

Historical Materialism Book Series

Editorial Board

Sébastien Budgen (*Paris*)

Steve Edwards (*London*)

Marcel van der Linden (*Amsterdam*)

Peter Thomas (*London*)

VOLUME 64

The titles published in this series are listed at *brill.com/hm*

Marx's *Capital* and Hegel's *Logic*

A Reexamination

Edited by

Fred Moseley and Tony Smith



BRILL

LEIDEN | BOSTON

Library of Congress Cataloging-in-Publication Data

Marx's Capital and Hegel's Logic : a reexamination / edited by Fred Moseley and Tony Smith.

pages cm. — (Historical materialism book series, ISSN 1570-1522 ; volume 64)

Includes bibliographical references and index.

ISBN 978-90-04-20952-7 (hardback : alk. paper) — ISBN 978-90-04-27002-2 (e-book) 1. Marx, Karl, 1818-1883. Kapital. 2. Hegel, Georg Wilhelm Friedrich, 1770-1831. Wissenschaft der Logik. 3. Marxian economics. 4. Dialectic. I. Moseley, Fred, 1946- II. Smith, Tony, 1951-

HB501.M37M392 2014

335.4'12—dc23

2014003298

This publication has been typeset in the multilingual 'Brill' typeface. With over 5,100 characters covering Latin, IPA, Greek, and Cyrillic, this typeface is especially suitable for use in the humanities. For more information, please see brill.com/brill-typeface.

ISSN 1570-1522

ISBN 978 90 04 20952 7 (hardback)

ISBN 978 90 04 27002 2 (e-book)

Copyright 2014 by Koninklijke Brill nv, Leiden, The Netherlands.

Koninklijke Brill nv incorporates the imprints Brill, Brill Nijhoff, Global Oriental and Hotei Publishing. All rights reserved. No part of this publication may be reproduced, translated, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without prior written permission from the publisher.

Authorization to photocopy items for internal or personal use is granted by Koninklijke Brill nv provided that the appropriate fees are paid directly to The Copyright Clearance Center, 222 Rosewood Drive, Suite 910, Danvers, MA 01923, USA. Fees are subject to change.

This book is printed on acid-free paper.



Printed by Printforce, the Netherlands

Contents

Acknowledgements vii

Introduction 1

Fred Moseley and Tony Smith

PART 1

Idealism and Materialism 15

1 Hegel, Marx and the Comprehension of Capitalism 17

Tony Smith

2 Capital Breeds: Interest-Bearing Capital as Purely Abstract Form 41

Mark Meaney

3 Dialectics on Its Feet, or the Form of the Consciousness of the Working Class as Historical Subject 64

Juan Iñigo Carrera

4 Which 'Rational Kernel'? Which 'Mystical Shell'? A Contribution to the Debate on the Connection between Hegel's *Logic* and Marx's *Capital* 89

Gastón Caligaris and Guido Starosta

PART 2

Hegel's *Concept* and Marx's *Capital* 113

5 The Universal and the Particulars in Hegel's *Logic* and Marx's *Capital* 115

Fred Moseley

6 On Hegel's Methodological Legacy in Marx 140

Roberto Fineschi

7 Lost in Translation: Once Again on the Marx–Hegel Connection 164

Riccardo Bellofiore

8 The Secret of Capital's Self-Valorisation 'Laid Bare': How Hegel Helped Marx to Overturn Ricardo's Theory of Profit 189

Patrick Murray

9 'The Circular Course of Our Representation': '*Schein*', '*Grund*' and '*Erscheinung*' in Marx's Economic Works 214

Igor Hanzel

PART 3

Different Views of the Dialectic	241
10 An Outline of the Systematic-Dialectical Method: Scientific and Political Significance	243
<i>Geert Reuten</i>	
11 Marx, Hegel and the Value-Form	269
<i>Christopher J. Arthur</i>	
12 Dialectics of Labour and Value-Form in Marx's <i>Capital</i>: A Reconstruction	292
<i>Mario L. Robles-Báez</i>	
References	318
Name Index	329
Subject Index	330

Acknowledgements

I would like to express special appreciation to Mount Holyoke College for its generous financial support for the conference at which these papers were presented, and for its support for the many International Symposium on Marxian Theory (ISMT) conferences over the years (seven in all). The ISMT would not exist without the generous support of Mount Holyoke College. Mount Holyoke College's support for this 'politically incorrect' research is a shining example of the highest ideals of liberal arts education – critical thinking and the diversity of ideas.

I also especially thank Dawn Larder for her extremely capable administrative assistance for this conference and for past conferences. The ISMT conferences at Mount Holyoke College would not run nearly so smoothly without Dawn.

Fred Moseley

Introduction

Fred Moseley and Tony Smith

The relation between Hegel's philosophy and Marx's theory has long been an important question in Marxian scholarship, and a controversial one, because both authors are so wide-ranging and controversial in themselves, which makes the relation between them even more complicated. The unique feature of this book is that it has a specific focus – on the influence of Hegel's logic on Marx's economic theory in *Capital*. It will not be directly concerned with the influence of Hegel's philosophy on Marx's early writings, or on Marx's theory of history, or his theory of the state, and so on. Rather, the main focus will be on Marx's theory in *Capital*.

In recent decades, there has been some new thinking about the relation between Hegel's logic and Marx's *Capital* which goes loosely by the name 'New Dialectics', exemplified by the work of Chris Arthur, Tony Smith, Geert Reuten and Roberto Fineschi (all are authors in this volume; see the Introduction to Arthur 2002 for a good introduction to this new line of research). The New Dialectics is different from the old Marxian dialectics (or Diamat), which was concerned primarily with the influence of Hegel on Marx's theory of history, and the eventual triumph of socialism. The New Dialectics, by contrast, is concerned mainly with the influence of Hegel's logic on Marx's theory in *Capital* of capitalism, as a given historically specific society; hence it is also called 'systematic dialectics' (as opposed to 'historical dialectics'). Different authors have different interpretations of Hegel's logic and systematic dialectics, but they all agree that Hegel's logic is important for understanding Marx's theory in *Capital*. The aim of this book is to contribute to this new line of research.

The papers in this volume were originally presented at the 22nd annual meeting of the International Symposium on Marxian Theory (ISMT) at Mount Holyoke College (where Fred Moseley is Professor of Economics) in August 2011, and the papers have been revised for this volume. The twelve authors are divided between seven economists and five philosophers, as is fitting given the interdisciplinary nature of the subject of the relation between Hegel's logic and Marx's economic theory. Seven of the authors are regular members of the ISMT and five were specially invited participants because of their expertise on this topic (Caligaris, Hanzel, Iñigo Carrera, Meaney and Robles). This is the eighth conference-volume of the ISMT (please see the list of titles at the end of this Introduction).

In January 1858, while working on the *Grundrisse*, the first draft of *Capital*, Marx wrote a well-known letter to Engels in which he stated that a recent fortuitous review of Hegel's *Logic* had been 'of great service' in his own theory, especially with respect to the *method* employed in his theory of *profit*. He commented that he had 'overthrown' all previous theories of profit:

By the way, I am discovering some nice arguments. For instance, I have overthrown the whole doctrine of profit as it existed up to now. The fact that by mere accident I again glanced through Hegel's *Logik* . . . has been of great service to me as regards the *method* of dealing with the material.¹

What exactly did Marx mean by this obviously important but too-cryptic remark? What discoveries had Marx made? Which specific aspects of Hegel's *Logic* was Marx referring to? And what was the relation between these aspects of Hegel's logic and Marx's theory of profit specifically? Countless scholars have called attention to this letter as evidence of the influence of Hegel on Marx, but no one has satisfactorily answered these important questions about the relation between Hegel's logic and Marx's theory of profit. These are the kinds of question that Moseley posed in organising the conference.

Part 1 of this Introduction will discuss the main themes and controversies of this volume, and Part 2 will provide brief summaries of the individual chapters.

1 Main Themes and Controversies

1.1 *Marx's 'Inversion' of Hegel's Logic*

It is well known that Marx interpreted Hegel's logic as idealist (following the general interpretation of Hegel's logic at the time, especially Feuerbach), and he claimed that he 'inverted' Hegel's logic in his own theory (in the Postface to the second German edition of *Capital*):

My dialectical logic is, in its foundation, not only different from the Hegelian, but exactly opposite to it. For Hegel, the *process of thinking*, which he even transforms into an independent subject, under the name of 'the Idea', is the creator of the real world, and the real world is only the external appearance of the idea. With me the reverse is true: the ideal is

¹ Marx and Engels 1975a, p. 93 (bold emphasis added).

nothing but the material world reflected in the mind of man, and translated into forms of thought . . .

The mystification which the dialectic suffers in Hegel's hands by no means prevents him from being the first to present its general forms of motion in a comprehensive and conscious manner. With him it is standing on its head. It must be *inverted*, in order to discover the rational kernel within the mystical shell.²

Tony Smith has argued in previous work, and in his chapter in this volume, that Hegel's logic can be interpreted as materialist rather than idealist, following contemporary Hegel scholars such as Terry Pinkard and Robert Pippin. Smith's interpretation can be briefly summarised as follows: Hegel assumes that there is a set of fundamental objective determinations in the world. These objective determinations of the world can be comprehended by the determinations of our thought (our thought is 'at home in the world'). Furthermore, we can think about our thinking and we can construct an ordering of the essential determinations of thought. Since we can comprehend the world, the ordering of the essential determinations of our thought will also be the ordering of the essential determinations of the world. Hegel's logic appears to be idealistic, because it is about the determinations of thought. But it is not really idealistic, because it is based on the materialist premise that these determinations of thought correspond to determinations of reality.

Roberto Fineschi's chapter interprets Hegel as a kind of realist. According to Fineschi, Hegel's dialectic is not an external application of logical rules to objective reality, but is instead based on the 'self-development' of a determined content, or 'the peculiar logic of a peculiar object'. Mark Meaney's chapter presents a similar materialist interpretation of Hegel's logic and argues that Hegel's Absolute Spirit is not an external force, but is instead (using strange language) the *internal unifying principle* of an independently given objective reality, which is an *organic whole*. And *because* objective reality is an interrelated organic whole, certain materialist logical rules apply to the theory of an organic whole (the logical development is from the abstract to the concrete, and from the universal to the particulars). He argues that Marx followed these logical rules closely because he regarded capitalism an organic whole. It looks as if these logical rules are an external application, but the logical rules of the theory mirror the relations of determination of objective reality itself.

So the surprising conclusion of this line of interpretation is that, although Marx thought that he was 'inverting' Hegel, he was in fact following Hegel's

² Marx 1976c [1867], pp. 102–3 (emphasis added).

own materialist logic, in analysing capitalism as an independently given objective reality, which is an organic whole.

However, two chapters in this volume, one by Juan Iñigo Carrera and the other by Gastón Caligaris and Guido Starosta, argue the contrary view that Hegel's logic is definitely idealist, because the starting point of his logic is a pure thought-form – pure Being. As a result of this idealist starting point, the whole of Hegel's logic is necessarily idealist. Therefore, Marx's inversion is necessary; pure thought-forms must be replaced by real material forms. Marx's own starting point is the *commodity*, which is a real material form, not a pure thought-form, and Marx's theory explains the self-development of the real forms of capitalism (commodity – money – capital, and so on). Caligaris and Starosta criticise Smith's materialist interpretation of Hegel and argue that, even if Hegel's pure thought-forms are an attempt to reflect real material forms, it still has to be demonstrated that this attempt was successful, that is, that Hegel's pure thought-forms are an accurate reflection of real material forms. Much better to theorise the self-development of the real forms themselves directly, rather than indirectly through pure thought-forms.

1.2 *Hegel's Logic of the Concept and Marx's Theory of Capital*

An important development in recent decades in Marxian scholarship has been the exploration of the influence of Hegel's Logic of the Concept on Marx's theory of capital.³ This connection was first discussed by philosophers in Germany in the 1960s and 70s. Specifically, it was argued that the main levels of abstraction in Marx's theory – capital in general and competition – were an adaptation of Hegel's moments of the Concept – universality, particularity and singularity (see Fineschi 2009a for a review of this literature). However, the main question in this literature (following Rosdolsky) was whether or not Marx abandoned the logical structure of capital in general and competition in his later work, not the relation between this structure and Hegel's Logic of the Concept, which was presumed.

Since the 1980s, there have been several important works in English that have emphasised the relation between Marx's theory of capital and Hegel's Concept-Logic: Felton Shortall (1994), Chris Arthur (2001a), Mark Meaney (2002) and Roberto Fineschi (2005). All these authors emphasise that Marx's exploratory outlines early in the *Grundrisse* (pp. 266 and 275) are clearly in terms of the moments of Hegel's Concept (universality, particularity and singularity), and that these outlines are strong evidence that Marx was following Hegel's Concept-Logic in some way, at least in the *Grundrisse*. The proximity in

3 The singular noun 'Concept' is misleading, because it means a (plural) set of categories that contain an accurate account of the universal and necessary features of reality.

time (a few weeks) of these outlines and Marx's letter about Hegel's 'great service' strongly suggests that Hegel's Logic of the Concept was at least part of what Marx had in mind in this letter. These authors argue further that Marx did not abandon this Hegelian logical framework in later years, but maintained this framework in all the later drafts of *Capital*.

Several chapters in this volume have to do with this important question of the relation between Marx's theory of capital and Hegel's Logic of the Concept. Moseley's chapter argues that Marx utilised Hegel's moments of the Concept of universality and particularity as the basic logical structure for his theory of capital and surplus-value: Hegel's moment of universality corresponds to Marx's level of abstraction of capital in general (theory of the production of surplus-value), and Hegel's moment of particularity corresponds to Marx's level of abstraction of competition (theory of the distribution of surplus-value). Moseley argues that Marx first developed this Hegelian logical framework in the *Grundrisse* and maintained this basic framework in all the later drafts of *Capital*. Fineschi's chapter argues that Marx utilised all three moments of Hegel's Concept-Logic, including singularity, and that Marx maintained this framework until the end, although he changed the location of several key aspects: accumulation was moved from particularity to universality, and interest-bearing capital was moved from generality to singularity. In the final versions of *Capital*, Concept-Logic became less important and was replaced by Hegel's Logic of the Essence (that is to say, manifestation) as the primary logical framework of Marx's theory. Meaney's chapter argues that, in the *Grundrisse*, Marx utilised all three parts of Hegel's *Science of Logic* – Being (simple circulation), Essence (capitalist production) and Concept (capital as organic unity). (Meaney does not discuss the later drafts of *Capital*.) With respect to Hegel's Concept-Logic, Meaney argues that Marx's theory followed the logical rules of the Concept, from the abstract to the concrete and from the universal to the particulars. He also argues that interest-bearing capital corresponds to Hegel's Idea at the end of the Logic of the Concept.

Smith argues that the main part of Hegel's logic that Marx appropriated was not the Concept-Logic but was instead his Essence-Logic. Murray also argues that Marx utilised both Hegel's Concept-Logic and (more importantly) his Essence-Logic, as competing points of view, or 'discordant discourses' (see next section).

1.3 *Marx's Capital as Hegelian Subject*

A related issue discussed in several chapters has to do with the Hegelian concept of *Subject*. The question is: does Marx's utilisation of aspects of Hegel's Concept-Logic imply that Marx regarded capital as a Subject in the Hegelian sense of the term? Moishe Postone (1993) was the first to argue that Marx's

concept of capital is similar to a Hegelian Subject, in the sense that capital acquires an independent existence and *dominates* the capitalist mode of production, similar to the domination of objective reality by Hegel's Subject. Arthur (2001a) has made a similar argument in terms of the Absolute Spirit – capital is a universal power which dominates over human beings, similar to Hegel's Absolute Spirit.

Riccardo Bellofiore's chapter in this volume presents a similar interpretation and adds a quantitative dimension – Marx's concept of capital is similar to a Hegelian Subject, in the sense that 'capital produces surplus-value' and is 'self-valorising'. Bellofiore emphasises that capital can produce surplus-value only if it succeeds in dominating labour in production; but if capital does succeed, then 'capital produces profit' is a true statement of capitalist reality. Bellofiore presents several passages from *Capital* to support his interpretation, and he argues that the German verb *erscheinen* (to appear or be manifested) in these passages connotes that, although the appearances under discussion (for example, capital appears to be self-valorising) are bizarre, these bizarre appearances are nonetheless real, that is, are truthful and accurate representations of capitalist reality.

Igor Hanzel's chapter argues, to the contrary, that the verb *erscheinen* in these passages (and elsewhere) does not connote that these bizarre appearances are true, but rather that these bizarre appearances are not only false, but they are also *necessarily false*. That is, these false appearances are the inevitable products of capitalism itself; capitalism creates its own smoke-screens that hide its true reality. Hanzel discusses in particular a well-known passage from the end of Chapter IV of Volume I, in which Marx states that 'value is the subject' of the valorisation-process (and implicitly that capital is the subject). However, Hanzel argues, Marx's theory in Chapter IV is still concerned with the sphere of circulation only, prior to the production-process. In the sphere of circulation, capital does indeed *appear* to be a self-valorising subject, but this is a *false appearance*, an illusion. Marx's theory of surplus-value proceeds to demonstrate that capital does not itself produce surplus-value, and thus is not a 'self-valorising subject'. Capital can be valorised only by incorporating labour from the outside and exploiting labour in production.

Patrick Murray's chapter also argues against the view of capital as a Hegelian Subject. As mentioned above, Murray's interpretation is that Marx appropriated both Hegel's Concept-Logic and his Essence-Logic. He argues that Marx used Hegel's Concept-Logic in order to explain capital's *pretence* to be a 'self-valorising subject', and he counterposed this Concept-Logic with Hegel's Essence-Logic, which demonstrated that capital is not really self-valorising; capital is an imposter, and Hegel's Essence-Logic helps Marx expose the pre-

tence of capital. Meaney presents a similar interpretation and argues that, although interest-bearing capital is the Idea of capital, in the Hegelian sense of being the culmination of all the previous theoretical development, if interest-bearing capital is viewed in isolation from profit-bearing capital and the rest of the economy (especially labour), as the classical economists were prone to do (especially the vulgar economists), then interest-bearing capital appears to produce its own interest, but this is a fetish, an illusion. Tony Smith also argues against the interpretation of 'capital as Subject' for a different reason. According to Smith, a Hegelian Subject applied to society means that society is harmonious and does not have internal conflicts. But capitalism obviously has internal conflicts (valorisation is coercively imposed on workers by capital), and therefore capital cannot be a Hegelian Subject in this sense.

Part 2 will provide brief summaries of the individual chapters in this book.

2 Summaries of Individual Chapters

2.1 *Idealism and Materialism*

Tony Smith's chapter ('Hegel, Marx and the Comprehension of Capitalism') notes that Marx adopted two important aspects of Hegel's thought. First, the methodological framework of Marx's theory, systematic dialectics, is taken over from Hegel. But there is a major modification: while Hegel's major writings present an *affirmative* systematic dialectic, Marx's theory is *critical*. Later levels in the critique of political economy do not overcome the antagonisms found at its start; they articulate the *same* antagonisms in more concrete and complex forms. Second, Marx's concept of capital was modelled on what he took to be Hegel's Logic of the Concept. Smith argues, however, that this concept of capital is not in fact isomorphic to the Logic of the Concept that Hegel affirmed, but rather illustrates the sort of Essence-Logic Hegel rejected. The chapter concludes with some critical reflections on recent attempts to connect Hegel's *Logic* with Marx's critique of political economy.

Mark Meaney's contribution ('Capital Breeds: Interest-Bearing Capital as Purely Abstract Form') responds to Roman Rosdolsky's observation that Marx's *Grundrisse* manuscripts make 'massive reference' to Hegel's *Science of Logic*. This presents the challenge of taking each of the terms and phrases borrowed from the *Logic* and linking them to Hegel's work. It is not enough, however, simply to note a similarity in terminology. The employment of a term or phrase in the *Logic* is a function of its placement within the development of the whole, and the same is true of the *Grundrisse*. In his chapter for this collection Meaney examines the specific transition from profit-bearing capital to interest-bearing

capital, making use of both philological exegesis and a close analysis of the logical structure of Marx's arguments. He explains Marx's deployment of phrases such as 'self-reproducing' and 'real capital' at precise points in the manuscripts by linking Marx's language to the logical terms and phrases Hegel uses in his presentation of 'realised genus', the concrete universal.

Juan Iñigo Carrera's chapter ('Dialectics on its Feet, or the Form of the Consciousness of the Working Class as Historical Subject') argues that the need to place dialectics on its feet is not a matter of adapting Hegel's logic to a materialist point of view, but is instead the necessity of transcending the historical character of logic itself. It starts by considering that Marx recognises consciousness as the way in which human subjects govern their actions as individual organs of their process of social metabolism. Therefore, he recognises the forms of consciousness, hence, scientific method itself, as historically determined forms of social relations. Consequently, he faces logical representation itself as the historical form of a consciousness which bears the contradictory necessity of producing objective knowledge in order to produce relative surplus-value, while at the same time it must remain blind to its own alienation. Thus, logical representation ideally places into relation the concrete real forms according to a constructive necessity, which appears as the objective product of a naturalised abstract free consciousness. On the other hand, Marx's *Capital* follows in thought the real movement of the general social relation of the working class, thereby discovering the necessity of its consciousness as an alienated being that bears the necessity of producing itself as an alienated consciousness that is aware of its own alienation and of the historical powers it derives therefrom.

Gastón Caligaris and Guido Starosta's chapter ('Which "Rational Kernel"? Which "Mystical Shell"? A Contribution to the Debate on the Connection between Hegel's *Logic* and Marx's *Capital*') argues that in the *Logic* Hegel managed to discover the simplest form of existence of the real: the movement of affirmation through self-negation. As a consequence, he correctly presents the method of science as the systematic unfolding of the immanent life of the subject-matter. However, in so far as Hegel's systematic dialectic begins with the simplest *thought-form*, his subsequent derivation of form-determinations unfolds a whole series of redundant categories which, from a materialist standpoint, correspond to the immanent necessity of pure thought only and do not express the inner movement of the simpler determinations of 'real material being'. The chapter further submits that an immediate reason behind that spurious starting point resides in his methodological procedure of 'extreme' *abstraction*, which arbitrarily casts aside all particular determination until reaching a wholly empty universal. By contrast the chapter argues that Marx

finds a materialist alternative to Hegel's abstraction in dialectical *analysis*, which moves by searching for the more abstract or simple content of the concrete form he is immediately facing.

2.2 *Marx's Theory of Capital and Hegel's Logic of the Concept*

Fred Moseley's chapter ('The Universal and the Particulars in Hegel's *Logic* and Marx's *Capital*') argues that the two main levels of abstraction in Marx's theory are capital in general and competition, and that this logical structure was a creative appropriation of Hegel's Logic of the Concept, and specifically the first two moments of universality and particularity. Marx's capital in general corresponds to Hegel's universality, and the main question addressed is the universal property of all capitals – the production of surplus-value – and the determination of the total surplus-value produced in the economy as a whole. Marx's level of abstraction of competition corresponds to Hegel's moment of particularity, and the main question addressed is the derivation of the particular forms of surplus-value (equal rates of profit across industries, commercial profit, interest and rent), and the division of the predetermined total surplus-value into individual parts. Moseley argues that Marx discovered this creative appropriation of Hegel's moments of the Concept while working on the *Grundrisse*, and he maintained this Hegelian logical structure in all the later drafts of *Capital*.

Roberto Fineschi's chapter ('On Hegel's Methodological Legacy in Marx') argues that Hegel's legacy for Marx is methodological; if Marx is not interested in a formalistic application of models from Hegel's logic, he is true to its fundamental principle: the *Auslegung der Sache selbst*, the dialectical self-development of a determined content; the mode of exposition (presentation) of this content is the *Darstellungsweise*, which is called by Marx the 'only scientific method'. Fineschi tries to show how, from a partially abstract 'application' of the structure universal – particular – singular, which clearly derives from Hegel's *Science of Logic*, Marx moves to a dialectically more consistent formulation of it. This allows us to follow the development of the several abstraction levels of Marx's theory of capital through its different stages of elaboration, from the first conception to the 'final' outline. This, although uncompleted, turns out to be dialectically more consistent than the first draft.

Riccardo Bellofiore's chapter ('Lost in Translation? Once Again on the Marx–Hegel Connection') first summarises Marx's main criticisms of Hegel and the views of a number of Marxian theorists who have discussed them. He then presents his own interpretation of the movement from commodity to money and capital, stressing what he terms its 'dual path'. The first path reconstructs the 'circularity' of Capital as Subject, as an automatic fetish: it is here

that Hegel's idealistic method of 'positing the presupposition' served Marx well. The second path concerns the 'constitution' of the capital-relation, and therefore the 'linear' exploitation of workers and class-struggle in production. We find Marx's radical break from Hegel here. Bellofiore argues it is crucial to distinguish the 'objective', thing-like and alienated nature of capitalist social reality (its 'fetish-character') from the attribution of social properties to the things themselves as natural attributes ('fetishism'). While the latter is deceptive, mere semblance [*Schein*], the former appearance is all too real [*Erscheinung*].

Patrick Murray's contribution ('The Secret of Capital's Self-Valorisation "Laid Bare": How Hegel Helped Marx to Overturn Ricardo's Theory of Profit') argues that Marx's appropriation of Hegel's Logic of Essence enabled him to show that profit is the necessary form of appearance of surplus-value. In overturning the existing theories of profit, Marx overturns classical value-theory, which explains individual prices as expressions of individual (labour-) values, replacing it with a holistic labour-theory of value that holds only for the total capital. For individual capitals, profit is in fact proportional to *capital's* magnitude – and, apparently, nothing else. Capital's expansion seems to be *its* doing; capital appears to be a self-valorising 'automatic subject'. In overlapping the presentation of capital, which appears to mimic the self-sufficient movement of Hegel's Concept, with the presentation of surplus-value as the essence that necessarily appears as profit, Marx 'lays bare' capital's secret: capital increases in value (is valorised) only by appropriating the unpaid labour of wage-workers.

Igor Hanzel's chapter ("The Circular Course of Our Representation": "*Schein*", "*Grund*" and "*Erscheinung*" in Marx's Economic Works') deals with the ways Marx proceeds from a certain cluster of concepts of political economy as a science to other ones. It starts with a short overview of Marx's procedures in *Capital* Volume I leading to the manuscript Chapter VI, 'Results of the Immediate Process of Production', and it shows how they correspond to a circular type of theory-construction. For a better understanding of this type of theory-construction, Hegel's logico-categorical reconstruction of the movement of scientific knowledge from *Schein* via *Wesen* to *Erscheinung* as given in his *Science of Logic* is explicated together with a reconstruction of the way Marx draws on Hegel's category-clusters *Schein*, *Wesen* and *Erscheinung*, and their orderings. Finally, an epistemological account of the category-pair *Schein* and *Erscheinung* with respect to Marx's economic works together with a description of the peculiarities of German syntax of that pair is presented.

2.3 *Different Views of the Dialectic*

Geert Reuten's chapter ('An Outline of the Systematic-Dialectical Method: Scientific and Political Significance') explores the methodology of systematic dialectics. Building on the work of Hegel and Marx, Reuten reconstructs this method with a view to the contribution it may make to the investigation of contemporary capitalism. He argues that systematic dialectics provides a framework for distinguishing the institutions and processes that are necessary – rather than contingent – for the capitalist system. This methodological framework also aids in the detection of the strengths and weaknesses in the actual structure of capitalism. Generally the earlier parts of a systematic-dialectical presentation help delineate the strengths of the system as well as contradictions (compare Marx's *Capital*), while the latter parts help to develop the comprehension of its weaknesses and contradictions (not fully developed in Marx's unfinished project). Any undue focus on one or the other can lead to political paralysis. Weaknesses should be understood in the context of the system's strengths, and vice versa. In Reuten's view, the political significance of the systematic-dialectical method lies here.

Chris Arthur's chapter ('Marx, Hegel and the Value-Form') reconstructs Chapter I of *Capital*, which is generally regarded to be the chapter in which the influence of Hegel's *Logic* is most easily detectable, and argues that Hegel's categories are indeed relevant. After an analysis of the commodity using Hegel's categories of Being, categories drawn from Hegel's Doctrine of Essence are deployed because the oppositions characteristic of its structure are suited to a study of the doubling of the commodity into commodities and money. This discussion of Marx's first chapter is part of a broader project to provide a *systematic-dialectical reconstruction* of '*Capital*'. This is premised on the view that there is a significant homology between the movement of exchange, generating through a *practical* abstraction a system of forms of value, and the movement of thought, generating Hegel's system of *logical* categories.

Mario Robles-Báez's chapter ('Dialectics of Labour and Value-Form in Marx's *Capital*: A Reconstruction') reconstructs the dialectic of the determination of the social value-form of commodities. It argues that the meaning of the categories is actualised throughout the progression of the moments that constitute the logical structure of Marx's presentation of his concept of capital as a self-valorising Subject in *Capital*. This implies that the category of measure, that is, money as the measure of value and the rate of profit as measure of capital, and the dialectical unity of the labour-value-content of commodities and its money-form, are actualised together through these moments. It is not until industrial capitals relate to each other that they are socially posited and

commodities acquire the money-form of prices of production. The main conclusion is that it is only at this moment in the progression that the social abstract labour-time underlying the social value-forms of all kinds of commodities as products of capitals is simultaneously posited and actualised.

Conclusion

This book does not provide definitive answers concerning the relation between Hegel's logic and Marx's economic theory in *Capital*. But it does make significant progress in understanding this relation. As a number of the chapters establish, Marx's account of many important dimensions of capitalism traces a dialectic of essence and appearance with unmistakable Hegelian overtones. There is also a general consensus among the authors in this collection that Marx described his concept of capital in terms taken from Hegel's *Logic of the Concept*. Evidence is also provided that convinces the co-editors that at least part of what Marx meant in his famous 1858 letter about Hegel's logic (while writing the *Grundrisse*) has to do with how Hegel's *Logic of the Concept* (more specifically, the moments of universality and particularity) helped Marx distinguish the levels of abstraction of capital in general and competition, and thereby work out the relationship between total surplus-value and its individual parts. (An important open remaining question for future research is whether or not Marx later abandoned this Hegelian framework in the later drafts of *Capital*.) This would at least partially solve the long-standing mystery of what Marx meant in this letter, although Marx may also be alluding to other ways in which he found Hegel's *Logic* useful.

Other matters remain much more contested. As we have seen already in this introduction, some authors in this collection hold that the order in which Marx presents the determinations of capitalism closely corresponds to the ordering of categories in Hegel's *Science of Logic*. Others vehemently reject this claim. Many of the scholars whose papers are published here regard Marx's criticisms of Hegel's idealism as completely warranted. Others hold that Marx presented a caricature of Hegelian thought, and that in more charitable and defensible readings Hegel's deepest ontological commitments are not open to the standard objections that have been made against them. Some authors of the chapters herein hold that Hegel's philosophy revolves around an abstract Subject whose (imagined) reign over flesh-and-blood human subjects is isomorphic with capital's (all-too-real) reign as an abstract Subject over living labour. Others find this reading of Hegel inconsistent with his insistence that universals should never be reified, and this interpretation of capital incom-

plete in light of Marx's insistence that capital is nothing but the products of living labour forcibly separated from their producers.

The chapters in this book provide many promising ideas for the further exploration of these and other dimensions of what is one of the most interesting and important intellectual relationships in history. It is hoped that this book will stimulate further research along these lines.

Books by the International Symposium on Marxian Theory

- Fred Moseley (ed.) 1993, *Marx's Method in 'Capital': A Reexamination*, Atlantic Highlands, NJ: Humanities Press.
- Fred Moseley and Martha Campbell (eds) 1997, *New Investigations of Marx's Method*, Atlantic Highlands, NJ: Humanities Press.
- Christopher J. Arthur and Geert Reuten (eds) 1998, *The Circulation of Capital: Essays on Volume Two of Marx's 'Capital'*, Basingstoke: Palgrave Macmillan.
- Geert Reuten and Martha Campbell (eds) 2001, *The Culmination of Capital: Essays on Volume Three of Marx's 'Capital'*, Basingstoke: Palgrave Macmillan.
- Riccardo Bellofiore and Nicola Taylor (eds) 2003, *The Constitution of Capital: Essays on Volume I of Marx's 'Capital'*, Basingstoke: Palgrave Macmillan.
- Fred Moseley (ed.) 2005, *Marx's Theory of Money: Modern Appraisals*, Basingstoke: Palgrave Macmillan.
- Riccardo Bellofiore and Roberto Fineschi (eds) 2009, *Re-Reading Marx: New Perspectives after the Critical Edition*, Basingstoke: Palgrave Macmillan (an Italian translation is available: Riccardo Bellofiore and Roberto Fineschi (eds) 2009, *Marx in questione. Il dibattito aperto dell'International Symposium on Marxian Theory*, Naples: La città del sole).

PART I

Idealism and Materialism



Hegel, Marx and the Comprehension of Capitalism

Tony Smith

Marx's early assessment of Hegel was almost entirely negative. Later, however, as he began to construct his critique of political economy he took over aspects of Hegel's methodological framework. The core concept in his critique, the concept of capital, also has unmistakably Hegelian echoes. I shall argue that Hegel's *Logic* does indeed contribute to the comprehension of capitalism, but not quite in the way Marx thought.

Marx's Early Critique of Hegel

After the French Revolution, religious leaders throughout Germany blessed the restoration of aristocratic and monarchical privileges. Marx's fellow student-radicals concluded that the emancipatory promise of the French Revolution would remain unfulfilled in the absence of a fundamental critique of religious consciousness. Ludwig Feuerbach's 1841 *The Essence of Christianity* provided such a critique. Feuerbach explained how the supposedly transcendent heavenly realm was merely a reified projection of earthly life, a result of treating predicates referring to human activities (knowing, loving) as if they applied to an Absolute Subject ('God is knowledge'; 'God is love'). Hegel was thought to express orthodox views with an unorthodox terminology, with 'Absolute Spirit' – his term for God – being a projection of the human into an alien (non-human) form. Building on Feuerbach's account, Marx attempted to show in detail how Hegel's political philosophy also represents the alienation of humanity from itself. Hegel conceptualised the state as a transcendent power over society, analogous to the heavenly realm's supposedly transcendent power over earth. Just as the heavenly realm is nothing but the projection of human activities in an alien and reified form, Marx insisted that the state is grounded in the alienation and reification of social life.

Marx went beyond Feuerbach when he asked *why* religious alienation takes place. Answering this query required a critical account of the social world from which religious consciousness springs:

Religion is the self-consciousness and self-esteem of man who has either not yet found himself or has already lost himself again. But *man* is no

abstract being encamped outside the world. Man is *the world of man* – the state, society. This state, this society, produce religion, an *inverted world-consciousness*, because they are an *inverted world* . . . *Religious distress* is at the same time the *expression* of real distress and also the *protest* against real distress.¹

It follows that:

[t]o abolish religion as the *illusory* happiness of the people is to demand their *real* happiness. The demand to give up illusions about the existing state of affairs is the *demand to give up a state of affairs which needs illusions*.²

Marx initially agreed with most of his cohort that emancipation from ‘a state of affairs which needs illusions’ meant dismantling the political rule of aristocrats and petty despots. Fairly soon, however, he came to see that merely political emancipation would be inadequate.³ The political privileges granted to aristocrats and despots were not the root of the problem. The core issue was the dualism of state and society defining the modern state as such, a dualism established and maintained by the ‘egoistic spirit of civil society’.⁴ Just as belief in an otherworldly, divine realm was generated by material social practices on earth, the existence of the state as an allegedly transcendent power above society was also rooted in historically specific social practices. And just as ‘[t]o abolish religion as the *illusory* happiness of the people is to demand their *real* happiness’, to demand the abolition of the state as a transcendent power is to demand a social order which does not require such a state.

Marx referred to the required transformation as the democratisation of social life. In so far as democracy confirms that the supposedly transcendent state is nothing but the powers of society in an alien form, democracy is not merely one political form among many; it is the underlying secret of *all* political forms.⁵ While the call for merely political emancipation could be addressed

1 Marx 1975d [1844], p. 175.

2 Marx 1975d [1844], p. 176.

3 See Kouvelakis 2003.

4 Marx believed that this could be seen most clearly in the countries that had gone furthest in political emancipation: ‘Political emancipation was, at the same time, the emancipation of civil society from politics, from having even the *semblance* of a universal content . . . The *political revolution* resolves civil life into its component parts, without *revolutionizing* these components themselves or subjecting them to criticism’ (Marx 1975c [1844], pp. 166–7).

5 ‘[A]ll forms of state have democracy for their truth . . . [T]hey are therefore untrue insofar as they are not democracy’ (Marx 1975b [1843], p. 31).

to 'citizens' in general, this no longer suffices once it is recognised that emancipation involves socio-economic transformation. And so the young Marx addressed his theory to a quite different sort of social agent, the *proletariat*, defined as the class 'which [stands] in an all-round antithesis to the premises of the German state'.⁶ We could hardly be further away from the apotheosis of the German state which Marx found in Hegel.

At this point, Marx was well aware that he had not sufficiently established his major theoretical and practical claims. He knew that he had not developed an adequate understanding of the material-social practices of modernity, making do with vague references to 'the egoistic spirit of civil society'. Marx's immersion in the philosophical debates of his student-days did not adequately prepare him to develop the sort of theory he now required. He therefore abandoned his polemical engagement with Hegel, and devoted years to the intensive study of classical political economy.

Marx never renounced his vehement condemnation of Hegel's philosophy. It would be natural, then, to expect that Hegelian thought would not have played a constructive rôle in his mature writings. However, in the course of composing the vast manuscript we know as the *Grundrisse* Marx wrote to Engels that Hegel's *Logic* 'was of great use to me as regards *method* of treatment'.⁷ Marx's goal was to reconstruct in thought the essential determinations of the capitalist mode of production, beginning with the simplest and most abstract social forms ('commodity', 'value', 'money') and proceeding step by step to progressively more complex and concrete determinations. The term for this sort of project is *systematic dialectics*, and for all its undoubted shortcomings Hegel's *Logic* provided Marx with a model for this sort of methodological framework.⁸

Issues connected with the methodological dimension of the Hegel–Marx relationship will be discussed in the final section. In the meantime Marx's belief that Hegel provided a key to understanding capital will be considered.

Hegel's *Logic* and the Concept of Capital (I)

The main features of Marx's concept of capital can perhaps best be introduced by contrasting Marx's position with non-Marxian perspectives. Mainstream social theorists almost universally hold that: 1) commodities are essentially

6 Marx 1975d [1844], p. 186.

7 Marx 1983a [1858], p. 248.

8 See Smith 1990, Part One.

means for the satisfaction of human wants and needs; 2) money contributes to that same end by providing a measure of the value of commodities, a means for circulating commodities, and a store of value; and 3) generalised commodity-production accordingly revolves around C – M – C circuits, in which unneeded or unwanted commodities are exchanged for money which is then used to purchase different commodities addressing the given agent's needs and wants more satisfactorily. No one, of course, would deny the existence of M – C – M' circuits, in which social agents invest money in the production and circulation of commodities, hoping to sell them later for a profit. But money is conceptualised as merely a proximate end here, sought as a means for obtaining goods and services at some subsequent point in time.⁹

Moreover, no one would ever deny that the proper background-conditions must be in place for the circulation of commodities and money to further human flourishing. Some argue that relatively extensive political regulation is required; others advocate more minimal political régimes. Hegel made an immensely important contribution to these ongoing debates.¹⁰ From Marx's standpoint, however, these debates do not go deeply enough into the nature of capitalism, and Hegel's contribution to them is not his most significant contribution to the understanding of modern society. While mainstream theorists may disagree on countless issues, in Marx's estimation their views share the same fundamental flaw: they all fail to recognise the systematic subordination of C – M – C circuits under M – C – M' circuits.

There are texts where Marx argues for the primacy of the drive to expand monetary circuits by simply appealing to Hegel's logical point that the very concept of a quantitative limit implies the concept of quantities beyond those limits.¹¹ As the enemies of Marx (and of a Hegelian-informed reading of Marx) never tire of repeating, however, it is illegitimate to jump from the abstract logic of quantity to a substantive claim about a historically specific social order.

9 See Hayek 1976, pp. 8–9.

10 More specifically, he made three major contributions in *The Philosophy of Right*. First, Hegel provided a precise categorial analysis of standard views on the social forms of generalised commodity-production (value, money, the 'system of needs', and so on). Second, his account balanced concern with 'the right' (found in Kant and his followers) with the importance of 'the good' or 'well-being' stressed by classical political economists and others in the utilitarian tradition, thereby overcoming the one-sidedness of previous theorists. Third, Hegel's claim that extensive political regulation is required for generalised commodity-production to function in an efficient and normatively acceptable manner anticipates themes developed later by Keynes, Rawls and other critics of unregulated 'free' markets.

11 For example, Marx 1986 [1857–8], p. 200.

A much stronger justification can be developed from the fact that in generalised commodity-production units of production are compelled to make exchange for money their primary end. Their production is undertaken privately, and the social necessity of their endeavours can only be validated through sale of their products for money.¹² Also, without a sufficiently high level of monetary returns a given unit of production would not be able to purchase the commodity-inputs required to participate in the next circuit of production. Finally, each unit must also fear finding itself at a competitive disadvantage *vis-à-vis* competitors beginning a new round with significantly greater financial resources. In brief, units of production that systematically direct their endeavours to 'valorisation', that is, the appropriation of monetary returns exceeding initial investment, necessarily tend to survive and grow over time. Those that do not do so tend to be pushed to the margins of social life, or eliminated altogether.

Most individual agents, of course, do *not* make the acquisition of money their pre-eminent goal; they seek money as a merely proximate end that ultimately serves as a means for acquiring goods and services. Access to monetary resources, however, generally depends upon a connection to units of production directed towards the appropriation of monetary returns. For example, income allocated to investors, employees or pensioners, or the dependants of any member of these groups, comes from (and returns to) $M - C - M'$ circuits.¹³ This practical compulsion to connect with monetary circuits compels us to accept the theoretical claim that the use of money as a means in $C - M - C$ circuits is systematically subordinated to the valorisation-imperative, the accumulation of money as an end in itself.

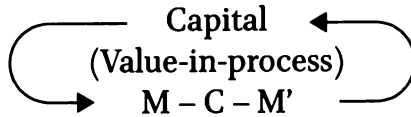
For most mainstream theorists 'capital' is simply a general term referring to anything used in production- and distribution-processes, from tools, raw materials and embodied skills (so-called 'human capital') to the money that purchases these inputs. But the use of tools, raw materials and embodied skills preceded the first hominids, and numerous precapitalist social formations used money to purchase products. This usage therefore occludes the historically specific nature of capital in contemporary capitalism. For Marx, 'capital' is initially defined as the unifying principle underlying $M - C - M'$ circuits. In

12 The point holds, of course, for economic units distributing already-produced commodities for sale, units of finance, and so on. Marx considers these other sorts of capitals at more concrete and complex theoretical levels than the initial level summarised here.

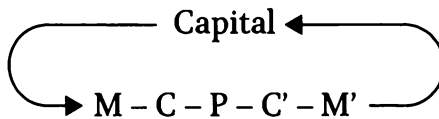
13 The income of state-officials, state-clients and their dependants can be indirectly traced to those sources as well, since state-revenues are collected from units of capital and the groups mentioned in the main text. The rôle of the capitalist state, however, is a matter for a much later theoretical level.

so far as the domination of these circuits is historically specific to modern capitalism, so too is this definition.

