, 2006, p. 46). Most people spent their time on labor and had little time to participate in the government. They had no choice but to trust a small number of representatives to take the responsibility to govern. Did this result in the deprivation of the freedom of participation for most people? The founding fathers made a great effort to establish an institution of government which made “representative government” and “political freedom” compatible.

Arendt identified the French Revolution with liberty, security of life, and the social realm, and the American Revolution with freedom, the institution of freedom, and the political realm, and presented them as a choice between the two. She seemed to have taken the former as the cause of the loss of the public realm. It seems that this is the most reasonable conclusion we can draw from Arendt’s radical politics-oriented attitude. She considered “action”, political activity, as opposed to labor, and thought it was an essential activity for humans. However, we should examine whether there is any place in Arendt’s political theory for the problem of poor relief or welfare.

Arendt offered an interesting consideration to the “labor movement” in nineteenth century Europe. The opposition to the extension of suffrage rights to the labor class in those days was based on the apprehension of laborers using their political rights only to realize their economic interest, that is “class profit.” According to Arendt’s concept of human action, laboring man was a model of “animal laborans,” lacking in the “ability of action and speech,” so he had no citizenship (civic virtue) that was adequate for participation in politics. It is natural to think that they would appeal to realize security of life.

However, Arendt pointed out that the demands they made in the labor movement were political and economic. They pursued class profit and a “new form of government,” which was the possibility of a “democratic government under modern conditions.” Why was this so? The labor movement was supported by concern for the forms of government, because they had already become “citizens” by the expansion of the suffrage rights. They were admitted “to the public realm, that is, *appeared* publicly” from “darkness.” They sought a democratic government that could improve their conditions of life, which was a public concern of citizens. In short, in the labor organization, the laborer “acted and spoke *qua* men – and not *qua* members of society.” They engaged in action as political activity (Arendt, 2006, pp. 215-19).

It’s not that Arendt did mean the problem of poverty unimportant. She said that poverty is “more than deprivation, it is a state of constant want and acute misery,” that has the force of dehumanizing, by putting human beings under “the absolute dictate of bodies,” “the absolute order of necessity” (Arendt, 2006, p. 50). Want or scarcity certainly causes humiliation for human beings, as it dehumanizes them. However, it is not only scarcity that humiliates, dehumanizes human beings. Leaving people in darkness, being “excluded from the light of the public realm where excellence can shine,” is also a source of grave humiliation (Arendt, 2006, p. 59).

Arendt quoted passages from John Adams, which brings to mind the scene of the poor that Adam Smith described in *The Theory of Moral Sentiments* (1776), although for her, Smith’s “invisible hand” was one of the most harmful, evil, and mistaken theories in existence (Smith, 1976, p.50). “The poor man’s conscience is clear; yet he is ashamed...He feels himself out of the sight of others, groping in the dark. Mankind takes no notice of him. He rambles and wanders unheeded. In the midst of a crowd, at church, in the market...he is in as much obscurity as he would be in garret or a cellar. He is not disapproved, censured, or reproached; he is only not seen ...To be wholly overlooked, and to know it, are intolerable.” He is neglected by others, and he feels humiliated deeply, all the more

for his admission of it. This is ‘the curse of poverty’” (Arendt, 2006, p. 59).

According to Arendt, to resolve the problem of poverty, to liberate people in the truest sense, the freedom of the poor should be realized by establishing spaces in which they can appear, become visible, and be treated as human beings with dignity. The “institution of freedom” should take priority over “security of life.” First and foremost, people standing rooted in “darkness” must be invited to “the light of the public realm where excellence can shine.” Using Arendt’s terms, paupers should be given *Persona* as citizens or should learn to act with *persona* (Arendt, 2006, pp. 96-97). Following Shakespeare who said, “without clothing man is a miserable, exposed animal,” without *persona*, man is a miserable, poor animal.

Accordingly, liberty or freedom, security of life or the institution of freedom, and the social or the political, are not the problem of choice, but of priority. This was not a minor or secondary problem for Arendt. The revolution marked the beginning of new politics. When security of life comes before anything else, politics whose essence is freedom is endangered. If life becomes the highest good for politics to realize, even a dictatorship is justified as long as it secures people’s lives (it is unlikely so), as Salazar’s “Estado Novo” or the Asian leader’s “developmental autocrat.” People liberated from poverty will have liberties, but will never enjoy the freedom to participate in politics. If life takes the first place, Jeremy Bentham’s House of Industry will be justified. In the House, the inmate’s life and safety are secured almost fully, but, as Bentham himself admitted, there is no freedom or liberty in the essential meaning of the term (Bentham, 2010). In his “labor panopticon,” no concern was taken on human dignity at all. As long as life is secured, it is permitted to impair human dignity (Himmelfarb, 1970/71).

3. Administration of the poor

When “life” has priority over “freedom” and enters the public realm, the poor are objectified. Poverty was discovered as a problem of politics in the nineteenth century. However, the problems of the poor could not be “solved by political means,” because they were “matters of administration,” so “to be put into the hands of the experts,” according to Arendt (Arendt, 2006, p. 81). Even in the Era of Absolutism, problems in the social realm were the objects of administration. The personal rule of the King was exercised through “polis,” administration heading the state, so the rule of man was transformed into a bureaucratic administration. After the Revolution, the intrusion of necessity into the political realm promoted the organization of administration and the hands-on control of the government from statesman to bureaucrat.

According to Arendt, a bureaucratic government is “democratic”, in the sense that its chief goal is “popular welfare and private happiness,” but, simultaneously, “oligarchic” in the sense that “public happiness and public freedom” are enjoyed as a matter of privilege for a small number of administrative bureaucrats (Arendt, 2006, p. 261). People’s “lives” are entrusted in the hands of the bureaucrat, who is not “the representative of the people.” Again, the business of administration is for “public interest,” but in essence, it is “the business of private management.” Whereas the state manages or controls society to maintain public welfare and private happiness, it is no longer a political action for the public freedom of the people (Arendt, 2006, p. 261).

The public realm is reduced to “a nationwide ‘housekeeping’,” which is “the even more restricted, impersonal sphere of administration” (Arendt, 1998, p. 60). Friedrich Engels called it the “administration of things” (Arendt, 2006, p. 264). Sydney Webb named it the “housekeeping state,” and explained that the state had the duty to allocate resources optimally to ensure that the people enjoyed comfortable lives (Webb, 1920). However, its rule is “no man

rule,” which is beyond “merciful tyranny,” as the case may be, and becomes “the most merciless and most tyrannical rule” (Arendt, 1998, p. 40). H. G. Wells called the class of impersonalized elite rulers “Samurai.” The Samurai have the authority to decide who deserves to live (Wells, 1905). The target of the administrative system, by which a small number of administrators govern and manage the lives of most members of society, is no longer the “citizen” in its original sense of the term. The target is the “crowd” that has no public freedom, or the “masses” that was objectified by the natural sameness of life. People become the object of administration, or as Tocqueville said, a “flock of timid and industrious animals” taken care of by “shepherds.” There is no room for politics. If anything, it is the administration pretending to be politics.

Arendt emphasized that the political realm is not subordinate to the social realm. The goal of the political realm is not necessarily to protect “the productive, social side of human nature” through government administration (Arendt, 1998, p.159). However, when politics is reduced to administration, politics as “the light of public realm where excellence can shine” dies. Therefore, if people do not appear as citizens and try to resolve these challenges through discussions and decisions, the problem of poverty will remain under the control of the administration.