In the most general terms, capital as value-in-process begins with money, proceeds to the production and circulation of commodities, and culminates with an appropriation of money exceeding the initial investment, ready for reinvestment:



On the next level of complexity and concreteness $M - C - M'$ circuits are expanded through distinguishing commodity-inputs (C) (means of production such as raw materials, machinery, plant, labour-power, and so on), commodity-outputs (C'), and the production-process (P) in which labour-power is set to work on other inputs in order to produce the output.



In a social world dominated by capital-circuits it is legitimate to speak of: 1) the initial money invested on the level of society as a whole in a given period; 2) the aggregate set of commodities produced and distributed in that period; and 3) the total sum of money-capital appropriated from sales of those commodities at its completion, after individual circuits of capital have run their course. From this perspective 'capital' can be defined as value-in-process on the aggregate level. No previous historical formation has made the ceaseless expansion of surplus-value (the difference between M and M') the ultimate end of social life.

We must now look at how Marx describes capital ('value-in-process') more closely:

[B]oth the money and the commodity function [only as different modes of existence of value itself. . . [Value] is constantly changing from one form into the other, without becoming lost in this movement; it thus

becomes transformed into an automatic subject . . . [V]alue is here the subject of a process in which, while constantly assuming the form in turn of money and commodities, it changes its own magnitude, throws off surplus-value from itself considered as original value, and thus valorises itself independently. For the movement in the course of which it adds surplus-value is its own movement, its valorization is therefore self-valorization . . . [V]alue suddenly presents itself as a self-moving substance which passes through a process of its own, and for which commodities and money are both mere forms.¹⁴

Marx is well aware that the notion of a non-human 'subject' that is somehow a 'self-moving substance' is bizarre. These are technical terms associated with the very Hegelian theory that Marx had earlier rejected so strongly. Marx did not waver in his condemnation of the metaphysics of absolute idealism. But in effect he insists in this passage that Hegelian categories are required by the critique of political economy. In his view *the structure of capital is precisely isomorphic with the structure of Hegel's Absolute*.

Marx took Hegel's Absolute to be a 'self-actualising universal' that somehow externalises itself in a series of forms, returning to itself step by step. This unfolding of the Absolute embodies a 'Logic of the Concept', described by Hegel as 'the distinction of the *individual* from the *universal* which as such is *continuous* with that which is differentiated from it and is *identical* with it'.¹⁵ In Marx's reading of Hegel these specific determinations are ultimately of no interest in and of themselves, apart from their contribution to the Absolute's self-actualisation.¹⁶ Capital, the 'self-valorisation of value', not only can but must be understood in exactly the same terms. The particular determinations of value-in-process make up capital's self-externalisation and return to itself. When Marx uses the Hegelian terminology of 'subject' and 'self-moving substance' to refer to capital he is claiming that the logic of capital instantiates Hegel's Logic of the Concept: capital is a universal *distinct* from its moments, while being simultaneously *continuous* and *identical* with these moments, which together constitute capital's process of self-valorisation. Further, the moments in this process are ultimately of no interest to capital in and of themselves, apart from their contribution to the totalising end of capital-accumulation. The homology between Hegel's Logic of the Concept and the logic of

14 Marx 1976c [1867], pp. 255–6.

15 Hegel 1975 [1817], §240, translation from Pinkard 1988, p. 211.

16 As Marx wrote in the Paris Manuscripts, Hegel's *Logic* is 'the essence [of man and nature] which has grown totally indifferent to all real determinateness' (Marx 1975e [1844], p. 330).

capital appears exact and complete. Marx's claim, in brief, is that capital must be comprehended as an absolute 'Subject' in the Hegelian sense of the term.

One of Marx's most prominent contemporary interpreters, Moishe Postone, expresses the point as follows:

Marx does not simply invert Hegel's concepts in a 'materialist' fashion. Rather, in an effort to grasp the peculiar nature of social relations in capitalism, Marx analyzes the social validity for capitalist society of precisely those idealist Hegelian concepts which he earlier condemned as mystified inversions . . . Marx suggests that a historical Subject in the Hegelian sense does indeed exist in capitalism . . . His analysis suggests that the social relations that characterised capitalism are of a very peculiar sort – they possess the attributes that Hegel accorded to *Geist* ['Spirit']. It is in this sense, then, that a historical Subject as conceived by Hegel exists in capitalism.¹⁷

More specifically, 'the *Geist* constitutes objective reality by means of a process of externalisation or self-objectifications, and, in the process, reflexively constitutes itself' in a manner precisely isomorphic with capital's reign as a 'subject' and 'self-moving substance'.¹⁸ On this reading Hegel's contribution to the comprehension of capitalism could not be more profound, even if completely unintended.

The significance of Marx's concept of capital for contemporary normative social theory has yet to be adequately appreciated. Contemporary liberal theorists hold that our deepest political values call for an institutional framework allowing individuals freely to pursue their own conceptions of the good while maintaining neutrality regarding competing conceptions of the good on the level of society as a whole. Their communitarian critics claim that every healthy political community has a conception of the good embodied in its traditions and practices, and that this conception has priority over those of individuals, since the very identity of individuals is forged through socialisation into the values of their community.¹⁹ Liberal and communitarian positions are both fundamentally flawed: neither incorporates an adequate concept of capital. Communitarians are correct to insist that a particular conception of the good is institutionalised on the level of society as a whole even in the capitalist societies that most proclaim their commitment to liberalism. But it is not a

17 Postone 1993, pp. 74–5.

18 Postone 1993, p. 72.

19 Key texts in this debate are collected in Sandel 1984.

conception of the human good as they fantasise; it is the inhuman good of capital. Liberals are correct to note how individuals in modern (capitalist) societies are in principle 'free' to select their own ends. But they do not recognise how human freedom and human ends are systematically subordinated to the freedom and ends of capital.

Marx's interpretation of Hegel unquestionably helped him formulate these revolutionary insights. But the question of what Marx himself thought is not the only question we can ask. Putting aside what Marx said, what should *we* say about the relationship between Hegel's *Logic* and the critique of political economy?

Hegel's *Logic* and the Concept of Capital (II)

Approaching the question from the Hegel side, one consideration that should make us pause before accepting the standard picture of Hegel accepted by Marx, Postone and so many others is the content of the culminating section of Hegel's *Logic*, the 'Absolute Idea'. This section is devoted *entirely* to a discussion of the methodology employed in that work.²⁰ We do not find hymns of praise to an alien Subject greedily subsuming flesh-and-blood human beings to its alien ends. We find instead reminders that 'in point of contents, thought is only true in proportion as it sinks itself in the facts', accompanied by a sober discussion of the claim that the progression from one category to the next has been simultaneously analytic (each succeeding category is implicit in what has gone before) and synthetic (each determination adds a new content to what has gone before).²¹ This suggests that Hegel's 'Absolute' may not be the Grand Puppet-Master that Marx takes it to be. A reasonably charitable reading of the text suggests instead that 'absolute thought' refers instead to *anyone's* thinking in so far as it 'cognize[s] the immanent soul of [the] material and . . . concede[s] to it its right to its own proper life', Marx's own self-professed goal.²² To put the point provocatively, to the extent Marx's systematic reconstruction in thought of the essential determinations of capitalism truly captures the capitalist mode

20 'It is certainly possible to indulge in a vast amount of senseless declamation about the idea absolute. But its true content is only the whole system of which we have been hitherto studying the development' (Hegel 1975 [1817], §237, pp. 292–3).

21 Hegel 1975 [1817], §23, p. 36; §238, p. 294.

22 Marx 1986 [1857–8], p. 10.

of production in 'its own proper life', Marx's thinking can legitimately be said to exemplify 'absolute thought' in Hegel's sense of the term!²³

When assessing Marx's reading of Hegel it is also important to recall that Hegel uses crucial terms in unfamiliar ways. It is natural to assume that to talk of a 'self-actualising universal' is to reify a thought-construct, treating it as an entity somehow capable of action. But it turns out this is simply Hegel's inexcusably idiosyncratic way of discussing the relationship between thinking as an activity – your thinking, my thinking, the thinking of any 'I' – and the thoughts that are the products of this activity:

The product of this activity [thinking], the form or character peculiar to thought, is the UNIVERSAL, or, in general, the abstract. Thought, regarded as an *activity*, may be accordingly described as the *active* universal, and since the deed, its product, is the universal once more, may be called a self-actualising universal. Thought conceived as a *subject* (agent) is a thinker, and the subject existing as a thinker is simply denoted by the term 'I'.²⁴

Similarly, Hegel tells us that the odd idea of a 'self-acting' content of thought is to be understood as 'a content objectively and intrinsically determined', which is precisely Marx's notion of a cognition that concedes to the material 'its right to its own proper life'.²⁵ The meaning of the undeniably strange term 'infinite thought' also turns out to not be as strange as first appears. Anyone who accepts that we are capable of thinking about our thinking accepts 'infinite thought' in Hegel's sense of the term:

The nominal explanation of calling a thing finite is that it has an end, that it exists up to a certain point only, when it comes into contact with, and is limited by, its other . . . In having a thought for object, I am at home with myself. The thinking power, the 'I', is therefore infinite, because, when it thinks, it is in relation to an object which is itself.²⁶

23 I do not need to downplay the differences between the two theorists; Marx rightly rejected Hegel's expansive account of the *a priori* constraints on empirical experience. On the other hand, Marx too rejected a naive empiricism, and there are good reasons to assert that Hegel's position does not in principle rule out 'empirically responsive though not empirically legitimated' categories. See Phippen 1989, pp. 258–60.

24 Hegel 1975 [1817], §20, p. 29.

25 Hegel 1975 [1817], §121, p. 177; Marx 1986 [1857–8], p. 10.

26 Hegel 1975 [1817], §28, p. 49.

These are, admittedly, quite odd ways of talking, even by the odd standards of philosophy. But the realities to which Hegel refers with these terms are not odd in the way in which capital is odd. I cannot think of any reason why anyone would adopt Hegel's usages in a future socialist society. But it would, I think, be completely correct to say after the reign of capital has been overthrown that thought is a 'self-actualising universal'; that a content can be 'self-actualising', or that thought can be 'infinite', in Hegel's sense of these terms. This suggests that the relationship between these Hegelian themes and capital is by no means as intimate as Marx supposed.

An equally important reason to question Marx's reading can be found in Hegel's own account of what an institutional framework would have to look like to instantiate the Logic of the Concept adequately. In the most general terms, it would have to constitute a rational social order. In Hegel's (unsurprisingly idiosyncratic) sense of the term, the 'rationality' of any ontological region is constituted by a thorough mediation of universality, particularity and singularity in that region. Such rationality is established theoretically by reconstructing the fundamental determinations of the given region as a system of syllogisms in which 'each of [the] functions of the notion [universality, particularity, individuality], as it is brought by intermediation to coalesce with the other extreme, is brought into union with itself and produces itself.'²⁷ This intermediation takes a specific form in specific regions. In the sphere of socio-political institutions and practices ('Objective Spirit' in Hegelian terminology) rationality is not merely a matter of intermediations constituting an 'organic' system reproducing itself over time. 'Rationality' has in addition a strong normative dimension involving the freedom and flourishing of individuals and communities.

Hegel believed that the complex mediations in modern political society connecting *individual* agents, a civil society incorporating generalised commodity-production (*particularity*), and the modern state (*universality*) could be reconstructed in terms of a system of syllogisms establishing the requisite objective normativity. He briefly reconstructed this social order as a system of syllogisms in the following passage from *The Encyclopaedia Logic*:

In the practical sphere the state is a system of three syllogisms. 1) The individual or person, through his particularity or physical or mental needs (which when carried out to their full development give *civil society*), is coupled with the universal, i.e. with society, law, right, government. (2) The will or action of the individual is the intermediating force

²⁷ Hegel 1975 [1817], §198, p. 265.

which procures for these needs satisfaction in society, in law, etc., and which gives to society, law, etc. their fulfillment and actualization. (3) But the universal, that is to say the state, government, and law, is the permanent underlying mean in which the individuals and their satisfaction have and receive their fulfilled reality, intermediation, and persistence.²⁸

The Philosophy of Right should be read as Hegel's most comprehensive and detailed attempt to establish the strong normative justification of the modern socio-political order through this sort of system of syllogisms.

Hegel's argument for the rationality of the modern social world cannot be accepted. His social ontology includes free individuals, their motives and acts, the intended and unintended consequences of those acts, the (supposedly) quasi-natural association of the family, free associations of individuals in civil society, the political community and its customs, laws and state-apparatus, and external relations among states in world-history. 'Capital' is invisible. And that, as they say, is like *Hamlet* without the Prince. None of the agents and institutions just listed can be adequately comprehended in abstraction from the alien power of 'capital' to subordinate human ends to its end, the self-valorisation of value. The question here, however, is not whether Hegel's own social and political theory is satisfactory. It is whether Hegel unintentionally contributed to the understanding of capitalism by developing a Logic of the Concept precisely homologous with the 'logic of capital'. This would be the case if it were possible rationally to reconstruct a social order of generalised commodity-exchange as a system of syllogisms mediating universality, particularity and singularity along the requisite lines once capital has been made visible. This cannot be done.

As noted above, Hegel's Logic of the Concept calls for a 'distinction of the *individual* from the *universal* which as such is *continuous* with that which is differentiated from it and is *identical* with it'. As we have also seen, in the region of socio-political practices and institutions this 'continuity' and 'identity' are to be taken in a strong normative sense in which the well-being of individuals and groups in a community is systematically furthered by the universal organising principle of the society. Capital is not connected to individuals and groups in this way. Fundamental human ends (health, stable communities, challenging work, free time for relations with family and friends and projects of our own choosing, and so on) are furthered in a profoundly partial and pre-

28 Hegel 1975 [1817], §198, pp. 264–5.

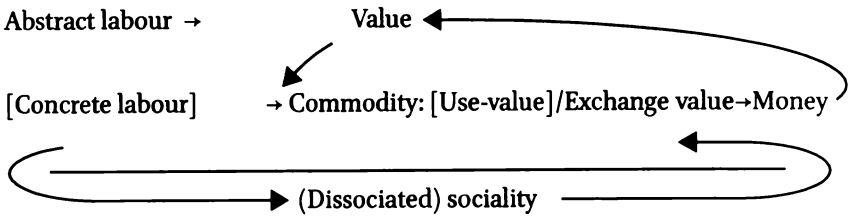
carious manner, to be sacrificed when the valorisation-imperative demands their sacrifice.

In the relevant sense applicable to the region of socio-political practices and institutions the concept of capital does not fit what Hegel referred to as the Logic of the Concept. Marx, however, was correct to think that Hegelian categories illuminate the social ontology of capitalism. We just need to look elsewhere.

'Essence-Logic' and the Critique of Political Economy

Let us return again to the initial level of Marx's theory. The generalised commodity-production examined there involves a more extensive form of sociality than previous modes of production. Social connections of unprecedented scale and scope are established as commodity-producers respond to the wants and needs of an indefinite range of social agents dispersed over an indefinite geographical range. This sociality, however, takes an indirect form. Producers have no *ex ante* assurance that their endeavours will actually play a rôle in social reproduction. Their privately undertaken production must be socially validated *ex post* through exchange or else their efforts will have been wasted. Adopting a term from Kant, we may term this form of sociality *dissociated* (or *asocial*) sociality.

In so far as privately undertaken production is socially validated, products acquire a special property, *value* ('exchangeability in definite proportions'). This qualitatively homogeneous property is distinct from both the heterogeneous qualitative properties that make particular goods or services useful to their purchasers ('use-value'), and from the particular ratios in which they are exchanged for other things ('exchange-value'). Similar considerations allow us to distinguish the concrete (qualitatively heterogeneous) features marking off one form of labour from another ('concrete labour'), and the (qualitatively homogeneous) feature all socially validated labours share of being value-producing ('abstract labour'). We must also note that if generalised commodity-production is to be viable a generalised means of social validation is required, a particular thing in which value (an abstraction) appears concretely in a socially objective manner, a thing with the abstract and homogeneous property of universal exchangeability. This thing, whatever it is, is money. The following diagram depicts the inherently circular relationships of mutual determination in play:



Marx's notion of *fetishism* refers to the relationship between sociality and the social forms of commodity, money and value. Every social division of labour meets social wants and needs by mobilising the creative powers of social agents (and the powers of nature, the past cultural achievements of humanity, scientific and technological knowledge, and so on, that social agents mobilise through their acts). But when sociality takes the historically specific form of *dissociated* sociality these social relations are mediated through relations among things (commodities, money).

Before considering how this framework relates to Hegel's *Logic* we should first pay close attention to how Hegel defines the project of this work:

The study of truth . . . constitutes the proper problem of logic . . . In our everyday mind we are never troubled with questions of the truth of the forms of thought. We may also express the problem of logic by saying that it examines the forms of thought touching their capacity to hold truth.²⁹

The first part of the *Logic*, the Doctrine of Being, considers explanatory frameworks ('forms of thought') in which truths regarding the qualitative, quantitative and measured determinations of individual 'somethings' can be articulated. Hegel establishes the inadequacy of this level by showing that thought-forms supposedly referring to an individual 'something' logically require a *transition* to its 'other'. This is not to deny that the categories of Quality, Quantity and Measure have a 'capacity to hold truth'; there are theoretical and practical contexts in which the use of these categories is completely appropriate for expressing the truths with which we are concerned. Hegel's point is simply that there are more concrete and complex ontological structures (or, better, structured processes), the truths about which cannot be formulated with these relatively abstract and simple logical categories.

Marx's theory begins where the Doctrine of Being ends. Hegel starts with the pure simplicity and utter emptiness of a category enabling only an affirmation of being; Marx begins with the complexity of the 'commodity' in gener-

29 Hegel 1975 [1817], §24, p. 41.

alised commodity-production, rent in two by the massive gulf separating (the nonetheless inseparably conjoined) dimensions of use-value and exchange-value. Hegel then considers attempts to categorise a supposedly separate 'something' in terms of what it is in itself, apart from its relationship to what is 'other', with the incoherence of all such attempts a *result*. Marx, in contrast, *begins* his critique of political economy with a social world in which: a) no separate commodity can be adequately comprehended in itself, apart from its relations to other commodities; and b) no separate act of producing commodities can be adequately comprehended apart from its relations to other acts within a social division of labour.³⁰ This is why Marx insists that the immanent measure of value is not labour-time, but *socially necessary* labour-time.³¹

In contrast, the second major part of Hegel's *Logic*, the Doctrine of Essence, does provide categories applicable to the social ontology of generalised commodity-production. Essence-categories come after those of the Doctrine of Being in Hegel's ordering because they define cognitive frameworks that allow truths about more concrete and complex states of affairs to be articulated. The determinations in the Doctrine of Essence come in pairs, neither of which can be considered apart from the other. In Hegelian jargon, each is *reflected* in the other; truths are articulated within explanatory frameworks relating an essence and its appearances, a cause and its effects, a substance and its accidents, and so on.

Marx's account of the relationship between value and money is a paradigmatic instance of such an explanation.³² The value of commodities is an 'essence' that necessarily must appear in money. Each is 'reflected' in the other: money is first and foremost the socially objective measure of value, while value can only be actualised through money, its form of appearance. Generalised commodity-production must be conceptualised as a set of relationships among things (commodities and money), with value reigning as the 'essence' of these relationships. The underlying truth of this essence (abstract, homogeneous and quantitative value) is adequately manifested in its form of appearance (abstract, homogeneous and quantitative money).

As Marx shows, however, matters are much more complicated than this. Money may be the adequate form in which value appears, but what precisely

30 Marx 1976c [1867], p. 125.

31 Labour-time is socially wasted – value is not created – if different sorts of commodities are preferred by those with disposable income, or if sufficient numbers of other commodities of the same (or substitutable) sort have already been produced to meet effective demand, or if other producers of the same (or substitutable) sort of commodity have attained sufficiently higher rates of productivity. See Marx 1976c [1867], pp. 201–2.

32 See Murray 1993.

is value? It is the reified and alien form sociality takes when it is in the historically specific mode of dissociated sociality. From this perspective value and money together are the *explanandum* (what is to be explained), while the *explanans* doing the explanatory work is the form of sociality in generalised commodity-production. From this perspective sociality is the 'essence' of the realm under investigation. And this essence is *not* manifested in a form adequately expressing its truth. When sociality takes the historically specific shape of dissociated sociality, social relations do not and cannot appear as what they essentially are. When Marx writes that 'each individual . . . carries his social power, as also his connection with society, in his pocket' we are to take this assertion literally.³³ This state of affairs systematically occludes the essential matter, the dominant form of sociality in our epoch:

In proportion as the producers become dependent upon exchange, exchange appears to become independent of them . . . Money does not create this opposition and this contradiction; on the contrary, their development creates the apparently transcendental power of money.³⁴

Marx reveals the social ontology of generalised commodity-production to be more complex, and more bizarre, than anything found in Hegelian social theory. But categories from Hegel's *Logic* must necessarily be employed to comprehend it adequately, even if the Hegelian echoes remain unnoticed. *The social ontology of generalised commodity-production is defined by two completely incommensurable Essence-Logics in Hegel's sense of the term.* On the one hand, value is the essence commodities must possess to play a rôle in social reproduction. This essence adequately appears in the form of the money that validates the production of those commodities. But the value of commodities is a reflection of the form taken by human sociality in our epoch, and the money that manifests value is nothing but the fetishised appearance of this quite different sort of essence. Each essence-claim is incompatible with the other; neither can be reduced to or explained away by the other.

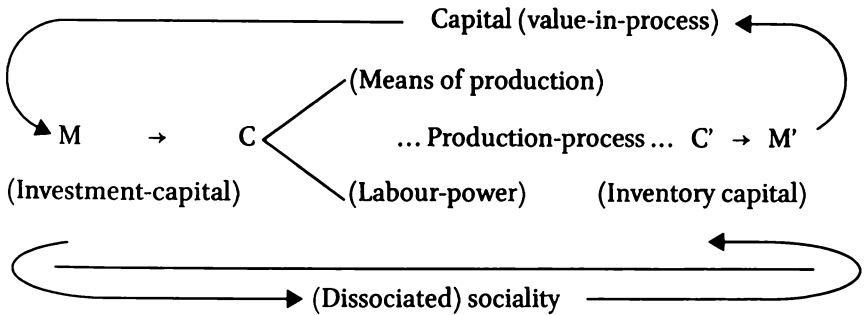
This very peculiar Essence-Logic is not overcome when Marx moves to the more concrete level of investigation. The *same* fundamental contradictions and antagonisms remain after Marx establishes that generalised commodity-production is *capitalist* production. In stark contrast to Hegel's *affirmative* systematic dialectic, in which later levels overcome the fundamental contradictions and shortcomings examined earlier, in Marx's *critical* systematic dia-

33 Marx 1986 [1857–8], p. 94.

34 Marx 1986 [1857–8], p. 84.

lectic more complex and concrete theoretical levels reproduce and deepen the initial contradictions and shortcomings.³⁵ More specifically, Marx's concept of capital does not overcome the fetishism that was a feature of the initial level of Marx's theory; the concept of capital is the concept of capital-fetishism.

The following diagram attempts to depict the mutual determinations on this level of abstraction:



From one point of view capital is an all-powerful essence, uniting its various moments in a dynamic structured process. But capital's 'activity', the 'self-valorisation of value', is literally nothing but the exploitation of living labour.³⁶ And the powers of capital are literally nothing but the appropriated collective creative powers of living labour (along with the powers of science, machinery, nature, pre-capitalist cultural achievements, and so on, that living labour mobilises). These powers necessarily appear in alien form as the powers of capital due entirely to the peculiar organisation of social relations of our historical epoch. The individual worker is stripped of all connection with the objective conditions of labour (means of production, means of subsistence), despite the fact that these conditions are nothing but the products of collective social labour.³⁷ As a result the individual worker is forced to put his or her creative powers at capital's disposal, thereby making them in a sense capital's

35 'The work I am presently concerned with is a *Critique of Economic Categories* or, if you like, a critical exposé of the system of the bourgeois economy. It is at once an exposé and, by the same token, a critique of the system' (Marx 1983c [1858], p. 268).

36 'The positing of surplus value by wage labour is the self-valorisation of capital' (Marx 1986 [1857–8], p. 253). See also p. 390.

37 Marx 1986 [1857–8], pp. 381–4.

powers.³⁸ So long as the social forms of 'dissociated sociality' remain in place, everything functions *as if* capital were an Absolute Subject with transcendent powers standing over the social world, subsuming all other powers under its valorisation-imperative. But if that form of sociality were to be replaced, the supposedly absolute powers of capital would absolutely dissipate. The entire point of a critique of political economy is to bring that day forward by revealing that the emperor, capital, has no clothes, so to speak.³⁹

In the affirmative systematic dialectic of Hegel's *Logic* the contradictions of Essence-Logic are *overcome* in the advance to the Logic of the Concept. In Marx's critical dialectic, in contrast, these contradictions are *repeated* in successively more complex and concrete ways.⁴⁰ After it has been made explicit that generalised commodity-production is capitalist production we still confront a bizarre social ontology with two antagonistic, irreconcilable and yet equally compelling claims to be the essential matter: capital as 'subject' (and 'self-moving substance') on the one hand, and the powers of (and those mobilised by) human sociality on the other.⁴¹

Hegel did not affirm the rationality of the modern (capitalist) order because his notion of the 'Logic of the Concept' is homologous with the coercion, alienation and expropriation of capital. He affirmed its rationality because, lacking an adequate concept of capital, he did not recognise how coercion, alienation and expropriation pervade modern society. Capitalism does not institute the sort of harmonious reconciliation of universality, particularity and singularity

38 'In exchange for his labour capacity as a given magnitude [that is, a wage] he [the worker] surrenders its *creative power*, like Esau who gave up his birthright for a mess of pottage ... [T]he creative power of his labour establishes itself as the power of capital and confronts him as an *alien power*' (Marx 1986 [1857–8], p. 233).

39 'The recognition of the product as its [labour's] own, and its awareness that its separation from the conditions of its realisation is an injustice – a *relationship imposed by force* – is an enormous consciousness, *itself the product* of the capitalist mode of production and just as much the *KNELL TO ITS DOOM* as the consciousness of the slave that he *could not be the property of the another* reduced slavery to an artificial, lingering existence, and made it impossible for it to continue to provide the basis of production' (Marx 1986 [1857–8], pp. 390–1).

40 'The productivity of labour becomes the productive power of capital in the same way as the general exchange value of commodities fixes itself in money' (Marx 1986 [1857–8], p. 234).

41 'The capitalist obtains, in exchange, labour itself, labour as value-positing activity, as productive labour; i.e. he obtains the productive power which maintains and multiplies capital and which therefore becomes the productive power and reproducing power of capital, a power belonging to capital itself' (Marx 1986 [1857–8], p. 204). See also Marx 1987a [1857–8], p. 86.

required to instantiate the Logic of the Concept in the socio-political realm. Capitalism therefore lacks rationality in Hegel's strongly normative sense of the term. It could even be said that Hegel's Logic of the Concept provides a categorial framework within which capital can be *subjected to critique*, although Hegel himself, lacking an adequate concept of capital, failed to recognise this.⁴² Marx, lacking an adequate interpretation of Hegel, failed to recognise exactly which categories from Hegel's *Logic* come into play in the critique of political economy. Capitalism is defined by a contradictory Essence-Logic, in Hegel's sense of the term, from which we cannot escape without the historical creation of a new form of sociality.

Marx's Methodological Framework and Hegel's *Logic*

As noted previously, Marx mentioned that Hegel's *Logic* proved useful to him as he worked out the methodological framework of his own theory. The exact relationship between the *Logic* and Marx's methodological framework, however, remains a matter of considerable dispute. The substantive claims defended above have implications for our understanding of this issue. No adequate treatment of such a complex topic is possible in the space remaining. However, a few provisional remarks can be made in the course of considering two recent hypotheses:

1) A number of prominent Marxian scholars hold that the systematic ordering of determinations in Marx's critique of political economy closely corresponds to the linear order in which Hegel presents the categories of his *Logic*. Authors defending this claim have greatly illuminated Marx's use of specific Hegelian motifs, and Marx may well have had the ordering of categories in the *Logic* in mind as he composed at least part of the *Grundrisse* (it is much less plausible to think this was the case as he wrote *Capital*). Nonetheless, I think there are good reasons to be sceptical of this view.

42 'A sick body is not in harmony with the notion of body . . . The subject and predicate of it do not stand to each other in the relation of reality and notion' (Hegel 1975 [1817], §172, p. 237). The same should be said of the sick society that is capitalism. The critical dimension of Hegel's Logic of the Concept should not be surprising to those familiar with his normative assessments of the tyranny of ancient Egypt, religious communities subjected to the dictates of an alien God the Father, or the Absolute Terror of Robespierre. All were condemned by Hegel for institutionalising an Essence-Logic in which an alien power lords over human subjects.

Hegel and Marx both insisted that a systematic dialectical theory must be governed by the 'inner nature' of what is being examined, the 'soul of the object'. It would be an amazing coincidence if there were a one-to-one mapping of each step in the two systematic progressions unless Hegel's and Marx's projects were in some crucial respect the same project. Defenders of this view disagree among themselves about what this 'crucial respect' might be. In Arthur's reading of the *Logic*, for example, its categories are abstractions that supposedly determine material reality.⁴³ This idealist metaphysics, Arthur insists, must be rejected. But, he continues, Hegel's perverse metaphysics is precisely what makes his work indispensable for the comprehension of a perverse social order. Beginning with 'value', the essential determinations of capitalism are 'real abstractions' that do in fact shape material reality. Hegel's comprehensive systematic account of abstract logical forms thus presages Marx's comprehensive systematic account of the real abstractions dominating social life in capitalism. For Meaney, in contrast, the plausibility of the claim that the progression in Marx's systematic theory corresponds to the ordering of Hegel's *Logic* is rooted in a far more positive assessment of Hegel.⁴⁴ In Meaney's reading the *Logic* develops the most comprehensive and accurate account ever provided of the determinations of organic wholes. In so far as the capitalist mode of production is an organic whole, any comprehensive and accurate reconstruction of its determinations will therefore parallel the ordering of determinations in the *Logic*.

In the previous section of this chapter, I argued against reading the *Logic* as the unfolding of a reified and all-powerful Absolute Thought, appealing to Hegel's own statement that 'logic . . . examines the forms of thought touching their capacity to hold truth'. If this interpretation is accepted the foundation of Arthur's account of the relationship between the *Logic* and the methodological framework of Marx's theory disintegrates. It is simply not plausible to think that an ordering of 'the forms of thought touching their capacity to hold truth' must coincide more or less exactly with a systematic ordering of the essential determinations of capitalism; the two projects are just too different. Meaney's quite different (and quite incompatible) explanation for the correspondence of the two orderings suffers from a quite different problem. If the substantive account given in earlier sections of this chapter is accepted, the social ontology of capital is far more complex, contradictory and bizarre than the 'normal' organic wholes Hegel theorised.

43 Arthur 2002.

44 Meaney 2002.

As argued above, Hegel's and Marx's theories develop in quite different directions. Hegel's affirmative systematic dialectic moves forward through the overcoming of contradictions to arrive at progressively more rational (onto-) logical forms. Marx's theory also 'progresses' in the sense that later determinations allow a more complex and concrete comprehension of generalised commodity-production than earlier ones do. But in Marx's *critical* dialectic later determinations do not provide explanatory frameworks in which higher-order truths can be articulated in the manner of Hegel's *Logic* – just the opposite. The most fundamental contradictions and antagonisms examined by Marx at the beginning levels of abstraction are *not* overcome as the theory progresses. They are instead repeated in more complex and concrete forms. Rather than revealing the inner nature of capital in ever more adequate ways, the later categories in Marx's progression reveal how capital's inner nature is progressively obscured, so that it appears as if circulation-time, machinery, financial instruments, land and so on can themselves create value and surplus-value.

In any attempt to establish in detail a one-to-one mapping of the categories of the *Logic* and the essential determinations of capitalism there will, I believe, be many cases where the disanalogies between two supposedly homologous categories are at least as striking as the parallels. For reasons given in the previous section, for example, I believe that the disanalogies between the categories of utter simplicity in Hegel's Doctrine of Being and the already explicit and irreducible complexity of the beginning determinations of Marx's theory are far stronger than any analogies that might be drawn.

In other cases where a particular Hegelian logical form does correspond quite closely to a particular determination in Marx's ordering, I believe it is very likely that there will be one or more other places in Marx's dialectic that it illuminates just as well. This would seem to undermine the claim that there is one and only one primary point of correspondence between the determinations in the two systematic progressions.⁴⁵

There may be good reasons, then, to regard the project of tracing a one-to-one mapping between the categories of the *Logic* and the determination of

45 Arthur's and Meaney's proposed mappings between the categories of the *Logic* and those of Marx's theory quickly diverge. Arthur uses up all of the former, so to speak, by the time he gets to Marx's relatively early notion of 'the general formula of capital' (the determinations that follow then are mapped to the categories from Hegel's *Philosophy of Nature*). For Meaney the mapping with the *Logic* extends much further, covering all the levels of abstraction traversed in the *Grundrisse*. I believe there are numerous cases in which the correspondence between a specific determination in Marx's ordering and a specific Hegelian category defended by one is no less illuminating than the different correspondence proposed by the other.

Marx's critique of political economy as a hermeneutical straitjacket we need not put on.

2) A quite different account of way Hegel's *Logic* illuminates the methodological framework of Marx's theory shifts attention from the complete set of determinations in both accounts to the grand sweep of Marx's theory and the categories from a particular chapter in Hegel's work. In this perspective the movement from capital in general (understood as the theory of the production and circulation of total social capital), through many capitals (the 'redistribution' of total social capital within and across different sectors of capital), to bank-capital (the empirically existing form of capital as such) corresponds to the moments of universality, particularity and singularity examined in the chapter of the *Logic* titled 'The Concept'.

Marx had Hegel's progression in mind at crucial points as he worked out the architectonic of his theory.⁴⁶ Here too, however, the question of what Marx himself may or may not have thought is not the only question worth asking. We may also enquire whether there are sufficient reasons for us to say that the grand sweep of Marx's theory follows Hegel's treatment of universality, particularity and singularity. Serious complications arise regarding each of the three supposed correspondences.

At the beginning of a Hegelian systematic ordering the 'universality' we find is an empty, indeterminate, abstract universality.⁴⁷ At the conclusion of the theory we attain a comprehension of concrete universality, that is, a universality whose determinations are fully developed and explicit.⁴⁸ Marx's notion of 'capital in general' is not homologous with either of these notions of universality. 'Capital in general' is not an empty abstraction. Nor is it transcended as Marx's theory advances, the way the immediate (simple) form of abstract universality is transcended in Hegel's methodological framework; the aggregate sum of total social capital determined on the level of capital in general remains the key determining quantity on more concrete theoretical levels.⁴⁹ On the other hand, 'capital in general' does not correspond to the Hegelian notion of concrete universality either. The latter *includes* all essential determinations of the relevant region, while the level of capital in general *abstracts* from all essential determinations of capital not directly relevant to the production and

46 For example, see Marx 1986 [1857–8], pp. 194–5, 205–6. See also Moseley 1995 and Fineschi 2009a, as well as their contributions to this volume.

47 Hegel describes 'Being', the first category of the *Logic*, in these terms.

48 In the *Logic*, concrete universality is attained with 'the Absolute', understood as 'the whole system of which we have been hitherto studying the development', that is, the system of 'the forms of thought touching their capacity to hold truth'. See note 20.

49 See Moseley 1991.

circulation of total surplus-value. No less importantly, concrete universality in Hegel's framework represents the culmination of a normative progression, an advance in rationality to the highest form attainable in the given ontological region. This all-important dimension of Hegel's affirmative systematic dialectic is thoroughly absent in Marx's critical dialectic.

On the theoretical level of 'many capitals', Marx explores how competition tends to equalise rates of profit through a (logical) '(re)distribution' of surplus-value within sectors of industrial capital, and between industrial capital, on the one hand, and non-industrial capitals and rentiers, on the other. This account of 'many capitals' can indeed be interpreted in terms of the Hegelian notion of 'particularity'. But the theoretical level of 'many capitals' is just one of the places in his theory where the Hegelian notion of particularity comes into play. Were it not for the separation of *particular* units of production from each other and from the users of their products at the very beginning of Marx's systematic progression, all concrete labour would be immediately social labour, and sociality would not take on the alien form of the monetary value of commodities. Particularity in this sense pervades *all* levels of determinations in a systematic reconstruction of a social order based on dissociated sociality. Further, commodities and money are also the *particular* forms taken by capital in its circuits, while Department I and Department II (producing means of production and subsistence, respectively) are the *particular* forms of the reproduction of total social capital examined in Volume II. Particularity will obviously also come into play on the much more concrete levels of the unwritten books on competition, the state, foreign trade and the world-market. There does not appear to be any special reason for us to assert an exclusive connection between the notion of particularity and the level of many capitals.

Finally, 'singularity' in Hegel's sense of the term can only be adequately instantiated on a theoretical level of full concreteness. The conceptualisation of bank-capital in the *Grundrisse* and Volume III of *Capital* in principle abstracts from the state, international trade and the world-market. It therefore lacks the full concreteness required for an adequate instantiation of 'singularity' in Hegel's sense of the term. No less importantly, for Hegel 'singularity' refers to the highest form of rationality attainable in a given ontological region.⁵⁰ No Marxist would ever describe bank-capital in these terms. Its characteristic circuit, $M - M'$, represents the most irrational form of the fetishism

50 In the socio-political region Hegel describes the criteria in the following terms: 'The *right of individuals* to be *subjectively determined* as free is fulfilled when they belong to an actual ethical order, because their certainty of their freedom finds its truth in such an objective order, and it is in an ethical order that they are actually in possession of their own essence or their *own* inner universality' (Hegel 2008 [1820], §153, p. 160).

pervading a social order of dissociated sociality, generating the belief that capital can create surplus-value out of itself. For these two reasons 'bank-capital' cannot be interpreted as a category of singularity in the proper Hegelian sense of the term.⁵¹

In the *Logic*, Hegel developed a methodological framework progressing from simple and abstract determinations to progressively more complex and concrete levels of analysis. Marx adopted this framework for his critique of political economy.⁵² But this was, I believe, a more creative adaptation than the two hypotheses considered in this section suggest.

51 Singularity in Hegel's sense of the term is, however, invoked elsewhere in Marx. It can be discerned in the notion of a 'free individuality, based on the universal development of the individuals', a form of individuality that actualises 'the universality of the individual not as an imaginary concept, but as the universality of his real and notional relations' (Marx 1986, pp. 95, 466). Unlike Hegel, Marx understood that a world-historical rupture from the epoch of capital will be required for this goal to be attained.

52 Smith 1990. A strong defence of the continued viability of systematic-dialectical method for critical social theory today can be found in Reuten's contribution to this volume.

Capital Breeds: Interest-Bearing Capital as Purely Abstract Form

Mark Meaney

Introduction

The 'Rosdolsky Challenge'

Roman Rosdolsky describes Marx's *Grundrisse* manuscripts as making 'massive reference' to Hegel's *Science of Logic (SL)*.¹ I propose that Rosdolsky's characterisation leaves us with an interesting challenge: to supply the footnotes. Taking on the 'Rosdolsky challenge' would first involve solving the problem of just how to go about providing citations amid such 'massive reference'. There are over a hundred logical terms and phrases in the *Grundrisse* that Marx borrows directly from *SL*. Meeting the challenge would entail close textual and philological exegesis. To establish a citation, you would have to link a term or phrase as found in the *Grundrisse* to a term or phrase as found in *SL*. The methodology sounds simple enough, but anyone who has ever done this sort of work knows just how mind-numbingly difficult it can be. The magnitude of difficulty increases exponentially not least because *SL* is one of the most semantically dense works ever composed and, of course, the *Grundrisse* manuscripts are no walk in the park either. Yet, this is precisely what meeting the 'Rosdolsky challenge' entails.

In this chapter, I provide an illustration of the value of the empirical approach of philological exegesis in examining the relationship of Marx's *Grundrisse* to Hegel's *SL*. I choose a particularly nettlesome transition in the *Grundrisse* from profit-bearing capital to interest-bearing capital in illustrating just how tightly Marx weaves *SL* into the fabric of the manuscripts. In preparing the transition, Marx describes capital as 'self-reproducing and multiplying' and, as such, perennial.² Moreover, he goes on to say that when capital relates itself to itself as self-reproducing, it distinguishes itself within itself from itself as profit, and then supersedes the separation and thereby expands itself as the subject of a self-expanding circle, or spiral.³ Capital breeds.⁴ If Nicolaus's

1 Rosdolsky 1992 [1977], p. xiii.

2 Marx 1973 [1857–8], p. 751; compare p. 851.

3 Ibid.

4 Of course, capital breeds only in and through relations with *alien labour*.

translation here is difficult, it is only because Marx's German is likewise excruciatingly turgid. More than one commentator has found Marx's choice of words here at least puzzling. Yet, Marx's (ab)use of the German language at this point in the manuscripts is a rich vein from which to mine numerous nuggets in establishing a relation of indebtedness, in 'dropping a footnote', as it were. We can go a long way toward solving the puzzle of the origin of Marx's wording in this complex transition to 'real capital' by linking the *Grundrisse* to *SL*, at the appropriate juncture. So, for example, by making use of this methodology, I will show how we can explain Marx's deployment of phrases such as 'self-reproducing' and 'real capital' at precise points in the manuscripts by linking Marx's language to logical terms and phrases Hegel uses in his presentation of 'realised genus', the concrete universal.

In the conclusion, I move from the illustration to claim that we can meet the 'Rosdolsky challenge' only by 'dropping a footnote' for each and every transition in the *Grundrisse* manuscripts as making 'massive reference' to *SL* – a truly daunting task.

A Note on Method

In meeting the 'Rosdolsky challenge', we must supplement philological exegesis of the relation of the *Grundrisse* to *SL* with an appreciation of why Marx would use a specific logical term or phrase at a certain point and yet never again use that same term or phrase anywhere else in the manuscripts. For example, Marx uses 'self-reproducing' and 'self-expanding circle' only and precisely at the locations in the manuscripts where he describes 'real capital' as distinguishing itself within itself from itself as profit, and then superseding the separation thereby expanding itself *als Subjekt des Kreises*.

I submit that an answer to this question rests on Marx's understanding of the absolute necessity of the ordering of the logical categories in *SL*. Marx agrees with Hegel on this point. The necessity of the ordering of logical categories makes Hegel's method the 'scientifically correct method'. In meeting the 'Rosdolsky challenge', we must therefore supplement our philological exegesis with an understanding of the ordering of economic categories in the *Grundrisse* manuscripts in relation to the ordering of logical categories in *SL*. In short, we map logical terms or phrases in 'dropping footnotes' by remaining faithful to the logical structure of both works. Logical terms or phrases provide us with signposts to logical structure. The logical structure of both works, in turn, provides us with clues in our construction of a philological map in 'dropping footnotes'.

Conditions of the Possibility of Synthetic *a priori* Knowledge

A Return to the Introduction

I do not pretend to be an economist. I do not entirely understand Marx's treatment of profit from the point of view of economics. We can, however, provide an analysis of the underlying logical categories of the structure of the arguments. We can also provide an analysis of the logical categories of a particular argument in relation to the structure of the whole of the *Grundrisse*. Moreover, by using philological exegesis, we can link the underlying logical categories of particular arguments regarding profit and the overall logical structure of the manuscripts to Hegel's *SL*. Of course, our philological exegesis and logical analysis of Marx's treatment of profit must be coupled with an appreciation of his understanding of the 'scientifically correct method' and the underlying necessity of the ordering of logical categories.