In this control of administration, Tocqueville anticipated that “immense and tutelary power” would make its appearance clearly. What Tocqueville tried to say was, in Arendt’s words, that people in democratic societies desire “private liberty and private welfare” and were satisfied with both, but they had no complaints about losing “public happiness and public freedom.” A thoroughly de-politicized and administrative state, which is actually the “welfare state,” gets rid of the “trouble to think” and “difficulty of living”(Tocqueville, 1995, p.1251). People can enjoy individual liberty and look for happiness. However, they do not allot their leisure time which emerged from the improvement in their standards of living, for political activity as a practice of freedom. They succumb to the “boredom of vacant time” and consumption (Arendt, 2006, p. 60). Why? As people are pressed to address their needs and pursuits of desire, politics is a “burden” (Arendt, 2006, p. 261). The collusion of administrative power and citizens without citizenship (civic virtues) has resulted in the collapse of the public realm. This is the crisis of politics caused by social problems, as Tocqueville and Arendt pointed out.

It is obvious that Arendt did not mean to praise the American Revolution highly. The revolution broke out in a country that was “the symbol of a society without poverty” (Arendt, 2006, p.13). So, as if, in the Revolution there were not “the fearful spectacle of human misery, the haunting voices of abject poverty” (Arendt, 2006, p.85). Tocqueville also emphasized the natural affluence of America, and reported that there were no proletariats (Tocqueville, 1995,p. 390). However, he described the miserable condition of the Native Americans and Black slaves in compassionate words. Arendt also called the reader’s attention to the fact that misery and scarcity were not imposed on white laborers, but on Black slaves and the Native Americans. It is totally “a deception” that social problems did not exist in America. Rather, the Americans established a republic of freedom by imposing misery and scarcity on the Black slaves and the Natives Americans, and by eliminating them and driving them into “darkness” (Arendt, 2006, p. 61). Tocqueville foretold that the Native Americans and the Black slaves would be a major threat to democracy, and it turns out to be fairly true now.

Arendt disgustedly noted that the revolutionary spirit in the early days was forgotten and left only civil liberties behind in the form of the individual welfare of the greatest number and public opinion. “It is as though the originally political principles were translated into social values” (Arendt, 2006, p. 213). In the shadow of prosperity, American society devastated the political realm. Why do they seek prosperity so eagerly? They do so

because people from continental countries suffered cruel poverty. To liberate themselves from it, their *needs* had to be satisfied. But the poor wanted to satisfy their *desire* because “abundance and endless consumption are the ideals of the poor.” People who were absorbed in meeting their desire lost their freedom. America was “the Promised Land” for people who were cursed with poverty and were unable to understand the meaning of freedom and civic virtue (Arendt, 2006, p. 130). To escape the burden of politics, they filled the space of democracy with a fundamentally anti-political desire, that is, the desire to be ruled comfortably without spending time and handling troublesome matters. They were willing to be the object of administration (Arendt, 2006, p. 127).

Tocqueville pointed out that French society, which was under despotism after the revolution, had deprived all its citizens of “all shared enthusiasm, all mutual need, all necessity for understanding, all opportunity to act in concert,” and isolated them and made them indifferent to each other. This unstable society pushes every man into “the fear of sinking or his passion to rise,” which they absorb in making and accumulating wealth frantically. “The desire to grow rich at all costs, the taste for business, the passion for gain, and the pursuit of comfort and material enjoyment are thus the most common preoccupations in despotism.” These desires spread across society, and degraded citizens. They gave rise to, supported, and welcomed despotism. They made citizens turn their backs on public reality and confined themselves to the private world (Tocqueville, 2008, p.13).

On the lines of Arendt’s insistence, Tocqueville emphasized the importance of the freedom to evade despotism. Only freedom is an effective defense to such social degradation, and liberates citizens from isolation and indifference, in order to share the common concern and conduct of public business. In short, it is politics as freedom.

4. Democracy and market society

We should consider why the social realm intruded into the public realm. According to Karl Polanyi in his *Great Transformation* (1944), the fundamental cause that made poverty the unavoidable theme of politics was the transformation of society into a market society. In nineteenth century England, economic liberalism was a system of enlarging the principle of the self-regulating market to adapt it to society at large, and to reorganize society based on this principle.

Though the market is an old economic institution, its role was limited and incidental to the community. In the sixteenth century, various markets developed, the main concern of the government (polis) was to control and administer them. However, until the eighteenth century, these markets gradually became “one big market”. In the nineteenth century, “a market society” that covered the entire society with a single self-regulating principle was formed. (Polanyi, 2001,p. 75).

A consequence of the prevailing market principle was “commodification.” All goods were exchanged in the market as commodities, even those that were not originally produced as commodities, such as land, labor, and money, which were exchanged as “commodities fiction”(Polanyi, 2001, p.138). Thus, the social realm entered the politic realm via the economy.

The “Poor Law Amendment Act 1834” was a legislation designated to create a free and competitive, nationwide labor market, and the result was “terrible destruction,” in Polanyi’s words. The artificial formation of the labor market tore people from their communities and threw them into society, which had no system of mutual aid and cooperation. There were no institutions to lessen the risk of life, starvation, or poverty. People who were deprived

of various kinds of mutual aid in the community now became “socially exposed beings” and victims of social disaster and disorder. Poverty in the wealthiest society, which astonished Tocqueville, was a shadow of prosperous England, brought about by the market society. It is terrible misfortune to be poor.”

Polanyi considered a series of social legislations that were passed in nineteenth century as a protective measure against the destructive power of the market society, that is, for the “self-protection of society” (Polanyi, 2001, p. 87). Those aims were “to protect human labor from the acts of the market” (Polanyi, 2001, p. 186). Polanyi interpreted these as competitions between the society and market, that is, as the “double movement” of democratic politics and economic liberalism.

We may date back the prototype of this competition to an imaginary debate between Rousseau and Smith. According to Rousseau, to protect a republic of freedom or democracy in its purest sense, the market should be excluded as thoroughly as possible. The market would bring about the desire which could not be satisfied, because this desire is not originated from his own will, but from others’ will. To struggle to satisfy it, people necessarily become placed on chain of market. People liberated from natural necessity become enslaved to social necessity. Smith believed that the market system was indispensable for the enjoyment of affluence and the rise in the standard of living of many, as it liberated people from necessities (Ignatieff, 2001).

Polanyi seemed to have thought that the “self-protection of society” was effective to some extent, for the “de-commodification” of labor, and by strengthening democratic politics, we can control and supervise the market and protect people from its destructive power. However, more than Polanyi expected, the power of the market was deep-rooted in society. In the market society, citizens had totally transformed into laborers and consumers. They tended to identify society with the market society as their place of gain. Thus, they did not voluntarily act as dutiful citizens, but rather solely as customers enjoying services provided by the government.

The people who joined the debate on poverty at the turn of the century shared the concern on how the poor can be made citizens. At that time, to be a pauper receiving state provisions meant losing all entitlement as citizens. To be citizens, people had to be independent in every sense. However, if they were liberated from necessity by the administration, they never became citizens in the original meaning of the word. For instance, Sydney and Beatrice Webb, who are considered ones of founders of the welfare state concept, thought that the resolution of poverty should be left to efficient bureaucrats to handle. The “house-holding state” was managed by a small number of administrators, who had expertise and public spirit, were industrious and frugal, and did not seek to be rewarded with money but social approval and honor with “benevolent bureaucracy.” (Webb, 1920, pp. 350-52; Webb, 1980, pp. 299-300). They had neither distrust in the bureaucracy, nor wariness of “bureaucratic oligarchy,” as had Herbert Spencer (Spencer, 1982). The masses guided by the bureaucrat remained a happy recipient or a child. They thought that a completely new form of democracy was not to resolve the problem with the means of a “bargain” or “elections” as it had once been. It was an elite politics based on “scientific social administration” and “a science of new public administration.”