In a letter to Engels dated 16 January 1858, Marx stated that a rereading of *SL* provided him with the conceptual tools that allowed him to unlock the secrets of profit.⁵ Of course, Marx treats of the nature of profit-bearing capital, or what he calls 'real capital', only at the very end of the *Grundrisse* manuscripts. Intuitively then, we might conclude that he here implies in his letter to Engels that he used *SL* in ordering the entirety of the materials of the manuscripts. Of course, intuitions aside, proving such a claim is the object of my work. He also expressed the desire to 'make accessible to the ordinary human intelligence . . . what is rational in the method which Hegel discovered but at the same time enveloped in mysticism'.⁶ Elsewhere he lamented that he wished he had time to extract and make accessible the 'rational kernel' contained in Hegel's treatment of scientific method. What did Marx take to be the 'rational kernel' in Hegel's scientific method?

In the section entitled 'The Method of Political Economy', Marx gives us an all-too-brief account of the proper method of procedure in an exposition of the capitalist mode of production. While he does not explicitly credit Hegel here for having discovered this method, it is clear in his criticism of Hegel that Marx is indebted to him for it. One begins with what is given in experience: complex or concrete things. Because concrete things are the result of a 'concentration of many determinations', one's initial conception is chaotic. Investigation initially consists in moving analytically from this chaotic conception of a concrete whole to the simple determinations that are constitutive of it. Having arrived at the simplest determinations of the concrete whole, one

⁵ Marx 1983a [1858], p. 248.

⁶ *Ibid.*

then proceeds to order these determinations of the whole in such a fashion that one reconstructs the whole in one's mind.

We can see, in Marx's short exposition of the nature of the 'scientifically correct method', an elaboration of what had only been hinted at in earlier works. He reiterates what had been stated in *The German Ideology* as the premise of true scientific exposition. The subject is society: real men acting together to create and reproduce their conditions of existence. The real remains after theoretical exposition as before, independent of the thoughts of the scientist. Nevertheless, the real is said to comprise a system of hierarchically ordered relations. The nature of the subject-matter, therefore, is not given to sense. Since the whole is a functioning system of hierarchically ordered relations, the reconstruction of the real in the 'way of thought' must be accomplished in a systematic manner.

It is important to note at this point that the term 'concrete' has two particular denotations for Marx. It is on the one hand the ontologically prior real. It is, in the language of the *Critique*, an 'organism'. As stated in *The German Ideology*, as expressed in the language of the idealists, it is 'substance' or 'society as subject' or a 'totality'. The capitalist mode of production is represented in *The Poverty of Philosophy* as a self-moving, self-reproducing whole comprising hierarchically ordered, dialectically related forms of existence. On the other hand, the term 'concrete' also denotes the complex. In this sense it describes things such as existing social systems and also our scientifically adequate concepts of them. What is required in order to arrive at knowledge of the complex is that one must move from simple or abstract determinations of the whole toward a complete elaboration of the system of relations that comprise it. The achievement of such a result in a 'totality of thoughts' is said to be a 'mirroring' of the concrete that is the ontologically prior real.

Now, because the concrete as ontologically prior is an 'organism' and so on, the method that one uses in reconstructing the real in thought must be adequate to the object. Such a method must be based on the exposition of what had been termed 'organic development' in earlier works. In fact, as Marx here states, this method is the only way that the mind can appropriate the real as such, that is, in a 'totality of thoughts'. In saying as much, Marx echoes what he had said concerning Hegel's scientific method in *The Poverty of Philosophy*: '[Hegel] is merely reconstructing systematically and classifying by the absolute method the thoughts which are in the minds of all!'⁷

In contending that the real (capital) is a system of hierarchically ordered and dialectically related 'parts', which must be appropriated by the mind in

⁷ Marx 1955 [1847], p. 48.

and through the use of a 'scientifically correct method' based on the exposition of 'organic development', Marx is committed to the claim that the real can only be known through what Hegel terms *Wissenschaft*. I have demonstrated elsewhere the manner in which Marx's 'Introduction' is indebted to chapter two of section three of volume two of Hegel's *SL*.⁸ I will not revisit the arguments here; only to say that, following Hegel, Marx distinguishes *Wissenschaft* into two parts or moments: *cognition*, or a 'method of inquiry', and *comprehension*. Cognition is, in turn, further subdivided into two stages: analysis and synthesis. In the initial stage of research-inquiry, the investigator first analyses a given 'living whole' by breaking it down into its ultimate constituent 'parts' and reducing it to 'simple concepts'. In moving from an initial chaotic conception, an investigator proceeds by way of 'simple concepts' to isolate the 'abstract highest essence' of the organic whole. Of course, we know it took Marx years of research to reduce the 'parts' of capital to 'simple concepts' in isolating its 'abstract highest essence' amid raw economic data in order then to begin to synthesise the data into a theory.

Whereas in the initial stage of cognition in research-inquiry an investigator first moves from the concrete to the abstract in analysis, the work of synthesis is a movement from the abstract toward a theory about the interrelation among the 'members' of the organic whole. I trotted out this well-worn dictum only to make the point that Marx provides us in the 'Introduction' with a fine example of the application of the latter stage of the 'method of inquiry' through his synthesis of 'simple concepts' into a general theorem of capital. In his exposition of the theorem, Marx moves from abstract universality in *definition*, through particular determinations in *division*, to a *demonstration* that capital is an organic whole of interrelated 'members'. As he notes in 'Exchange and Production', the method of inquiry is complete with the synthetic advance to, or deduction of, a general theorem: production predominates over the 'members of a totality, distinctions within a unity'.⁹ Moreover, a definite production determines a definite consumption, distribution and exchange as well as definite relations between these different moments.

Yet, for Marx as for Hegel, a general theorem is not *comprehension*; cognition, or the method of inquiry, does not result in the comprehension of the 'living whole'. As I have discussed elsewhere, following Hegel, the 'scientifically correct method' is for Marx an *a priori* synthesis and not a general deduction of a theorem *per se*.¹⁰ For Marx as for Hegel, the work of analysis and synthesis in

8 Meaney 2002, chapter 7.

9 Marx 1973 [1857–8], p. 99.

10 Meaney 2002, chapter 7.

the method of inquiry provides an identification of the 'abstract highest essence' of a given concrete whole, along with the deduction of a general theorem about the interrelationship among the 'members of a totality, distinctions within a unity'. Cognition or the method of inquiry in no way results in a 'mirroring' in thought of the 'living whole' from which the investigation originates. Though necessary, the analytic and synthetic components of cognition are not sufficient to reproduce the organic whole in the mind of the investigator in the 'way of thought'.

For example, in an application of the method of inquiry, Marx's research no doubt led him to the conclusion that we must define 'real capital' as profit-bearing capital that becomes a commodity by entering into circulation as interest-bearing capital. However, the simple deduction of this conclusion does not facilitate a comprehension of profit. In the *Grundrisse*, Marx labels interest-bearing capital as the *purely abstract form* of capital.¹¹ From a Hegelian-logical standpoint, this is an extremely important observation. It provides us with a philological clue as to the ordering principle of the whole of the *Grundrisse* manuscripts.

Recall that Marx distinguishes between two meanings of the term 'concrete'. On the first meaning, the term denotes the ontologically prior real: real men acting together to create and reproduce their conditions of existence. The exposition of capital is thus grounded on the ontologically prior 'concrete'; but, since this concrete is a systematic or organic whole, it can only be comprehended in and through a systematic exposition. The second meaning of the term 'concrete' denotes the *comprehension* of 'real capital' in a 'totality of thoughts' by way of the reconstruction of this organic whole in the mind through the systematic exposition of it. According to this latter meaning, the 'concrete' is not the starting point, but the end-result of the exposition in the comprehension of the organic whole. The reconstruction of 'real capital' in the mind through its systematic exposition presupposes the work of cognition or the method of inquiry. Comprehension thus entails beginning the systematic exposition with the most simple or abstract determinations of the whole identified in the work of cognition. The development of the systematic exposition starts from these abstract determinations and, through the development of progressively more concrete determinations, finally arrives at the knowledge of 'real capital' as an organic unity.

In this way, scientific exposition is for Marx what it is for Hegel, namely, circular in nature. 'Real capital' is latent or immanent even in the simplest form of simple circulation. While the latter is, of course, an incomplete or par-

¹¹ Marx 1973 [1857–8], p. 878.

tial manifestation of capital, it nevertheless must be taken as one form of existence of it, that is, it is 'real capital' as it appears. The organic system of 'real capital' is therefore the ground or foundation of the entire development contained in the *Grundrisse*. Scientific exposition is not circular in a spurious sense, because our knowledge of the 'living whole' must await the complete elaboration of the entire system of relations that comprise 'real capital'. It is only as a result that we comprehend 'real capital' as profit-bearing capital that becomes a commodity by entering into circulation as interest-bearing capital.

As I say, I do not profess completely to understand in economic terms Marx's analysis of the nature of interest-bearing capital here. However, I can say that, by using philological exegesis, we can link logical terms and phrases that are indicators of the underlying logical categories of particular arguments focused on 'real capital' as profit-bearing capital that becomes a commodity by entering into circulation as interest-bearing capital to specific logical terms and phrases in *precise* locations within the overall structure of Hegel's *SL*. In short, philological exegesis coupled with the analysis of the logical structure of the arguments provide us with evidence that, when Marx defines interest-bearing capital as the *purely abstract form* of capital, he is telling us in Hegelian terms that interest-bearing capital is the Idea of capital. As such, it is 'that end toward which all things proceed and produce' in the realm of capitalist production. Interest-bearing capital structures the whole of reality toward the end of its own self-reproduction. As Marx clearly states, it is 'capital that relates itself to itself as capital'.¹² Moreover, 'real capital' as such is the ordering principle of the course of the entire systematic exposition contained in the *Grundrisse*.

The Absolute Method as Synthetic a priori Advance

In the final chapter of *SL*, Hegel describes the 'absolute method' as comprehension. Here he claims that a proper application of the absolute method results in the comprehension of an organic whole, because the method results in the complete presentation of the *Begriff* ['concept'] of that whole. In his description, Hegel reviews the entire course of *SL*. Comprehension presupposes the results of the research of analysis and synthesis in the cognition of inquiry. Comprehension does not begin, therefore, with the empirically given or with empirical universality as such, but with universality that is the 'objective immanent form' that the researcher had identified in the research undertaken through the cognition of inquiry. The beginning of true cognition thus contains implicitly all the determinations that characterise the essential nature of the concrete totality. Progress consists in comprehending the nature of the

12 Ibid.

whole within this universality. To this extent, the absolute method is analytic because the analysis of the subject-matter takes place entirely within the *Begriff* of the concrete totality. However, the complete nature of the concrete totality is not cognised within this initial universality. The absolute method is therefore just as much synthetic because the advance is made from the initial abstract universality to particular determinations or conditions of the 'objective immanent form'. Comprehension of a concrete totality is thus a function of the explication of the many moments that relate to each other in constituting the concrete, organic whole. Comprehension is thus a synthetic method, but one that we must clearly distinguish from the synthetic component of the cognition of inquiry. It is enough to say that the absolute method is also analytic to distinguish it from the latter. While the analysis of the subject-matter takes place entirely within the *Begriff* of the concrete totality, the exposition entails a synthetic advance from the abstract to the concrete in an explication of the self-reproduction of the concrete, organic whole. For this reason, the absolute method entails a synthetic *a priori* advance.

I will not here review the entire course of *SL*, but suffice it to say that Hegel begins his exposition of the absolute method with the immediate content of knowledge and with thought in its merely conceptual phase. The logical categories employed provide us with a view of the immediate forms of existence of an organic whole. The first determinations must be presented as a mere diversity, because the whole is presented in its immediacy and not as the organic, self-reproducing whole. Without going into specifics as to the precise nature of the logical moves, the synthetic *a priori* advance proceeds from this initial immediacy or abstract universality to a consideration of the relationships among particular determinations of the organic whole. In the second book of the first volume of *SL*, Hegel demonstrates that reflection on the immediate content of knowledge reveals an underlying reality in terms of which the immediate being of that which appears is to be explained. Reflection on external relations reveals an inner essence that is presupposed by them. Things are not as they appear, but they exist in and through internal and external relations. Hegel concludes his first volume with an exposition of the organic whole as a self-causing unity of appearance and essence. In volume two, Hegel provides a full explication of this self-causing unity as a concrete totality in the *Logic of the Concept*.

In sections one and two of the second volume on the *Logic of the Concept*, Hegel lays bare the absolute method as entailing a movement from the abstract to the concrete in the presentation of the 'objectification' of an organic whole. In synthetic *a priori* knowledge, the organic whole is of course immanent within the entire development and as such is the foundation of the many cat-

egories of the first volume. Organic unity was merely implicit in its appearance in being – posited or set out as what it essentially is in essence – and, in the Logic of the Concept, the organic unity is explicated as self-reproducing. As self-reproducing, the organic whole is the universal organising principle of the entire presentation of logical categories, a concrete universal.

Elsewhere, I have documented by utilising philological exegesis precisely how, in ‘The Chapter on Money’, Marx used Hegelian logical categories in his presentation of the arguments regarding the relation among the economic categories of product/commodity and money within simple circulation, the immediate being of capital.¹³ In true Hegelian fashion, Marx begins his synthetic *a priori* advance with the immediate content of knowledge and with thought in its merely conceptual phase. He presents the first determinations of circulating capital as a mere diversity, because he must begin his *a priori* synthesis with circulating capital in its immediacy and not with the end-result as an organic, self-reproducing whole. I have also documented that, once Marx exposes capital’s appearance in simple circulation, he then moves to distinguish between the appearance and an essential, underlying reality.¹⁴ The underlying reality is not an external relation among things, but a system of internal, interdependent relations. Finally, I have documented how, in the third, final and most concrete stage of his synthetic *a priori* advance, Marx examines capital as ‘real capital’, a complete, complex organic whole realised in and through the production of profit-bearing capital, a concrete universal.¹⁵ Throughout the process of synthetic *a priori* knowledge, capital as such has been immanent in the entire development. It was implicit in its mere appearance as simple circulation; it was posited or set out as what it essentially is in the second stage of exposition; and, in the final development, it proved itself to be an organic unity of circulation and production to the end of the production of interest-bearing capital as the *purely abstract form* of capital. As such, interest-bearing capital is the universal organising principle of the entire manuscripts as the Idea of capital, or capital that relates itself to itself as capital.

The Relation of Form to Content in the Rules of Logic at Different Stages of Exposition

In *SL*, Hegel reiterates that the rules governing the movement of thought in an *a priori* synthesis of logical categories are very precise. While the analysis takes place entirely within the *Begriff* of the organic whole, the logical rules that

13 See Meaney 2002, pp. 15–40.

14 See Meaney 2002, pp. 41–76.

15 See Meaney 2002, pp. 77–168.

govern the relation between logical categories within the exposition entail a step-by-step synthetic advance from the abstract to the concrete in moving from universality through particularity to individuality at each stage toward the full explication of the self-reproduction of the concrete totality. No logical move is wasted: each category plays an essential rôle within the process of the synthetic *a priori* advance. The ordering of logical categories is thus absolutely necessary. Here, we could digress on Hegel's critical appropriation of Kant's development of the rules that govern the precise relation between logical categories in conditioning the possibility of synthetic *a priori* judgements. We might also discuss Hegel's use of Aristotle in his criticisms of Kant. Suffice it to say, however, that the absolute necessity of the ordering of logical categories in an *a priori* synthesis of the *Begriff* of an organic whole is the reason why Hegel maintains he has developed the scientifically correct method in *SL*. Marx agrees with this claim; it is, as it were, the 'rational kernel' of Hegel's exposition of method.

Hegel tells us that the rules of logic that govern the relation between logical categories in an *a priori* synthesis of the *Begriff* of an organic unity depend on the goal of the logic of a particular section within the whole of *SL*. As I say, Hegel begins his presentation of the Idea with the immediate content of knowledge and with thought in its merely conceptual phase. Hegel intends for the logical categories in the Logic of Being to provide us with a view of the immediate forms of existence of an organic whole. As a consequence, the exposition of the content of the Logic of Being is an exposition of the external relations between things as they appear as objects of sense. Because Hegel is concerned in this section to expose the external relations between objects of sense, the logical categories are themselves externally related to each other. As Hegel states, the logical rules that govern the relation between categories in the *a priori* synthesis within the Logic of Being entail a mere 'passing over into' as a 'transition' or a 'vanishing of one into the other' of logical categories.

Likewise, in the beginning of Marx's *a priori* synthesis of the *Begriff* of 'real capital', the rules of the logic of being govern the relation among logical categories that undergird and govern the relation among economic categories in Marx's treatment of 'simple circulation'. Without going into specifics as to the precise nature of the logical moves, Marx frequently refers in this section of the manuscripts to the relations among product/commodity and money as a 'passing over into' of one economic category into the next or a 'vanishing of one into the other'. He thus begins his *a priori* synthesis of the *Begriff* of capital properly according to the 'scientifically correct method', with capital's immediate forms of existence. Such forms of existence are things or objects of sense. The logical rules that govern the relation among the logical categories that

Marx uses to structure his presentation of 'simple circulation' entail that he presents the economic categories as externally related. The commodity is exchanged for money and money is exchanged for the commodity in a virtual 'infinite series' of exchanges. According to the precise rules that govern the logic of being, the commodity drops out of circulation only to be consumed, while money remains hoarded as dead treasure. Simple circulation is in no way productive of capital. As Marx states, simple circulation cannot 'ignite itself from within' and, as a consequence, its 'immediate being' is 'pure illusion'. Simple circulation is the 'mediation of extremes', which it does not 'posit'. In an *a priori* synthesis, Marx proves decisively that capital cannot be defined in terms of an external relation among things.

In the Logic of Essence, the precise rules of logic that govern the relation between categories lead Hegel to demonstrate that reflection on the immediate contents of knowledge reveals an underlying reality in terms of which the immediate being of that which appears is to be explained. The process of synthetic *a priori* knowledge reveals an inner essence that is presupposed by the external relations of Being. Constitutive relations are not solely external. The rules of the Logic of Essence entail an exposition of relational properties of things, rather than an exposition of the external relations *between* things. Because the Logic of Essence is an exposition of the essential relations within an organic whole, Hegel defines the logical categories of Essence relationally. In Being, logical categories vanish into each other; in Essence, logical categories are constituted in dyadic relations.

Likewise, in the *Grundrisse*, Marx's exposition of the essence of capitalist production reflects the logical form of the categories of the Logic of Essence in an *a priori* synthesis from the abstract to the concrete. Once Marx exposes capital's appearance in simple circulation, he then moves to distinguish between appearance and an essential, underlying reality. Because the second stage of his *a priori* synthesis is an exposition of internal, essential relations, Marx uses the logical categories of the Logic of Essence to define economic categories relationally. Without going into specifics as to the precise nature of the logical moves, the logical rules that govern the structure of the logical categories that undergird Marx's presentation of the essential relation among economic categories require that he begin with a relatively simple identity, for example, money, the commodity or the whole of the working day. Marx then uses the appropriate logical rules to demonstrate that the simple identity of money, the commodity or the whole of the working day 'implies' or 'posits' contradictory sides, which are nevertheless correlated aspects of an individual series. The logical rules that structure the relation among specific logical categories in essence entail that the contradictory sides of these economic categories

are phases in an *a priori* synthesis of a single, more concrete whole. The logical category that undergirds this more concrete whole likewise entails logical categories that undergird the contradictory sides of economic categories that then are superseded in the *a priori* synthesis of a single, even more concrete whole. At the end of the second stage of the exposition, the logical rules that govern the relation between specific logical categories enable Marx to demonstrate how these twofold relations among economic categories are superseded – preserved yet transformed – in an essential organic unity of the different, interdependent ‘moments’ of production and circulation. He can thereby achieve at the end of the second stage of his exposition a new definition of ‘circulating capital’ as a ‘totality’ of inseparable moments. The organic unity of circulating capital will then serve as the basis of a third stage in Marx’s synthetic *a priori* advance.

Hegel achieves the goal of the exposition of the Logic of Essence and brings the second stage of the *a priori* synthesis of the *Begriff* of an organic unity to completion when he demonstrates that the matter under consideration is an essential, organic unity of different but interdependent ‘moments’. In the third, final and most concrete section of *SL*, Hegel will scrutinise this complex organic whole. Through the Logic of the Concept, Hegel presents, not the becoming of the organic whole, but rather the organic whole as it ‘proceeds from itself’. Because the content of the exposition of the Logic of the Concept differs essentially from that of the two preceding sections, the logical rules that govern the logical form or relation between categories differ as well. In Being, the categories pass over into each other. ‘Transition’ characterises their ordering of one category in relation to the next in an *a priori* synthesis from the abstract to the concrete. In Essence, ‘reflection’ characterises how each category is related to or reflected in the next. The nature of the relation of the categories in the Logic of the Concept is neither one of ‘transition’ nor one of ‘reflection’. The Logic of the Concept is the logic of ‘development’ proper. ‘Development’ is an explication of what is immanent in what has come before. Each category represents the whole of the organic unity when viewed from a certain perspective. Each is therefore both the whole of the system and one of its specific ‘moments’. The general motif continues to be a synthetic *a priori* advance from the abstract to the concrete in moving from universality through particularity to individuality. Thus, while each category is the whole of the system from a certain point of view, the logical rule that governs the relation between categories continues necessarily to dictate a movement from the abstract to the concrete. The precise positioning of each category is therefore a function of the relation to the others as determined by the *Begriff* of the concrete, organic unity in the process of a synthetic *a priori* deduction.

Likewise, Marx's exposition of capital as it 'proceeds from itself' reflects the Logic of the Concept, the logic of development proper. In the third, final and most concrete stage of his *a priori* synthesis, Marx presents capital in general as a complete, complex organic unity. Because the rules of logic that govern the relation among the logical categories that undergird Marx's analysis of 'real capital' differ essentially from the logical rules that govern the relation among logical categories that Marx used in the exposition of the previous two sections, the logical form or relation among economic categories here differs as well. In simple circulation, 'transition' characterised the ordering of economic categories in a synthetic *a priori* advance from the abstract to the concrete. In his exposition of an underlying, essential reality, 'reflection' characterised the relation between economic categories. In this final section of the *Grundrisse*, the relation between economic categories is neither one of 'transition' nor one of 'reflection', but 'development'. Without going into specifics as to the precise nature of the logical moves, Marx follows the rules of logic that govern the relation between the categories of the Logic of the Concept in a presentation of what was immanent in the preceding stages. In keeping with the precise nature of the rules of a synthetic *a priori* deduction, Marx uses the categories of the Logic of the Concept to re-present at a higher level of exposition all the many economic categories that served to expose the becoming of capital. Rather than as 'moments' in the 'becoming' of capital, Marx presents them here as 'form-determinations' of capital as it 'proceeds from itself'. As a consequence, each economic category represents the whole when viewed from a certain perspective. Each category is the whole of the organic unity of capital and a specific 'moment' of it.

Hegel divides his exposition of the rules that govern the Logic of the Concept into 'subjectivity' and 'objectivity' in the final stages of an *a priori* synthesis of the *Begriff* of an organic whole. In 'subjectivity', the logical rules entail that Hegel re-examine the many categories he used in his presentation of the 'becoming' of the Concept at a higher level as 'form-determinations' of its own self-reproduction. The concept of the Concept is a concept of a differentiated whole comprising its own particular moments. The Concept is an organic system that determines the nature of each of its moments as well as their relation to each other. Each moment is therefore shown to be a phase within the entire development of the system. In 'objectivity', the rules of the Logic of the Concept entail that Hegel formulate an *a priori* synthesis of what he terms the process of the 'objectification' of the Concept. The initial process of objectification entails the supersession of the 'immediate form' of objectivity and the positing of a form that is adequate to 'the end' of the Concept. The end, in turn, endows objectivity with a self-moving principle or soul.

Likewise, without going into specifics as to the precise nature of the logical moves, the rules of logic governing the relation among the logical categories that Marx uses in his consideration of circulating and fixed capital as specific 'form-determinations' of circulating capital entail that Marx then develop an exposition of the 'objectification' of capital. Marx first describes how capital supersedes the means of production in their 'immediate form' and then posits them in a form adequate to its own 'end-in-itself'. Marx describes, in turn, how machinery then undergoes a series of transformations such that capital endows machinery with a principle of self-movement or a 'soul' of its own.

In conclusion, we see for Hegel that the logical rules that govern the precise relation between logical categories are dependent at each stage of the *a priori* synthesis on the subject-matter under consideration and the thought of it. Hegel repeatedly emphasises that form and content are reciprocally related and determined by one another. Thus, at each stage in the process of a synthetic *a priori* deduction, the nature of the content determines the form of thinking; but, likewise, the form of thinking determines the nature of the content. Since the form and content are inseparable, the development of the logical categories in an *a priori* synthesis of the *Begriff* of an organic whole is absolutely necessary. The logical rules of transition from one logical category to the next inexorably link each category to the prior development and, in turn, form and content determine subsequent developments. Each category appears within a systematic whole of the *a priori* synthesis. It depends on the rules of logic that govern the development of the categories that precede it and on the rules of logic that govern the development of the categories that follow. Indeed, each category requires the whole of the *a priori* synthesis in order to have any sense at all.

Marx was keenly aware of the rules of logic that govern a synthetic *a priori* deduction of the *Begriff* of an organic unity; indeed, we find him characterising Hegel's *SL* as 'reconstructing systematically and classifying by the absolute method the thoughts which are in the minds of all'. He was keenly aware of the intimate, reciprocal relation between form and content in the synthetic *a priori* advance of logical categories in the absolute method. Because Marx sought the complete comprehension of the entire nature of capital and, to be more specific, of capital in *general* in the *Grundrisse*, he did not consider Hegel's treatment of the rules of logic that govern the ordering of logical categories in a presentation of the absolute method lightly; rather, he understood those rules, he saw the absolute necessity of the ordering of the categories and, as a consequence, he understood the scientific nature of a dialectical exposition of capital as organic unity based on Hegel's treatment of the absolute method. He therefore respected the precise ordering of the logical categories in his

presentation of economic categories in his *a priori* synthesis of the *Begriff* of capital.

Comprehending Profit and Interest in the *Grundrisse*

The 'Rosdolsky Challenge' Revisited

To summarise, we must supplement our philological exegesis in meeting the 'Rosdolsky challenge' with an understanding of the rules of logic that govern each stage of the process of an *a priori* synthesis of the *Begriff* of an organic whole, in order properly to understand Marx's ordering of economic categories in relation to Hegel's ordering of logical categories. In short, we map logical terms or phrases in 'dropping footnotes' by remaining faithful to the logical structure of both works. Logical terms or phrases provide us with signposts to logical structure. The logical structure of both works, in turn, provides us with clues in our construction of a philological map in meeting the 'Rosdolsky challenge'.

When we turn our attention to the transition in the *Grundrisse* manuscripts from profit-bearing capital as 'real capital' to interest-bearing capital as the *purely abstract form* of capital, we must remain mindful of the reciprocal relation of form to content in an *a priori* synthesis, or in comprehension. The logical rules of the movement from one logical category to the next inexorably link each category to the prior development in the advance, and, in turn, form and content determine subsequent developments. Each logical category appears within a systematic whole. It depends on the rules of logic that govern the development of the categories that precede it and on the rules of logic that govern the development of the categories that follow. Indeed, each category implicates the whole of the *a priori* synthesis in having any meaning at all. One cannot, therefore, as with formal logic, simply extricate forms of thought from *SL* and apply them piecemeal to some externally given content. The employment of any one logical category in an *a priori* synthesis of the *Begriff* or comprehension of an organic whole commits one to the use of them all in a proper deployment of the 'scientifically correct method'. In short, Marx would not simply extricate logical categories from the middle of *SL* and apply them in some piecemeal fashion in blatant violation of the rules of logic that govern the relation between logical categories at each stage, precisely because he sought a synthetic *a priori* deduction, that is, the comprehension, of circulating capital.

It so happens that I use a passage taken from the very end of the manuscripts to illustrate the value of the empirical approach of philological exegesis

in examining the relation of the *Grundrisse* to *SL*. I must therefore rely on the reader to bear in mind that I abstract from some very rich content indeed in order to make my point. I will argue via our qualified, philological exegesis that Marx makes use of that part of the Logic of the Concept that Hegel terms the 'process of genus' in his consideration of the genesis of 'real capital'. Consequently, I abstract not only from the logical exposition that immediately precedes this transition, but also from the entirety of the two preceding stages of his synthetic *a priori* deduction. So, for example, at the end of the first stage of his *a priori* synthesis, the rules of the Logic of Being entailed that Marx define money as dead treasure in his characterisation of the mere appearance of the *Begriff* of circulating capital. At the end of the second stage, the rules of the Logic of Essence entailed that Marx define money as 'realised capital' in his consideration of the essence of circulating capital. That is, when money first stood at the beginning of the production-process, the 'presuppositions' of capital 'appeared to come in from the outside' as external presuppositions for the arising of capital. This 'second' return of money to the beginning of the realisation process of capital afforded a chance to clarify certain issues that remained unclear upon the 'first' entrance of money in the realisation-process, that is, as money in 'transition from its role as value to its role as capital'. Marx states at the end of the second stage of his synthetic *a priori* advance that now money as 'realised capital' represents a completed circuit of production and circulation, in which the entire process is now circumscribed by capital itself. Capital 'no longer proceeds from presuppositions in order to become, but rather it is itself presupposed, and proceeds from itself to create the conditions of its maintenance and growth'.¹⁶

In keeping with the precise nature of the rules that govern the progress of synthetic *a priori* knowing, Marx uses the categories of the Logic of the Concept to re-present at a higher level of exposition all the many economic categories that served to expose the becoming of capital. As I say, I must therefore rely on the reader to bear in mind that I abstract from some very rich content indeed in order to make my point. In our use of philological exegesis, we must remain mindful of the entire logical development that has led up to this point at the end of the third, final and most concrete stage of the *a priori* synthesis of the *Begriff* of circulating capital as organic unity. As we will see, the rules of the Logic of the Concept entail that Marx define money as interest-bearing capital or the *purely abstract form* of circulating capital. In 'dropping footnotes' at the end of the manuscripts, philological exegesis coupled with the analysis of the rules of logic that govern the logical structure of the arguments will pro-

¹⁶ Marx 1973 [1857–8], p. 460.

vide us with the evidence to exhibit how Marx made use of the Logic of the Concept in his *a priori* synthesis to define money as the *purely abstract form* of circulating capital.

The Generation of Profit and the Reproduction of Capital as Capital

In the final sections of the *Grundrisse* manuscripts, we find a number of logical terms and phrases of particular note that are useful for our purposes. These terms and phrases serve as philological indicators that Marx remains logically consistent right up until the very end of the manuscripts in following the rules of logic that govern the relation between specific logical categories in the Logic of the Concept in Hegel's *a priori* synthesis or comprehension of *Begriff*. For example, Marx's use of such terms as 'self-reproducing', 'perennial', 'self-immortalising', 'proceeding from itself' as an 'active subject', and the 'subject of the process' all have important correlates to logical terms and phrases in *SL*, at a precise juncture. Of particular note is Marx's use of the phrase *sub specie capitalis* when he states, 'Surplus value thus measured by the value of the presupposed capital, capital posited as self-realizing value – is profit; regarded not *sub specie aeternitatis*, but *sub specie – capitalis*, the surplus value is profit.'¹⁷ Marx further describes capital as 'self-reproducing' as follows: '[C]apital as capital, the producing and reproducing value, distinguishes itself within itself from itself as profit, the newly produced value.'¹⁸ Finally, after capital has distinguished itself within itself from itself as profit, and in so far as this newly produced value is itself 'of the same nature as the capital', Marx states that it 'supersedes the separation again, and posits it in its identify to itself as capital which, grown by the amount of the profit, now begins the same process anew in larger dimensions.'¹⁹ It is here of course that Marx describes capital as capital as a 'self-expanding circle', a spiral.

Again, without a doubt, it can be difficult to view such terms or phrases as 'self-reproducing and multiplying' as logical terms or phrases, but, according to Hegel, that is precisely how we must view them. For, after he addresses the reproduction of the living organism in the life-process of absorption and assimilation of an external object, Hegel demonstrates how the logical rules that govern the relation between categories in the Logic of the Concept entail that we then consider 'self-reproducing individuality', or the 'process of genus' in a synthetic *a priori* advance toward *Begriff*. The three moments of the concept – universality, particularity and individuality – form the basis of the

¹⁷ Marx 1973 [1857–8], p. 746.

¹⁸ *Ibid.*

¹⁹ *Ibid.*

process. I will not here go into the exact logical moves that precede the becoming of genus; I will only say that Hegel initially defines the 'self-reproducing individuality' as 'self-identical' in the particular moments of its existence.

In the process of genus, the concept relates itself to itself through self-reproducing individuality. The logical rules governing the relation between logical categories entail that Hegel define the process as one in which the genus distinguishes itself within itself from itself and relates itself to itself through self-reproducing individuality. Genus relates itself to itself as a process of production of itself as a product. The product is 'the actual concept – the germ of the living individual', namely, sperm. Hegel defines the process of genus as an infinite process. The genus distinguishes itself within itself from itself as self-reproducing individuality, and then supersedes the separation in its own process of self-reproduction and multiplication, only to begin the process again in a self-expanding circle. The result is the 'realised genus', or the *concrete universal* as immanent and actual in all its particulars.

Hegel closes out the chapter entitled 'Life' with concluding remarks on a new vista that opens up to us through the 'realised genus'. The self-reproducing and multiplying individuality of the living species conditions the possibility of the explicit emergence of the Idea. What had been merely implicit now becomes explicit when the Idea relates to itself as Idea through *simple universality*, and abstract image. The latter is the form of the living species which is produced in a mind in the first, most abstract moment of cognition. In short, the development of the entire *sz* vanishes in this simple universality or abstract form of the living species as it is produced in the mind in and through the initial emergence of logical category of 'cognition', the Idea as it relates to itself as Idea.

In meeting the 'Rosdolsky challenge', we are able to identify numerous philosophical indicators through the use of identical logical terms and phrases here at the close of the manuscripts in a side-by-side comparison of the *Grundrisse* manuscripts and *sz*. For example, as we note above, Marx defines capital at this juncture in his synthetic *a priori* advance as 'self-reproducing' since capital 'distinguishes itself within itself from itself as profit' (the germ), and, in so far as this newly produced value is itself 'of the same nature as the capital', then, 'after it has distinguished the profit, as newly reproduced value, from itself as presupposed, self-realizing value . . . it supersedes the separation again, and posits it in its identity to itself as capital, which, grown by the amount of profit, now begins the same process anew in larger dimension.'²⁰ Capital breeds! Moreover, Marx states that once capital is posited as 'self-reproducing', it is

²⁰ Marx 1973 [1857–8], p. 746.

posited as capital, or capital as capital. In short, Marx defines profit-bearing capital (*sub specie capitalis*) as 'real capital'. As 'real capital', profit-bearing capital is 'value posited as simultaneously self-reproducing and multiplying, and as constantly self-equivalent presupposition, distinguished from itself as surplus-value posited by itself'.²¹ In an *a priori* synthesis, Marx has now demonstrated that capital is a *concrete universal* immanent in and expanding through its particular moments of production and circulation.

With the advent of 'real capital', there is conditioned the possibility that capital should attain a higher form of existence in the exposition than previously observed. 'Real capital' is further defined as realising itself again as money. There now exists the possibility of a more complete or complex exposition of capital with the presentation of it as it enters into circulation as a commodity. This it does as interest-bearing capital. Here Marx tells us that capital does not stand opposite labour in exchange; rather, interest-bearing capital stands opposite profit-bearing capital.²² As such, interest-bearing capital is said to be the *purely abstract form* of profit-bearing capital, or 'capital as it relates to itself as capital'.²³ We can see here that Marx progresses from a consideration of 'real capital', or capital as capital, to a consideration of 'capital as it relates to itself as capital'. As I stated at the outset of this chapter, this is an extremely important observation that Marx makes. In labelling interest-bearing capital the *purely abstract form* of profit-bearing capital, Marx remains logically consistent in closely following the rules of the synthetic *a priori* advance of absolute method that govern the relation between logical categories in the Logic of the Concept. Philological exegesis shows us that he carries his synthetic *a priori* deduction beyond the emergence of capital as a concrete universal in profit-bearing capital, through to the point at which capital now relates to itself as capital through interest-bearing capital as the *purely abstract form* of capital.

In so far as Marx follows the rules of the Logic of the Concept, he carries his *a priori* synthesis to the point at which the Idea of capital has become explicit. For, in Hegel's synthetic *a priori* deduction of *Begriff*, the Idea first becomes explicit as Idea through the 'realised genus' in self-reproducing individuality as concrete universality. The exposition of concrete universality conditions the possibility of the emergence of the Idea *as it relates to itself* as Idea. Hegel defines the *initial* emergence of the Idea as it relates to itself as Idea as the 'abstract form' or simple universality of the Idea.

21 Marx 1973 [1857–8], p. 878.

22 Marx 1973 [1857–8], p. 853.

23 Marx 1973 [1857–8], p. 878.

Purely Abstract Form as Fetish

As we have seen, Marx follows Hegel in defining the real as an organic whole. Since it is an organic whole and not a simple unity, it comprises different elements that integrate to form the whole. These different elements combine to form a unity precisely because their integration is a function of the organising principle of the whole. The latter, while present in the particular elements, is not reducible to them. It must therefore be a universal organising principle of the whole. Because each of these particular elements contained within the whole is determined by the universal organising principle, each contains this principle of the whole within itself. It therefore may be said of each particular element that it is an expression or representation of the whole. But since it is only a part of the whole, it expresses or represents the whole only in a partial manner. The fullest realisation of the universal organising principle awaits the complete systematic exposition of the system of relations that orders and organises the integration of the many elements, in hierarchical fashion.

As each form of existence of the organic whole is only part of the whole, each is incomplete within itself. It therefore requires for its very existence the other elements that comprise the whole. Hegel would say that what each element or form of existence excludes from itself, it requires in order to exist as a part. In this way, each element is 'contradictory' within itself, when taken in isolation from the other parts. It excludes from itself the 'other' forms of existence, yet requires them for its very existence. It therefore contains within its existence reference to what it excludes. In other words, since the universal organising principle of the whole is immanent in each part, each part is determined by that which is external to it, that is, its opposite. Thus, each part is both different from, or in opposition to, every other part. Yet each is at one and the same time in identity with every other, as parts of a whole. The higher, more complete or complex form of existence that emerges from the contradictory nature of the more partial manifestations of the whole does not abolish these lower forms when it emerges. Rather it includes and preserves within itself the less complex, less adequate forms. Hegel terms this special relation *Aufhebung*. This is a core concept of the 'scientifically correct method'.

Anything less than the complete exposition of the organic whole is a partial and therefore inadequate manifestation of it. When a higher, more complete or more complex form of existence emerges within the synthetic *a priori* advance, it cancels out the inadequacies of the less complex. But this does not mean that this higher, more complex form of existence annihilates the less developed forms of existence. These less developed forms are in fact transformed, since they are now parts of or elements in a greater whole within the systematic exposition. They are included and preserved within the more com-

plex whole, since the whole is dependent upon the different forms of existence that unite to produce it.

The synthetic *a priori* advance continues up to the complete exposition of the universal organising principle. Hegel's elaboration of the absolute method for a systematic exposition of an organic unity is complete with the synthetic *a priori* deduction of the most complete, most complex stage or form of existence in the advance, that is, the Idea of the organic whole. As the highest, most complex, most complete manifestation of the organic whole, it is the aforementioned universal organising principle. It has, in this sense, been present all along since the outset of the exposition. With the advent of the Idea, all the partial manifestations of the whole are included or preserved yet transformed [*aufgehoben*] as parts of the concrete (complex), organic whole contained in a 'totality of thoughts' within the mind of the scientist. The end-result is the complete exposition of organic unity comprising a system of relations of different forms of existence organised by the universal principle.

Likewise, Marx's systematic exposition of 'real capital' in the *Grundrisse* is complete with the synthetic *a priori* deduction of the most complex stage or form of existence of the advance, that is, money as interest-bearing capital. As the highest, most complex, most complete manifestation of the organic whole, it is the aforementioned universal organising principle. It has, in this sense, been present all along since the outset of the exposition in simple circulation and money as the universal representative of wealth. With the advent of the so-called *purely abstract form* of capital, or 'capital as it relates to itself as capital', the Idea of capital, all the partial manifestations of the organic whole are now included or preserved yet transformed [*aufgehoben*] as now 'parts' of the concrete (complex), organic unity of 'real capital' within its most complex manifestation as the *purely abstract form* of money as interest-bearing capital.

We must keep this core concept of *Aufhebung* in the forefront of our minds as we perform the work of a qualified philological exegesis at the close of the *Grundrisse* in providing citations for such rich logical categories as 'self-reproducing' and *purely abstract form*. The danger exists that we might fail to keep in mind in a 'totality of thoughts' all that has come before that has led to this point in the two texts. In short, our attempt at 'mirroring' the concrete might end in a pile of shards – scattered, disconnected 'parts' – when we fail to hold together the 'living whole' in our minds in a *comprehension* of 'real capital'. And just so, Marx criticises a host of political economists for this reason in conjunction with his synthetic *a priori* deduction of capital as 'self-reproducing and multiplying' in the concluding sections of the manuscripts.

These criticisms are related to and build on criticisms found in the 'Introduction'. There, Marx criticises the method of the political economists

because it led them to a conception of the whole as comprising 'accidental relations'. As a result, they engaged in a 'crude tearing-apart' of production and its particular determinations. They merely 'set alongside it [profit-bearing capital] its particular determinations; as a result, the classical political economists neglect the 'real relationship' among particular determinations in the 'living whole'. This criticism of method is brought to bear in the closing sections of the *Grundrisse*. The political economists see interest-bearing capital 'set alongside' profit-bearing capital. Finance-capital invests in industrial capital and realises 'an increased amount of money' extracted from profit-bearing capital given the investment. From the perspective of such political economists as Dr Price, money as interest-bearing capital appears to have an 'innate quality' by virtue of which it increases in 'enormous quantities resulting from geometrical progression of numbers'.²⁴ In this way, their method predisposes political economists to regard capital as a 'self-acting thing', as a mere self-increasing number, without any regard to the conditions of reproduction. Marx notes that this notion of capital as a 'self-reproducing being', as a value increasing by virtue of an 'innate quality' of money, has led political economists to create marvellous inventions that leave 'the fantasies of the alchemists far behind'.