The form of democracy that Webb advocated was “politics *of* the majority,” and even “politics *for* the majority,” but not “politics *by* the majority.” (Himmelfarb, 1991, p. 369). Though people could attain power of political domination, they could not manage an efficient society. Nothing can be done without involving the elite minority, according to Webb. Bernard Shaw called it “democratic aristocracy” substituted for mobocracy (Shaw, 1938). In other words, it was a “breed thought,” that treated laborers as a “herd of docile animals to be ordered by wise

rulers.”

Tocqueville called this form of tyranny “democratic despotism,” which turned a “shapeless mass” into “the only legitimate sovereign power,” but the mass had no capacity to control or supervise its government, as it was “a single legal representative responsible for everything in its own name without need for consultation” (Tocqueville, 2008, pp. 162-63).

Though Lenard T. Hobhouse shared much of Webb’s ideals, he could not accept their concept of democracy. He emphasized the mutual relationship between citizens and the state. According to him, the role of the state is not to support the life of a laborer, but “to provide for it[personality] the most suitable conditions of growth,” which is appropriate for a democratic citizen (Hobhouse, 1994, p.69). The “positive state” he proposed assured a single honest man of normal capacity the minimum condition of a healthy social life (Hobhouse, 1994, p.77). Members of society are responsible for the development of their personalities and act as “free and responsible citizens” in a democracy. Being recipients of state provisions does not cause one to lose citizenship status as long as he develops his personality as a democratic citizen. Thus, a citizen can demand that the state secure their life as “a right”, and also have “a duty” to contribute toward public interest, in the form of serving the “common good.” Hobhouse did not even think of citizens as mere recipients of state provisions.

The post-War welfare state was basically based on William Beveridge’s social assurance plan. It intended to reorganize society from the system of competition into one of cooperation and mutual aid. The combination of progressive tax and social assurance intended to redistribute not only income and wealth, but also opportunities. Beveridge disliked the expression “welfare state,” because it conveyed the idea of a “Santa Claus state” (Harris, 1997, 452). He repeatedly emphasized that the plan did not mean that the state would provide for nothing, but rather that citizens’ efforts also played a part. Beveridge demanded a “citizen’s sense of obligation,” and “mutual efforts” on parts of the “individual and state” (Beveridge, 1942, sec.304).

Even the welfare state, as a means to achieve self-protection in society could not be a solution. The contribution of a citizen as a duty was brought about by the effort of labor. The “welfare state” based on social assurance should provide all laborers with adequate opportunities of employment, and it was deemed possible by economic policy based on Keynes’ theory. The system of welfare is deeply rooted in the system of labor. The level of welfare that citizens enjoy depends on the rewards they receive. To secure a desirable level of life, they have to make continuous efforts as individuals to improve their ability as laborers so that they can get more rewards, and as a nation, to increase their products so that the national economy can be stable. They themselves had to encourage the commodification of labor.

Citizens are expected and able to exercise their freedoms. The expansion of opportunities through education and shared culture, can give them the opportunity to be more positive and qualify as political subjects. However, citizens as laborers who are so deeply involved in a market society are also involved in the consumption society. Less than a decade after the welfare state was established, British society was swallowed up by a massive wave of consumer culture. The welfare policy of the post-War government liberated laborers from their miserable lives and enabled them to live in comfort, but they could not utilize their calmness to develop citizenship. Their lives were filled with a lot of goods and entertainment. As a result of their strong desire to consume, the burden of work got heavier and the concern for politics got weaker.

Welfare that was supposed to restrain the commodification of labor ironically encouraged it. Welfare that was

supposed to help laborers develop their personalities as citizens encouraged their indifference toward politics. In the management of the national economy, administrators with expertise on the economy played the main role. Soon, the political realm was totally taken over by the economic realm. Here, political activity was reduced to production, distribution and re-distribution (allocation), and consumption. Most words circulated in the sphere of politics were increasingly about economic conditions that possibly affected the lives of the people. Economic words (like profit and loss, growth, finance, productivity, efficiency, Paretian optimum, and so on) were exchanged as though using those words qualified the user's opinion. Modern politics is a system of profit distribution, and the role of the statesmen is to claim the share of those they represent.