By contrast, the core concept of *Aufhebung* in Marx's 'scientifically correct method' allows him to understand why the political economists would perceive the 'increased amount of money' in interest-bearing capital as an 'innate quality' of money. All the preceding developments of the exposition of 'real capital' do in fact vanish with the emergence of an increased quantity of money as interest-bearing capital, that is, understood in terms of *Aufhebung*. The method of political economists such as Dr Price entails that they see only an increased quantity of money because of a 'crude tearing-apart' of the 'real relationships' of the 'living whole'. Even though the preceding developments in the exposition do in fact vanish with the emergence of interest-bearing capital as an increased quantity of money, Marx's method allows him simultaneously to see in interest-bearing capital the Idea of capital, or 'capital as it relates itself as capital', a *purely abstract form*, because the higher, more complete or more complex form of existence that emerges from the contradictory nature of the more partial manifestations of the organic whole has not abolished these lower forms when it emerges. Rather, money as interest-bearing capital includes and preserves within itself the less complex, less complete stages of the exposition of 'real capital'. The application of Hegel's *Wissenschaft* allows Marx to hold a 'totality of thoughts' in his mind so that he is able to see in this 'increased quantity' the true source of the 'self-reproduction and multiplica-

²⁴ Marx 1973 [1857–8], pp. 842–3.

tion' of 'real capital'. As Marx states, 'Living labour, as appropriated and absorbed by capital, appears as capital's own vital power, its self-reproducing power.'²⁵

Conclusion

We cannot overstate the value of philological exegesis in examining the relation of the *Grundrisse* to *SL*. Though 'mind-numbingly difficult', philological exegesis is essential in meeting the 'Rosdolsky challenge'. However, we must supplement philological exegesis with a close analysis of the logical structure of the arguments. In short, we must supplement philological exegesis through close attention to the rules of logic that govern the stages in the progress of the synthetic *a priori* knowing of *Begriff* in *Wissenschaft*, or comprehension. We can accurately map logical terms or phrases in 'dropping footnotes' only by remaining faithful to the logical structure of both works. Logical terms or phrases can provide us with signposts to logical structure, but we must be careful to follow the rules of logic that govern the precise relation between logical categories in accurately constructing a philological map and thus 'dropping footnotes' in meeting the 'Rosdolsky challenge'.

25 Marx 1973, pp. 821–2.

Dialectics on Its Feet, or the Form of the Consciousness of the Working Class as Historical Subject

Juan Iñigo Carrera

1 Placing Dialectics Right Side Up

In his afterword to *Capital*, Marx defines his method as a dialectical one. In so doing, he explicitly recognises Hegel as ‘the first to present its [dialectics]’ general form of working in a comprehensive and conscious manner’.¹ However, he also points out:

My dialectic method is not only different from the Hegelian, but is its direct opposite . . . With him it is standing on its head. It must be turned right side up again, if you would discover the rational kernel within the mystical shell.²

What does it mean to place dialectics right side up, starting from Hegel’s inversion?

The question cannot be avoided, unless someone were to believe that Marx was incoherent and actually based his developments on the logic of Hegel – of which the latter considered his method to be its content³ – although he stated the necessity of inverting this method.

Could it be about replacing ‘idea’ where Hegel uses the term with ‘matter’ in order to reconstruct a dialectical logic?⁴ Is it about providing ‘materialist content’ for Hegel’s logic?⁵ Is it about placing ‘capital’ where Hegel places ‘idea’?⁶ These changes imply changing the content upon which logic operates. But Marx refers to placing the method itself right side up. Therefore, the point is the very form of the process of knowledge.

1 Marx 1965 [1867], p. 20.

2 Marx 1965 [1867], pp. 19–20.

3 Hegel 1999 [1812–16], p. 53.

4 Althusser 1972, p. 172.

5 Levine 2006, p. 49.

6 Meaney 2002, p. 8; Arthur 1993, pp. 86–7.

Could it be about Marx applying the 'Logic of Essence' where Hegel applies the 'Logic of Being'?⁷ In this case, the inversion would only have a partial character, as if it could be said that Hegel's logic uses arms where it should use legs. But the problem pointed out by Marx is that Hegel's method is inverted from head to toe.

Could the change in form mean proceeding from a general logical structure to one particularly appropriate to its object? In an early stage of the development of his thought, Marx asserted:

However, this comprehension [*Begreifen*] does not, as Hegel thinks, consist in everywhere recognizing the determinations of the logical concept [*des logischen Begriffs*], but rather in grasping the proper logic of the proper object.⁸

Do we thus reach the answer by resorting to a logic that starts from the simplest category which represents the proper object and makes this category develop itself through its own movement, so as to engender a more complex category, and so on, until an integral system of categories which belong to the proper object is completed? For example, is it about the development of the concept of the commodity engendering the concept of money, and the development of the latter engendering the concept of capital, and so on?⁹ Marx himself rejects the idealist inversion inherent in such a procedure:

Apply this method to the categories of political economy and you have the logic and metaphysics of political economy . . . which makes them look as if they had newly blossomed forth in an intellect of pure reason; so much do these categories seem to engender one another, to be linked up and intertwined with one another by the very working of the dialectic movement.¹⁰

Moreover, Marx criticises himself with regard to the risk of letting the form of presentation generate the appearance that his research has fallen into this sort of idealist inversion:

The product becomes a commodity; the commodity becomes exchange value; the exchange value of the commodity is its immanent

7 Smith 1990, pp. 51–3.

8 Marx 1970b [1859], p. 92.

9 Fineschi 2006, pp. 128–9.

10 Marx 1976b [1847], p. 165.

money-property; this, its money-property, separates itself from it in the form of money . . . It will be necessary later . . . to correct the idealist manner of the presentation, which makes it seem as if it were merely a matter of conceptual determinations and of the dialectic of these concepts.¹¹

It happens that logic is a constructive necessity produced by thought, whose movement as such is alien to the movement of the necessity that determines the object. Marx develops, apropos of Proudhon, the unavoidable contradiction implied by any attempt to follow in thought, at the same time, the necessity taken from reality and a logical-constructive necessity:

When M. Proudhon spoke of the *series in the understanding*, of the *logical sequence of categories*, he declared positively that he did not want to give *history according to the order in time* . . . Thus for him everything happened in the *pure ether of reason*. Everything was to be derived from this ether by means of dialectics. Now that he has to put this dialectics into practice, his reason is in default . . . [N]ow we have M. Proudhon reduced to saying that the order in which he gives the economic categories is no longer the order in which they engender one another. Economic evolutions are no longer the evolutions of reason itself. What then does M. Proudhon give us? Real history . . . ? No! History as it takes place in the idea itself? Still less! . . . What history does he give us then? The history of his own contradictions.¹²

The problem with logic, whatever its alleged degree of generality or singularity, resides in its exteriority with respect to the real necessity. Every logical representation rules its path based on the substitution of the real necessity by a constructive necessity that appears as bearing the power to put thought into motion:

Logic – mind's *coin of the realm*, the speculative or *mental value* of man and nature – its essence which has grown totally indifferent to all real determinateness and hence unreal – is *alienated thinking*, and therefore thinking which abstracts from nature and from real man: *abstract thinking*.¹³

11 Marx 1973 [1857–8], pp. 147, 151.

12 Marx 1976b [1847], p. 169.

13 Marx 1975e [1844], p. 330.

Once again, what is the point? Let us address the question by reproducing the paths followed by Hegel and Marx as they present the unfolding of their methods.

2 Hegel's Idealistic Construction of 'Pure Knowledge' Which Immediately is 'Fulfilled Being'

Hegel recognises that scientific knowledge, as the 'science of manifested spirit', starts from 'empirical, *sensuous* consciousness', an '*immediate* knowledge', therefore, a knowledge which emerges from practice.¹⁴

But Hegel idealistically inverts the fact that knowledge is always knowledge of one's subjectivity with respect to the object upon which one is going to act. Instead of facing the question of knowledge as the discovery, by the subject, of the necessity of its action regarding the potentiality of the object, he inverts the question into that of the re-establishment of the identity between the subjective process of knowing and the objective determination of the potentiality, where the former engenders the latter. He thus represents immediate knowledge as pertaining to a subjectivity which confronts itself from its own exteriority, since it is not capable of recognising the object as its own self-realisation. It deals with a subjectivity whose limitation in determining the object resides in that which is not developed even in its self-consciousness as the determinant of the object, in the fact that it does not recognise itself as a determinant.

Consequently, for Hegel, the overcoming of immediate cognition does not consist in the deepening of knowledge of the determinations of the subject and of those of the object, but rather the point is to abstract the movement of knowledge itself, since this movement itself has engendered subjectivity as well as its realisation as objectivity. Therefore, immediate knowledge is not followed by the discovery of the content which determines the necessity of the subject and of the object, by penetrating into this content. For Hegel, the point is simply to penetrate the 'significance . . . of immediate knowledge' itself.¹⁵

Thus, the very forms of the subject's consciousness, already emptied of their historical determinations by having been abstracted from the object of their action,¹⁶ become inverted as if they were the pure object of knowledge which in its movement engenders the consciousness:

¹⁴ Hegel 1999 [1812–16], p. 69.

¹⁵ Ibid.

¹⁶ Consequently, free consciousness that bears the alienation in the commodity – this being the historically specific determination of Hegel's own consciousness – is raised to an abstractly free consciousness.

Spirit . . . has shown itself to us to be . . . *this movement* of the Self which empties itself of itself and links itself into its substance, and also, as Subject, has gone out of that substance into itself, making the substance into an object and a content at the same time as it cancels this difference between objectivity and content. That first reflection out of immediacy is the Subject's differentiation of itself from its substance, or the Notion's separation of itself from itself, the withdrawal into itself and the becoming the pure 'I'.¹⁷

The phenomenology of spirit culminates in 'pure knowledge', 'the *Notion* of science', which is the 'absolute truth of *consciousness*'.¹⁸ Upon reaching this point, in which the forms of consciousness have been elevated to the condition of being the pure object of themselves, Hegel considers that 'in absolute knowing . . . the separation of the *object* from the *certainty of itself* is completely eliminated; truth is now equated with certainty and this certainty with truth'.¹⁹

Since for Hegel consciousness has thus overcome 'the difference between knowledge and truth',²⁰ 'pure science . . . contains *thought in so far as this is just as much the object in its own self, or the object in its own self in so far as it is equally pure thought*'.²¹ And since 'pure knowing as concentrated into this unity [certainty which has become truth] has sublated all reference to an other and to mediation . . . this simple immediacy, therefore, in its true expression is *pure being*'.²²

Thus Hegel arrives at the point of departure of the *Logic*, which is 'pure science, that is, pure knowledge in the entire range of its development'.²³ Once this development has been unfolded:

Thus then logic, too, in the absolute Idea . . . is the Idea that has reached . . . a likeness corresponding to itself. The method is the pure Notion that relates itself only to itself; it is therefore the *simple self-relation* that is *being*. But now it is also *fulfilled being*, the *Notion that comprehends* itself, being as the *concrete* and also absolutely *intensive totality*.²⁴

17 Hegel 1977 [1807], p. 490.

18 Hegel 1999 [1812–16], p. 68.

19 Hegel 1999 [1812–16], p. 49.

20 Hegel 1977 [1807], p. 491.

21 Hegel 1999 [1812–16], p. 49.

22 Hegel 1999 [1812–16], p. 69.

23 *Ibid.*

24 Hegel 1999 [1812–16], p. 842.

The relationship that the subject of the action establishes with his/her object by ideally appropriating his/her own potentiality with respect to the object's potentiality in order to transform it, namely, the capacity of the human subject to organise his/her conscious action, appears here completely inverted. Hegel represents it as if it were a particular concrete form of an impersonal rationality, of a self-consciousness, which does not arise from human subjectivity, but, conversely, determines it. Here, freedom is not a historically determined social relation whose development is borne in the development of human subjectivity as it objectively advances in knowing its own transforming powers, and therefore transcending itself. Quite the opposite: Hegel idealistically inverts freedom, creating the appearance that it constitutes the attribute of a self-consciousness that only relates to itself in the complete impossibility of transcending its own identity:

The Idea, namely, in positing itself as the absolute *unity* of the pure Notion and its reality and thus contracting itself into the immediacy of *being*, is the *totality* in this form – *nature*. But this determination has not *issued from a process of becoming*, nor is it a *transition*, as when above, the subjective Notion in its totality *becomes objectivity*, and the *subjective end becomes life*. On the contrary, the pure Idea in which the determinateness or reality of the Notion is itself raised into Notion, is an absolute *liberation* for which there is no longer any immediate determination that is not equally *posited* and itself Notion; in this freedom, therefore, no transition takes place.²⁵

What is the concrete reality of this freedom? It is but each and all of the concrete forms of the social relation in the capitalist mode of production – private property, value, contracts, right, fraud, morality, ethics, family, justice, guilt, police, state, and so on – conceived as forms inherent by nature in human subjectivity by grace of the self-conscious Idea.²⁶ Thus:

The state is the actuality of the ethical Idea . . . the actuality of concrete freedom . . . The principle of modern states has prodigious strength and depth because it allows the principle of subjectivity to progress to its culmination in the extreme of self-subsistent personal particularity, and yet

25 Hegel 1999 [1812–16], p. 843.

26 Hegel 2008 [1820].

at the same time brings it back to the substantive unity and so maintains this unity in the principle of subjectivity itself.²⁷

The complete realisation of Hegel's Idea is but the cultivation of the apparently limitless reproduction of the capitalist mode of production with all of its contradictions overcome.

3 Marx's Discovery of Dialectics as the Necessary Form of Revolutionary Consciousness

3.1 *The Analysis*

Marx synthesises his critique of Hegel's method as follows:

Impersonal reason, having outside itself neither a base on which it can pose itself, nor an object to which it can oppose itself, nor a subject with which it can compose itself, is forced to turn head over heels, in posing itself, opposing itself and composing itself . . . If we abstract thus from every subject all the alleged accidents, animate or inanimate, men or things, we are right in saying that in the final abstraction, the only substance left is the logical categories . . . [O]ne has only to make an abstraction of every characteristic distinctive of different movements to attain movement in its abstract condition – purely formal movement, the purely logical formula of movement. If one finds in logical categories the substance of all things, one imagines one has found in the logical formula of movement the *absolute method*, which not only explains all things, but also implies the movement of things . . . All things being reduced to a logical category, and every movement, every act of production, to method, it follows naturally that every aggregate of products and production, of objects and of movement, can be reduced to a form of applied metaphysics . . . So what is this absolute method? . . . The purely logical form of movement or the movement of pure reason . . . Up to now we have exposed only the dialectics of Hegel.²⁸

Next, he observes, 'Hegel has no problems to formulate. He has only dialectics . . . [Proudhon] has the advantage over Hegel of setting problems.'²⁹ By then, Marx

27 Hegel 2008 [1820], pp. 228, 235.

28 Marx 1976b [1847], pp. 162–5.

29 Marx 1976b [1847], p. 168.

had already set his own problem: 'The philosophers have only interpreted the world in various ways; the point is to change it'.³⁰

This problem places us immediately in the field of action. And the first step in the very realisation of action corresponds to its organisation. How could action be organised through a consciousness that goes beyond the interpretation of reality, other than by questioning oneself about the objective potentiality of one's action and, therefore, about this action's necessity? That is, the point is now to answer oneself about the potentiality of one's action *vis-à-vis* the potentiality of its object, namely, about the determination of one's subjectivity as the necessary concrete form of realising the potentiality of the object upon which action is to be taken.

Marx faces for the first time the problem he has posited by reproducing Hegel's course and, consequently, with the perspective that the movement of social life should be explained starting from the movement of the state. Therefore, the overcoming of the barriers to the reproduction of social life should arise from the realisation of the state's ought-to-be. However, just as Marx addresses the practice of such reproduction, he finds that there is a superior social power that imposes upon this assumed ought-to-be, namely, private interest:

[T]he Assembly degrades the executive power, the administrative authorities, the life of the accused, the idea of the state, crime itself, and punishment as well, to *material means of private interest* . . . [which means to] solve each material problem *in a non-political way*, i.e., without any connection with the whole of the reason and morality of the state.³¹

If the state, and even its idea, are but material means of private interest, is political freedom not then a form of this same private interest? How could the state be the subject which is the bearer of human freedom if the political freedom which constitutes it has private interest as its content? Finally, how is it possible to advance, acting politically in a rational manner, without beginning to respond with regard to the necessity of private interest?

At the point where Hegel's abstraction found an answer by resorting to the state as 'the actuality of the ethical Idea', thus bringing down all antagonism to an insufficient development of that Idea in its historical course, Marx's analysis finds a question, namely, the question about the necessity of the subordination of the state, of politics, to private interest. Therefore, Marx seeks to find

³⁰ Marx 1976a [1845], p. 5.

³¹ Marx 1975a [1842], pp. 259, 262.

the necessity of private interest where it manifests itself in an immediate manner, where the lack of all generic unity represented by the state seems to prevail, that is, in 'civil society', whose quality is that 'the only bond between men is natural necessity'.³² The question is now about the organisation of the process in which human beings satisfy their natural needs, whose point of departure is the organisation of the process of social production.³³

Fifteen years after setting his problem, Marx synthesised the path followed by his analysis:

My inquiry led me to the conclusion that neither legal relations nor political forms could be comprehended whether by themselves or on the basis of a so-called general development of the human mind, but that on the contrary they originate in the material conditions of life, the totality of which Hegel . . . embraces within the term 'civil society'; that the anatomy of this civil society, however, has to be sought in political economy.³⁴

Now, the analysis faces the categories of political economy. But as soon as these categories are questioned concerning their necessity, they show that:

We have proceeded from the premises of political economy . . . [I]n its own words, we have shown that the worker sinks to the level of a commodity . . . Labour produces not only commodities; it produces itself and the worker as a *commodity* . . . This fact expresses merely that the object which labour produces – labour's product – confronts it as *something alien*, as a *power independent* of the producer . . . within the *producing activity*, itself.³⁵

Since political economy is a system of categories, its critique in search of its necessity as a concrete form of the consciousness that organises this alienated producing activity, therefore, as a form of alienated consciousness itself, points towards its simplest category: 'The first category in which bourgeois wealth presents itself is that of the *commodity*.'³⁶

But Marx's analysis could not stop at a category, namely, at a form in which this alienated consciousness conceives, and therefore interprets, its own determinations. His analysis needed to face the commodity itself. He recognises in

32 Marx 1967b [1844], pp. 225, 236–7.

33 Marx and Engels 1998 [1845], pp. 47, 48–9, 98.

34 Marx 1987b [1859], p. 262.

35 Marx 1975e [1844], pp. 270–80.

36 Marx 1973 [1857–8], p. 881.

the commodity the simplest real concrete in which the historically specific character of the alienated organisation of social production is manifested. With this, he recognises the commodity as the concrete from which the reproduction in thought of the determinations of the subjectivity able to supersede the capitalist mode of production must necessarily begin:

In the first place, I do not start out from 'concepts', hence I do not start from the 'concept of value' . . . What I start out from is the simplest social form in which the labour-product is presented in contemporary society, and this is 'the commodity'.³⁷

From the *Grundrisse* to *A Contribution* and *Capital* Marx makes here a definitive step forward in putting dialectics on its feet: in the same way that in biology it is clear that the cell from which one departs is a real concrete and not a concept or a category, the commodity, namely, 'the economic cell-form [in bourgeois society]';³⁸ is equally so.

3.2 *The Dialectical Reproduction of the Concrete*

Marx presents the point of departure of the dialectical development by stating, 'The wealth of those societies in which the capitalist mode of production prevails, presents itself as "an immense accumulation of commodities", its unit being a single commodity.'³⁹

On confronting the commodity as a real concrete and not as a category or a concept, the first knowledge of it could enter an exposition only as a simple immediate knowledge, that is, as the simple observation of a fact for whose necessity the very point of departure cannot account. The supersession of Hegel's inversion is already manifested here in a twofold manner. Against Hegel's abstract 'pure knowledge', we have here the modest determined concrete being of the commodity and the modest immediate knowledge which has not gone beyond the appearance presented by social wealth in capitalist society. Moreover, the same supersession is expressed in the unity itself between knowledge and being: here, the existence of the commodity obliges thought to get into motion from its exterior, far from that 'pure knowledge' from whose immediateness 'pure being' emerged. At the same time, this point of departure is empty of any concept able to be placed in motion, either by

37 Marx 2002 [1879/1881], p. 241.

38 Marx 1965 [1867], p. 8.

39 Marx 1965 [1867], p. 35.

imposing upon it a given logical structure, or by expecting that it can get into motion by itself as a consequence of its proper logic.

To overcome its immediateness, knowledge needs to confront analytically the commodity in its reality, in search of the necessity that gives it its character as that simplest social form. The point is to confront the commodity in its real existence, in order to analyse it with the purpose of discovering why it presents the peculiar social property of being a use-value that bears the unnatural power of being an exchange-value. Marx performs this analysis, thus discovering that this attribute of the commodity, its value, emerges from its being a materialisation of a labour which appears to lack any specific quality. He raises the question about the necessity of this labour as the determinant of value, a question which can only be answered by analysing this same labour. He thus discovers that the labour represented as the value of commodities embodies a material quality, that of being a productive physiological expenditure of the human body, and a social quality, that of being that physiological expenditure applied to the production of use-values for other individuals, of social use-values, which has been governed in its application by a private consciousness and independently of those individuals.

Thus, the analysis discovers socially necessary abstract labour, performed in a private and independent manner, to be the human activity that provides the commodity with its exchangeability, with its value. Nevertheless, it cannot answer the question of why this materialised labour represents itself in such a way. The only place where thought can objectively examine the manifestation of this necessity is where this necessity realises itself. Therefore, unless one attempts to force a logical movement upon the object, the only path opened to dialectical knowledge is to reproduce by means of thought the movement through which the commodity expresses its value in reality, that is, to follow ideally the commodity in the practical expression of its value in the process of exchange. How is this possible? Firstly, to say that the commodity has an attribute – namely, its capacity to be exchanged – is the same as saying that it has a potentiality to be realised. Therefore, its real determination is its affirmation as this realised potentiality, or in other words, its negation as that same to-be-realised potentiality. Its determination is the affirmation of its attribute through its own negation. Secondly, thought is the subject's capacity virtually to appropriate his/her own potentiality with respect to the potentiality of its object. Thought thus confronts the real commodity and realises its own determination; that is, it affirms itself as a subjectivity that knows, negating itself as a subjectivity that bears knowledge as a potentiality yet to be realised.

Now, it becomes apparent that although the value of a commodity is a quantity of socially necessary abstract labour, it necessarily takes the form of a cer-

tain quantity of another privately produced use-value. That is, in the capitalist mode of production, social labour only manifests itself in the form of a thing that relates mutually independent producers with each other. At the moment they act as individual organs of social labour, that is, at the moment they organise their social labour, commodity-producers do not appear to be related between themselves, beyond each of them being the bearer of an individual portion of society's total labour-power. However, they do not bear this portion as the capacity to perform a certain concrete labour already determined by the same organisation of social labour, but in so far as it concerns their capacity to perform labour in general, to expend productively their body in general. Then, each one decides, according to his/her own consciousness and will, namely, in a private and independent manner, in which concrete useful form he/she expends his/her labour-power. Each one thus affirms him/herself as a subject free from all personal dependency with respect to those for whom he/she works.

Nevertheless, the recognition of his/her labour as socially useful is not an attribute that belongs to him/her, but a private attribute of everybody else's will. The capacity to recognise the social character of the labour performed by each one is an attribute inherent to the others, and only once the same labour has been materialised in its product. Therefore, this mutual recognition is established through the equalisation of those products in exchange as materialisations of that sole social relation that existed between their producers at the moment in which each of them had to give, in a private and independent manner, a concrete form to his/her capacity to perform labour in general. Provided this generic labour-power has been appropriately applied, that is to say, provided abstract labour has been materialised in a socially useful concrete form, the materiality of that same labour is represented as the social attribute borne by its product to relate, in exchange, with another which bears the same materialisation. That is, the materiality of socially necessary abstract labour is represented as the value of its product, and this product presents its specific social determination as a commodity. This is the indirect form in which the material unity of social production organised in a private and independent manner imposes itself. The value-form taken by commodities is the general social relation that the private independent producers establish between themselves in an indirect manner.

Given that he/she performs his/her labour in a private and independent manner, the commodity-producer fully controls its individual character, and therefore affirms himself/herself as an individual free from any relationship of personal dependence. However, at the same time, he/she lacks any control over his/her labour's social character. The powers of his/her own individual labour with respect to the unity of the process of social metabolism completely

escape his/her control. Consequently, he/she has to submit his/her consciousness and will (which is inherent in a free individual) to the social powers borne by the product of his/her labour. Value, and therefore his/her capacity to take part in the organisation of social labour, and then in social consumption, is not his/her personal attribute. It is an attribute alien to his/her person; it belongs to his/her commodity. The material product of the labour that the consciousness and will of his/hers that is inherent in a free individual have governed confronts him/her as the bearer of a social power that is alien to him/her and to which his/her consciousness and will are submitted. Therefore, the free consciousness and will of commodity-producers are the form in which the alienation of their consciousness and will as attributes of commodities is realised. Their free consciousness is the form taken by their alienated consciousness. Thus, they behave towards the commodity in a fetishistic way.

Starting from the movement of the commodity, we discover alienated consciousness. However, we have not made this discovery by logically developing the category 'commodity', but by reproducing through thought the real movement of commodities. Now, the fact that this alienated consciousness is the one which the commodity-producer employs to govern his/her participation in his/her production confronts us with the following evidence: just as our point of departure was that 'immense accumulation of commodities', alienated consciousness was already present in its realisation at the point of departure itself. Moreover, consciousness is the form in which human subjects bear their capacity to govern their individual labour as organs of social labour. Therefore, regarding commodity-producers, we see that their capacity to govern their individual labour is an attribute that fully concerns their consciousness and will. Nevertheless, at the same time, they lack any control over the social character of their labour. This control is an attribute objectified in the commodity. Therefore, when commodity-producers look at the movement of their own product, what confronts them is the movement of their alienated capacity to govern their social labour. We can then say that, in both *A Contribution* and *Capital*, the point of departure is the specific historical form presented to the subjects of action by their own consciousness in the capitalist mode of production. However, it would have been impossible to begin abstractly from the consciousness itself of commodity-producers, in order to discover free consciousness as the form of alienated consciousness. It is impossible to discover objectively the fetishism of commodities without discovering, first, the specific form in which social labour is organised, which is the production of commodities. Here, the social relation takes form in the consciousness and will of its subjects, and not vice versa.

In addition, let us notice that what confronts us here is not the abstract consciousness of an abstract commodity-producer. Actually, it is the very consciousness which has achieved this discovery, namely, *it is our own consciousness*. Its power to produce the said discovery, and therefore the development of its freedom, is but an expression of the development of its alienation.

Let us continue following the movement of the commodity. The same development of the form of value makes it evident that, even though the general social relation appears to arise *a posteriori* from the material process of production, the organisation of this process requires that one commodity in particular becomes placed apart by the movement of the rest, to act as the socially recognised substantive expression of social labour performed in a private and independent manner. The generalised production of commodities, which makes social wealth appear as an immense accumulation of commodities, implies the developed existence of money. Therefore, the point is not that the commodity has become money, or that the category 'commodity' has engendered the category 'money', by following a logical necessity. The point is that the movement of commodities, namely, the movement of the simplest specific concrete, has placed us in front of the real necessity that determines the existence of money as that objectified expression.

The realisation of commodities as values takes us from production to circulation. When we confronted production, we discovered commodity-producers to be individuals free from any personal dependence who socially relate themselves in an indirect way through commodity-exchange, which operates behind their backs, thus determining their consciousness and will as alienated. Now, in circulation, we see that that indirect relation takes the concrete form of a direct relation, a conscious and voluntary one, as personifications of commodities. Thus we discover that the indirect relation between persons, that is, the economic relation, realises its necessity under the form of a direct relation between personifications, that is, as a juridical relation.

Once again, the accumulation of commodities from which we departed was already mediated in its existence by the juridical relations between commodity-owners, but we were unable to account for these relations at that point. Therefore, those who attempt to start by erasing the specificity of commodities as the social representation of the materiality of socially useful abstract labour performed privately are unable to go beyond the representation of the relationship that exists between economic relations and juridical relations as an external one. Since juridical relations appear to emerge from the will of mutually independent individuals, these conceptions fall victim to the appearance that human beings are abstractly free subjects by nature. From this follows the appearance that alienation is externally imposed upon this nature, thus

hindering the recognition of alienation as the content of freedom, and thus the recognition of freedom as a historical social relation.

When we continue by following with our thought the real movement of commodities in circulation, we come to face the concrete form in which the unity between social production and consumption is established. At the stage where we had completed the first development of the form of value, we knew that the only possibility for this unity was the exchange of commodities in the exact proportion in which they were materialisations of the same quantity of socially necessary abstract labour. Now we discover that this determination affirms itself by taking a concrete form that appears as its own negation: those commodities whose production exceeds or falls short, *vis-à-vis* the amount of the solvent social necessity for them at their value, retain their capacity to enter the exchange-relation. But they do so by representing a greater or lesser amount of social labour than the socially necessary one which they actually embody. That is, the realisation of the values of commodities takes concrete shape, in competition, through the selling of commodities above or beneath their values.

Again, the point here is not that the category 'commodity' has logically engendered the category 'competition'. Nor is it the case that we have started by abstracting the commodity from the contingencies of competition, by constructively introducing the simplifying assumption of the immediate realisation of value, and that we are now lifting this assumption. However, the point is also not that the commodity we came to know at first carried in itself, as a latent potentiality, the necessity of engendering the movement of competition. On the contrary, as the elementary form of the initial accumulation of commodities, it was the full expression of the realisation of all the concrete determinations of competition. But it was impossible at that stage for us to apprehend it as such with our thought. Only by beginning with the commodity as the simplest specific concrete could we come completely to appropriate its determination as a full concrete.

As soon as the movement of commodities in circulation demands that we account for its concrete form as competition, we advance another step in recognising the determinations of the consciousness and will of personifications. All the direct relations that they establish in the organisation of social life necessarily have an antagonistic character.

The movement of money as a means of circulation synthesises the determinations of commodities that we have developed thus far. C – M – C: in order to satisfy their human needs by purchasing commodities which bear use-value for them, commodity-producers must have first appropriately acted as alienated personifications in the production and realisation of value. This is a pro-

duction of use-values whose condition lies in the production of value. Therefore, the objective of the circuit remains beyond it. But when we ideally follow the movement of money, we find out that the very form of this movement confronts us with the functions of money as hoard and as means of payment. Here, commodity-production has as its immediate aim the production of the objectified general social relation: both circuits end in money.

However, the production of the general social relation is, above all, the production of the capacity to open the circuit of the process of social metabolism, that is, the production of the capacity to put into motion individual labours as organs of social labour. Thus, the reproduction by means of thought of the movement of money faces us with the movement of the objectified general social relation, which opens the circuit of production of commodities with the immediate aim of producing more of itself: $M - C - M'$. Now we recognise the general social relation as capital, that is, as the capacity to put social labour into motion with the immediate aim of producing more of this same capacity. The reason for this circuit resides within the circuit itself. This is a modality of organising the process of social metabolism which has its self-multiplication as its immediate aim. Therefore, this is a social relation that acts as the immediate subject of social production, namely, an automatic organisation of social production. The consciousness and will of the individuals are concrete forms that embody the realisation of this organisation, which as such confronts them as an alien power that dominates them.

We thus discover that commodity-production, from whose simplest concrete expression we departed, is not a production of use-values mediated by the production of value. We recognise this determination now as an appearance. Commodity-production has the valorisation of capital as its immediate aim, and use-values for human life are produced only provided that surplus-value is produced. It is not about the category 'commodity' engendering the category 'capital'. On the contrary, we are now able to recognise that the simplest concrete form from which we departed, the commodity, is the product of capital.

At the stage where we recognised the commodity as the simplest concrete presented by the capitalist mode of production, it appeared that no general social relation pre-existed the private decision about the concrete form in which each producer would expend his/her individual portion of society's labour-power. The general social relation only appeared to emerge from private production, ruled by these decisions; so this alienated social relation appeared, then, as the one which determined the consciousness of the commodity-producers, in the form of the necessity to produce value. Now it becomes evident that the objectified social relation pre-existed the putting

into action of social labour in a private manner, and that the will of the capitalist, as the personification of capital, is but the concrete form under which this modality of organising social production realises its necessity.

Had we stopped before reaching this point, we would have fallen victim to an appearance which was the inverse of the true content. It would have been impossible for us to discover that the commodity from which we departed is not the simple product of labour, but the product of a labour alienated to capital. Nevertheless, we now recognise the true concrete determination, only because we departed from the commodity as that simplest concrete which confronted us in its immediateness.

As the substantive form of the general social relation, money acting as capital starts by recognising as socially necessary the labour privately materialised in two types of commodities, namely, labour-power and means of production. Then, the labour-power is transformed into living labour, which becomes materialised in a private and independent manner in a new commodity, which in turn is transformed into money, as it is recognised in circulation as a materialisation of socially necessary abstract labour.

When we faced the commodity for the first time, private ownership of one's means of production appeared to be necessary in order to produce it. Now, from a more developed concrete point of view, we see that the content is the opposite one: the worker sells his/her labour-power because, as a free individual, he/she is separated from his/her means of production. Workers are free individuals in a double sense. Freedom, which we knew to be the form of the alienation in commodities, shows through its real movement that, actually, it is the form of the alienation in capital.

It is not about the category 'capital' engendering the category 'commodity labour-power', and even less so about constructing a category 'capital' which satisfies the requirement of treating labour-power as a commodity. What we have done is to reproduce in thought the fact that the general social relation proper to the capitalist mode of production puts itself into motion by determining the worker's capacity to work as its own product.

By thus following the movement of capital, we discover that the true content enclosed by the exchange of commodities as equivalent materialisations of social labour implies that the worker is forced to render more social labour than that materialised in the means of subsistence he/she receives in exchange. That is, the exchange of equivalents is the form taken by the exploitation of the worker by capital.

Initially, when we discovered the commodity as the objectified form of the general social relation in the capitalist mode of production, it appeared that, on the one hand, the direct producer had complete control over his/her indi-

vidual labour while, on the other hand, no direct control existed over the social character of labour. We can now see that, on the one hand, the direct producer of commodities, the worker, remains a free individual although he/she does not have complete control over his/her individual labour. As this free individual, he/she must obey the authority of the capitalist who has purchased his/her labour-power. On the other hand, the capitalist directly controls the worker's labour, thus controlling a social labour, albeit in a private way. Then, just at this stage of reproducing the movement of the general social relation, we are able to recognise the commodity from which we departed as the product of a certain direct organisation – therefore conscious and voluntary – of social labour. We thus discover that private labour is not merely such, but a contradiction in itself: private labour socially organised within itself.

As an objectified social relation that immediately aims at producing more of itself, capital realises its determination by lengthening the working day. However, this, its very movement, confronts us with the negation of its own reproduction, in so far as the lengthening of the working day undermines the reproduction of labour-power. When we follow the development of this contradiction, we find that its first pole simply reproduces the antagonistic relationship between the workers as sellers of the same commodity, namely, the competition among themselves. On the contrary, the second pole causes this competition to take the concrete shape of its opposite, namely, solidarity as the normal form of selling labour-power at its value.

Thus far, it appeared that the owners of commodities were only able to relate directly with each other as personifications on an individual basis, namely, juridical relations could not go beyond private ones. But after following the movement of capital, we discover that the antagonistic relations between personifications necessarily have a public character, namely, a political character, in so far as the universe of the sellers of labour-power confronts the universe of its purchasers. In this confrontation, the former determine themselves as the working class and the latter as the capitalist class. That is, the indirect organisation of social labour through the valorisation of capital has class-struggle as its necessary concrete form. In other words, in the capitalist mode of production, the political action of social classes is the concrete form taken by capital-valorisation. In turn, the concrete forms of class-struggle confront us with the determination of the state as the political representative of the totality of the individual capitals of society.

Now, this concrete form taken by the buying and selling of labour-power confronts us with the fact that, where the independent action of individual capitals as the subjects of valorisation appeared to be the only possible unity within the process of social metabolism, these are not the actual subjects of

the said unity. In a concrete manner, total social capital is the subject of that unity. Therefore, the very alienated subject of this mode of organising the process of social metabolism is the unity of its self-reproduction.

The contradiction between a limited working day and capital's valorisation confronts us with the production of relative surplus-value. In it, the apparently independent movement of each individual capital in pursuit of an extraordinary surplus-value, achieved by developing the productivity of its workers, results in the reduction of the value of the workers' means of subsistence, and therefore the reduction of the value of labour-power and, finally, the increase of the rate of surplus-value.

Let us follow the movement of capital into the production of relative surplus-value and leap forward, for reasons of brevity, to its most powerful form: the system of machinery of large-scale industry. Now, we are able to recognise that the commodity from which we departed was the concrete realised form of very different determinations from those we were able to discover in it as the simplest specific concrete. As that simplest concrete, we knew it as the product of a free individual, who as such exerted complete control over his/her individual labour but lacked any control over its social character, so he/she had to alienate his/her consciousness to the social powers of the product of his/her labour, or, in other words, he/she had to produce value. The development of capital as the subject of the production of relative surplus-value shows us now, firstly, that the commodity from which we departed concretely is the product of the labour of a collective of doubly-free individuals. Secondly, this collective worker consciously governs the labour of its individual organs by means of a production-plan elaborated by an objective, namely scientific, consciousness. Therefore, the collective worker acts with complete control over the unity of its labour as a private organ of social production. However, it lacks any control over the general social character of its labour. Consequently, it has to alienate its consciousness in the service of the social powers of the product of its labour, that is, it has to produce surplus-value.⁴⁰

Thus far, we have followed capital along the complete movement of its circuit of valorisation, that is to say, along the process within which surplus-value emerges from capital. The only movement that capital presents us, beyond this circuit, is the reproduction of this same circuit. As we follow this reproduction, we are confronted by three contents that appeared inverted in the buying and selling of labour-power in circulation, beyond the exchange of equivalents as the necessary form of exploitation. Firstly, under the form of the worker's freedom, he/she is a forced labourer for total social capital. Secondly, under the

40 Íñigo Carrera 2008 [2003], pp. 15–23.

form of the worker's personal interest in reproducing him/herself, the need of capital to reproduce labour-power is achieved. Thirdly, under the form of private property based on one's own labour, private property based on the gratuitous appropriation of the product of others' labour asserts itself.

Certainly the latter determination was present in the commodity from which we departed. Why did we not depart directly by making evident this actual content? Because it would have implied we were attempting to discover the necessity borne in the commodity produced by capital by turning the point of departure into an abstraction. Given its own aim, the dialectics that reproduces the concrete in thought can only start from the immediacy with which the unity between the subject and the object (the subject's own alienated social relation) actually confronts the former under its simplest concrete form.⁴¹

As we follow the reproduction of capital, we find out that the expansion of the private capacity directly to organise social labour develops beyond the concentration of each individual capital, through the centralisation of capitals. And in this double movement, we confront the most developed concrete form of the contradiction that emerges from the fact that the immediate object of social production is the extensive and intensive multiplication of the capacity to put social labour in motion. This attribute determines the capitalist mode of production as a revolutionary one, with respect to the development of the productive forces of social labour. Nevertheless, the same attribute determines it as a barrier to this development. Its extreme expression in this sense is the transformation of an increasing part of the working class into a surplus-population for capital, that is, for its own general social relation.

The reproduction by way of thought of the movement of the materialised social relation brings us now to the specific historical determination of the capitalist mode of production. This is the development of the productive forces of labour by means of the ever increasing socialisation of private labour. The socialisation of labour implies that consciousness is able to govern the organisation of the process of social metabolism by objectively knowing the potentiality of human productive activity with respect to the potentialities presented by its environment. Private labour implies that consciousness is unable to know in an objective manner the same potentialities and their unity, as they confront it as powers materialised in the products of labour to which it is submitted. The capitalist mode of production is itself a contradiction in constant development towards its own supersession through the complete socialisation of labour.

41 Marx 1965 [1867], pp. 583-6.

4 Dialectics as Reproduction of the Concrete by Way of Thought and Its Subject

To supersede the constructive necessity that rules the path of thought means to leave thought without any necessity to follow other than that with which the movement of its object faces it. The point is to develop 'a reproduction of the concrete by way of thought'.⁴²

Given its very form, this reproduction cannot take an autonomous shape, constructed by the proper movement itself of the categories of thought abstracted from their object. Then, the question here is as follows: upon which concrete could the method of the reproduction of the concrete by way of thought be developed for the first time in history?

Knowledge is the form in which the subject organises its action of actually appropriating its environment, by virtually appropriating the potentiality of its action with respect to the potentialities that its environment offers it. More specifically, consciousness is the form in which the individual human subject rules his/her action as an organ of the process of social metabolism based upon labour. Consciousness is thus the form in which the human subject carries in his/her person his/her social relation.

Therefore, firstly, the object of human knowledge is always the knowledge of one's own subjectivity. Secondly, the form of consciousness, namely, the method by which the human subject produces his/her knowledge, is in itself a form of his/her own social relation. As it is a social relation, far from being a natural form, the method of knowledge is a historically determined form. In this historical determination, Marx opposes his method to Hegel's:

In its mystified form, dialectic . . . seemed to transfigure and to glorify the existing state of things. In its rational form it . . . is in its essence critical and revolutionary.⁴³

A consciousness whose method divorces the movement of thought from the actual movement is neither an aberration nor an expression of 'inadequacy' or 'immaturity', as Hegel believed concerning formal logical representation.⁴⁴ It is a consciousness whose social being inhibits it from fully appropriating its own real powers. Thus, these very powers confront it as powers it is unable to control. It is an alienated consciousness. Instead of being able to advance by repro-

42 Marx 1973 [1857–8], p. 101.

43 Marx 1965 [1867], p. 20.

44 Hegel 1999 [1812–16], pp. 38, 685.

ducing the real necessity embodied in its object, it needs to replace this necessity with an ideal constructive necessity, with a logic that puts into motion a system of categories, in order to appear as the most pure expression of an abstractly free subjectivity.

Therefore, the need to develop a dialectic the inverse of Hegel's – a dialectic that replaces constructive necessity with the reproduction of real necessity in thought – finds its basis in a form of a specific historical development of the productive forces of social labour. It arises from the need of the process of social metabolism to invert the mode by which it rules itself. That is, this dialectic has its point of departure within a mode of production in which the subject lacks complete control over the social powers of his/her own labour. Thus, these powers confront him/her as an objectified attribute of the material product of that labour and, therefore, as alien to his/her own subjectivity. Therefore, even the objective consciousness (namely, scientific consciousness) of the said subject needs to stop at that appearance. And this need takes concrete shape in a method of cognition that substitutes the necessity inherent in its object with an ideal constructive necessity alien to that objectivity. The radical inversion of this mode of regulating the process of social metabolism implies that the subject's consciousness reaches the complete domination of his/her condition as an individual organ of social labour and, therefore, that the subject's consciousness recognises the power of social labour as his/her own power. However, this new form of consciousness can only be engendered by the development of the pre-existent one. Therefore, its birth appears as the inversion of the most powerful form of the pre-existent method. Thus, the production of the new consciousness takes concrete shape in the method of cognition that, given that it has the necessity itself of its object as the only necessity to follow, forces its subject to face his/her own alienation. And this is the first step given by that subject in the historically specific development of his/her freedom.

The production of this consciousness is, therefore, the concrete through which the method of the 'reproduction of the concrete by way of thought' necessarily could be developed for the first time in history.

Hegel's *Science of Logic* is the social objectification (a text) of the process in which a consciousness, historically determined by its social being, produces itself on the basis of stopping at the appearance of being an abstract self-consciousness, which in its own movement engenders the real. It is the most developed expression of an alienated consciousness which, in order to reproduce itself in its alienation, needs to take the inversion inherent in any logical representation to its final consequences.

To presuppose the requirement of a logical necessity to apprehend any real concrete in thought is, by itself, to presuppose that the real concrete lacks all proper necessity to be mentally followed. If real necessity existed, what sense would there be to resort to a mental constructive necessity instead of simply following the development of the real one with our thought? Therefore, the real forms must appear as being unable to relate, to move by themselves, at the beginning of the process of representation. Nevertheless, when they emerge from this process, they do so full of the relations that logic has established between them.

However, Hegel does not consider concrete forms to be unable to move by themselves. Instead, he discovers the form of the real movement, namely, self-affirmation through self-negation.⁴⁵ Nevertheless, at the same time, he reproduces the appearance proper of the representation by inverting the said movement, as if it emerged from the movement of a consciousness that has itself as its sole determination, of a self-consciousness:

Accordingly, what is to be considered here as method is only the movement of the *Notion* itself, the nature of which movement has already been cognized; but *first*, there is now the added *significance* that the *Notion is everything*, and its movement is the *universal absolute activity*, the self-determining and self-realizing movement . . . The method . . . is therefore not only the highest *force*, or rather the *sole* and *absolute force* of reason, but also its supreme and sole *urge* to find and cognize *itself by means of itself in everything*.⁴⁶

However, by discovering that self-affirmation through self-negation is the simplest and more general form of determination, Hegel takes philosophy to the end of its historical possibility to bear the advance of the objective consciousness in the organisation of social metabolism. He does so, as the very form of his method makes evident the need for the missing final step, in which real necessity is put in the place thus far occupied by ideal necessity. After Hegel, philosophy can only withdraw towards the rational cultivation of the purest formal exteriority (logical positivism) or towards the cultivation of the crudest irrationality (Nietzsche, postmodernism).

Capital is not a concept whose movement obeys the necessity imposed upon it by thought. The relation is completely the opposite. Capital is a general social relation, that is, a mode of organising social labour and, therefore, social

45 Marx 1975e [1844], p. 332.

46 Hegel 1999 [1812–16], p. 826.

consumption. In this mode of production, the organisation of social labour within each unit of production is an attribute that privately pertains to it. Conversely, each productive unit lacks control over the general social character of the labour it performs. Social labour is organised in a private and independent way. The unity between social production and consumption is thus established in an indirect manner. The capacity to privately organise social labour operates as an attribute materialised in the product of the same labour. At the same time, the immediate aim that rules the putting into action of social labour is not the production of social use-values, but the expanded reproduction of the same objectified capacity to put into action social labour in a private manner. The objectified social relation is the one that puts into action social labour in order to produce more of itself. Such is capital's essential determination.

Again, consciousness is, above all, the capacity of human subjects to rule their own individual labour as organs of social labour. However, in the capitalist mode of production, this power confronts its subjects as a power that belongs to the material product of their social labour. That is, the determination proper of the subjects' consciousness confronts their consciousness itself as a power located beyond it, as an autonomised capacity to put into action social labour which their consciousness itself must obey, that is, of which consciousness must act as a concrete form of realisation. As such, the said autonomised capacity puts consciousness into movement. In reality, the movement of capital puts thought into movement, determining it as an alienated thought.

As a historical form of the development of the productive forces of social labour, capital determines a specific movement of consciousness. The specifically capitalist form of developing the productive forces of social labour consists in the progressive socialisation of private labour. That is, it consists in the development of the capacity to organise social labour through the objective knowledge of one's own determinations, as a concrete form of the realisation of the development of the organisation of social labour as the negation of such objective knowledge. The development of the productive forces of immediately social free labour as an attribute of its very negation, namely, of private labour, is the contradiction that synthesises the historical potentialities and the absolute limit of the capitalist mode of production. And the transformation of the materiality of the labour in which the development of the said contradiction takes concrete form (the production of relative surplus-value) determines the working class to be the subject whose action realises such development.

The capitalist social relation itself needs to engender this social subject, which produces its consciousness under the form in which every constructive

necessity – that as such seems to make thought move by itself independently of the actual movement of its object – must disappear. At the same time, the place of this constructive necessity can only be taken by the reproduction in thought of the movement of the very necessity of the real concrete. Therefore, it is about a subject whose general social relation provides it with no starting point other than being in possession of an alienated consciousness and, consequently, a consciousness which is a prisoner of the idealistic inversions of logical representation. But it is about a subject determined by its general social relation as the bearer of the necessity to develop its consciousness up to the point of freeing it from any inverted construction. It is, therefore, about an alienated subject whose social being makes it the active subject of the revolutionary transformation of the mode of organising the process of social production, which it accomplishes by abolishing all alienation. The reproduction of the concrete by means of thought, through which every subject rules his/her individual labour as he/she completely knows him/herself as an organ of social labour, thus asserts itself as the concrete form of the general social relation.

Marx's *Capital* is the social objectification (a text) of the process in which, for the first time in history, the movement of the general social relation of the working class as an alienated subject confronts this subject with the necessity to rule its conscious action by giving an account of its own alienation, which it can do because it has the real development of the latter as the only source of its own flow. This alienated subject, which advances in its freedom by becoming aware of its alienation, thus becomes aware of the historical power that this same alienated social relation provides it as the necessary subject of its supersession. And knowing such powers means nothing other than organising such radical superseding action. In other words, *Capital* is in itself the development, performed for the first time and in a form that allows its social reproduction, of the alienated consciousness of the working class that produces itself as an alienated consciousness that is aware of its own alienation and of the historical powers it derives therefrom.

Which 'Rational Kernel'? Which 'Mystical Shell'? A Contribution to the Debate on the Connection between Hegel's *Logic* and Marx's *Capital*

Gastón Caligaris and Guido Starosta

1 The Issue at Stake

The question about Hegel's legacy in the Marxian critique of political economy has been one of the most widely debated issues within the history of Marxist thought. In recent decades, a new strand of scholarly work has emerged which has radically challenged the 'received wisdom' about the 'Hegel–Marx connection'.¹ Usually grouped under the 'systematic dialectic' label, this novel assessment of the intellectual relationship between the two German thinkers has decisively broken with the orthodox views of Diamat as epitomised in Stalin² and official Soviet manuals, which in turn drew direct inspiration from the classical works of Engels,³ Plekhanov⁴ and Lenin.⁵ On the other hand, this new critique has also provided an alternative to the views associated with the so-called 'Western Marxist' tradition, whose interest in the recovery of the Hegelian lineage in Marx's thought fundamentally centred on reinstating the rôle of subjectivity against the crude objectivism and economism of Diamat.

This more recent strand of research has focused on the *methodological* relevance of Hegel's thought for the development of the Marxian critique of political economy. More specifically, whereas in earlier studies the emphasis was mainly on the relationship between Hegel's *Phenomenology of Spirit* and the 'young Marx', this more recent literature has focused on the links between *Capital* and Hegel's *Science of Logic*. Although there are various particular controversies over the precise nature of this connection, most contributions agree that the structure of the argument in *Capital* is organised in a dialectical form which, at the very least, can be said to draw formal inspiration from the general form of movement of categories that Hegel deploys in his *Logic*. Thus Marx's

1 See, for instance, Murray 1988, Reuten and Williams 1989, Smith 1990, Moseley 1993b, Moseley and Campbell 1997, and Arthur 2002.

2 Stalin 1947 [1938].

3 Engels 1987a [1877], 1987b [1872–82] and 1991 [1886].

4 Plekhanov 1965 [1891], and 1976 [1895].

5 Lenin 1977 [1908], and 1976 [1895–1916].

presentation is seen as involving a (synthetic) movement from the more abstract or simple form-determinations of the subject-matter (namely, capital) to the increasingly more concrete or complex forms in which it moves and eventually manifests in 'empirical' reality, thereby culminating in the intellectual reproduction of capital as the unity of those many determinations. Inasmuch as the transition from one economic form to the next is seen as being driven by the development of the contradictions immanent in each of them, their relationship is generally deemed as internal and grounded in dialectical necessity, in contrast with the externality that inevitably results from the use of formal logic.

Now, beyond this general consensus within the 'systematic dialectic' literature, two broadly defined approaches can be identified.⁶ Firstly, there is the group of authors who examine the Hegel–Marx connection through the so-called 'homology-thesis'. Perhaps the most emblematic contribution from this perspective can be found in the work of Chris Arthur,⁷ who argues for the existence of a very close *'homology'* between the structure of Hegel's *Logic* and Marx's *Capital*.⁸ According to this approach, a strict mapping of most categories of the *Science of Logic* onto the systematic presentation in *Capital* is possible (and actually illuminating), 'because capital is a very peculiar object, grounded in a process of real abstraction in exchange in much the same way as Hegel's dissolution and reconstruction of reality is predicated on the abstractive power of thought'.⁹

The second strand within the 'systematic dialectic' literature consists in a materialist reading of Hegel's work in general and the *Logic* in particular. Tony Smith's work is perhaps the most representative of this perspective.¹⁰ The essential point made by Smith is that Hegel's dialectical method *fully* coincides with Marx's, notwithstanding the latter's repeated remarks to the contrary throughout his lifetime. The *Logic* is thus read as a systematic-dialectical exposition of the fundamental ontological structures of real material being, that is, as a 'materialist ontology'.¹¹ The relevance of the *Logic* thus derives from providing the basic categories that are needed to capture the 'intelligibility' of the material world.¹²

In sum, whereas for Arthur's approach the content of the *Logic* is *purely and absolutely idealist*, according to Smith's interpretation it is *sheer materialism*.

6 See Riccardo Bellofiore in this volume, pp. 167–72.

7 Arthur 2002.

8 Arthur 2002, p. 7.

9 Arthur 2002, p. 8.

10 Smith 1990.

11 Smith 1990, p. 8.

12 Smith 1990, p. 5.

Whereas for Arthur's homology-thesis the *Logic* can shed light on capitalist social forms only, for Smith's Hegel-as-materialist reading its field of 'applicability' or relevance is broader and could in principle include non-capitalist social forms and natural forms as well. Finally, whereas according to Arthur the Marxian critique of political economy can benefit from the discovery of homologous logical forms implicit in the inner connection between the different form-determinations of capital, for Smith the question is rather that of becoming aware of the general ontological structures that organise the systematic ordering of economic categories.

Now, this debate about the significance of the *Logic* for the critique of political economy can be reframed in terms of Marx's well-known explicit statement about the relationship between his dialectical method and Hegel's: the key issue at stake seems to be the establishment of the precise nature of the rational kernel within the (allegedly) mystical shell.¹³ This chapter attempts to contribute to the debate by providing an alternative perspective on the connection between Hegel's *Logic* and Marx's *Capital* to the two just sketched out above. Drawing on Juan Iñigo Carrera's work on the relationship between the dialectical method and the critique of political economy,¹⁴ we shall argue that the methodological and scientific significance of the *Logic* – the 'rational kernel' – does not come down to offering the purely logical form of capital's peculiar inverted ontology. Here we tend broadly to concur with Smith's critique of the homology-thesis. However, *contra* Smith, we shall also show that the content of the *Logic* cannot be simply taken over for a Marxian 'systematic dialectic'. As we shall see, the 'mystical shell' affects the very structure of Hegel's book.

2 Marxists on *Science of Logic's* Rational Kernel and Mystical Shell

In the founding works of Diarmid, the *Logic* is usually taken as containing 'the fundamental laws of dialectics', which are then to be applied to more concrete objects such as history, capitalism, and so on. It is thus argued that Hegel would have discovered those laws but 'in his idealist fashion as mere laws of thought'.¹⁵ In so far as those texts do not offer any substantive critique of the specific content developed in the *Logic* (which in many cases they simply reproduce almost word by word), it must be assumed that for this reading the rational

13 Marx 1983a, p. 248, and Marx 1976c [1867], p. 103.

14 Iñigo Carrera 1992, 2007, 2013, and in this volume.

15 Engels 1987b [1872–82], p. 356.

kernel consists in the dialectical unfolding of the logical categories just as is presented by Hegel. For its part, the mystical shell is seen in Hegel's claim that the subject of those different logical forms is not the real human being 'reflecting' in his brain the structure and movement of matter or nature, but the 'Absolute Idea'. This position is nicely expressed by Lenin's famous aphorism: the question is how to 'read Hegel materialistically . . . that is to say . . . cast aside for the most part God, the Absolute, the Pure Idea, etc.'¹⁶ It would seem, then, that the matter comes down to the substitution of a materialist terminology for Hegel's idealist one, that is, replacing the term 'Idea' with the word 'matter'.

This orthodox interpretation has been challenged from two opposing perspectives. The first one submits that uncritically appropriating the systematic-dialectical method unfolded in the *Logic* necessarily involves accepting Hegel's absolute idealism. In this sense, there simply is no rational kernel to discover. At the other end, some authors argue that the *Logic* does not deal with any metaphysical super-subject, but only unfolds systematically all the necessary categories for making intelligible the more abstract ontological structures of the material world. As a consequence, this reading tends to conclude that there actually is no mystical shell. Hegel's *Logic* is therefore seen as all rational kernel from beginning to end.

Lucio Colletti's influential *Marxism and Hegel* is a good illustration of the first perspective.¹⁷ According to this author's provocative thesis, the main achievement of Hegel's *Logic* is to offer, for the first time in the history of philosophy, a solid exposition and justification of 'idealism in a logically coherent fashion'.¹⁸ And it does this precisely by resorting to the dialectical method. Colletti makes his case by critically examining the dialectic of the finite and the infinite that Hegel develops in the 'Logic of Being'. In this reading, the demonstration of the contradictory character of the finite contained in those pages constitutes a key moment in Hegel's speculative philosophy, since 'finitude is the most stubborn category of the understanding'.¹⁹ The reason for this speculative significance is that in the finite the understanding grasps 'the negation as *fixed in itself*, and it therefore stands in abrupt contrast to its affirmative',²⁰ that is, the infinite. In sticking to the fixity of finite being, that is, in denying the dissolution of the finite or the 'ceasing to be of the ceasing-to-be',²¹ the under-

16 Lenin 1976 [1895–1916], p. 104.

17 Colletti 1973 [1969].

18 Colletti 1973 [1969], p. 8.

19 Hegel 1999 [1812–16], p. 129.

20 Hegel 1999 [1812–16], p. 130.

21 Hegel 1999 [1812–16], pp. 130–1.

standing can only grasp it 'as irreconcilable with the infinite'²² and, hence, condemns the mediation between them to failure. On the contrary, with the awareness of the contradictory character of the finite and its resulting 'ontological instability', Hegel is able to reveal how the finite, through its own immanent dialectic, passes over into the infinite. In this way, he overcomes the radical opposition between them, a task which the understanding is unable to achieve. However, Colletti's argument goes on, Hegel can only succeed at this by condemning the finite to unreality or ideality. In other words, Hegel can provide a rationally coherent speculative mediation of the finite and the infinite by reducing the former to a vanishing moment of the latter's process, which alone possesses 'true' reality. On the other hand, Colletti points out that for Hegel only thought has universality and infinity. The dialectic of the finite is thus equated by Hegel to the 'annihilation of matter'. Thus Colletti concludes that this demonstration of the dialectical or self-contradictory character of finite being must of necessity entail absolute idealism, since the sensuous material world (the finite) is conceived as a mode of existence of thought (the infinite). The dialectical method, that is, the conception according to which 'everything finite is alterable and perishable' and 'being implicitly the other of itself, is driven beyond what it immediately is and overturns into its opposite',²³ is for Colletti inherently idealistic.²⁴

Now, if we examine more closely the dialectic of the finite in *Science of Logic*, it becomes clear that, *pace* Colletti, those pages do not develop a demonstration of the ideal character of the sensuous material world and therefore do not provide the key argument for the idealist nature of Hegel's system.²⁵ The only thing that Hegel is proving there is the fact that things are 'finite' means that they carry within themselves the necessity of their own negation. Consequently, they cannot be properly grasped if represented as self-subsistent entities or immediate (or unmediated) affirmations. Instead, things or objects need to be grasped as *self-moving*, that is, as *subjects* of their own qualitative transformation into another 'finite' form. An object thus realises its own qualitative determination by becoming another, that is, through *self-mediation*. This is, in our view, all that Hegel is trying to expound in those pages: real forms of 'being' affirm through self-negation. It is in that specific sense that according to him reality is the *movement of contradiction*. To put it differently, Hegel's point in those pages is just to say that the true infinite is nothing but the immanent *self-movement* of the finite, which it affirms through self-negation. Colletti's

22 Hegel 1999 [1812–16], p. 130.

23 Hegel 1991 [1817], p. 130.

24 Colletti 1973 [1969], pp. 14–15.

25 See Houlgate 2005, p. 429.

reading of those texts, which conflates Hegel's *systematic exposition* and his indisputably idealist remarks in the *addendum*, leads him to throw the baby out with the bath-water.

Thus, Hegel's insight into the self-moving nature of real forms, which constitutes his great scientific discovery and thus the rational kernel to be found in the *Logic*, is not inherently tied to his absolute idealism. In fact, following Iñigo Carrera,²⁶ one could argue that the opposite is the case. In other words, it is the rejection of that Hegelian discovery that inevitably leads to an idealist representation of reality. In effect, when real forms are represented as devoid of any immanent necessity driving them to self-movement, forms of 'being' are reduced to lifeless abstractions which can only be put into *external* relation with each other by means of subjective reflection. An unbridgeable gap between knowledge and reality is bound to emerge. As a consequence, the relations between objects that are then established through the act of cognition (that is, the theoretical construct) must inevitably remain alien to the immanent nature of things themselves. In this way, although ideas are not believed to 'produce' reality by this train of thought, it follows that they do bestow movement upon real forms (thereby determining the nature of their mutual relations). Conversely, only when things are grasped as bearers of an intrinsic objective potentiality for self-movement does it make sense to raise the question of the ideal reproduction of the 'immanent life' of the subject-matter.

This last point can perhaps serve us to bring out more clearly the difference between Colletti's ultimately Kantian perspective and Marx's materialist-dialectical method. Colletti, in a truly Kantian fashion, saw more abstract determinations of objects as merely subjective ideas that help organise a given, immediately-perceived content, of which alone he is ready to predicate materiality and sensuousness.²⁷ By contrast, Marx considered the non-immediately perceptible, more abstract determinations of real forms as *objective*, even if cognised only by means of thought. On this particular point, Marx was fundamentally in agreement with Hegel although, as we shall see in the next section, he did consider that such rational insight was presented in the *Logic* within a mystical shell.

Let us now turn to the other position on the rational kernel and mystical shell in Hegel's *Logic*, which can be found in the aforementioned work of Tony Smith. According to the argument put forward in his book *The Logic of Marx's*

26 Iñigo Carrera 2013.

27 Strictly speaking, Colletti does recognise the objectivity of abstract forms, but only for capitalism, whose 'social ontology' gives rise to a suprasensible 'world of abstractions' (Colletti 1973 [1969], p. 227ff). Here he anticipates some of Arthur's ideas.

'*Capital*', Hegel's *Logic* deals with the fundamental categories of thought that are necessary to grasp the inner intelligibility of reality. In this treatment of logical categories, Smith argues, Hegel 'derive[s] three general types of categorial structures', one of 'simple unity', another of 'difference' and, finally, another of 'unity in difference'.²⁸ Moreover, in so far as those categorial structures are immanently and contradictorily connected, it is possible to 'construct a systematic theory of categories by employing the dialectical method'.²⁹

In this reading, the *Logic* turns out to be entirely 'compatible with Marx's materialist ontology',³⁰ so that there is no reason to reject it for its idealism. Moreover, the alleged ground of Hegel's idealism cannot even be found where Marx himself thought it could be located, that is, towards the end of the categorial construction, at the point where Hegel unfolds the transition to the realm of nature and of human spirit as the self-negating action of the Absolute Idea. According to Smith, in those passages Hegel 'is indulging in picture-thinking, in imaginative representations that on his own terms belong on a pre-philosophical level',³¹ a form of expression that he was compelled to resort to in order to make his philosophy appealing to a mainly Christian readership.

Now, if we set aside the thorny question of textual support for this reading, Smith's interpretation would indeed be plausible and, if correct, would certainly free Hegel's philosophy from charges of absolute idealism. However, this would not automatically turn Hegel into a materialist in Marx's specific sense. In order to prove this, a different kind of argument would be needed. Above all, proof should be provided that the structure of real material being actually coincides with the structure of pure thought-forms presented in the *Logic*. Smith's further claim that the categories presented in that work 'are initially won in confrontation with the empirically given'³² will not do either, since that is far from guaranteeing that the *systematic ordering* of those categories ideally reproduces the 'immanent life' of real material being. To put it differently, the question about the alleged materialist character of the *Logic* cannot be settled with evidence of Hegel's recognition of an objective reality existing outside thought. Instead, we think that the crux of the matter is whether the Hegelian systematic dialectic of logical forms correctly reproduces the more abstract determinations of material reality 'by means of thought'.

28 Smith 1990, pp. 5–6.

29 Smith 1990, pp. 6, 13.

30 Smith 1990, p. 36.

31 Smith 1990, p. 11.

32 Smith 1990, p. 4.

As we intend to show in the next section, Hegel's systematic development in the *Logic* is inherently flawed as an ideal reproduction of the inner connection between the more abstract forms of material reality. In a nutshell, we argue that in so far as his systematic dialectic begins with the simplest *thought-form* (*that is, with a purely ideal or formal abstraction*), his subsequent derivation of categories is bound to follow the immanent necessity of 'pure thought' as such, which, we shall further submit, does not express the inner movement of the simpler determinations of 'real material being'. In this sense, we do think that the peculiar form given by Hegel to his systematic dialectic is immanently bound to an idealist standpoint, although for very different reasons from those put forward by Colletti. This does not mean that there is nothing to recover from Hegel's immanent development of thought-forms. It only means that those rational elements need to be carefully discovered within a presentation which is, by virtue of its idealist nature, structured in such a form and ridden with categories that would have no place in a materialist systematic dialectic. Seen in this light, the main problem with Smith's perspective is not that his materialist reading of Hegel is not convincing. Rather, the key issue is that he takes over from Hegel a systematic dialectic which is quite simply flawed. As a consequence, alongside the 'rational kernel', he cannot but carry over the 'mystical shell'.

3 The Rational Kernel and Mystical Shell in Hegel's *Logic*

Abstraction versus Analysis

The starting point of the *Logic* is 'pure being' as thoroughly 'empty thinking'.³³ In other words, the book begins with being as a *thought-form* or the *thought of being*. The profound meaning and broader significance of this peculiar point of departure in Hegel's philosophy has been the subject of numerous controversies among commentators, particularly with regard to the connection between this category of thought and 'real being'. However, few scholars have actually taken Hegel to task for beginning his systematic dialectic with a thought-form. We shall consider below the implications that this point of departure has for the main theme of this chapter, namely, the rational kernel and mystical shell to be found in the *Logic*. For the moment, let us first critically examine the methodological procedure that is presupposed by Hegel's discovery of 'pure being' as the simplest category that sets into motion the subsequent dialectical unfolding of logical forms.

33 Hegel 1999 [1812–16], p. 82.

Hegel's choice of categorial starting point and the procedure by which he arrives at it follows from his idea that true speculative philosophy must involve *presuppositionless thinking*.³⁴ The 'beginning', he states, 'must be an *absolute*, or what is synonymous here, an *abstract* beginning; and so it *may not presuppose anything*'.³⁵ 'Strictly speaking', he further argues in the *Encyclopaedia*, 'this requirement is fulfilled by the freedom that abstracts from everything, and grasps its pure abstraction, the simplicity of thinking'.³⁶ More concretely, the procedure through which one can arrive at this pure abstraction consists in casting aside any thought that entails a certain complexity or concreteness, that is, any thought whose content presupposes the existence of any other thought. At this juncture, one could of course object that such an elementary abstraction would not have been reached on properly scientific grounds, that is, that it would be the result of a purely formal procedure that does not guarantee that we have actually reflected the immanent life of the subject-matter under consideration. In other words, this category would be a purely *formal abstraction* resulting from an act of subjective reflection that remains external to the object of cognition. Indeed, Hegel's retrospective discussion of the beginning of science in the section on the Absolute Idea speaks to this issue: the simplest category constituting the point of departure of his *Logic* is depicted as an 'abstract universal', which is said to be arrived at by *abstracting from* all determinacy.³⁷ In other words, pure being, as the category that sets into motion the (synthetic) movement of the *Logic*, is a category akin to those of the 'understanding' or 'representational thought', that is, one which only grasps objects one-sidedly in terms of their abstract self-identity.³⁸ In fact, as Carlson suggests, it could be said that it is actually the understanding that undertakes the act of abstraction and not speculative thought as such.³⁹ In this sense, Hegel saw the specificity of his 'absolute method' as essentially residing in the synthetic moment, that is, in the reconstitution of the unity of the different moments of the totality through a movement from its most abstract thought-form (pure Being) to its most concrete (the Absolute Idea).⁴⁰ Thus, he did not seem to recognise anything specifically speculative in the procedure through which the simplest category is arrived at, that is, in the reverse

34 Houlgate 2005, p. 29ff.

35 Hegel 1999 [1812–16], p. 70.

36 Hegel 1991 [1817], p. 124.

37 Hegel 1999 [1812–16], pp. 69–72, 827–9.

38 Hegel 1999 [1812–16], pp. 795ff, 828.

39 Carlson 2007, pp. 27–8.

40 Hegel 1999 [1812–16], pp. 830–1, 838.

movement from the concrete to the abstract which the synthetic phase of systematic science presupposes.

Still, for Hegel such a discussion of the nature of the act of abstracting is immaterial at the initial stage of the investigation, since, strictly speaking, science proper has not actually begun. As he puts it some pages later in the *Logic*, '[w]hen being is taken in this simplicity and immediacy, the recollection that it is the result of complete abstraction . . . is left behind, outside the science'.⁴¹ As a contemporary Hegel scholar nicely puts it, in order to remain firmly on the path to a science without presuppositions, 'we must even abstract from and set aside – indeed deliberately forget – the very fact that pure being is the product of abstraction'.⁴² Indeed, *once the standpoint of 'absolute knowing' is adopted*, and therefore *thought* as such is taken to be the legitimate immediate object of the investigation, the scientifically poor nature of the procedure through which its simplest category has been grasped (that is, the relative poverty of formal abstraction) does not compromise the validity of the subsequent dialectical unfolding that 'pure Being' sets into motion. Thus, regardless of the procedure used, the essential point is that in this process the speculative thinker has never abandoned his/her 'object-realm', namely, pure thought. In this sense, as long as (some version of) the identity of thought and being reached in the *Phenomenology of Spirit* is taken on board, Hegel's argument is perfectly coherent on this score, although, as we argue below, it is still inherently tied to his idealism.

However, matters are very different from a materialist standpoint. From this perspective, the method of formal abstraction as the prelude to synthetic development is rather problematic. In effect, when the immediate object of the act of cognition is not thought of as an existing form of 'material being', the formal abstraction resulting from arbitrarily casting aside all specific determinations inevitably takes us rather far from, and actually outside, the very 'object-realm' that we originally set about to cognise, namely, material reality. Following Marx's example in *The Poverty of Philosophy*,⁴³ if we abstract from the materials which make up a house, the result will be a purely ideal representation of a house with no materials, something which has no real referent, since there is no such thing in material reality. Hence, in abstracting from particular features of a concrete material object (a procedure that can be repeated as many times as the thinker wishes in order to find an ever simpler or more universal determination), we will no longer be dealing with really existing

41 Hegel 1999 [1812–16], p. 99.

42 Houlgate 2005, p. 87; Hegel 1999 [1812–16], p. 99.

43 Marx 1976b [1847], p. 163.

objects but with purely ideal or mental abstractions, that is, with 'pure thoughts'. On this basis, the subsequent reconstitution of the unity of the object cannot but result in a purely ideal construct, which will remain external to the object of cognition that constituted the starting point, and which only by chance will reproduce in thought 'the immanent life of the subject matter'. It follows from this that for a materialist, the consequence of using the method of formal abstraction is, if he/she does not wish to become a Hegelian idealist, the relapse into Kantian dualism, where the theoretical construct, no matter how internally consistent or coherent, will inevitably be radically separated from the real object of cognition.

This is why we think that a materialist engagement with Hegel's *Logic* cannot avoid the critique of the initial formal abstraction that sets into motion the whole systematic development. This is precisely the cornerstone of Feuerbach's foundational critique of Hegel, as the following passage from *Principles of the Philosophy of the Future* eloquently puts it. Hegelian philosophy, Feuerbach states:

presupposes nothing; this is nothing more than to say that it abstracts from all objects given immediately . . . In short, it abstracts from everything from which it is possible to abstract without stopping to think [*sic*], and makes this act of abstraction from all objectivity the beginning of itself.⁴⁴

A few years later, Marx would develop in *The Poverty of Philosophy* a critique of Hegel's idealist abstraction along clearly Feuerbachian lines.

Is it surprising that everything, in the final abstraction – for we have here an abstraction, and not an analysis – presents itself as a logical category? . . . If we abstract thus from every subject all the alleged accidents, animate or inanimate, men or things, we are right in saying that in the final abstraction, the only substance left is the logical category. Thus the metaphysicians who, in making these abstractions, think they are making analyses . . . are right in saying that things here below are embroideries of which the logical categories constitute the canvas.⁴⁵

The significance of the latter passage for the purpose of our argument is that it brings to light Marx's alternative to Hegel's procedure of formal abstraction, namely *analysis*. Unfortunately, despite the stark contrast between abstraction

44 Feuerbach 1986 [1843], p. 19.

45 Marx 1976b [1847], p. 163.

and analysis made in the text above, and the many occasions on which Marx highlights the important rôle of analysis as a necessary moment of his scientific method,⁴⁶ there is no place in his works where he fleshes out in any detail the specific form of the analytical process within his materialist 'systematic-dialectical' approach. Moreover, despite all the light that the recent works on Marx's method have cast on the form of his systematic argument, they have been mainly focused on the *synthetic* aspects of Marx's dialectical presentation (that is, on the exposition of the dialectical movement 'from the abstract to the concrete'), at the expense of an insufficient thematisation of the peculiar rôle of the phase of analysis in his dialectical investigation generally, and in his presentation in *Capital* in particular.⁴⁷ And yet, we would like to argue that it is of utmost importance to grasp the difference between materialist analysis and Hegel's idealist abstraction. True, many authors have highlighted the distinction between the abstractions of Marx's critique of political economy and those of conventional social science.⁴⁸ However, not so many have critically engaged with Hegel's abstracting procedure. More importantly, as Iñigo Carrera points out, most authors have overlooked that the difference in the respective kinds of abstraction emerges as a result of the very *form* of the process of cognition on the basis of which those abstractions are identified.⁴⁹ This difference in form not only applies to the synthetic or genetic phase as is usually assumed, but crucially pertains to the process of analysis as well.

Although Marx did not leave us any written formalisation of the specificity of materialist analysis, it is possible to grasp its concrete workings from the 'analysis of the commodity' contained in the opening pages of *Capital*.⁵⁰ As he explicitly states in the 'Marginal Notes on Adolph Wagner's *Lehrbuch der politischen Oekonomie*', this analysis takes as a point of departure neither the con-

46 Marx 1973 [1857–8], p. 100, and 1989, p. 500.

47 An outstanding exception can be found in the work of Iñigo Carrera (1992, 2007, 2013, and in this volume), on whose contribution we fundamentally draw.

48 See Gunn 1992, p. 17, Clarke 1991, p. 81ff, and Murray 1988, p. 121ff.

49 Iñigo Carrera 2013, p. 50ff.

50 Since it is in the synthetic phase only that the unfolding of the real movement or life of the subject-matter and hence the explanation actually takes place, the presentation of the findings of the dialectical inquiry could take, in principle, a fully synthetic form (Iñigo Carrera 1992, p. 41). However, this is not the way Marx structured his dialectical exposition in Volume I of *Capital* in general and in Chapter I in particular; this exposition tends to include, in a 'stylised' form, brief presentations of the analytic process (Iñigo Carrera 1992, p. 46). In a context where Marx was presenting his materialist-dialectical method for the first time, his decision to include the analytical phase in the exposition might have played the rôle of bringing out its specificity *vis-à-vis* Hegel's idealist procedure.

cepts of political economy nor any concept whatsoever.⁵¹ Instead, he starts with the immediate observation of 'the simplest social form in which the labour-product is presented in contemporary society':⁵² the *commodity in the form in which it appears*. From this starting point, Marx proceeds by taking the individual commodity 'in his own hand' and analysing 'the formal determinants that it contains as a commodity and which stamp it as a commodity'.⁵³

These 'formal determinants' Marx initially discovers by looking at the use-value of the individual commodity, which in capitalist societies acts as bearer of a second, *historically specific* attribute of the products of labour. As happens with every real form, the first thing he encounters when facing the exchangeability of the commodity is its *immediate manifestation* – the quantitative relation 'in which use-values of one kind exchange for use-values of another'.⁵⁴ The next step in the analysis of exchangeability is the uncovering of the *more abstract form* (hence the *content*) behind that specific formal attribute of the commodity, this being the only way in which we can penetrate through the concrete form in which an immanent determination presents itself. Thus, the further analysis of the commodity reveals that exchange-value is actually the 'mode of expression' or 'form of manifestation' of a content distinguishable from it – value – the substance of which resides in the abstract labour congealed or materialised in it.

As is now widely acknowledged in the literature, the sequence at that particular stage of Marx's argument consists in going from *form* to *content*. However, the crux of the matter does not simply reside in realising this (which, at any rate, is explicitly announced by Marx himself in those pages), but in grasping the precise way in which properly dialectical analysis discovers the content behind the form and, therefore, their inner connection.

As Iñigo Carrera points out, conventional scientific method analyses a concrete form by separating what repeats itself from what does not in order to arrive at a certain characteristic. In turn, this common attribute makes possible the mental construction of a definition of that concrete form as that which has this or that attribute.⁵⁵ On his part, Hegel's pure abstraction in the *Logic* proceeds by casting aside all particular features of objects (that is, all determinacy) in order to find through that one step the 'abstract universal' that constitutes its simplest element. Regardless of their differences, these two procedures have in common that they result in strictly mental abstractions or categories

51 Marx 2002 [1879/1881], p. 241.

52 Ibid.

53 Marx 1976c [1867], p. 1059.

54 Marx 1976c [1867], p. 126.

55 Iñigo Carrera 2013, pp. 50–1.

which, by their own nature as 'pure thoughts', cannot but remain external and alien to the forms of material reality. Conversely, dialectical thought analyses a concrete form by, first of all, facing it as embodying a qualitative potentiality for transformation, and second, by grasping that qualitative potentiality as the concrete form in which a more abstract form realises its own qualitative potentiality, that is, its real necessity. Thus the dialectical ideal appropriation of the universe of different real forms does not proceed through an identification of the distinctiveness of forms on the basis of the degree of repetition of certain attributes. But neither does it operate by *abstracting from* every particular determination. Rather, it analytically separates the different forms by discovering as *immanent* in a particular concrete form the realised potentiality of another real form, which is abstract with respect to the first one, but concrete with respect to another form of which it is the realised potentiality.

While conventional scientific method grasps the general determination of real forms as immediate affirmations and hence self-subsistent entities, the distinctive mark of the process of analysis in dialectical research is to grasp, *in the same analytic movement*, both the concrete form under scrutiny and the more abstract one of which the former is the developed mode of existence. In other words, dialectical thought grasps each form as the affirmation through self-negation of another, more abstract one (hence, as subjects of their own movement). Moreover, in contradistinction to Hegelian abstraction or conventional scientific analysis, Marx's dialectical analysis at no point leaves the terrain of the real. Both the immediate concrete form that he encounters and the relatively more abstract one discovered through analysis (the content) are wholly objective and real determinations of the object under scrutiny. This analytical procedure must be then renewed for those other more abstract forms, but now treated as the real concrete whose inner content the research is trying to uncover. Only once all those inner form-determinations have been discovered through analysis should the investigation undertake the 'return-journey' through which those abstract determinations, now in their self-movement, lead to 'the reproduction of the concrete by means of thought'.⁵⁶

Ideal Reproduction of the Ideal versus Ideal Reproduction of the Concrete

Let us now return to the *thought of being* with which the *Logic* begins. As we have seen, this pure being is the product of total abstraction and, from a materialist standpoint, cannot be a real being; it can only exist as a *thought-form*. However, it could still be argued, as Smith does, that such thought of being is

⁵⁶ Marx 1973 [1857–8], p. 100.

'isomorphic' with (hence reflects) real material being, so that there would be nothing problematic in unfolding the immanent life of the former as a substitute for the latter. If we took on board Hegel's characterisation of pure being as being that simply is, one could argue that the least that can be thought about any real object is that it is. Thus, according to this view the structure of ideal being would fully coincide with that of real being on this point.⁵⁷ However, nothing guarantees that the simplest (or rather poorest or emptiest) statement that we could utter 'to make an object intelligible' actually coincides with the simplest form in which a real concrete exists. In fact, as we suggest later on, the simplest form of existence of 'real material being' is not 'pure being'. In light of the previous section, we would be entitled to claim that the former and the latter coincide only *after* submitting an existing object to materialist analysis in the sense discussed above. In other words, only if after uncovering the respective content of each form-determination that we find *within* the real concrete under scrutiny, we encountered pure being as the simplest of them all, would it be scientifically correct to undertake the synthetic phase of reproduction with that 'category' as starting point. However, we have shown that this is not what Hegel actually did. And neither is it what those materialist readings of Hegel do.⁵⁸

Still, if we further insisted on the isomorphic structure between the respective simplest forms of ideal and material being, the divergence between Hegel's idealist construction and material reality would re-emerge in the second step of the systematic unfolding of categories, namely, the passing over of pure being into pure nothing. If in the case of pure being there is at least the formal possibility that it ideally reflects the simplest determination of material being, in the case of pure nothing even that formal possibility should be ruled out from the outset. Indeed, from a materialist standpoint, the reality of pure nothing is simply meaningless. Thus, as Feuerbach's early critique sharply puts it, 'the opposition itself between being and nothingness exists only in the imagination, for being, of course, exists in reality – or rather it is the real itself – but nothingness, not-being, exists only in imagination and reflection'.⁵⁹

57 Houlgate 2005, pp. 140–2.

58 Smith's interpretation is a case in point. Despite correctly distinguishing between formal and real abstractions (Smith 1990, p. 60), he approvingly presents Hegel's 'analysis' as involving the 'appropriation of the results of empirical studies' undertaken by 'empirical sciences' (Smith 1990, p. 4); which is certainly different from the ideal appropriation of the real abstract forms of a given concrete object. As a matter of fact, those abstractions borrowed from empirical sciences have been constructed on the basis of the conventional scientific method. As argued above, they cannot but be purely formal or ideal.

59 Feuerbach 1983 [1839], p. 126.

Having ruled out the material existence of pure being and nothing, one could still search for the alleged correspondence between Hegel's *Logic* and material reality in the third moment of their dialectic, that is, in 'becoming'.⁶⁰ Thus considered, being and nothing could be said to be just analytical moments which are necessary to grasp the truly simplest logical category – becoming – which would at last reflect the simplest form of real material objects, being a subject that posits its own movement. If this were the case, one could conclude that, despite conceiving it as a movement of pure thought, Hegel would have managed to grasp the simplest content of real being. However, 'becoming' is for Hegel a category that is still quite far from fully expressing the constitutive contradiction of a self-determining or self-moving subject. In so far as Hegel's *Logic* unfolds the immanent necessity of thought as such, starting from its simplest (or rather emptiest) form, his categorial development needs to go through a long series of still more complex thought-forms before being able to express fully the said movement of contradiction that constitutes the simplest determination of real materiality.

In fact, the actual point at which Hegel's exposition eventually reaches a category that fully expresses the simple movement of a self-determining subject, comes quite a few pages and categories later. Specifically, this point is only reached with the category of 'being-for-self', where Hegel finally states that 'qualitative being finds its consummation' so that, therefore, we have at last arrived at 'absolutely determined being'.⁶¹ However, from a materialist standpoint, this begs the question as to why cognition of the real concrete needs to go over those other imperfect forms of ideally expressing the simplest movement of material qualitative determination, which only grasp the latter in its outward or external manifestations: whether as an immediate affirmation (being) or as the extrinsic unity of two opposed immediate affirmations (determinate being). Indeed, one would be led to conclude that the unfolding of those categories is quite simply superfluous. In effect, from this perspective, the imperfect forms of ideally expressing the 'affirming through self-negation' are not *materially constitutive* of what this movement actually is.

Still, a final argument for a materialist reading of the categories preceding 'being-for-self' could state that their exposition corresponds to the *analytical process* of discovery of the category that is able fully to express the real movement of affirmation through self-negation. The problem with this line of reasoning is that according to Hegel's perspective, those poorer ways of conceiving qualitative being have the same status of objectivity as its fully-developed

60 Hegel 1999 [1812–16], p. 82.

61 Hegel 1999 [1812–16], p. 156.

shape. In this sense, the movement from these poorer forms of expressing qualitative being to its consummation in being-for-self is not seen by Hegel as essentially analytic but *synthetic*. In so far as the *Logic* unfolds the immanent necessity of 'pure thought' as such, the imperfect forms of thinking about this peculiar 'being' are as constitutive of this 'object-realm' as their perfectly developed modes of existence. Thus, it is entirely coherent for Hegel to include those categories in his systematic dialectic of thought-forms. However, the consequence of this is that any attempt to take over Hegel's *Logic* as a whole will take the mystical shell (that is, the whole series of superfluous imperfect categories that pure thought needs to posit before reaching the plenitude of its content) alongside the rational kernel (the category that eventually expresses the determination at stake in an adequate form).

It follows from this that a reading of the *Logic* from a materialist perspective cannot consist in just 'casting aside God, the Absolute, the Pure Idea, etc.' or in uncovering the logical structure articulating the systematic ordering of categories. For both the categories and the form of their unfolding are, from the very beginning, of an inherently idealist character. Instead, a materialist reading must consist in carefully recognising which real determinations could be reflected by Hegel at certain stages of his idealist systematic dialectic. Evidently, the recognition of those determinations can only take place *vis-à-vis* the actual knowledge of those simpler forms of material reality. Thus, strictly speaking, the issue at stake is not simply to read the *Logic* from a materialist perspective. The question is rather to appropriate its 'use-value' to *rewrite it materialistically*, that is, to unfold the simpler determinations of material reality in their inner connection. Needless to say, this obviously exceeds the scope of this chapter. Here we just offered a discussion of the point of departure of such a materialist appropriation of the rational kernel of Hegel's *Logic*, which we have identified with his category of 'being-for-self'.⁶² Our aim in this section was thus much more modest; the point was simply to show the intrinsically idealist nature of Hegel's systematic development in order to shed light on its difference from Marx's materialist approach. Let us therefore elaborate further on this point, through an examination of the general form taken by Hegel's systematic unfolding of categories.

Towards the end of the *Logic* Hegel discusses this question explicitly. 'What is to be considered here as method', he states, 'is only the movement of the

62 On this we simply drew on the work of Iñigo Carrera, who fleshes out the discovery of the said point of departure – that is, affirming through self-negation of real material being – as strictly emerging as a result of materialist analysis in the sense discussed above (Iñigo Carrera 1992, pp. 3–5).