Thus, politics transformed into a market-like space. Every actor participated in politics and pursued his own gain. As a rational, but not reasonable individual, he took advantage of the political and administrative institutions to maximize his profit, and paid no consideration to his fellow citizens, because other citizens were not fellows, but competitors. Strangely, only administrators can be fair actors and play in favor of public interest, although public choice theory denies this, too. Eventually, politics becomes extinct.

5. The disappearance of politics

Arendt called disinterested and hedonistic people “the masses,” and considered their emergence one of the main causes for the collapse of modern politics. For Polanyi, it was the product of the “satanic mill” of the self-regulating market principle. The emergence of the masses was accompanied by the formation of a market society. This brought about unawareness of shared interest among the masses, without which they could not unite and enjoy a sense of solidarity. Thus, society became not a relation of persons, but of “producers and producers” (Polanyi, 2001, p. 394).

Arendt said that a society of laborer is formed when its members consider that they should just focus on making a living for themselves and their families. They were the “animal laboran” that lived in the process of production and consumption, that is “man is completely focused on the biological and himself” (Arendt, 2006, p. 252). Arendt and Polanyi considered this collapse of society the main target of totalitarianism. The masses were separated from human community, lost all the relations to ask for, were treated as just a commodity of labor not as a human being, unable to find common interest, tired of living, and hoping to entrust his fate to a powerful and charismatic leader. Nazis leaders appealed to these masses.

This was the nightmarish future of democracy that Tocqueville envisaged, and the real experience of democracy from the late nineteenth to twentieth centuries. Why do we say that we will succeed in evading a similar kind of doom from the late twentieth to twenty-first century?

It may not be incorrect that neoliberalism is a descendant of nineteenth century Laissez-fair liberalism in a new costume (Fraser, 2011). Laissez-fair made market principles prevail all over society, demanded that government activity be limited, criticized state intervention as a violation of economic freedom, and insisted that public assistance was not a solution to the social problem.

Now, neoliberalism makes the market principle divine, and insists that all problems can be solved through it. For neoliberalists, it is competition that encourages economic growth, and economic growth can resolve all problems. Therefore, if problems remain unresolved, a solution must be identified by an individual, or politics should take over the responsibility. For neoliberal theorists, politics has been a major obstacle to building a “healthy” and

“efficient” economy, because politics always gives priority to the consent of citizens than the contest of individuals. Under pressure from international competition in the global economy, social service will change from an egalitarian to a performance scheme, that is more market-oriented.

Therefore, a laborer should level his ability up in responding to the market demand. Laborers urged to qualify themselves as able, useful, and deserving of high rewards. Thus, they spend a lot of resources (time and money) to build brilliant careers. The more the global economy develops, the higher the quality the market demands. In the heyday of the welfare state, the Keynesian industrial-welfare-state, people had to be industrious and productive laborer. However, the market nowadays demands that people should manage himself in order to become a valuable member of the labor society with quality as an excellent entrepreneur, and should continue to invest themselves as “human resources,” so that they can easily find the other job in the market. The welfare state is transformed to a Schumpeterian entrepreneur-welfare-state. (Jessop, 2002)

In this laborer-consumer society in which the market principle reaches every corner, a citizen tends to consider public activity, whether by the government or a citizen, or any other actor, a kind of business, and judges it from a business perspective. Like stockholders in major companies, citizens demand that the government and public sector should be more efficient and engage in more profitable activities. They demand that unprofitable public sector or enterprise initiatives be privatized, and profitable ones be deregulated for the entry of private enterprises. In the near future, most public capital that has been collectively owned and commonly utilized will be transferred completely to the market beyond all democratic control. The public realm, where politics once lived and administration now lives, will be cut up into pieces. Economics and business will live there with animals named laborer-consumers, and there would be no place for citizens.

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