Notion itself . . . the *universal absolute activity*.⁶³ However, this movement is not presented by Hegel as simply taking the generic form of affirmation through self-negation through which a self-determining subject realises its own immanent necessity. Instead, in so far as he conceives of it as a pure movement of thought striving for a fully developed mode of expressing its truth-content, he presents it as the unity of the *three moments* through which thought needs to pass in order to self-posit in such an adequate shape. Thus, he concludes, 'the whole form of the method is a triplicity'.⁶⁴ The movement of affirmation through self-negation, which as the simplest content of the 'immanent life' of any material object, constitutes the generic form taken by a materialist-dialectical unfolding, is represented by Hegel as the abstract sequence of an affirmation, a negation and, lastly, the negation of the negation. In other words, Hegel does not directly present the third moment, which is the only one that constitutes the effective material reality of the object. Instead, he firstly needs to posit the prior two 'imperfect' moments, which are just formal stages through which thought needs to go to grasp the 'truth' of the object, as if they were constitutive of the effective objective reality of the object itself. This 'triadic structure' of the absolute method, which derives from the idealist character of the Hegelian dialectic, is also eloquently criticised by Marx in *The Poverty of Philosophy*:

So what is this absolute method? The abstraction of movement. What is the abstraction of movement? Movement in abstract condition. What is movement in abstract condition? The purely logical formula of movement or the movement of pure reason. Wherein does the movement of pure reason consist? In posing itself, opposing itself, composing itself; in formulating itself as thesis, antithesis, synthesis; or, yet, in affirming itself, negating itself, and negating its negation.⁶⁵

In brief, what is rational in Hegel's dialectic, that is, its method of immanent development of the life of the subject-matter, appears inverted under the mystical form of the three moments of self-developing pure thought. Again, this mystical shell directly stems from the fact that Hegel's systematic dialectic does not ideally follow the immanent life of a concrete material object but an ideal one, namely pure thought. Hegel's 'mysticism' in the *Logic* therefore derives from being the *ideal reproduction of the ideal*. By contrast, in making

63 Hegel 1999 [1812–16], p. 826.

64 Hegel 1999 [1812–16], p. 836.

65 Marx 1976b [1847], p. 164.

analysis instead of abstraction, Marx's scientific method at no point leaves the concrete material object of investigation behind. No matter how abstract and far from its immediate sensuous existence the analytical process eventually takes him, *he remains firmly within the materiality of the object*. As a consequence, the moment of systematic synthetic unfolding cannot but be the 'reproduction of the concrete by means of thought'.

Among all the places where Marx expounds this kind of materialist ideal reproduction, it is also probably in the first chapter of *Capital* where it can be found with utmost clarity and in a more 'stylised' form. Specifically, this reproduction only starts in section III of Chapter I, entitled 'The value-form, or exchange-value'.⁶⁶ As argued elsewhere, strictly speaking the first two sections of that chapter are not part of the *synthetic* movement of the dialectical exposition but constitute its *analytical* prelude.⁶⁷ As we have seen, the analytic stage only separates a concrete form from a more abstract one, whose realised potentiality it carries within itself in the form of its own immanent potentiality. In this sense, the analytic stage does not ideally reflect the immanent self-movement of the object under consideration. It is therefore not about the *why* but about the *what*. Evidently, since the apprehension of real forms according to their relative degree of abstractness or concreteness ideally expresses the objective necessity (the real relations) residing in the object and are not the product of the subjective caprice or imagination of the scientist, the mere reference to the 'what' carries implicitly some hint of the 'why'. Thus, if the dialectical analysis reveals that the value-form is the concrete form in which the objectification of the abstract character of private and independent labour affirms itself as an abstract form, the separation between the two already says something about the real relation involved. But this something is no more than, as it were, a 'pointing out', an external observation. The actual exposition of that inner connection between content and form – hence its explanation – takes place in the *synthetic* phase of *reproduction*, which faces the challenge of precisely showing that movement which the analysis was incapable of unfolding. This consists in ideally following the realisation of the discovered potentiality immanent in the commodity, namely value. From then on, the commodity ceases to be grasped in its exteriority as an 'inert' external object and the exposition starts to follow its self-movement as the subject of the development of

66 Marx 1976c [1867], p. 138.

67 See Starosta 2008 for a close examination of the structure of Marx's exposition in Chapter I of *Capital*. For a more detailed discussion of the methodological implications of Marx's ideal reproduction in general, see Iñigo Carrera 2007, 2013, and in this volume.

those determinations previously discovered through analysis into ever more concrete forms.⁶⁸

The unfolding of this movement spoken in 'the language of commodities'⁶⁹ is precisely what the ideal reproduction consists of. Value being the purely social power of the commodity, it cannot be immediately expressed in its sensuous corporeal materiality. As the capacity of the commodity to be exchanged for other different commodities, value can only be manifested in the social relation of exchange between commodities. Therefore, the value of a commodity necessarily expresses itself only in the use-value of the commodity that is exchanged for the commodity in question as its equivalent. In this way, value takes the concrete shape of exchange-value as its necessary form of manifestation. In its most developed form, value acquires independent existence as money and the expression of value in the particular commodity acting as money becomes determined as price. The opposition inherent in the commodity is thus externalised through the doubling of the commodity-form into ordinary commodities and money. The power of direct exchangeability of commodities negates itself as such to become affirmed as a social power monopolised by the money-form.

It is in the course of the movement of this reproduction, when seen from the point of view of its *qualitative content*, that the answer to the questions which the analytic stage was impotent fully to provide is given. In other words, it is the development of the expression of value that unfolds the explanation as to why the objectification of the abstract character of privately performed labour takes the social form of value or, to put it differently, why private labour is value-producing. In a nutshell, the issue comes down to the fact that it is only the expression of value that progressively reveals to us the problem that the commodity-form of the product of labour is meant to solve. We are referring to the mediation in the establishment of the unity of social labour when performed in a private and independent manner. And since this unity becomes condensed in the money-form, it is the unfolding of its determinations, synthesised in the peculiarities of the equivalent-form and derived from its general determination as the form of immediate exchangeability, that provides the answer to the question as to why privately performed socially necessary labour must produce value.

Note, however, that the properly *dialectical* unfolding of the movement of this qualitative determination is, in essence, already achieved with the simple form of value. The subsequent passage to the other, more developed forms of

68 Iñigo Carrera, in this volume, p. 74ff.

69 Marx 1976c [1867], p. 143.

value is simply a formal movement that merely generalises and makes explicit the qualitative content already expressed in the simple form (namely, the immanent necessity for value to acquire an outward, differentiated mode of existence). In other, more polemic terms, the sequence of the more developed forms of value as such is not structured according to an immanent necessity of those forms. As Iñigo Carrera puts it, the sequence of forms of value 'does not imply a simpler form [of the exchange-relation] engendering a more concrete one. Instead, the unfolding of the former's necessity evidences the necessity of the existence of the latter.'⁷⁰ This is, we think, the actual meaning behind Marx's remark that 'the whole mystery of the form of value lies hidden in this simple form.'⁷¹

In light of this, we can now bring out a crucial difference between Marx's and Hegel's respective ideal reproductions. Specifically, Marx's ideal reproduction of the commodity-form simply follows the realisation of its immanent necessity to 'affirm' by developing a more concrete mode of existence as money (that is, through self-negation). However, unlike Hegel's idealist method of reproduction in the *Logic*, in order to do this Marx does not need to mediate this exposition with a prior positing of the inadequate forms in which *thought conceives of* those immanent determinations of the commodity which drive them to self-movement. For Marx, those inadequate conceptualisations of the inner determinations of the commodity are not *constitutive* of the objective reality of the commodity itself, and have therefore no place in the *systematic unfolding of its immanent life*. Instead, they are seen by Marx as (*fetishised appearances*) through which non-dialectical thought grasps those determinations in their sheer exteriority. In any case, those apparent relationships between real forms should have been already examined and *ruled out* by the investigation in the previous methodological phase of *analysis*. In Marx's presentation, when discussions of those essentially *ideological* scientific representations of real relations do occur, they tend to have status of an *external remark*, and are deliberately located *after* the immanent determination has been unfolded.

4 Conclusion

This chapter offered a contribution to the debate on the methodological connection between Hegel's *Logic* and Marx's *Capital* through a discussion of the

⁷⁰ Iñigo Carrera, 2013, pp. 58–9.

⁷¹ Marx 1976c [1867], p. 139.

rational kernel and mystical shell found in the former. Very briefly put, our argument was that in that work Hegel managed to discover the simplest form of the real, namely, the movement of self-determination of the subject. As a consequence, he correctly presents the method of science as the systematic unfolding of the immanent life of the subject-matter. Against Colletti, we have argued that this is the rational kernel to be found in his work and it is not inherently tied to absolute idealism. However, instead of taking the simplest form of real material being as point of departure, his exposition begins with the simplest thought-form ('pure being'). The systematic dialectic that follows therefore inevitably unfolds a whole series of redundant categories which, from a materialist standpoint, correspond to the immanent necessity of pure thought only. In other words, they do not express any objective determination of real material being. This is the *Logic's* mystical shell.

We have also argued that an immediate reason behind that spurious starting point resides in his methodological procedure of 'extreme' formal abstraction, which arbitrarily casts aside all particular determination until reaching a wholly empty universal, namely, the *thought* of being. By contrast we have seen that Marx finds a materialist alternative to formal abstraction in dialectical *analysis*. Instead of the sheer abstraction from apparently contingent features of objects, Marx's analysis moves by searching for the real more abstract or simple content of the concrete form he is immediately facing. The procedure is then repeated by further analysing each of the relatively more abstract determinations discovered, until reaching the simplest immanent content of the initial concrete. Materialist analysis therefore remains firmly within the real object through and through.

Three main conclusions can be drawn from this with regard to the current debate on Marx's dialectical method in *Capital*. Firstly, in so far as the ideal reproduction of the concrete by means of thought needs to reflect ideally the *specific* immanent determinations of the subject-matter, this method does not proceed, as Diamat would have it, by *applying* the 'general laws of dialectics' or 'abstract logical structures' onto more concrete domains of knowledge. In this sense, the movement of affirmation through self-negation must not be turned into an absolute *general principle* that needs to be *applied to economic categories*. As the form of movement, the 'inner life', of the concrete object that we want to appropriate by means of thought, it has to be followed in its specific modes of existence and development. This is why, for instance, Marx's *Capital*, as a critique of political economy, is not (*pace* Engels) an application of dialectical logic to political economy, but the ideal reproduction of the real determinations of capital as the alienated social subject of bourgeois society, starting with its simplest mode of existence, namely, the commodity.

Secondly, the problem with Hegel's unfolding of categories in the *Logic* does not simply reside in his absolute idealism, but fundamentally in the methodological procedure by which he arrives at its point of departure and the form taken by the subsequent synthetic reconstitution of the unity of the immanent determinations of his object. In other words, even if we took on board Smith's point that Hegel considered the independent existence of an objective reality outside thought, his systematic dialectic would be still defective from a materialist standpoint. As a consequence, it should not be simply taken over but first needs to be thoroughly 'rewritten' materialistically.

Finally, although not explicitly addressed in this chapter, it does follow from our discussion that the structures of the *Logic* and *Capital* cannot be treated as homologous as in Arthur's view. As the previous section has shown, the general form of motion of the synthetic stage of reproduction differs between the two works, with Hegel's idealist dialectic ridden with superfluous formal steps in the argument which have no place in Marx's materialist approach.

In sum, a materialist appropriation of the methodological insights found in the *Logic* for the critique of political economy must carefully cast aside its mystical shell.

PART II

Hegel's Concept and Marx's Capital



The Universal and the Particulars in Hegel's *Logic* and Marx's *Capital*

Fred Moseley

I have argued in a number of papers that there are two main stages (or levels of abstraction) in Marx's theory in *Capital*.¹ The first stage has to do with the *production of surplus-value* and the *determination of the total surplus-value*, and the second stage has to do with the *distribution of surplus-value* and the *division of the predetermined total surplus-value into individual parts* (equal rates of profit, commercial profit, interest and rent). The total amount of surplus-value is determined at the first stage (the production of surplus-value) and then this predetermined magnitude is presupposed in the second stage (the distribution of surplus-value). This key quantitative presupposition of the prior determination of the total surplus-value is repeated many times, in all the drafts of *Capital*, as I have shown in my papers. Thus, there is a clear logical progression from the determination of the magnitude of the total surplus-value in the first stage to the determination of the individual parts in the second stage. Other authors who have presented similar interpretations of the production and distribution of surplus-value and the prior determination of the total surplus-value in Marx's theory include Paul Mattick, Roman Rosdolsky, Enrique Dussel, David Yaffe and Duncan Foley.

To take the most important example, in Marx's theory of prices of production in Part II of Volume III, the total surplus-value is presupposed, as already determined in Volumes I and II, and the total surplus-value (S) is used to determine the general rate of profit ($r = S / C$), which in turn is a determinant of prices of production (C is total capital invested). As a result, the predetermined total surplus-value is distributed to individual industries in such a way that all industries receive the same rate of profit.

This logical progression from the determination of the total amount of surplus-value to the determination of the individual parts of surplus-value follows directly from Marx's labour-theory of value and surplus-value. According to Marx's theory, all the individual parts of surplus-value come from the same source – the surplus-labour of workers. Therefore, the total amount of surplus-value must be determined prior to its division into individual parts. And the

1 Moseley 1993a, 1997, 2000, 2002, and 2009.

total amount of surplus-value is determined by surplus-labour, and by surplus-labour alone.

I have argued further that this distinction between the production of surplus-value and the distribution of surplus-value is the quantitative dimension of the two basic levels of abstraction in Marx's theory: capital in general and competition (many capitals). *Capital in general* is defined by Marx as *those properties which are common to all capitals* and which distinguish capital from simple commodities or money and other forms of wealth. The most important common (or universal) property of all capitals, which is analysed at the level of abstraction of capital in general, is the *production of surplus-value* (including absolute and relative surplus-value). Since this all-important property is shared by all capitals, the theory of the production of surplus-value at the level of abstraction of capital in general is concerned with the total surplus-value produced by the total capital of society as a whole. Other common properties of all capitals that are analysed at the level of abstraction of capital in general include various characteristics of capital in the sphere of circulation (the turn-over-time of capital, fixed and circulating capital, and so on) and the appearance of surplus-value and the rate of surplus-value as profit and the rate of profit (including the falling rate of profit).

The main question addressed at the level of abstraction of *competition* is the *distribution of surplus-value*, or the division of the total surplus-value into individual parts. Another related question addressed at the level of abstraction of competition is 'revenue and its sources', or the critique of vulgar political economy's explanation of these individual parts of surplus-value.²

Therefore, I argue that the basic logical structure of Marx's theory of capital in the three volumes of *Capital* is as follows:

Marx's theory in *Capital*

I. Capital in general

1. Production of surplus-value (Volume I)
2. Circulation of capital (fixed and circulating capital) (Volume II)
3. Capital and profit (including the falling rate of profit) (Parts I and III of Volume III)

2 It should be clarified that the level of abstraction of competition is not completed in Volume III. There is much more to the level of abstraction of competition than the distribution of surplus-value into these major parts, including market-prices ($S \neq D$), monopoly-prices, concentration and centralisation (see Dussel 2001; Moseley 2001b). Marx in effect divided the level of abstraction of competition into two sub-levels: an abstract sub-level that has to do with the distribution of surplus-value and a more concrete sub-level that has to do with these other aspects. These more concrete aspects are not included in Volume III; Marx promised to deal with them in a 'later book on competition'.

II. Competition, or the distribution of surplus-value

1. General rate of profit and prices (Part II of Volume III)
of production
2. Commercial profit (Part IV)
3. Interest (Part V)
4. Rent (Part VI)
5. Revenue and its sources (critique (Part VII)
of vulgar economics)

This chapter argues that this logical structure of the two levels of abstraction of capital in general and competition was heavily influenced by Hegel's Logic of the Concept, and the first two moments of the Concept: universality and particularity. The first section will review the key features of Hegel's Logic of the Concept, and the following section will discuss Marx's critical appropriation of Hegel's logic in his own theory of the production and distribution of surplus-value. An appendix to this chapter (available at: www.mtholyoke.edu/~fmooseley) discusses other, previous interpretations of the relation between Hegel's Logic of the Concept and Marx's theory that have been presented by Felton Shortall, Chris Arthur, Mark Meaney and Roberto Fineschi.

In January 1858, while working on the *Grundrisse*, Marx wrote a letter to Engels in which he stated that a recent fortuitous review of Hegel's *Logic* had been 'of great service' in his own theory, especially with respect to the *method* employed in his theory of *profit*. He commented that he had 'overthrown' all previous theories of profit:

By the way, I am discovering some nice arguments. For instance, I have overthrown the whole doctrine of *profit* as it existed up to now. The fact that by mere accident I again glanced through Hegel's *Logik* . . . has been of great service to me as regards the *method* of dealing with the material.³

What exactly did Marx mean by this obviously important but too cryptic remark? Which specific aspects of Hegel's *Logic* was Marx referring to? And what was the relation between these aspects of Hegel's logic and Marx's theory of profit? Many scholars have called attention to this letter, as evidence of the influence of Hegel on Marx, but no one (to my knowledge) has satisfactorily answered these important questions about the relation between Hegel's logic

³ Marx and Engels 1975a, p. 93; *bold* – emphasis added; *regular italics* – emphasis in the original. This convention will be followed throughout this chapter.

and Marx's theory of profit. This chapter will also suggest answers to these questions, and will explain what Marx meant by this important remark.

1 Hegel's Logic of the Concept

Hegel's logic begins with immediate appearances, which he calls 'Being'. Hegel's logic then proceeds to Essence, the 'inner nature' of the immediate appearances. Finally, the Concept [*Begriff*] (sometimes translated as 'Notion') is the 'punchline' of Hegel's logic – the explanation of the immediate appearances in terms of the Essence, in a precise logical order.

Hegel's Concept has three moments: universality [*Allgemeinheit*], particularity [*Besonderheit*], and singularity [*Einzelheit*] (sometimes translated as 'individuality'). The precise logical order of explanation is the following: The starting point of the Concept is the *universal*, which is the Essence or substance that has already been identified in the Logic of Essence. The Concept then proceeds to an explanation of the *particulars*, which *presupposes* the nature of the universal, and adds additional determinations in order to differentiate the presupposed universal into its particular forms. In other words, the particulars are explained as particular forms *of the universal itself*, as 'self-particularisations' of the presupposed universal. It is in this sense that the universal substance is also a 'subject' that creates its own particular forms. Finally, the Concept proceeds to *singularity*, in which the universal achieves concrete existence and the perfect embodiment in a particular form.

This logical relation between the universal and the particulars in Hegel's Concept – the universal is the starting point and its nature is presupposed in the explanation of the particulars – is clearest in Hegel's exposition of the Concept in the short version of his logic in the *Encyclopaedia of the Philosophical Sciences*. The following are a few passages from the *Encyclopaedia*, with my comments:

The *Notion* is the principle of freedom, the power of *substance self-realised*.⁴

In other words, the substance is the universal that realises itself in the particulars. This substance is presupposed in its self-realisation as particulars.

⁴ Hegel 1975 [1817], p. 223.

The Notion as Notion contains the three following 'moments' or functional parts.

(1) The first is *Universality* – meaning that it is in free equality with itself in its specific character. (2) The second is *Particularity* – that is, the specific character, in which the *universal continues serenely equal to itself*. (3) The third is *Individuality* – meaning reflection-into-self of the specific characters of universality and particularity; which negative self-unity has complete and original determinateness, *without any loss of its self-identity or universality*.⁵

Explanation of reality begins with the universal, and its specific character. In the further explanation of the particulars, the universal is presupposed ('continues serenely equal to itself', 'without any loss of its self-identity or universality').

For Hegel, the universal substance is the Absolute Spirit, which incarnates itself in particular forms of objective reality. This is of course the idealist nature of Hegel's philosophy, which Marx completely rejected. For Marx, the universal substance is materialist – abstract labour.

In the same section, Hegel emphasised that the universal of the Concept is not a mere common property, but is instead a *subject* that *'self-particularises' itself* as these particular forms, and 'finds itself at home' in these particular forms 'with undimmed clearness'.

The notion is generally associated in our minds with abstract generality, and on that account it is often described as a general conception. We speak, accordingly, of the notions of colour, plant, animal, etc. They are supposed to be arrived at by neglecting the particular features which distinguish the different colours, plants, and animals from each other, and by retaining those common to them all . . .

But the universal of the notion is not a mere sum of features common to several things, confronted by a particular which enjoys an existence of its own. It is, on the contrary, *self-particularizing* or *self-specifying*, and *with undimmed clearness finds itself at home* in its antithesis.⁶

The subject that self-particularises itself 'with undimmed clearness' is obviously presupposed in the explanation of its particular forms.

5 Hegel 1975 [1817], p. 225.

6 Hegel 1975 [1817], p. 227.

In *The Holy Family*, which Marx and Engels wrote in 1844, there is a remarkable summary of what Marx called 'the essential character of the Hegelian method', which he labels '*substance as subject*' (in a section entitled 'The Mystery of Speculative Construction').⁷ The descriptor 'as subject' indicates that the substance creates the particular forms, as particular forms *of itself*, as we saw in the *Encyclopaedia*.

Marx's discussion in this section is illustrated with the famous example of 'the Fruit' and particular fruits (pear, apple, and so on). A long excerpt from this very interesting section is worth it:

If I form the *general idea* '*Fruit*' from actual apples, pears, strawberries, and almonds, and if I go further to *imagine* that my abstract idea, '*the Fruit*', derived from actual fruits, is an external entity, and indeed the *true* essence of the pear, the apple, etc., I am declaring – in the language of *speculation* – that '*the Fruit*' is the '*Substance*' of the pear, the apple, the almond, etc. . . .

I then declare apples, pears, almonds, etc. to be merely forms of existence, *modi*, of '*the Fruit*' . . . Particular, actual fruits are taken to be only *apparent* fruits whose true essence is '*the Substance*', '*the Fruit*' . . .

Having reduced different actual fruits to *one* abstract '*Fruit*', to '*the Fruit*', speculation must somehow try to **get back again** from '*the Fruit*', from *Substance* to *different*, actual ordinary fruits such as the pear, the apple, the almond, etc. in order to give the appearance of having some actual content . . .

If the apple, pear, almost, and strawberry are really nothing but '*the Substance*', '*the Fruit*', then the question arises: **How does it happen that '*the Fruit*' manifests itself to me now as apple, now as pear, and now as almond; whence this appearance of diversity** so strikingly in contradiction with my speculative intuition of the *unity*, '*the Substance*', and '*the Fruit*'?

This, answers the speculative philosopher, is because '*the Fruit*' is no dead, undifferentiated static essence but living, self-differentiated, dynamic . . .

The different ordinary fruits are **different life-forms of the '*one Fruit*'**; they are **crystallizations of '*the Fruit*' itself** . . .

One must no longer say as one did from the standpoint of Substance that a pear, an apple, and an almond is '*the Fruit*' but rather that '*the*

7 Marx and Engels 1956 [1844], pp. 78–83. I discovered this remarkable section as a result of rereading Arthur (1978), for which I am grateful.

Fruit' posits itself as pear, as apple, as almond. The differences which distinguish apple, pear, and almond from one another are really self-differentiations of *'the Fruit'*, converting the particular fruits into different members of the life-process of *'the Fruit'*.

In every member of that series *'the Fruit'* gives itself a more developed and explicit specific existence until it is finally the living *unity* as 'summary' of all fruits, a unity containing those fruits as dissolved in and also produced from itself.

In the language of speculation, this operation I call conceiving *Substance as Subject*, and *inner Process*, as *Absolute Person*, and this conceiving constitutes the essential character of the *Hegelian method*.⁸

This summary is not explicitly in terms of Hegel's moments of the Concept, but the logic is the same. The substance 'Fruit' is the universal, whose existence is presupposed in the explanation of the particular forms, as particular forms of *itself*. After identifying the universal substance, the theoretical task is to 'get back again' to the determination of the particular forms on the basis of the presupposed universal substance.

Marx ridiculed the idealism of Hegel's speculative method, and argued that Hegel's claims to derive particular fruits from the universal Fruit were mere empty assertions. Since the universal Fruit has no content, no properties of its own, it cannot be used to derive the properties of particular fruits. The speculative method can only *appear* to derive the properties of the particular fruits by 'giving these properties names', and asserting that these names of actual things are (somehow) 'created' by the Fruit (pp. 81–2).⁹

However, Marx eventually utilised a logical structure that is similar to Hegel's moments of the Concept (the nature of the universal is presupposed in the further determination of the particular forms of itself) in his theory of the production and distribution of surplus-value, without the idealist universal, and with a materialist universal (abstract labour); the logical structure of Marx's theory will be examined at length in the next section.

8 Marx and Engels 1956 [1844], pp. 78–83.

9 Marx and Engels 1956 [1844], pp. 81–2. In the last three paragraphs of this section, Marx further ridiculed Herr Szeliga's Hegelian presentation of the 'Mysteries of Paris': 'Having previously reduced such actual relationships as law and civilization to the category of mystery, thereby converting *"the Mystery"* into a substance, he now rises to a truly speculative Hegelian height and transforms *"the Mystery"* into a self-existing Subject. This subject *incarnates itself* in actual situations and persons . . . But *nowhere* does he develop any *actual content*, so his speculative construction is free from all disturbing complications, from all ambiguous disguises, and strikes the eye in its naked beauty.'

2 Marx's Logic in His Theory of Capital and Surplus-Value

Hegel's Logic of the Concept is appropriate for Marx's theory of surplus-value because they both assume a similar logical relation between the universal and the particulars. Hegel's Concept begins with the determination of the universal, and then explains the particular forms as particular forms of the (predetermined and presupposed) universal. Similarly, Marx's theory begins with the general form of surplus-value, and then explains the particular forms of surplus-value, with the predetermined general form of surplus-value presupposed, along with additional particular determinations. The reason why Marx's theory begins with the general form of surplus-value is that it is based on the assumption that all the particular forms of surplus-value *come from the same source* – the surplus-labour of workers. Therefore, the general form of surplus-value must be determined first, and then the particular forms, which depend on other factors besides surplus-labour, can be determined. The particular forms of surplus-value are 'different life-forms' of the universal surplus-labour; they are 'incarnations' or 'crystallisations' of surplus-labour.

Therefore, Marx divided his theory of surplus-value into two basic levels of abstraction, which correspond to Hegel's first two moments of the Concept: *capital in general* (the production of surplus-value), which corresponds to Hegel's moment of *universality*, and *competition* (or *many capitals*) (the distribution of surplus-value), which corresponds to Hegel's moment of *particularity*. Singularity is much less important in Marx's logic, and will be discussed briefly below (we will see that Marx related *credit-capital* to Hegel's moment of *singularity*, although with a very different meaning).

Marx added a *quantitative dimension* to Hegel's Logic of the Concept, because Marx's theory is a theory of capitalism, and *quantity is the main thing* about capitalism. More precisely, the main phenomenon of capitalism that Marx's theory explains is ΔM , the total *quantity* of surplus-value produced in the capitalist economy as a whole. The first level of abstraction of Marx's theory (capital in general, which corresponds to Hegel's universality) explains the quantity of surplus-value produced by *each and every* capital (more precisely by each and every worker), and thus explains the *total surplus-value* produced by *all capitals* (and *all workers*) *together* in the economy as a whole. The second level of abstraction of Marx's theory (competition, which corresponds to Hegel's particularity) explains how the total surplus-value is distributed among individual capitals, that is, how the total is *divided up* or *split into* individual parts, with the predetermined total surplus-value presupposed.

This connection between Marx's theory of surplus-value and Hegel's logic is strongly suggested by the fact that Marx used the *same German word* for his

logical category as Hegel did for his logical category – ‘*allgemein*’. This obvious connection between Marx’s logic and Hegel’s logic has been obscured all these years by the fact that this same German word has been translated into *two different English words*: ‘general’ in translations of Marx, and ‘universal’ in translations of Hegel.¹⁰ Ironically, the misleading translation of ‘*allgemein*’ in Marx’s theory as ‘general’ was initiated by Marx himself in the French edition of Volume I and by Engels in the English edition, apparently in a misguided attempt to popularise Marx’s Hegelian theory. This is clearly a cosmetic change, which does not change the logic of Marx’s theory, and which has done much more harm than good. In any case, everyone should now understand that Marx used the same German word for ‘capital in general’ that Hegel used for ‘universal’, which suggests that Marx was using similar logic in this all-important aspect of his logical method (the determination of the universal prior to the particulars).¹¹

The remainder of this chapter will review the various drafts of *Capital* and relevant letters, with emphasis on Marx’s explicit use of Hegel’s moments of universality and particularity as the logical structure of his own theory of the production and distribution of surplus-value.

The ‘Grundrisse’ (1857–8)

A very strong indication that Marx was utilising Hegel’s Logic of the Concept in his theory of capital are two sketchy, exploratory outlines early in the *Grundrisse* that Marx inserted into the first draft of what later became Part II of Volume I of *Capital* (pp. 264 and 275, in section I (‘The Production Process of Capital’) of the ‘Chapter on Capital’ in Notebook II (written in November 1857)). The basic structure of both of these outlines is Hegel’s three moments of the Concept:

-
- 10 I learned this important linguistic similarity from Fineschi 2005, p. 3, for which I am grateful.
- 11 Geert Reuten states in his chapter in this volume (p. 264) that Marx’s frequent use of the terms ‘general’ (or ‘universal’) and ‘particular’ is not evidence that Marx is using the Logic of the Concept, because these terms could also refer to Essence-Logic. However, Hegel’s own use of these terms is certainly within the Logic of the Concept. They are introduced in the first chapter of Volume II on the Logic of the Concept (or the Subjective Logic) and are the fundamental concepts in the rest of the volume, including Chapter 3 on the Syllogism. ‘Universal and ‘particular’ do not appear in a systematic way in Book II of Volume I on the Logic of the Essence. Therefore, it would seem that the most reasonable interpretation is that, when Marx uses the terms ‘universal’ and ‘particular’, using the same words as Hegel, and with the same meaning (the logical priority of the universal over the particulars), this was also within a framework similar to Hegel’s Logic of the Concept. Roberto Fineschi (in this volume and previous papers) presents a similar interpretation.

universality (translated as 'generality'), particularity and singularity (U – P – S). I will focus on the second outline (p. 275) because it is the clearest:

Capital

I. *Generality*

- (1) [Generality of capital]
 - a. Emergence of capital out of money
 - b. Capital and labour
 - c. Elements of capital (Product. Raw material. Instrument)
- (2) *Particularization of capital*
 - a. Circulating capital, fixed capital, turnover of capital
- (3) *Singularity of capital*
 - Capital and profit
 - Capital and interest
 - Capital as *value*, distinct from itself as interest and profit

II. *Particularity*

- (1) Accumulation of capitals
- (2) *Competition* of capitals
- (3) Concentration of capitals

III. *Singularity*

- (1) Capital as credit
- (2) Capital as stock capital
- (3) Capital as money market

We can see that this outline has two sets of U – P – S triads, a broad triad as sections of Capital and a narrower triad as subsections within the broad section of Generality. The contents of the broad Generality as a section of Capital is similar to what was later included in capital in general (that is, the first two volumes of *Capital* and Part I of Volume III). The narrow Generality as a subsection of the broad Generality is essentially the theory of surplus-value (Parts II and III of Volume I), the most important part of capital in general. The narrow Particularity as a subsection of the broad Generality includes fixed capital, circulating capital, and so on. More importantly, the broad Particularity as a section of Capital includes accumulation, competition and concentration. The meaning of 'competition' is not specified here, but we will see that later in the *Grundrisse* competition includes the equalisation of the profit-rate, the most important aspect of the distribution of surplus-value. As Marx's thinking developed, accumulation and concentration were moved from Particularity to Generality (because they have to do with capital as a whole), and Particularity would include only competition (that is, the distribution of surplus-value). The

narrow Singularity as a subsection of the broad Generality includes profit and interest, and the broad Singularity as a section of Capital includes credit, stock-capital and the money-market. Marx's thinking on Singularity in both senses remained essentially the same, although this was much less important in Marx's theory.

Thirty-five pages after the second outline (in Notebook III), Marx inserted an important methodological comment, which explains what subject his theory was concerned with at this early stage, and what subjects his theory was not yet concerned with, and this comment again clearly utilises Hegel's three moments of the Concept:

To the extent that we are considering it here, as a relation distinct from that of value and money, capital is *capital in general*, i.e. the incarnation of the qualities which distinguish value as capital from value as pure value or as money. Value, money, circulation, etc., prices etc are presupposed, as is labour etc. But we are still concerned neither with a *particular* form of capital, nor with an *individual* capital as distinct from other individual capitals etc. *We are present at the process of its becoming*. This dialectical process of its becoming is only the ideal expression of the real movement through which capital comes into being. *The later relations are to be regarded as developments coming out of this germ*. But it is necessary to establish the specific form in which it is posited at a *certain* point. Otherwise confusion arises.¹²

We can see that capital in general is described in Hegelian terms because 'we are present at the process of its becoming'. In other words, Marx's theory of capital in general explains how capital produces surplus-value, that is, how a given quantity of money becomes more money, and in this way becomes capital. The main quality that distinguishes capital from value and money is the production of surplus-value. The 'later relations' are the particular forms of surplus-value which will be explained as 'developments coming out of this germ' of surplus-value in general.

Marx's manuscript then goes on in the rest of Notebook III to sketch out for the first time his theory of surplus-value, including absolute and relative surplus-value and the transfer of constant capital. Dussel (2008 and 1985, Capítulo 8) has emphasised Marx's 'discovery' of his theory of surplus-value in these pages in Notebook III of the *Grundrisse*.

¹² Marx 1973 [1857–8], p. 310.

The important letter that Marx wrote in January 1858, in which he stated that he had found Hegel's method 'of great service' in his theory of profit (discussed above in the introduction), was written while Marx was writing Notebook IV of the *Grundrisse*. Notebook IV begins with a section that Marx titled 'Confusion of profit and surplus-value'. The main 'confusion' discussed by Marx in this section was that of Carey and Bastiat and Ricardo (separately), who confused the rate of profit with the share of profit of total income, and thus argued that a fall in the rate of profit was caused by a fall in the share of profit (ignoring altogether the composition of capital and its effect on the rate of profit). Marx summarised:

But at bottom, *surplus value* – the foundation of profit, but still distinct from profit so called – *has never been developed*.¹³

This is precisely what Marx's theory of surplus-value accomplished – it first explained surplus-value, as distinct from profit and as the foundation of profit.

Notebook IV continues with the theory of surplus-value, and then moves on to section II of the 'Chapter on Capital' ('The Circulation Process of Capital', the subject-matter of Volume II of *Capital*). In the middle of a discussion of overproduction and a critique of Proudhon, Marx briefly discussed (over two pages) the *general rate of profit* for the first time in his published writings, and he clearly stated (at this early stage) that a consideration of the general rate of profit has to do with the *distribution of surplus-value* and belongs 'in the section on *competition*':

A *general rate of profit* as such is possible only if . . . a part of the surplus value – which corresponds to surplus labour – is transferred from one capitalist to another . . . The *capitalist class thus to a certain extent distributes the total surplus value* so that, to a certain degree, it [shares in it] evenly in accordance with the *size* of its capital, instead of in accordance with the surplus values actually created by the capitals in the various branches of business . . . *Competition cannot lower this level itself, but merely has the tendency to create such a level. Further developments belong in the section on competition*.¹⁴

Fifteen pages later, Marx interjected another interesting methodological passage, which again utilises Hegel's moments of the Concept:

¹³ Marx 1973 [1857–8], p. 385.

¹⁴ Marx 1973 [1857–8], pp. 435–6.

Before we go any further, just one remark. *Capital in general*, as distinct from particular capitals, does indeed appear (1) *only as an abstraction*; not an arbitrary abstraction, but an abstraction which grasps the specific characteristics which distinguish capital from all other forms of wealth . . . These are aspects which are common to every capital as such, or which make every specific sum of values into capital . . . (2) however, capital in general, as *distinct* from the particular real capitals, is itself a *real* existence. For example, capital in this *general form*, although belonging to individual capitalists, in its *elemental form* as capital, forms the capital which accumulates in the banks or is distributed through them . . . While the general is therefore on the one hand only a mental mark of distinction, it is at the same time a *particular* real form alongside the form of the particular and the individual. (We will return later to this point, which, while having more of a logical than an economic character, will nevertheless have a great importance in the course of our inquiry. The same also in algebra. For example, *a, b, and c* are numbers as such; in general; but then again they are whole numbers as opposed to *a/b, b/c, c/b, c/a, b/a* etc., which latter, however *presuppose* the former as their general elements.)¹⁵

We can see from this passage that: 1) capital in general is an abstraction which grasps the essential characteristics of capital (which is of course primarily the production of surplus-value); and 2) in addition to this theoretical abstraction, capital in general has a real existence in a particular capital – as bank-capital or credit-capital. Credit-capital can be invested in any industry in the economy, and in that sense it is general; but it also belongs to particular individuals and is a real particular form of capital. In Hegel's terms, credit-capital could be considered as the *singularity* of capital – the real existence of capital in general in a particular capital (as in Marx's outline discussed above).

The algebraic example in this passage is also interesting: *a, b* and *c* are whole numbers, numbers in general, which are *presupposed* in the determination of the fractions *a/b*, and so on. In similar fashion, surplus-value in general (or the total surplus-value) is a whole number, which is presupposed in the determination of the fractions into which the total surplus-value is divided.

It seems reasonable to conclude from the above discussion of the first four notebooks of the *Grundrisse* that the aspects of Hegel's logic that Marx was referring to in his famous letter about the 'great service' of Hegel's method in his theory of profit must have been the *three moments of Hegel's Concept*:

¹⁵ Marx 1973 [1857–8], pp. 449–50.

universality, particularity and singularity.¹⁶ Marx had already figured out that his theory of capital and surplus-value would be structured in a similar way. The two outlines in Notebook II are clearly in terms of Hegel's three moments, and there are other methodological comments in Notebooks III and IV that are also made in terms of Hegel's three moments, and Notebook IV begins with a section entitled 'Confusion of profit and surplus value'. And, most importantly, the logic of Marx's theory of capital and surplus-value is similar to that of Hegel's Logic of the Concept: Marx's theory begins with capital in general – the essential characteristics of capital, mainly the production of surplus-value – which corresponds to Hegel's moment of universality (the same German word!). Marx's theory then proceeds to competition (or many capitals) – the theory of the general rate of profit and other aspects of the distribution of surplus-value – which corresponds to Hegel's moment of particularity. And finally Marx's theory proceeds to credit-capital – the general form of capital in a real particular capital – which corresponds to Hegel's moment of singularity.¹⁷

Further evidence will be presented below from the rest of the *Grundrisse* and from the later drafts of *Capital* to support this conclusion, but the evidence discussed so far seems sufficient to me. What other aspects of Hegel's logical method could Marx have been referring to in this letter? How would these other aspects of Hegel's method provide a logical framework for Marx's theory of *profit* (surplus-value)? And what textual evidence from the *Grundrisse* exists to support any different interpretation of Marx's meaning in this letter?

In the rest of the *Grundrisse*, there are a half-dozen brief comments on the equalisation of the rate of profit, and it is usually stated in these passages that the analysis of equal rates of profit *belongs to the part of the theory on competition* (or many capitals), after the part on capital in general. Two important examples will be discussed here (see also pp. 552, 557, 669, 761 and 767).

In Notebook VII (the last notebook of the *Grundrisse*), in a discussion of the confusion of economists who think that fixed and circulating capital somehow

16 In this letter, Marx used the term 'profit' here as a synonym for what he later called 'surplus-value'. As we have seen, he had been working on his theory of surplus-value, not his theory of profit as later defined. He had recently discovered the distinction between surplus-value and profit, and had probably not yet explained this distinction to Engels, and that is probably why he used the more familiar term 'profit' in his letter to Engels.

17 However, as Tony Smith (in this volume) has emphasised, Marx's use of the term 'singularity' is very different from Hegel's singularity. In Hegel's singularity, a particular form is the perfect embodiment of the true nature of the universal, whereas for Marx, credit-capital is the opposite of the true nature of capital – it is the *most fetishised* form of capital, which makes it appear as if interest comes from capital itself, without any relation to labour and the production-process.

produce profit independently of surplus-labour, Marx comments on the 'confusion' of previous economists:

The greatest *confusion* and mystification has arisen because the doctrine of surplus profit has not been examined *in its pure form* by previous economists, but rather *mixed in together* with the doctrine of real profit, which leads up to *distribution*, where the various capitals participate in the *general rate of profit*. The *profit of the capitalists as a class, or the profit of capital as such, has to exist before it can be distributed, and it is extremely absurd to try to explain its origin by its distribution.*¹⁸

In this important passage, Marx criticises previous economists because they 'mixed up' the theory of surplus-value 'in its pure form' (surplus-value in general and the determination of the total profit of the capitalist class as a whole) and the theory of 'real profit' (the particular forms of surplus-value and the distribution of the total surplus-value among individual capitalists). With the help of Hegel's logic, Marx did not make this mistake. Marx did not 'mix up' these two stages of the theory; instead Marx kept these two stages strictly separate and logically sequential. First the general form and total amount of surplus-value are theorised, and then the particular forms and the individual amounts of profit are theorised, with the general form and the total amount of surplus-value presupposed.

It is interesting to recall that Marx stated in his famous letter about Hegel's method that he had 'overthrown' all previous theories of profit. We can now have a better idea what Marx meant by 'overthrow' – that he had clearly distinguished between the theory of capital and surplus-value in general and the theory of the particular forms of capital and surplus-value.

Later in Notebook VII, in section III ('Capital and Profit') of the 'Chapter on Capital', there is another brief but important comment about the equalisation of the profit-rate. Marx commented again that the equalisation of the profit-rate has to do with the distribution of surplus-value among different capitals, which should be examined at the subsequent stage of many capitals, not in the initial stage of capital in general, which is what Marx was working on at the time:

The *total surplus-value*, as well as the *total profit*, which is only the *surplus value itself, computed differently*, can *neither grow nor decrease* through this operation [the equalisation of profit-rates], *ever*; what is

¹⁸ Marx 1973 [1857–8], p. 684.

modified thereby is not it, but only *its distribution among the different capitals*. However, *this examination belongs only with that of the many capitals*, it does not yet belong here [that is, in the stage of capital in general].¹⁹

In March 1858, while Marx was finishing the *Grundrisse*, he wrote a letter to Lassalle in which he stated that he was working on the first part of his 'book on capital' – the part on 'capital in general' – and that capital in general would be divided into three sections: 1) the **production-process**; 2) the **circulation-process**; and 3) the **unity of the two, or capital and profit and interest**.²⁰

We can see that these are the same three sections of the *Grundrisse*. However, these sections are now sections of 'capital in general', rather than sections of the 'Chapter on Capital'. Thus, Marx appears to have realised more clearly as a result of his work on the *Grundrisse* that his theory of capital should be divided into capital in general and competition, and so on, and that his theory in the *Grundrisse* was only about capital in general; it was not a complete theory of capital. The theory of competition would come later. Marx began to develop his theory of competition in the Manuscript of 1861–3, and developed it much more thoroughly in the Manuscript of 1864–5, and this theory includes the general rate of profit and other particular forms of surplus-value that have to do with the distribution of surplus-value.

Several weeks later (2 April), Marx wrote a letter to Engels in which he outlined the overall logical structure of his book on capital:

- I. *Capital* contains four sections:
 - a) *Capital in general* (this is the *subject-matter of the first part*).
 - b) *Competition*, or the action of the many capitals upon one another.
 - c) *Credit*, here capital as the general principle confronts the individual capitals.
 - d) *Share capital* as the most highly developed form (turning into communism) together with all its contradictions.²¹

Evidently, Marx's work in the *Grundrisse* on his theory of the production of surplus-value, at the level of abstraction of capital in general, and the brief discussions of the general rate of profit which he realised 'must be analyzed later in the section on competition', had given him sufficient clarity about the

19 Marx 1973 [1857–8], p. 760 (brackets added).

20 Marx 1983d, p. 287.

21 Marx and Engels 1975a, p. 97.

relation between capital in general and competition (essentially the production and distribution of surplus-value, or the general form of surplus-value and its particular forms), and about the overall logical structure of his theory, that he was able to write down these new improved outlines.

Although Marx did not use the Hegelian U – P – S triad in this outline, the logical structure of this outline is essentially the same as the earlier outlines, but with much greater clarity and precision, especially about competition. Marx's capital in general corresponds to Hegel's universality; Marx's competition corresponds to Hegel's particularity; and Marx's credit-capital and share-capital correspond to Hegel's singularity. Competition is about the particular forms and individual parts of surplus-value, which will be analysed *after* the general form and the total amount of surplus-value have been explained at the level of abstraction of capital in general. The three volumes of *Capital* are almost entirely about sections (a) and (b) in this outline. Marx never really got to sections (c) and (d) (although there is some material in Part V of Volume III that belongs to section (c) on credit-capital).

*The Manuscript of 1861–3*²²

The second draft of *Capital* was the Manuscript of 1861–3 (a huge work, 23 notebooks in all, and eventually published in six volumes in German and five volumes in English).²³ The recent publication of this manuscript in its entirety sheds new light on the development of Marx's theory of the distribution of surplus-value, which was eventually published in Volume III of *Capital*. About two-thirds of this manuscript is the previously published *Theories of Surplus Value*, much of which is about the distribution of surplus-value.²⁴ The other

²² See Moseley (2009) for an extensive discussion of the further development of Marx's theory of the distribution of surplus-value in the Manuscript of 1861–3, including a summary table on p. 146 that traces in detail the subjects Marx discussed in this manuscript.

²³ The Manuscript of 1861–3 was published for the first time in its entirety in German in the *Marx–Engels Gesamtausgabe*, abbreviated as *MEGA*, in 1976–82. The English translation was published in 1988–94 by Lawrence & Wishart and International Publishers, as Volumes 30 to 34 of the 50-volume *Marx and Engels Collected Works*. The publication of this entire manuscript is an important event in Marxian scholarship. This manuscript is an important link between the *Grundrisse* and *Capital* and provides many valuable insights into the logical structure and content of *Capital*, especially Marx's theory of the distribution of surplus-value in Volume III. It should be carefully studied by all those who wish to understand Marx's *Capital*. See Dussel 2001 for a detailed textual study of this manuscript, and Moseley 2001a for an introduction to Dussel's book.

²⁴ *Theories of Surplus Value* rearranges some of the material in Marx's original Manuscript of 1861–3 and omits some passages. See Moseley 2009 for further discussion.

third of the manuscript was published for the first time in the new *MEGA* edition, and includes a hitherto unknown second draft of Parts II–IV of Volume I of *Capital* (theory of absolute and relative surplus-value) and also the first drafts of Parts I, III and IV of Volume III.

The manuscript begins with the second draft of Marx's theory of surplus-value. This second draft is essentially the same as the first draft in the *Grundrisse*, but it is much more clearly developed than the rough and exploratory first draft. By this time, Marx had a very clear idea of the overall logical structure of Volume I, and he was able to write these chapters in close-to-final form.

While working on relative surplus-value (what later became Part IV of Volume I of *Capital*), Marx broke off and began to write in a new notebook (Notebook VI), which he entitled 'Theories of Surplus Value'. It appears that Marx's original intention was to follow his own theory of surplus-value, just presented, with a brief critical summary of previous theories of surplus-value of the classical economists, similar to what he had done earlier in *A Contribution to the Critique of Political Economy* for theories of value and theories of money. In any case, Marx's work on the 'Theories of Surplus Value' soon greatly expanded into many new topics that have to do with the distribution of surplus-value (not just the production of surplus-value), and thus belong to the level of abstraction of competition, beyond capital in general.

Marx began his critical survey of the classical economists' theories of surplus-value with the following clear opening statement, which is very important and has not received the attention it deserves:

All economists share the error of examining *surplus-value not as such*, in its *pure form*, but in the *particular forms of profit and rent*. What theoretical errors must necessarily arise from this will be shown more fully in Chapter III, in the analysis of the greatly changed form which surplus value assumes as profit.²⁵

Thus, Marx had this crucial distinction between the general form of surplus-value and its particular forms, which he first articulated in the *Grundrisse* (p. 684), clearly in mind as he began *Theories of Surplus Value*; this was the main theme which Marx wished to explore. Marx avoided the theoretical error of previous economists by doing precisely what they had failed to do: he first

25 Marx 1988a [1861–3], p. 348; Marx 1963, p. 40. References to parts of the Manuscript of 1861–3 that are also in *Theories of Surplus Value* will refer to both texts in this double form. All such passages are quoted from the Manuscript of 1861–3 (the two translations are not always the same).

examines *surplus-value as such* (the total surplus-value of capital as such) at the level of abstraction of capital in general, and then later examines the particular forms and individual parts of surplus-value at the level of abstraction of competition.

Marx repeated this general theme many times throughout *Theories of Surplus Value*; I will just discuss a few highlights here. With respect to Adam Smith, Marx argued that Smith actually had a theory of surplus-value in general – that surplus-value is the excess of the value produced by workers over the wages they are paid – and that this excess-value produced by the unpaid labour of workers includes the particular forms of surplus-value of profit and rent. However, Smith's lack of clarity about this distinction led to many errors:

Thus Adam Smith conceives *surplus value . . .* as the *general category*, of which *profit proper and rent of land are merely branches*. Nevertheless, he *does not distinguish surplus value as such* as a category on its own, *distinct from the specific forms* it assumes in profit and rent. This is the source of much error and inadequacy in his inquiry, and of even more in the work of Ricardo.²⁶

A few pages later, Marx made a similar comment, again in terms of the general form of surplus-value and its particular forms:

We have seen how Adam Smith explains *surplus value in general*, of which the *rent of land and profit are only different forms and component parts . . .* Because Adam makes what is in substance an analysis of surplus value, *distinct from its special forms*, he subsequently *mixes it up* directly with the further developed form of profit. This error persists with Ricardo and all his disciples . . . [T]he *confusion* creeps in immediately not when he is dealing *ex professo* [specifically] with profit or rent – those *particular forms of surplus value* – but where he is thinking of them only as *forms of surplus value in general*, as DEDUCTIONS FROM THE LABOUR BESTOWED BY THE LABOURERS UPON THE MATERIAL.²⁷

As Adam Smith resolves surplus value not only into profit but also into the rent of land – two *particular kinds of surplus value*, whose movement is determined by quite different laws – he should certainly have

²⁶ Marx 1988a [1861–3], pp. 388–9; Marx 1963, p. 82.

²⁷ Marx 1988a [1861–3], pp. 394–5; Marx 1963, p. 89 (capitalised emphasis in the original).

seen from this that he *ought not to treat the general abstract form as directly identical with any of its particular forms*.²⁸

With respect to Ricardo, Marx made a similar criticism – that Ricardo also failed to separate the theory of surplus-value in general and the theory of its particular forms:

In the critique of Ricardo, *we have to separate what he himself failed to separate. His theory of surplus value*, which of course exists in his work, although he does not define *surplus value* as distinct from its *particular forms*, profit, rent, interest. Secondly, his *theory of profit*.²⁹

Nowhere does Ricardo consider *surplus value separately and independently from its particular forms* – profit (interest) and rent.³⁰

Marx argued that Ricardo was not able to provide a satisfactory theory of the general rate of profit precisely because he failed to follow the correct logical method with respect to the general form of surplus-value and its particular forms. Specifically, Ricardo assumed the rate of profit in his very first chapter on value, without explaining how the rate of profit is determined. Marx argued that, instead of assuming the rate of profit in the beginning, Ricardo should have *abstracted altogether* from the rate of profit at the beginning of his theory, because the rate of profit is a particular form of surplus-value that has to be explained through a ‘number of intermediate stages’. Marx summarised his criticism of Ricardo’s faulty logical method as follows:

Instead of postulating this *general rate of profit*, Ricardo should have examined how far its existence is consistent with the determination of value by labor-time and he would have found that instead of being consistent with it, prima facie, it contradicts it, and that its existence would therefore *have to be explained through a number of intermediary stages*, a procedure very different from merely including it under the law of value. He would then have gained an altogether different insight into the nature of *profit* and would not have identified it directly with *surplus-value*.³¹

28 Marx 1988a [1861–3], p. 398; Marx 1963, p. 92.

29 Marx 1989a [1861–3], p. 397; Marx 1969, p. 169.

30 Marx 1989b [1861–3], p. 9; Marx 1969, p. 373.

31 Marx 1989a [1861–3], p. 401; Marx 1969, p. 174.

The main 'intermediate stage' is the determination of surplus-value in general and the total amount of surplus-value at the level of abstraction of capital in general.

In another passage, Marx criticised Ricardo for his 'lack of the power of abstraction':

The equalization of the surplus-values in the different trades *does not affect the absolute size of this total surplus-value*; but merely *alters its distribution* among the different trades. The *determination of this surplus-value itself*, however, only arises out of the determination of value by labor-time. Without this, the average profit is the average of *nothing*, pure fancy. And it could then equally well be 1,000% or 10% . . . One can see that though Ricardo is accused of being too abstract, one would be justified in accusing him of the opposite: *lack of the power of abstraction*, inability, when dealing with the values of commodities, to *forget profits*, a factor which confronts him as a result of *competition*.³²

In other words, Ricardo was unable to forget the particular forms of surplus-value when dealing with the general form of surplus-value.³³

The last chapter of *Theories of Surplus Value* is a long first draft of 'Revenue and Its Sources', which includes a critique of 'vulgar economics', according to which the particular forms of surplus-value are determined *separately and independently*, and the total surplus-value, if it is considered at all, is determined by *adding up* the autonomous individual parts, so that an increase in one of the parts would result in an increase in the total. Marx argued that this apparent mutual independence of the particular forms is an illusion; the fundamental determinant of all these particular forms is surplus-labour, and the total amount of surplus-value is determined by surplus-labour prior to the *division of this total* into individual parts, so that an increase in one of the parts would result in a reduction in some other part, with the total unchanged.

The *breakdown of surplus-value*, that is, of part of the value of commodities, into these special headings or categories, is very understandable and does not conflict in the least with the law of value. But the whole matter

³² Marx 1989a [1861–3], p. 416; Marx 1969, pp. 190–1.

³³ In the rest of the Manuscript of 1861–3, Marx made the same important point with respect to a number of authors; for example James Mill (Marx 1989b [1861–3], p. 275; Marx 1972, p. 85), John Stuart Mill (Marx 1989a [1861–3], p. 69; Marx 1972, p. 228), anonymous pamphlet (Marx 1989b [1861–3], pp. 388–9; Marx 1972, p. 254), Cherbuliez (Marx 1991 [1861–3], pp. 299–300; Marx 1972, pp. 376–7).

is mystified because these *different parts of surplus-value acquire an independent form*, because they accrue to different people, because the titles to them are based on different elements, and finally because of the autonomy with which certain parts [of surplus-value] confront the process as its conditions. *From parts into which value can be divided, they become independent elements which constitute value, they become constituent elements.*³⁴

Thus we can see that Marx's critical examination of classical economics in the Manuscript of 1861–3 also helped him to develop in this manuscript his own theory of the particular forms of surplus-value, that is, theory of the distribution of surplus-value, at the level of competition, beyond capital in general. In Moseley (2009), I discuss at length the development in this manuscript of Marx's theory of the particular forms of surplus-value – the general rate of profit (and prices of production), rent, interest and commercial profit. Marx maintained throughout this manuscript, with clarity and emphasis, the distinction between the general form of surplus-value and the particular forms of surplus-value, which he patterned after Hegel's moments of the Concept of universality and particularity. The general form and the total amount of surplus-value must be determined prior to the particular forms and individual amounts of surplus-value. The four-section outline of May 1858 (discussed above at the end of the section on the *Grundrisse*) remained the basic logical structure of Marx's theory of the production and distribution of surplus-value. The Manuscript of 1861–3 started out in section (a) of this outline (capital in general) and moved progressively into section (b) (competition). Sections (c) and (d) were still 'beyond the scope'.

The Manuscript of 1863–5 (Volume III of 'Capital', 1894)

The Manuscript of 1864–5 is the basis of what we know as Volume III of *Capital*, which was heavily edited by Engels.³⁵ This manuscript is mainly about the

34 Marx 1989b [1861–3], p. 511; Marx 1972, p. 511 (brackets in the translation).

35 This draft of Volume III is the only full draft of this volume, and was published for the first time in German in the *MEGA*, II/4.2 (1993). Unfortunately, it has not yet been translated into English, although thankfully there is a translation in the works (by Ben Fowkes), which should be published soon, and English Marxist scholars will finally have the opportunity to study this important manuscript in the original.

The draft of Volume III in the Manuscript of 1864–5 is the basis of Engels's edited version of Volume III with which we are familiar. There are some differences between Marx's manuscript and Engels's Volume III, mainly that Engels made Marx's manuscript look a lot more organised and complete than it actually was, especially Part V on interest, and to

particular forms of surplus-value – the general rate of profit (and prices of production), rent, interest and mercantile profit, and further develops Marx's theory of these particular forms that he first developed in the Manuscript of 1861–3. In other words, this manuscript is mainly about the distribution of surplus-value, at the level of abstraction of competition, beyond capital in general. In this draft, there is less use of the Hegelian term 'particular forms of surplus-value' than in the Manuscript of 1861–3, but the logic of the theory of these particular forms of surplus-value is the same as in the earlier drafts – the general form and total amount of surplus-value are determined first, and then presupposed in the further determination of the particular forms of surplus-value. The same theory is worked out in greater detail and greater depth in this manuscript. Thus the logic of Marx's theory of the production and distribution of surplus-value continues to be similar to the logic of Hegel's moments of the Concept, universality and particularity – the universal is determined first, and then the particulars are determined as particular forms of *the presupposed universal*.

Because of a space constraint, I will not discuss this manuscript in detail. See Moseley 2002 for an extensive discussion of Marx's theory of the particular forms of surplus-value in Volume III of *Capital*, with emphasis on this Hegelian feature of Marx's logical method.

*Volume I of 'Capital' (1867)*³⁶

The first German edition of Volume I of *Capital* was of course published two years later in 1867. Volume I presents Marx's theory of surplus-value in general at the level of capital in general. The exposition is much more complete and polished than in previous drafts, but the logic of Marx's theory of surplus-value in general is essentially the same – surplus-value is determined by surplus-labour, and the total amount of surplus-value is determined by the total amount of surplus-labour.

One week after Marx finally finished Volume I (and wrote to Engels in a triumphant mood at 2 a.m. in the morning that 'this volume is finished!'),³⁷ he wrote another letter to Engels (24 August) in which he stated that one of the two 'best points' of his book was the treatment of the general form of surplus-value

a lesser extent Part III on the falling rate of profit. However, these differences do not affect the subject of this chapter; the theory of the particular forms of surplus-value is the same in both.

36 See Moseley (2003) for an extensive discussion of Marx's final presentation of his theory of surplus-value in general at the level of abstraction of capital in general in the Volume I of *Capital*.

37 Marx and Engels 1975a, p. 180.

prior to and independently of its particular forms (continuing to use the same Hegelian concepts first utilised in the *Grundrisse*):

The best points in my book are: . . . 2) the treatment of *surplus-value independently of its particular forms* as profit, interest, rent, etc. This will be seen especially in the second volume. The treatment of the *particular forms* by classical economy, which always *mixes them up*, is a regular hash.³⁸

This statement is similar to the opening statement of *Theories of Surplus Value* discussed above, and also to the first articulation of this important point in the *Grundrisse* (p. 684), all in similarly Hegelian terms. Clearly, Marx considered this distinction between the general form of surplus-value and its particular forms to be an extremely important part of his logical method, and it was patterned after Hegel's moments of the Concept. This must have been what Marx meant in his famous 1858 letter about Hegel's 'great service'.³⁹

Five months later (in January 1868), Marx made a similar comment in another letter to Engels. This time the prior treatment of the general form of surplus-value is described as the first of the 'three fundamentally new elements' of his book:

1) That in contrast to *all* former political economy, which *from the very outset* treats the *different fragments of surplus value* with their fixed form of rent, profit, and interest as already given, *I first deal with the general form of surplus value*, in which all these fragments are still undifferentiated – in solution, as it were.⁴⁰

In this sentence, 'particular forms of surplus-value' is expressed as 'different fragments of surplus value', but the meaning is obviously the same. Here Marx seems to be suggesting a metaphor from chemistry to illustrate the relation between the general form of surplus-value (undifferentiated solution) and its particular forms (differentiated fragments).⁴¹

38 Ibid. According to Marx's plans at that time, the 'second volume' would include both 'Book II' on the circulation-process and 'Book III' on the particular forms of surplus-value (see Marx 1976c [1867], p. 93).

39 The other 'best point' mentioned by Marx in this letter was the distinction between abstract labour and concrete labour.

40 Marx and Engels 1975a, p. 186.

41 The two other 'new elements' mentioned in this letter are abstract/concrete labour and the explanation of wages as an irrational expression of the value of labour-power.

Conclusion

I conclude that, while Marx was working on the *Grundrisse*, he figured out the logical relation between surplus-value in general and the particular forms of surplus-value, with the help of Hegel's moments of universality and particularity, and this is what Marx meant in his important January 1858 letter, in which he wrote that Hegel's method had been 'of great service' in developing his own theory of profit. Marx's general form of surplus-value was patterned after Hegel's universality, and Marx's particular forms of surplus-value were patterned after Hegel's particularity. In both theories, the general or the universal is determined prior to the determination of the particulars, and the universal is presupposed in the determination of the particulars, that is, the particulars are explained as particular forms *of the presupposed universal*. Marx maintained this Hegelian logical structure for his theory of the production and distribution of surplus-value throughout all the drafts of *Capital*, and Marx considered this logical structure to be one of the two best points of his theory.

On Hegel's Methodological Legacy in Marx

Roberto Fineschi

Introduction

In this chapter I shall not deal with classic issues concerning Marx's relationship to Hegel, such as the concept of alienation or the inversion of concrete and abstract, real and ideal (materialism versus idealism). I shall just mention the matter of fact that Hegelian philology has shaken the foundations of Marx's idea of Hegel, so that we need at least to reconsider Marx's assumptions about Hegel.¹

I shall focus on the structure of Marx's theory of capital from the *Grundrisse* to the 'final' version of *Capital* and argue that we can find a development, which corresponds to the following pattern: universality (or generality) – particularity – singularity; it evidently recalls Hegel's theory of judgement and syllogism.² In spite of this similarity (and many others), I do not think we have to look for analogies or homologies between Marx's theory of capital and Hegel's logic; this alleged 'Hegelian approach' has paradoxically resulted in a very non-dialectical attitude in many scholars. In fact, Marx himself criticised any external application of categories to a given content. A formalistic application of determined categories extrapolated from Hegel's *Science of Logic* to externally provided materials is the opposite of the dialectical method, which consists in the (self-)development of that content itself. In the end, this supposedly 'Hegelian' interpretation of Marx's *Capital* contradicts Hegel's idea of dialectic. It also contradicts Marx's early idea of a 'peculiar logic of a peculiar object', expressed in the Manuscripts of 1843.³ Finally, Marx himself criticised

1 Even in sophisticated discussions on these topics, many scholars have rarely questioned whether Marx's interpretations of Hegel as either an idealist or a supporter of an alienation-theory were consistent or tenable. I have dealt in detail with this topic in Fineschi 2006.

2 See Hegel 1975 [1817], §163. 'General' is the translation of *Allgemein*. Since this term means 'universal' as well, in particular in the context of judgement and syllogism, it can better be translated as universality – particularity – singularity. 'Capital in general' [*Kapital im Allgemeinen*] and 'universality' [*Allgemeinheit*] mean the same thing.

3 Marx 1976e, p. 296, Marx 1975b [1843], p. 91: '[C]omprehending [*Begreifen*] ... consist[s] ... in grasping the specific logic of the specific subject [*eigentümlichen Gegenstandes*]'

this attitude in a famous letter to Engels, where he distinguished between Lassalle's supposed dialectic and the actual dialectical methodology.⁴

My starting point is the assumption that Hegel's legacy in Marx is methodological; if Marx is not interested in a formalistic application of models from Hegel's logic, he is faithful to its fundamental principle: the *Auslegung der Sache selbst*, the dialectical self-development of a determined content; the mode of exposition (presentation)⁵ of this content is the *Darstellungsweise*, which is called by Marx the 'only scientific method'.⁶

This does not exclude that, as a matter of fact, in several passages Marx seems to follow Hegel's determined patterns. However, these are just examples of how abstract logical categories work at lower levels of abstraction; the same thing happens in Hegel's philosophy of nature or spirit. This is not external application, but just the way those abstract categories work at a lower level of abstraction; the peculiar functioning of each of these more concrete levels redetermines also the way those abstract categories work in it.

In this chapter, I shall show how, from a partially abstract 'application' of the structure universal – particular – singular, Marx moves to a dialectically more consistent formulation of it. This will allow us to follow the development of Marx's theory of capital through its different stages of elaboration, from the first conception to the 'final' outline, which, although uncompleted, turns out to be dialectically more consistent than the first draft.⁷

It is well known to those who are familiar with the *MEGA*² that Marx realised only a part of his whole project. In the debate on the 'reduction' or 'improvement' of the dialectical method and the changes that occurred in the structure of the *Capital* concept from the 1857–8 Manuscript (the first draft, the so-called *Grundrisse*) to *Capital* (the four-book plan), many points have been made:

-
- 4 Marx and Engels 1973, pp. 274–5, Marx 1983b [1858], p. 261: 'It is plain to me from this one note that, in his second grand opus, the fellow intends to expound political economy in the manner of Hegel. He will discover to his cost that it is one thing for a critique to take a science to the point at which it admits of a dialectical presentation, and quite another to apply an abstract, ready-made system of logic to vague presentiments of just such a system'.
- 5 '*Darstellen*' does not simply pertain to the rhetoric of the presentation of given results, but the way the theory itself develops through its different levels and categories toward totality. It is in fact explicit that Marx is referring to Hegel's *Darstellung* when he uses this word. The process of exposition posits results, and produces theory and its logical consistency.
- 6 Marx 1976–81, p. 36, Marx 1986 [1857–8], p. 38.
- 7 This inquiry is today possible thanks to the new critical edition of Marx's and Engels's works, the *Marx-Engels-Gesamtausgabe*, which, for the very first time, makes available all the original materials written by Marx; these can be compared with Engels's editorial rendering. For the radical novelties connected to this edition see the Introduction to Bellofiore and Fineschi 2009.

several have thought that Marx kept the notion of 'capital in general' throughout; some have argued that this concept was dropped, while others have stated that it was reframed in a new plan.⁸

This debate, in my opinion, has not been focused enough on the very explicit dialectical framework of the broader theory of capital. Most of the scholars have mainly studied the relationship between capital in general and competition, while the further, more concrete levels of abstraction have been simply ignored, and also the connection of these with the triad universality – particularity – singularity. We have actually four levels of abstraction: 1) a sort of level zero, commodity and money, and commodity-circulation; 2) universality (or capital in general), 3) particularity (basically connected to competition), and 4) singularity (credit and share-capital). I have deeply analysed the intrinsic dialectic of these concepts in another essay;⁹ here I would like to deal with two particular issues: 1) how, despite changes, capital in general was not dropped; on the contrary its structure became more consistent thanks to some modifications; and 2) how several vexed questions in the traditional debate derive not from the accomplishment of a new plan for *Capital*, but from an inconsistent return to the old one.

If we set apart 'level zero' (Marx called it 'Vorchapters', 'pre-chapters'), we have a tripartite structure (universality [*Allgemeinheit*], or capital in general [*Kapital im Allgemeinen*] – particularity – singularity), which, as stated, clearly refers to Hegel's doctrine of judgement and syllogism. In order to discuss the consistency of this division and the particular problems linked to capital in general, we have to reconstruct how these categories were defined at the beginning and how their framework changed while the theory was worked out by Marx in its various drafts.

From 1857–8 to 1861–3

Marx wrote some outlines of his theory of capital in the 1857–8 Manuscript:

[A] (1) The general abstract determinations, which therefore appertain more or less to all forms of society, but in the sense set forth above.
 (2) The categories which constitute the internal structure of bourgeois society and on which the principal classes are based. Capital, wage labour,

8 For a summary of these debates see Fineschi 2009a, and 2009b. More recently on this topic: Heinrich 1989; Arthur 2001a; Moseley 2009.

9 See Fineschi 2005.

landed property. Their relation to one another. Town and country. The 3 large social classes. Exchange between them. Circulation. Credit system (private). (3) The State as the epitome of bourgeois society. Analysed in relation to itself. The 'unproductive' classes. Taxes. National debt. Public credit. Population. Colonies. Emigration. (4) International character of production. International division of labour. International exchange. Export and import. Rate of exchange. (5) World market and crises.¹⁰

- [B] I. (1) General concept of capital. – (2) Particularity of capital: circulating capital, fixed capital. (Capital as means of subsistence, as raw material, as instrument of labour.) (3) Capital as money.
- II. (1) Quantity of capital. Accumulation. – (2) Capital measured in terms of itself. Profit. Interest. Value of capital, i.e. capital in distinction from itself as interest and profit. (3) The circulation of capitals: (α) Exchange of capital with capital. Exchange of capital with revenue. Capital and prices; (β) Competition of capitals; (γ) Concentration of capitals.
- III. Capital as credit.
- IV. Capital as share capital.
- V. Capital as money market.
- VI. Capital as source of wealth. The capitalist.¹¹

[C] I. Generality: (1) (a) Evolution of capital from money. (b) Capital and labour (mediating itself by alien labour). (c) The elements of capital, distinguished according to their relationship to labour (product, raw material, instrument of labour). (2) Particularisation of capital: (a) Circulating capital, fixed capital. Turnover of capital. (3) Singularity of capital: Capital and profit. Capital and interest. Capital as value, distinct from itself as interest and profit.

¹⁰ Marx 1976–81, p. 43, Marx 1986 [1857–8], p. 45.

¹¹ Marx 1976–81, p. 187, Marx 1986 [1857–8], p. 195. It continues: 'After capital, landed property would have to be dealt with. After that wage labour. Then, assuming all three, the movement of prices as circulation now defined in its inner totality. On the other hand, the three classes as production posited in its three basic forms and presuppositions of circulation. Then the State. (State and bourgeois society. – Taxation, or the existence of the unproductive classes. – The national debt. – Population. – The State in its external relations: Colonies. Foreign trade. Rate of exchange. Money as international coin. – Finally the world market. Encroachment of bourgeois society on the State. Crises. Dissolution of the mode of production and form of society based upon exchange value. The real positing of individual labour as social and vice versa).'

- II. Particularity: (1) Accumulation of capitals. (2) Competition of capitals. (3) Concentration of capitals (quantitative difference of capital as at the same time qualitative, as measure of its volume and effect).
- III. Singularity: (1) Capital as credit. (2) Capital as share capital. (3) Capital as money market.¹²

From A and the continuation of B (in footnote 12) we draw the famous six-book plan, later explicitly reported in a letter to Lassalle (22 February 1858):

[D] The whole is divided into 6 books: 1. On Capital (contains a few introductory CHAPTERS). 2. On Landed Property. 3. On Wage Labour. 4. On the State. 5. International Trade. 6. World Market.¹³

This plan is repeated in the Preface to *A Contribution of 1859*.¹⁴

From B and C we have a structured plan of the book on capital, the first of six. Among these outlines there are differences that are normal in an initial phase; if, however, we compare the two indexes B and C with the actual drafting of the manuscript, the second one, written later, is the one that is substantially followed. In the 1857–8 Manuscript, although Marx also mentioned different topics that go beyond the limits of universality, he did not transcend its boundaries as for the strict logical development of categories.

The further tripartition of universality in C is confirmed in E, in another letter to Lassalle (11 March 1858):¹⁵

[E] 1. Value, 2. Money, 3. Capital in General (the process of production of capital; process of its circulation; the unity of the two, or capital and profit; interest).

Points 1 and 2 of E correspond to the 'Vor chapters' of point 1 in D; finally, in F, in a letter to Engels of 2 April 1858, we have a substantial confirmation of the entire structure of the book on capital, according to the original C model:

[F] Capital falls into 4 sections. a) Capital en général. (This is the substance of the first installment.) b) Competition, or the interaction of many capitals. c) Credit, where capital, as against individual capitals, is

12 Marx 1976–81, p. 199, Marx 1986 [1857–8], pp. 205–6.

13 Marx and Engels 1973, pp. 550–1, Marx 1983c [1858], p. 270.

14 Marx 1980, p. 99, Marx 1987b [1859], p. 261.

15 Marx and Engels 1973, pp. 553–4, Marx 1983d [1858], p. 287.

shown to be a universal element. d) Share capital as the most perfected form (turning into communism) together with all its contradictions.¹⁶

After he finished his work on the 1857–8 Manuscript, Marx wrote its index, G, where he considered topics that later would be part of Volume 1. What we had in C is taken up and expanded:

[G] I) Value . . . II) Money . . . III) Capital in general

Transformation of money into capital

- (1) The production process of capital
 - (a) The exchange of capital with labour capacity
 - (b) Absolute surplus value
 - (c) Relative surplus value
 - (d) Primitive accumulation
 (Presuppositions for the relation of capital and wage labour)
 - (e) Inversion of the law of appropriation.
- (2) The circulation process of capital.¹⁷

For the first time we have here the concept of accumulation within the framework of universality, although it is limited to the 'primitive' one.¹⁸ In C, accumulation was not supposed to be part of universality, but particularity (competition).

Universality [*Allgemeinheit*] of capital, or also capital in general [*im Allgemeinen*] is a category used by Marx only until the end of 1862. In the 1857–8 Manuscript it is defined as 1) the 'quintessence' of capital, what each capital has in common opposed to the 'many' capitals, a lower level of abstraction. Elsewhere Marx considers it as 2) total social capital before its articulation in particular capitals. There is also a third point: 3) the distinction between 'becoming capital' [*werdendes Kapital*] and 'become capital' [*gewordenes Kapital*]. Capital has 'become' once it has posited as its own result what at first was a presupposition, which it itself has not posited; it is 'becoming' when it is in the making of it, but has not yet worked it out. Once its presuppositions have been posited by itself, once it has become, its result is considered as an achievement of the entire capital, and so surplus-value becomes profit. The relationship capital/profit is the last step of universality and the starting point

16 Marx and Engels 1973, p. 312ff, Marx 1983f [1858], p. 298.

17 Marx 1980, p. 3ff, Marx 1987a [1857–8], p. 423.

18 In B there was a reference to that, but in the actual manuscript the exposition was limited to primitive accumulation, as it was later reported in G.

of particularity.¹⁹ Particularity is characterised by many capitals acting as universal, that is, fighting against one another for self-valorisation; in each particular capital the universal law (self-valorisation) is at work. In singularity, Marx exposes how few particular capitals incarnate in their own singular figure the function of universal capital (bank-system). The productive capitals stay in front of this universal as its particular form of realisation. In Hegelian terms, it is the universal reflected in itself; a singular that, in its particular form, acts as universal. This is the basis on which will then be developed the credit-system and share-capital.²⁰

If we analyse how this idea was structured in the 1857–8 Manuscript, it seems that Marx meant to develop the concept of a ‘typical’ capital, one and many at the same time (as if we studied ‘man’ in general before dealing with particular ‘men’). He started with value, its transformation into capital, and then developed capital-production and -circulation; at this point, he could move forward/turn back to value, as valorised value, as capital produced by capital; profit as the result of capital. The distinction between profit and interest was in this manuscript the passage to many capitals (so far these were not yet considered). The framework of many capitals in ‘competition’ was supposed to be the place where accumulation should be treated. In this structure, accumulation came after not only profit, but interest!

This idea of the ‘genus’ capital is confirmed by the way Marx developed the point III of G in the general outline of capital in general (H) written either after *A Contribution* (1859) or right before the 1861–3 Manuscript (1861). It is a list of ‘chapters’; for each of these there are precise references to pages from the 1857–8 Manuscript, indicating the material to be used for the new version. Here are the titles for the topics connected to the ‘final’ Volume 1.

19 The concepts of ‘becoming’ and ‘become’ derive from Hegel’s *Science of Logic* too (see the pages on ‘Concept in general’). They have logical (non-historical) meaning: they describe the process through which the system posits its presuppositions (becoming) and the status of accomplishment of that process (become). There was at first an ambiguous overlapping between these two dimensions; primitive and proper capitalistic accumulation were at first not adequately distinguished, also because the position of the latter was not yet clearly fixed. The final distinction will be explicitly made with *Capital* Volume 1 (1867); with the French edition (1872–5), the two Accumulations would each have an independent Section.

20 For a more detailed analysis of this point see Fineschi 2013.

[H] The Process of Production of Capital

- 1) Transformation of money into capital
 - aa) Transition ...
 - bb) Exchange between commodity and labour capacity ...
 - gg) The labour process
- 2) Absolute surplus value ...

Absolute and necessary labour time ... Surplus labour. Surplus population.

Surplus labour time ...

Surplus labour and necessary labour ...
- 3) Relative surplus value
 - aa) Cooperation of masses ...
 - bb) Division of labour ...
 - gg) Machinery ...
- 4) Primitive accumulation ...

Surplus product. Surplus capital ...

Capital produces wage labour ...

Primitive accumulation ...

Concentration of labour capacities ...

Surplus value in various forms and through various means

Connection of relative and absolute surplus value ...
- 5) Wage labour and capital

Capital, Collective force, Civilisation ...

Reproduction of the worker through the wages ...

Self-transcending limits of the capitalist production ... Labour itself transformed into social labour ...

Real economy. Saving of labour time. But not antagonistically ...

Manifestation of the law of appropriation in the simple commodity circulation. Inversion of this law ...

CIRCULATION PROCESS OF CAPITAL ...

CAPITAL AND PROFIT ...²¹

If we look at the titles of the chapters in G and H, we have: 1) Production process of capital, 2) Circulation process of capital, and 3) Capital and profit. The first two are exactly the same as Volumes 1 and 2 of the future 'final' version. The third, which is not in G, is similar to the first section of the 'final' Volume 3 (and they are the same as in E).

²¹ Marx 1980, p. 256ff, Marx 1986 [1861–3], pp. 514–6.

Despite this consistent framework, we also have some changes, in particular connected to accumulation: although still talking about 'primitive' accumulation, categories such as surplus-product and surplus-capital refer to a first draft of a theory of the capitalistic form of accumulation proper, followed after by a separate paragraph on primitive accumulation. Here, however, only the accumulation of a single 'typical' capital is taken into account; therefore, despite this interpolation (accumulation before profit and so within universality), the general idea – according to which we had before capital as such in its singular typical form (universality) and then many capitals (particularity) – does not change.

From 1861–3 to 1863–5

While writing the 1861–3 Manuscript, Marx modified some elements of his theory; this complex process would, however, take a long time; after this text, the term 'capital in general' was not used again.

The manuscript started as a continuation of *A Contribution*, following H. Unlike what is claimed in the Introduction to the *MEGA* volume, in this period Marx wrote a first draft of the third part of capital in general (capital and profit), maybe at the same time as the draft of part I, maybe after this was concluded.²² The topics he considered in this third part followed more or less the corresponding point of H, but especially excluded (b) (competition), (c) (credit) and (d) (share-capital) of F (that is, they don't transcend the limits of capital in general).

Marx interrupted the manuscript after the chapter on surplus-value, and began the history of the theory of it (March 1862), as he did in *A Contribution*; in this huge part of the manuscript, where research and exposition²³ are mixed together, Marx dealt for the first time with a few categories (mentioned, however, in all the previous plans) that go *beyond* universality, or capital in general: abstract theory of competition (and its double process: within one branch, which results in market-values, and among different branches, which results in the production-prices), and, connected to that, the theory of differential and

²² See also footnote 36.

²³ I am referring to the famous distinction made by Marx between *Forschungsweise* and *Darstellungsweise* in the afterword to the 1872 second edition of *Capital* Volume 1 (Marx 1987d [1872], p. 709, Marx 1996 [1867], p. 19; in this version, *Darstellung* is translated as 'presentation', and *Weise* as 'method').

absolute rent.²⁴ Some room was dedicated to interest, but not yet credit and share-capital (or fictitious capital). I would like to stress that these important novelties *do not* change anything in the old outline: all the topics mentioned are, after capital in general, exactly in the same positions they were supposed to be according to previous plans; they represent only their further realisation. Actual changes are to be found elsewhere: accumulation-theory.

As I said, Marx talked about accumulation within the framework of capital in general (that is: before capital is posited by itself) already in the 1857–8 Manuscript; however, he dealt not with capitalistic accumulation proper, but rather primitive accumulation. However, after relative surplus-value, Marx took into account the reinvestment of the produced surplus-value.²⁵ Accumulation appeared again in a passage on circulation, where he distinguished between primitive accumulation and capitalistic accumulation proper,²⁶ and also surplus-capital I and surplus-capital II.²⁷ According to C, these topics should come later, but, evidently, the logical consistency of the theory itself brought Marx to treat them there. In the 1861–3 Manuscript the accumulation of the single 'typical' capital is in fact dealt with after the production of relative surplus-value. It is interesting to point out that accumulation was taken up again in the final part of this manuscript²⁸ in a framework very close to what will be called total social reproduction, which evidently implies the relationship among *many* capitals.²⁹ This is the accumulation/reproduction of society as a whole. Both of these *two* accumulations/reproductions (respectively of a single 'typical' capital and of society as a whole) apparently come now before the relationship capital/profit, that is, before capital in general is 'accomplished'. If placing the first one (accumulation of a single capital) before profit did not change the old outline, the second (society as a whole) causes some trouble, since it includes many capitals.

Before I consider this point, I would like to emphasise that the 'anticipation' of accumulation is necessary to develop a *dialectically* more *consistent* theory

24 This also clearly emerges from a couple of letters to Engels (Marx and Engels 1990, pp. 271–81, Marx 1985a [1862], and 1985b [1862]).

25 Marx 1976–81, p. 294ff, Marx 1986 [1857–8], pp. 312–3.

26 Marx 1976–81, p. 367ff, Marx 1986 [1857–8], pp. 387–8.

27 Marx 1976–81, pp. 365–6, Marx 1986 [1857–8], pp. 384–5.

28 Marx 1978–82, p. 2243ff, Marx 1994 [1861–4], pp. 206–7.

29 Also in other passages, in relation to the criticism of Smith's dogma, according to which all the annual product would become revenue, Marx comes to terms with Quesnay's *Tableau économique*. Also his correspondence with Engels witnesses this (letter of 6 July 1863, the same period when he likely wrote the mentioned pages (Marx and Engels 1990, p. 362ff, Marx 1985d [1863], pp. 485–6)).

of capital. In order to be accomplished (to reach the relationship capital/profit), capital needs to posit its presuppositions (separation of labour-power and means of production, and availability of the material conditions for reproduction). In order to have this process not as a mere occasional event, but a *structural element of this system*, it is not sufficient to show how this happens once on the basis of presuppositions not posited by capital; if we didn't have those, the process itself would not take place. To be effectively posited, capital needs to show how it itself posits the conditions of its own reproduction. This is why accumulation/reproduction is necessary before profit.

However, although the analysis of the accumulation of a single, 'typical' capital is a necessary condition, it is not sufficient. Where does this typical capital find the material elements for its further reproduction, the new inputs that it does not produce itself? It is then necessary to consider the interaction with *others* in order to posit the capital-profit relationship. Marx's awareness about the necessity of 'circulation and reproduction' of *many capitals* as condition of the being-positing of a *single typical capital* was explicitly mentioned in the 1861-3 Manuscript:

This can only emerge in the circulation process which is in itself also a process of reproduction.

Furthermore it is necessary to describe the circulation or reproduction process before dealing with the already existing capital – capital and profit – since we have to explain, not only how capital produces, but also how capital is produced. But the actual movement starts from the existing capital – i.e. the actual movement denotes developed capitalist production, which starts from and presupposes its own basis. The process of reproduction and the predisposition to crisis which is further developed in it, are therefore only partially described under this heading and require further elaboration in the chapter on 'Capital and Profit'.³⁰

The conditions of the accumulation of a single capital imply a relationship with other capitals with which it exchanges (this is a system where products assume the commodity-form). Many capitals are then to be considered within the framework of universality, because they are necessary to reach the capital-profit relationship, its accomplishment. In Marx's original plan, one of the distinguishing elements between universality and particularity was the relationship one/many capitals. There were also other relevant distinctions,

³⁰ Marx 1978-82, p. 1134, Marx 1989b [1861-3], p. 143. With 'Circulation and reproduction' Marx intended total social reproduction in the sense of Part III of *Capital* Volume 2; in fact, in the first draft of that book (Manuscript I of 1864-5), he would title the respective part in this way (Marx 1988b, p. 301).

especially the idea of capital positing its presuppositions, with the capital-profit relationship as its culmination. In order to keep this more crucial moment, which is constitutive of capital's nature, Marx changed the position of accumulation (of a single and many capitals), putting it before profit. So, to keep a consistent concept of universality (or capital in general), he needed to make a few changes to his original idea. This made the concept of capital in general *more* consistent.

At the end of 1862, Marx reconsidered his plans. There were a few novelties: 1) He had realised that accumulation(s) and many capitals needed to be anticipated, at least for a first analysis; 2) for the first time, he had substantially dealt with topics that were beyond universality (competition, rent). We have some important remarks by him in a famous letter to Kugelmann and in two new outlines he wrote more or less in the same period.

In the letter to Kugelmann of 28 December 1862 he states:

The second part³¹ has now at last been finished, i.e. save for the fair copy and the final polishing before it goes to press. There will be about 30 sheets of print. It is a sequel to Part I,†a but will appear on its own under the title *Capital*, with *A Contribution to the Critique of Political Economy* as merely the subtitle. In fact, all it comprises is what was to make the third chapter of the first part, namely 'Capital in General'. Hence it includes neither the competition between capitals nor the credit system. What Englishmen call 'The Principles of Political Economy' is contained in this volume. It is the quintessence (together with the first part), and the development of the sequel (with the exception, perhaps, of the relationship between the various forms of state and the various economic structures of society) could easily be pursued by others on the basis thus provided.³²

If we take seriously the content of this letter, Marx writes very interesting things: 1) he does not abandon capital in general; on the contrary, he claims he wants to deal *only* with that. To confirm this, he further says that all the topics that come after capital in general (*always the same*: competition, credit-system) will not be considered. 2) Marx will not use this 'title' (capital in general) and announces the new one, *Capital*, with *A Contribution to the Critique of Political Economy* as subtitle.

This is consistent with what I argued before. We have a new outline of capital in general, which includes accumulation and a first analysis of many capitals. Competition is still excluded, because these many capitals do not 'freely'

31 The first part is *A Contribution*.

32 Marx and Engels 1990, pp. 639–41, Marx 1985c [1862], p. 435.

interact; their interaction is considered only to establish what mutual proportions among them are necessary in order to have total social reproduction. There is no analysis of their *free* interaction in the market, where each of them fights for self-valorisation and the defeat of the other capitals. In competition, they act as 'particular', because they each strive in their individual existence to accomplish their 'universal' goal: self-valorisation (and they do not do this in total social reproduction). In the credit-system we have, moreover, particular capitals that act as universal (bank as universal capital confronting many particular performing capitals).

A change of one feature of the original definition of capital in general does not change its more general identity (positing its presuppositions), nor does it change the further articulation in universal/particular/singular.³³ Why then did Marx not use this concept any more? Capital in general was originally the first part of three; now, since Marx is saying that he will not deal with part two (competition) and three (credit-system), it would not have made sense to use '1' in the new project, if '2' and '3' were not going to follow. '1' itself was supposed to become the whole book; it deserved a new title of its own.³⁴

If we look at the two new plans (sections 3 and 1; 2 is not considered yet) written by Marx in either November or December 1862 to outline the new project,³⁵ we can find a confirmation of what he later wrote to Kugelmann: he intended to deal only with capital in general.³⁶

33 For a more articulated analysis of the structure of particularity and singularity see Fineschi 2001 and 2013.

34 It is not true, however, that Marx more in general gave up these categories. The structure singular – particular – universal occurs in the theory of equivalent in the value-form (from 1867 to 1883). Money as general equivalent can also be translated as universal equivalent (see footnote 2). It is also the universal/general commodity in front of the many singular commodities that thus become its particular forms of realisation. This is evidence that Marx did not give up this conceptual framework.

35 These plans are in notebook XVIII (all in all there are 23). This notebook was put together with notebook XVII as one. At first, notebook XVII had a different title: 'Second last notebook' ('second' because there was a first 'Last notebook' that became later notebook XVI). According to Marx's annotation, the 'Second last notebook' (later notebook XVII) was written in January '62. Successively, in October–November '62, as Marx himself wrote on it, parts related to Section 3 were added to it, filling the space in notebook XVII left empty in January. Since it was not enough, a new notebook (XVIII) was added and bound with XVII. In this new part we have the two plans, which were probably written in either November or December 1862. The *MEGA* apparatus is mistaken on this (Marx 1987d [1872], p. 2398). This wrong conclusion was corrected in the apparatus of a subsequent *MEGA* volume: Marx 1992, p. 15*. The letter to Kugelmann comes directly after these outlines.

36 Marx 1978–82, pp. 1861–2, Marx 1991 [1861–3], pp. 346–7.

[I] The first section 'Production Process of Capital' to be divided in the following way: 1) Introduction. Commodity. Money. 2) Transformation of money into capital. 3) Absolute surplus value. (a) Labour process and valorisation process. (b) Constant capital and variable capital. (c) Absolute surplus value. (d) Struggle for the normal working day. (e) Simultaneous working days (number of simultaneously employed labourers). Amount of surplus value and rate of surplus value (magnitude and height?). 4) Relative surplus value. (a) Simple cooperation. (b) Division of labour. (c) Machinery, etc. 5) Combination of absolute and relative surplus value. Relation (proportion) between wage labour and surplus value. Formal and real subsumption of labour under capital. Productivity of capital. Productive and unproductive labour. 6) Reconversion of surplus value into capital. Primitive accumulation. Wakefield's theory of colonisation. 7) Result of the production process. Either sub 6) or sub 7) the CHANGE in the form of the Law of Appropriation can be shown. 8) Theories of surplus value. 9) Theories of productive and unproductive labour.

[J] 'The third section 'Capital and Profit' to be divided in the following way: 1) Conversion of surplus value into profit. Rate of profit as distinguished from rate of surplus value. 2) Conversion of profit into average profit. Formation of the general rate of profit. Transformation of values into prices of production. 3) Adam Smith's and Ricardo's theories on profit and prices of production. 4) Rent. (Illustration of the difference between value and price of production.) 5) History of the so-called Ricardian law of rent. 6) Law of the fall of the rate of profit. Adam Smith, Ricardo, Carey. 7) Theories of profit. Query: whether Sismondi and Malthus should also be included in the Theories of Surplus Value. 8) Division of profit into industrial profit and interest. Mercantile capital. Money capital. 9) Revenue AND ITS SOURCES. The question of the relation between the processes of production and distribution also to be included here. 10) REFLUX movements of money in the process of capitalist production as a whole. 11) Vulgar economy. 12) Conclusion. 'Capital and wage labour'.

In my opinion, these confirm what I have been arguing. As for Section 1, both the index and the fact that, in January 1863, Marx just continued what he had worked out in the first five notebooks started in 1861, following the same model, with the only exception that accumulation (reconversion of surplus-value into capital) is now explicitly mentioned.

More controversial is the index for Section 3. I showed how Marx took up what he had worked out at the beginning of 1862 ('Last notebook 2', now called notebook XVII, written before he studied competition and rent in more depth). These parts were now (October–November 1862) complemented by new texts on commercial capital and reflux of money (last part of notebooks XVII and XVIII). So far, there is no real change of structure. However, our crucial question is this: are those parts that were supposed to come after capital in general, which Marx more systematically dealt with in the 1861–3 Manuscript (competition and rent), organically inserted into the theoretical development of its theory, or not? I do not think so.

There is no competition in this outline. Point 2 from J – 'Conversion of profit into average profit. Formation of the general rate of profit. Transformation of values into prices of production', which corresponds to the respective section in the 1864–5 Manuscript (chapter 9 in Engels's Volume 3), does not mention competition. The part on this topic from notebook XVI (December 1861) had been written before the analysis of the two dimensions of competition that paralleled Marx's criticism of Smith's and Ricardo's theories of production-price. There, he said, 'The relation of competition, in so far as we have considered it here as an illustration (not as belonging to the development itself), entails that the surplus value the individual capitalist makes is not really the decisive factor.'³⁷ Marx uses the technical term 'illustration', that is: not belonging to 'development' itself; this word will be later used again for rent. A few pages later he wrote:

One can only speak of an average rate of profit when the rates of profit in the different branches of production of capital are different, not when they are the same. A closer investigation of this point belongs to the chapter on competition. Nevertheless, the decisive general considerations must be adduced here. Firstly, it lies in the nature of a common or general rate of profit that it represents the average profit; the average of very diverse rates of profit.³⁸

What is 'definitely general' is not competition, but the fact that a 'general' rate of profit is an average of many different rates of profit. However, nothing is said about how this average is produced, nor whether or not this will be part of the systematic development of the theory of capital. Here the result of competition is just *stated*, because we are abstracting from the real movement of many

37 Marx 1978–82, p. 1605, Marx 1991 [1861–3], p. 75.

38 Marx 1978–82, p. 1623, Marx 1994 [1861–4], p. 94.

capitals; we just assume their average result by making an algebraic sum of the individual rates of profit and dividing them by the number of given capitals; *this mere calculation is not part of competition*; capitals do not compete in any way (and this is also why we do not have market-values here).³⁹ If Marx says 'the analysis of this is part of the chapter on competition', it is implied that this is not the chapter on competition. Moreover, there is no reference here to future paragraph 3 of the 1864–5 Manuscripts (chapter 10 in Engels's edition), where competition will be explicitly analysed (at a high level of abstraction).⁴⁰

We still have nothing at all on credit and share-capital (fictitious capital).⁴¹

As for rent-theory, it is in the plan but, again, just as 'illustration'; exactly the same term is used in a letter to Engels (2 August 1862): 'I now propose after all to include in this volume an extra chapter on the theory of rent, i.e., by way of "illustration" to an earlier thesis of mine'.⁴²

To summarise: 1) The 'new' topics of the 1861–3 Manuscripts are not really new; competition and rent had always been in Marx's plans. They are new in the sense that Marx dealt with them more systematically in the 1861–3 Manuscripts. 2) If compared with the previous plans, however, their position did not change after this deeper analysis; it was accumulation (of a single capital and many capitals) that changed its position. 3) After this change, the concept of capital in general (the process of positing capital's own presuppositions) was not dropped; on the contrary, that concept became more consistent. 4) Marx's final decision was to reduce the entire exposition to capital in general only (differently named) and to insert the novelties as just 'illustrations'

39 What is theoretically decisive for an outline of the theory of competition is not a generic reference to it, but the 'development' [*Entwicklung*] of the category 'market-value' as a necessary moment for a consistent passage to production-price. In the central part of the 1861–3 Manuscript (*Theories of Surplus Value*), Marx dealt for the first time with this issue (Marx 1978–82, p. 854, Marx 1989b [1861–3], p. 430); it was taken up in similar terms and further analysed in the 1863–5 Manuscript, second section, third paragraph (chapter 10 in Engels's edition) (Marx 1992, p. 230ff, Marx 1998 [1894], p. 171ff). This part is beyond universality, because it is necessary to realise, to sell the produced commodities on the market in order to establish the levels of market-prices. This implies not an abstract result of competition (as implied in paragraph two, chapter 9 in Engels's edition), but actual competition, within one branch and among branches.

40 There is another outline in the 1861–3 Manuscript of what later became Part II of Volume 3, where competition is mentioned (Marx 1978–82, pp. 1816–17, Marx 1991 [1861–3], p. 299). However, it is not clear what Marx meant here, especially because there is no mention of the decisive category, market-value. It is not possible to understand if here it is an 'illustration' or not.

41 I am not going to consider here the rôle of interest. About this topic see Fineschi 2013.

42 Marx and Engels 1990, p. 271, Marx 1985a [1862], p. 394.

(because he probably understood he did not have the time and energy to get through such a big and complicated subject).

In January 1863, Marx began to write Section 1 [I], or better *continued* what he had written in 1861. After the exposition of the accumulation of a single capital, he started to analyse total social reproduction, or the accumulation of capitals, which is what he called in this period 'circulation and reproduction', a theme that was familiar to him also through Quesnay's *Tableau économique*. If Marx had understood that both accumulations should be placed before profit, it was not yet clear what the precise position of the second (total social reproduction) should be, also because he had not yet precisely outlined the structure of Section 2. It was then better to start over in a more systematic way with a third huge manuscript: 1863–5.

1863–5

In the 1863–5 Manuscript, for the first time Marx wrote *Capital* according to the 'final' three-volume plan.⁴³ He started with Volume 1 and then passed to the third, skipping again Volume 2. After writing section one of Volume 3, he went back and wrote for the first time Volume 2; and then he finished Volume 3.

We have only a few pages that have survived from Volume 1 (the main part is the famous sixth chapter on 'Results of the Immediate Process of Production'). It is, however, certain that this text later became the basis for later manuscripts; it would be started over in 1865 and further modified before the publication of the first German edition in 1867. In that first draft, Marx probably did not mean to write a new account of the commodity and money and commodity-circulation, but to continue on the basis of *A Contribution*. At a certain point he also decided not to include Chapter 6 and also to write the history of the theory in a separate book. These modifications do not alter the structure described above, so I will not deal with this here and will instead move to Volume 2.

The first point to stress is that capital-circulation has *always* been placed within the framework of universality. What has changed is not this, but the necessity to include the analysis of total social reproduction (the second step of accumulation-theory) within this framework. Marx drew this conclusion in the 1861–3 Manuscript; we have seen how, at the end of that manuscript, he

43 I am talking about the three 'traditional' volumes; at this point a separate fourth one on the history of the theory was not foreseen. Marx talked explicitly about these three books only later in a letter to Kugelmann; here, next to those three books there was a fourth on the history of the theory; these four books were to be published in three volumes (Marx and Engels 1974, pp. 533–4, Marx 1987c [1866], p. 328). I shall come back to this later.

tried to develop a first formulation of total social reproduction, right after the accumulation of a single capital. At that moment, Marx did not have a new plan for Section 2 (what will later be Volume 2). When in the first half of 1865 he wrote for the first time Volume 2, he listed three chapters: 1) Circulation process, 2) Turnover, and 3) without a precise title. Only when he actually wrote that chapter did he provide a title: 'Circulation and Reproduction';⁴⁴ the same as the terms used in the 1861–3 Manuscript to designate total social reproduction. This is the final outline of Volume 2. Marx will never finish this text; although we have eight manuscripts and a few drafts, the book remained a rough draft. In spite of this rough status, what was never changed was the structure of the three chapters, which can be considered definitive. Thanks to this complex system of presuppositions, it was finally possible adequately to posit capital and reach the capital/profit relationship, the final step of universality (or capital in general).

The biggest issue concerns Volume 3 and capital in general. Marx's solution at the end of 1862 was to keep that concept and insert the additional new topics only as illustrations. This did not include credit and fictitious capital and probably not the second part of the tendency of the rate of profit to fall. If we now compare the outline of Volume 3 in the 1863–5 Manuscript and the plan of 1862 (J), it is evident that they are different;⁴⁵ here is a list of the main variations:

- 1) A chapter on competition (paragraph 3, chapter 10 in Engels's edition); Marx states here that the transformation is the *result* of the double process of competition. In J we have only the title of what would be paragraph 2 (chapter 9 in Engels's edition).
- 2) The tendency of the rate of profit to fall is more elaborated than in the 1861–3 Manuscript; the second part especially is more developed, where Marx sketches a theory of economic cycles.⁴⁶
- 3) There is, for the first time, a final complex chapter dedicated to credit and fictitious capital. For the readers of the traditional edition provided by Engels in 1894, it is not possible to see that 'credit and fictitious capital' (the developed form of share-capital) is the final part of the book on capital; and also that interest is the necessary dialectical passage to that part

44 Compare Marx 1988b, pp. 139 and 301ff.

45 Despite the many changes, the general outline is similar to the one you can find in Engels's edition, except for the part on credit and fictitious capital, which was completely altered.

46 On this see Fineschi 2001 and Reuten 2004.

as a whole.⁴⁷ The first four chapters of Engels's edition (Part V, chapters XXI–XXIV), correspond to the manuscript (chapters 1–4). In the manuscript there is, however, a final chapter 5 with one single title: credit and fictitious capital (again: the same final step since 1857–8). Engels transformed the general title into the title of just one chapter (XXV) *next* to many other chapters, most of which were nothing but Engels's editorial creations; he put together quotations Marx had collected in his manuscript, forming chapters that did not exist in Marx's manuscript (XXVI, XXXIII–XXXV). Marx's point 5 was like this:

[K] 5. Credit and fictitious capital.

Addenda

Role of Credit in the capitalistic production

I.

II.

III.

Confusion

III. Continuation from page 561

Confusion. Continuation from page 583.⁴⁸

- 4) After credit and fictitious capital, there is a section for rent, a sort of book within the book. It is no longer an 'illustration' as it was in J.
- 5) There is a final section on revenues and their sources. This was already in J (in the 1861–3 Manuscript we also have a first exposition of this section), but there rent was excluded. Now it is included.

These topics, which evidently go beyond the limits of universality, are no longer just 'illustrations' (some of them were not even mentioned before at all), but are now structural parts of the theory. Why were they put in? Are they necessary for a consistent theory of capital? What is the status of capital in general now?

Before we deal with these questions, we need to look at how Marx was planning to structure the concept of capital now that the main focus had changed. The new three-volume plan was like this: Volume 1 was supposed to contain both Book 1 (production-process) and 2 (circulation-process); Volume 2 was supposed to contain Book 3 [*Gesamtgestaltungen*]; Volume 3 was supposed to

47 This implied some changes in the concept of interest from the original plan; see Fineschi 2005.

48 Marx 1992, p. 7*.

contain Book 4 (history of the theory, never written).⁴⁹ Even if the old general logic was not changed, now the focus is no longer on the three levels of abstraction (U – P – S, capital in general, competition, credit and fictitious capital), but on essence and manifestation.⁵⁰ Volume 1 should include what comes before profit (Book 1 on production + Book 2 on circulation, that is, essence), whereas Volume 2 should treat the forms of manifestation (Book 3) after profit.

The title of section 3 of 1862 (J) is capital and profit, the same as section 1 of Volume 3. The question is: in order to analyse even at the highest level of abstraction the forms of manifestation of capital, is it possible not to include competition, credit and fictitious capital, and rent as organic parts of the theory? The answer is no. This is why Marx, while writing the manuscript, changed his mind once more and went back to the old plan (U – P – S), but within the new framework essence/manifestation. Not those entire books, but their abstract essential lines needed to be included. This was the only way he could be able to speak scientifically, at the end, of the three classes of society presupposed by Ricardo in the introduction to his book:⁵¹ capitalists, wage-workers and rentiers.⁵²

The abstract average profit cannot be a *manifestation* if is not posited by *phenomenal* agents (many capitals free to interact) in competition; this cannot be mere illustration, but needs to develop categories; interest itself as the 'natural' fruit of the 'thing' capital cannot be conceived, if the idea of an average gain of capital (average profit) has not become common sense among acting capitalists. Also crises and cycles have to be sketched; moreover, how can capitalistic phenomenal life be described without credit and share-(fictitious) capital? What is the relationship between real accumulation and fictitious accumulation? Summarising: to draw an outline, even at a very abstract level,

49 Marx and Engels 1974, pp. 533–4, Marx 1987c [1866], p. 328: [L] 'The whole work is thus divided into the following parts: Book I. The Process of Production of Capital. Book II. The Process of Circulation of Capital. Book III. Structure of the Process as a Whole. Book IV. On the History of the Theory. The first volume will include the first 2 books. The 3rd book will, I believe, fill the second volume, the 4th the 3rd.'

50 I would like to point out that 'manifestation', or 'phenomenon' [*Erscheinung*], does not mean non-essential or just secondary [*Schein*]. There is here another aspect of Hegel's heritage: phenomenon is the necessary form of manifestation of essence, and so co-essential; essence does not appear as such, but in different forms. Phenomenon is the way essence consistently manifests itself at the surface. *Schein* is, on the contrary, the belief that manifestations, as they appear, are not 'essential', but essence itself.

51 Compare Ricardo 1821, Preface.

52 This did not happen in the 1861–3 Manuscript. Not by accident in J's conclusion only capital and wage-labour are mentioned. Since rent was only an 'illustration', he could not deal with the 'three' classes.

of how capitalistic phenomenal dynamics work, more than universality is required. It was then theoretically necessary to return to lower levels of abstraction.

What is worth emphasising is that an analysis of these topics (lower levels of abstraction) *after* capital and profit is *not* a new plan. It is simply F (except for accumulation and total social reproduction). Also including rent after capital is not new; it is D. We have, then, the return of $U - P - S$ within the framework of manifestation. Despite this return, the structure essence/manifestation remained the basic framework of this final exposition; this is why the old categories were not mentioned any more: they did not represent the principal outline.

Problems

Marx's 1864–5 Manuscript for Volume 3 remained unfinished. He more persistently tried to finish Volume 2,⁵³ while for Volume 3 we have only a few materials – no general reconsideration, just special manuscripts for specific topics.⁵⁴ This manuscript is then, on the one hand, the only substantial reference point for this part of the theory (Volume 3) and, on the other hand, a draft, with many unaccomplished parts, in particular the ones I've been referring to so far. In the end, it turned out to be a mix of two plans and this caused a few problems; a book on capital in general was twisted to include – not as illustrations but organically – topics from lower levels of abstraction. Even if they followed Marx's old ideas, in a few cases he was not able to show the mediation between different parts; therefore, expositions of connected topics at different levels of abstraction lay next to one another without sufficient mediation. I think that at least two of the most controversial points scholars have been debating about for more than a century derive from these inconsistencies.

53 Almost all the manuscripts for Volume 2 and Engels's editorial materials have been published in the second section of *MEGA*²: see II/4.1, II/11, II/12. A volume with the few remaining materials (II/4.3) has recently appeared. In II/13, Engels's edition of 1885 has been republished. On this see Hecker 2009.

54 Almost all the Marxian manuscripts for Volume 3 and Engels's editorial materials have been published in the second section of *MEGA*²: see II/4.2 and II/14. A volume with the few remaining materials (II/4.3) appeared in 2012, completing this section. In II/15, Engels's edition of 1894 has been republished. On this see Roth 2009.

1) The transformation-problem. We have paragraph two (chapter 9 in Engels's edition) at the level of abstraction of capital in general. In fact, competition plays no rôle for the calculation of the average profit, we have just an algebraic sum and division. Competition is here just a label and, significantly, the term barely occurs (two times, referring to the equalisation-process, which is actually the subject of the next paragraph). The realisation of products plays no rôle and there is no market-value. Values and prices diverge. Paragraph three (chapter 10 in Engels's edition) is on the contrary an analysis of how the two competitions (within one branch and among branches) produce market-values and then production-prices thanks to a long-run trend to equalisation, where commodity-realisation is essential. Here there is no divergence between market-values and prices, because production-prices are nothing but an average to which market-prices *tend* in the long run (they never cease to realise approximately their market-values).

We have then, next to each other, two paragraphs that belong to different levels of abstraction and no mediation.

2) The second case regards the tendency of the rate of profit to fall. In the first part we have this tendency explained on the basis of the increase of the organic composition of capital. We don't need any realisation of commodities to understand that, because we know from the first volume that there is an intrinsic trend in capital gradually to invest more in constant capital. This is a process that can be studied in its pure form, setting competition apart. In the second part, we can find a sketched theory of economic cycles, where concepts emerge for which competition is crucial, such as crisis, overproduction, and so on. Here the fall of the rate of profit is due to the impossibility of selling commodities produced.

The two parts are at different levels, but, again, no real mediation is given.⁵⁵

As for the general outline, further questions concern the final section on credit and fictitious capital. As I said, Engels's edition deeply misled the interpretation of this part, since he transformed the general title of the final section of capital-theory into the title of just one chapter next to many others, most of which were nothing but Engels's creation. In spite of the unfinished status of

55 This is why also in the 1857–8 Manuscript (whose consistent exposition do not go beyond the boundaries of capital in general), Marx had treated both average profit in the way we find it in chapter 9 of Engels's edition, and the tendency of the rate of profit to fall because of the growth of the constant part (Marx 1976–81, pp. 346–7 and 625, Marx 1986 [1857–8], pp. 263–4 and Marx 1987a [1857–8], pp. 136–7). They do not require competition and so can be included in the 'general' consideration on capital and profit.

this part, it is clear what Marx wanted to deal with in most of the text (chapters 28–32 in Engels's edition): the relationship between real and fictitious accumulation, and a sketch of a theory of the economic cycle which could take into account both accumulations (real and fictitious) and their mutual feedback. This is what he once called singularity; it is very important to point out that in this manuscript (1864–5) Marx wrote *for the first time* the final part of his theory of capital *according to the plans written in 1857–8*.

Finally, the position of rent after capital is not new at all. It corresponds again to the plans of 1857–8. The difference is that rent is analysed only for what relates to the general theory of surplus-value, in particular for its connection with the average profit. As for the other books on competition, credit and fictitious capital, what was added in the end was not their entire exposition, but only their more abstract aspects, inasmuch as they were connected with the general theory of capital; this is what he needed to outline capital's phenomenal dynamics at the highest level of abstraction.

Conclusion

We have seen, first, how Marx started with a generic 'dialectical' outline of the concept of capital ($U - P - S$). Secondly, because of the intrinsic consistency of the concept of universality, he made some changes that resulted in a dialectically more consistent framework of it. Thirdly, at a certain point Marx seemed to give up not the old project, but the idea he could entirely realise it: he wanted to treat only capital in general, articulated on two levels: essence and manifestation. However, this new model turned out not to be consistent without the introduction of at least the most abstract elements of more concrete levels of abstraction: competition, credit and fictitious capital, and rent. Therefore, the old project re-emerged in the new one.

What is Hegelian about this? First the idea that an intrinsic necessity lies inside things; if a scientist wants to make sense of them, he or she has to let their internal logic develop: the *Auslegung der Sache selbst*. Marx, like many others of his generation, thought that, according to Hegel, this was the way the Idea created the material world; this was his 'idealism'; according to Marx, it was instead just the way the scientific laws were reproduced in thought. Today we know that Marx's criticism is untenable and that this translation of real into thought is much closer to Hegel's attitude than he could imagine.

On the other side, we have a consistent presence of the triad $U - P - S$. It is not an application of these categories to political economy; the concept of capital itself demonstrated its intrinsic dialectical nature and showed in its

self-exposition that it has a structure that corresponded to those categories. These are: the process of positing its presuppositions (universality); the free interaction of many particular capitals that individually try to realise their universal law, self-valorisation (particularity); particular capitals that in their singular existence incarnate the universal nature of capital (pure self-valorisation, the bank as material agent of interest-bearing capital); they stay as existing universals in front of all other different particular types of capitals, which borrow money-capital for their undertakings (singularity).

Lost in Translation? Once Again on the Marx–Hegel Connection

Riccardo Bellofiore

Introduction

This chapter will deal in steps with the Marx–Hegel connection in *Capital*. The first step (section 1) will be to survey the most relevant positions in shaping the writer's own views. The second step, in two sections, will be to review Marx's criticisms of Hegel (section 2) and then to consider the debate within the International Symposium on Marxian Theory (ISMT) (section 3). The third step will be to argue that it is exactly Hegel's idealism which made the Stuttgart philosopher crucial for the understanding of the capital relation. This third step is divided into three sections. Initially (section 4) I shall consider Colletti's reading of Marx-cum-Hegel, and also some converging considerations by Backhaus in his perspective on the dialectic of the form of value. I shall then present my own interpretation, showing how the movement from commodity to money, and then to capital, must be understood as following a *dual path*. The first path (section 5) reconstructs the 'circularity' of *Capital as Subject*, as an *automatic fetish*: it is here that Hegel's *idealistic* method of 'positing the pre-supposition' served Marx well. The second path (section 6) leads us to dig into the 'constitution' of the capital-relation, and therefore into the 'linear' *exploitation* of workers and *class-struggle in production*. Here we meet Marx's radical break from Hegel, and understand the *materialist* foundation of the critique of political economy.

1 Three Ways of Looking at Dialectics

In recent decades the relationship between Marx and Hegel has been at the centre of attention. Let us start from the meaning of the term 'critique' in Marx's critique of political economy. Alfred Schmidt remarked that for Marx there are no social *facts* in themselves which can be apprehended through traditional discipline-boundaries. The real 'object of knowledge' is the social phenomenon *as a whole*, hence capital as *totality*. But this latter must be understood

not as if the empirically given conditions of production are the *immediate* object of knowledge. Theory and its 'objective' content are related, but they are not one and the same. The *method of inquiry*, Schmidt explains, deals with material from history, economics, sociology, statistics, and so on, and through the 'isolating' and 'analysing' of understanding. The *method of presentation*, in contrast, has to bring concrete unity to these isolated data. 'Presentation' [*Darstellung*] proceeds from immediate 'being' to *mediating* 'essence', which is the *ground* of being. Essential reality *must* 'appear' [*erscheinen*], but this concrete instantiation of essence is distinguished from its manifestation.¹

If Schmidt stresses the *epistemological* rôle of dialectics by showing the *inner connection of objects and concepts*, Roberto Finelli insists that appearance, while 'exhibiting' [*Darstellung*] essence, fundamentally *distorts* it.² The method of *Capital* is the *positing of the presuppositions*.³ We encounter here a second rôle for dialectics: that of an active 'dissimulation' of the inner essence by the outer surface. This positing of the presupposition must be framed in Hegelian terms: capital is indeed an 'invisible' *Subject* in a kind of perennial movement in a *circle*. Value valorising itself is a 'closed' totality, where labour is reduced to labour-power. No element escapes the power of the totalising Subject. The *logic of dissimulation* proper to this all-encompassing Subject does not allow us to speak properly of a logic of contradiction.

Thus, the first perspective has stressed the *essence/appearance* distinction, the second perspective the *totalitarian circularity* of capital. Between the two, another rôle for dialectics may be discerned as 'concretion' (*concretisation*): a movement of 'systematic' exposition [*Darstellung*] moving from 'simple' and abstract categories to more 'complex' and concrete notions. In this *third* perspective on dialectics, every category is redefined at each stage or layer of the theoretical discourse, so that there are many conceptual 'transformations'. We meet again a 'circle', since the comprehension of what is more complex and concrete has to have an effect on the more simple and abstract notion. The possibility is, however, open to read this dialectical deduction in a stronger way, a

1 Schmidt 1968. Later in this chapter I shall question some ambiguities and errors in the English translations of some of Marx's basic categories. In these first sections, more devoted to a personal survey of the literature, I prefer to maintain the terminology used by the authors I am considering, or adopted by their translators. I limit myself to inserting in parentheses the German for those nouns or verbs which are more relevant for the discussion in the later sections of the chapter.

2 Finelli 2004.

3 I first heard this formula in Italian from Finelli himself in the early 1980s. Finelli's reading of Marx very much influenced me. That method must, however, be complemented and uprooted by the problematic of 'constitution'.

fourth perspective, that is, as the progressive movement of the concepts themselves – progressively instantiating and appropriating social reality. Dialectics here stands somehow between the question of the ‘systematic’ organisation of the presentation and the question of the ‘systematic’ generation of capital itself as a subject (or rather, as we see, Capital as Subject).

2 Marx *contra* Hegel

If one takes the line that systematic dialectics has to do just with a *conceptual exhibition* of the categories, Hegelian method is compatible with a kind of ‘realist’ metaphysics. If one takes the line that systematic dialectics has to do with capital as a self-sustaining ‘ideal’ reality, the usual reading of Hegel as an idealist seems to pose no problem at all. The issue is relevant because most contemporary Hegelian readings of Marx by Marxists run against Marx’s very *explicit* criticisms of Hegel. We meet at least three of them.

The first is his 1843 criticisms of Hegel’s *Philosophy of Right*, where the attack is on Hegel identifying being and thought. The empirical realm is transformed into a moment of the Idea, and reason pretends to transform itself into real, particular and corporeal subjects. The abstraction is made substance – *hypostatisation*: the universal becomes an entity existing in its own right. We have here at the same time the reproduction of a Feuerbachian *inversion of subject and predicate*: the universal concept that should express the predicate of some subject is instead seen as the subject of which the actual subject is the predicate. In the *Economic and Philosophic Manuscripts of 1844*, Marx argued that Hegel, first, *identified objectification and estrangement*, so that overcoming estrangement meant overcoming objectivity, and, second, *identified objectivity and alienation*, because the positing as objective cannot escape alienation itself, which is a necessary phase for self-consciousness recognising in the object nothing but self-alienation. For the first side, Hegel grants *true reality only to the Idea*, and for the second side, he sees in the *empirical reality nothing but a momentary incarnation of the Idea itself*.

A second criticism is the one included in the Introduction to the *Economic Manuscripts of 1857–58*. Hegel confuses the *order of knowledge* with the *order of reality*. The ‘concretum’ as substratum is always presupposed, but it is necessary to take into account the *double movement between the abstract and the concrete*. The mode of inquiry concerns the transition from the concrete of sensible materiality, appropriated analytically, to the abstract logical forms, which have to be sequentially and synthetically exhibited. Marx fully endorses Hegel on the need to *ascend from the abstract to the concrete*. Knowledge is

no mere description: it is genetic ‘exposition’ [*Darstellung*], the exhibition of the whole and the understanding of the effectual constitution of the whole. The ‘concrete’ is the *concentration of many determinations, hence unity of the difference*: it is a *result*. But Hegel is cutting out the first half of this epistemological circle, where the concrete is the *point of departure in reality*, that is, in observation and ‘representation’ [*Vorstellung*]. Hegel is *conflating* the order of knowledge with the order of reality.

The third criticism of Marx’s is in the Afterword to the 1873 second edition of *Capital* Volume I. Marx defines his dialectical method as the opposite of Hegel’s, in that for him ‘the ideal is nothing else than the material world reflected in the mind of man, and translated into forms of thought’.⁴ Dialectics leads to the ‘positive understanding of what exists’, but also to a ‘simultaneous recognition of its negation, its inevitable destruction’.⁵ ‘[I]t regards every historically developed social form as being in a fluid state, in motion, and therefore grasps its transient aspect as well; and because it does not let itself be impressed by anything, being in its very essence critical and revolutionary’.⁶ Unfortunately, in Hegel, who presented it for the first time in its general form of operation, dialectics stands on its head, and must be turned right side up again, ‘in order to discover the rational kernel within the mystical shell’.⁷

3 Some Positions in the ISMT Debate

A consensus among all the ISMT authors is that Marx is a systematic dialectician, that is, he proposes *the articulation of categories to conceptualise an existent concrete whole*. For Roberto Fineschi, Geert Reuten and Tony Smith there is another point of agreement, in that for these three authors Marx’s criticisms of Hegel’s idealism are *misdirected* regarding the systematic-dialectical method.

For Smith systematic dialectics helps in the reflective *clarification of the categories* used in empirical social science, and allows us to unveil capitalist ‘fetishism’.⁸ Moreover, distinguishing between what is ‘necessary’ and what is ‘contingent’, it *grounds revolutionary politics* by pointing towards the transformation of fundamental structures. Marx did not realise that his criticisms only

4 Marx 1976c [1867], p. 102.

5 Marx 1976c [1867], p. 103.

6 Ibid.

7 Ibid.

8 Smith 1990.

attacked Hegel's quite extravagant terminology and indulgence in picture-thinking. On the method there was no substantial disagreement. Both authors think that a category is a principle unifying different particulars, and that universal and individuals are reconciled (unity of identity in difference). Argument begins from an immediate, and inadequate, *simple unity*, an 'abstract' universality; therefore this moment has to give way to a moment where *difference is emphasised*, now making unity implicit. The *negation* of simple unity develops into the emergence of real difference. This dialectical positing of difference is sublated into a complex *unity-in-difference* that incorporates the moment of difference, and is thus a *negation of the negation*.

The dialectical argument moves through the 'positing' and 'overcoming' of *contradictions* – which are nothing but the tension between what a category *inherently* is and what it *explicitly* is. The 'truth', the result reached in this way, can be a category of simple unity looked at from a higher-level perspective. It is a new *determinate* starting point. The movement goes on with an internal, immanent, necessary deduction in the process of concretion. Smith's Hegel does not deny the independence of the real process, nor the presence in reality of an irreducible residue of contingency. More than that, the content for the movement of categorical determinations is not self-generated, though the 'transitions' are indeed self-acting – the meaning being that the conceptual movement is *justified* by the objective content of each category. Absolute Spirit, Idea, is definitely not a metaphysical Subject.

Capital is architectonically structured on a systematic-dialectical logic. Smith's strategy seems to be to see nothing but Hegel in Marx's 1857–8 Introduction, and to locate the point of intersection within *Capital* read as the Logic of Essence. There are three fundamental ontological (formal) structures in Hegel's *Science of Logic*. Being [*Sein*] is 'simple unity', aggregating *isolated* and *self-contained* entities. Essence [*Wesen*] – the 'principle of unity' *connecting them together* – subsumes these entities; it may, however, reduce different unities to *mere appearances*, leaving the risk of fragmentation, and maintaining the *separation* between the two poles. Concept [*Begriff*] is instead an ontological structure of 'unity-in-difference' which *mediates harmoniously* the different individuals and the common unity. Marx, according to Smith, builds on the second level of *Science of Logic*, without a one-to-one mapping. The commodity is abstract labour⁹ in an alienated form. *Fetishism* permeates the commodity – fetishism meaning that sociality cannot present itself as what it essentially is, a relation within society, but rather *appears* only as a relation

9 Smith defines abstract labour as labour in so far as it has been proven to be socially necessary. In my view, abstract labour is rather labour which has yet to be proven social.

among things. Sociality cannot thus *appear* as what it 'truly' is; instead, it necessarily appears in alien form. The logic of sociality is opposed to the (equally valid, but more superficial) logic proper to value/money. The development of this line of thought leads Smith to affirm that capital is a *pseudo*-subject, *nothing but* the collective creative powers of living labour. The self-valorisation of capital is *nothing but* the expropriation of those powers.

Reuten's approach has some similarities to Smith's, and it is based on a thorough *criticism of empiricism*. In the *Grundrisse* Marx experiments with Hegel's Logic of the Concept (that is, the Subjective Logic) but he abandoned this attempt in *Capital*, rather following the Logic of Essence. Starting from an abstract characterisation of the totality Reuten and Williams indicate how the grounding of that starting point goes along with a gradual conceptual concretisation of the totality.¹⁰ Grounding the *conditions of existence* at ever more concrete levels will require the *recurrent transcending of the opposition* of moments in new necessary moments and concepts, but at some point also the introduction of contingent moments (that is, non-fixed but nevertheless determinate ones). When the exposition has reconstructed the totality as an *inter-connected whole* and comprehended the *existent* as *effectual reality*, concrete phenomena will be shown as manifestations of the abstract determinants *reproducing and validating at once the starting point*. For Reuten, in the end, contradictions are not resolved at the level of necessity, in *Capital* as Subject (as in Hegel's Concept), but *temporarily* in *contingent* moments that are 'of the essence' of the system.

For Reuten and Smith, the *form* of value and its transformations are the 'structure' whereby *dissociated* and *private* labours are expended and then made social *in exchange*. Both reconstruct capitalism within a kind of macro-social holism, whereby the whole grounds and limits microeconomic individual behaviours. The dialectics comes down to a *philosophical foundation* with the primacy given to *epistemology*.

Fineschi insists that Marx used *methodologically* the Logic of the Concept, where Being and Essence are nothing but the Concept while it is in 'development'.¹¹ This notwithstanding, many of his observations converge with Reuten's and Smith's. Fineschi sees in *Capital* an articulation of *four* levels of abstraction. After a kind of basic *first* level (simple circulation as presupposition), the *second* level is *generality/universality*, which shows how capital 'becomes' in production *and* circulation. In his later writings Marx included in *capital as a whole* also the *many capitals* and *accumulation*. A *third* level

¹⁰ Reuten and Williams 1989.

¹¹ Fineschi 2005.

is *particularity*, which deals with *one/many capitals in competition*. The many capitals are now understood as particular capitals in their dynamic of self-valorisation. A *fourth* and final level is *singularity*. It deals, among other things, with *interest-bearing capital*, where the *universality of capital exists as a particular existing capital*, and it is therefore *singular*. Like Reuten and Smith, he confines Marx's debt to Hegel to the methodological level only. Like Reuten and Smith, Fineschi finds untenable Marx's reading of Hegel as idealist.

We find something different with Patrick Murray and Chris Arthur. Both authors see clearly the significance of the charge of idealism levelled by Marx against Hegel, and Hegel's *Logic*. Murray asserts that 'if we examine Hegel's characterization of the 'concept' ... and compare it to Marx's description of capital ... *it seems clear that the absolute, self-realizing logic of the Hegelian concept resembles the movement of capital*'.¹² Marx shared with Hegel an approach based on an *immanent* logic of theory, but Hegel put logic *before* experience. Hegel identified processes in thought and real processes, whereas Marx insisted on an independently existing world. Moreover, Hegel's abstractions were 'general'; Marx's were mostly 'determinate'. Even more relevant, the opposition of essence and appearance *must not be mediated*, as Hegel maintains, but *uprooted*, as Marx rightly retorts. Marx's reasoning is inextricably linked to the twin dynamics of *hypostatisation* and *inversion*: capital as an '*automatic*' Subject, as an '*encompassing*' [*übergreifende*] Subject of the whole process, as a *self-moving* and *self-activating* substance. Value is a *thing-like substance*, and as capital it really *transmutes into a Subject*. The logic of capital (and not only the logic of *Capital*) is the logic of Hegel (as the logic of absolute idealism), because of the *isomorphism* between the 'capital-fetish' as a totality and the 'unfolding' of the Idea. We are here beyond a merely *methodological* reading of systematic dialectics.¹³

Arthur insists that the debt Marx owes to Hegel is not just the (epistemological) immanent logic of science built upon the insistence that 'presentation' [*Darstellung*] must show the logical necessity for the dual nature of the commodity to 'unfold' the ever more complex forms of capitalist political economy. There is that too, of course: *theory faces an existing totality*, and analysing its isolated moments would lead to a very limited and distorted understanding. *The moments must be located in the whole*, with the systematic progression of

12 Murray 1988, pp. 216–17 (emphasis added).

13 Already in his book Murray had advanced some reservations concerning Marx's criticisms of Hegel, but they were mostly confined to footnotes. In footnote 19, p. 239, he writes, 'Whether or not a closer study of Hegel could defuse Marx's criticisms is, I believe, still an open question'. Murray's doubts over Marx's readings of Hegel have increased over time.

categories allowing us (as in Smith) to apprehend object-domains of increasing complexity, the progression itself being driven (as in Reuten) by the consideration that any category under consideration is deficient in determinacy with respect to the next. It is exactly this deficiency to be overcome – the limits of the category – which provides the impulse to a transition, to a determination of a further category, in a sequence enriching each category and moving towards the concrete. This is peculiarly relevant because, as the reference to the understanding of universal monetary exchange leading to value-form(s) shows very well, the capitalist system is – *in part* – made of logical relations. Capital is *actually*, and up to a point, an *ideal* reality.

But the other half of the story is that *Hegel is relevant for Marx not in spite of, but rather because of his idealist ontology*: ‘capital is a very peculiar object, grounded in a process of real abstraction in exchange in much the same way as Hegel’s dissolution and reconstruction of reality is predicated on the abstractive power of thought. It is in this sense that it may be shown that there is a connection between Hegel’s “infinite” and Marx’s “capital”’.¹⁴ The *isomorphism* between Hegel’s logic and the actuality of capital is valid, and – Arthur concludes – the *homology* with the Idea is precisely a reason for criticising it as an *inverted* reality where self-moving abstractions have the upper hand over human beings. The point to be noted, however, is that for the substance of value genuinely to become the spiral of capital, as value creating more value, as money augmented with more money, capital must enter the ‘non-ideal’ *realm of the transformation of use-values*, the ‘hidden abode of production’, and subsume (not only formally but also really) ‘labour’ as its living ‘internal other’ (nature being the ‘external other’). Capital is defined in terms of its irresolvable opposition to labour, but it has found ways to atomise and demobilise it. This ‘resolution’ of its basic internal contradiction, though temporary and contingent (as Reuten would say), characterises a whole epoch, a whole mode of production. But capital remains limited and liable to overthrow: labour remains a *counter-subject*, *virtually* present, if empirically not effective except in some partial way.

My approach is very similar to Arthur’s. A key influence for me has been Colletti, particularly his innovative (and Rubinian!) reading of value-theory in his 1968 introduction to Bernstein, the year after collected in *From Rousseau to Marx* and the last two chapters of his 1969 *Marxism and Hegel*.¹⁵ The last chapter of the latter, in particular, ‘The Idea of “Bourgeois-Christian” Society’, parallels many of Murray’s and Arthur’s arguments. Before going deeper into

14 Arthur 2002, p. 8.

15 Colletti 1972 [1969]; Colletti 1973 [1969].

this, however, I want to remove from the table what I think is a red herring: the issue of the nature of Hegel's 'idealism', and even more so the question of whether Marx was unfair in his criticism of the Stuttgart philosopher. My opinion is similar to Suchting's in an unpublished paper of his on Hegel's *Science of Logic* as logic of science.¹⁶ Hegel grasped better than anyone before him, and better than most after him, the fundamental features of modern scientific inquiry. His method, however, was fundamentally idealist. But I am not a Hegel expert; I could be fundamentally wrong here. This is mostly irrelevant. Because what is important to the topic at hand is that Hegel's *Science of Logic* was essential for the mature Marx *exactly* because its idealism accurately *reflects* the 'idealist' and 'totalitarian' nature of capitalist 'circularity' of capital as money begetting money. To put it bluntly: even if Marx's Hegel is not the 'real' Hegel, it is the 'fake' Hegel that matters. At the same time, the thesis of a *strict* homology between Hegel and Marx cannot be stretched too far. More than being grounded in a formal replication of the U – P – S structure mapping a one-to-one correspondence between the three volumes of *Capital* and *Science of Logic*, the homology I am insisting upon is built (and dissolved!) in the first seven chapters of Volume I, and relates Capital as Subject to Absolute Idea as Subject.

4 Lucio Colletti and Hans-Georg Backhaus on Marx-cum-Hegel

Hegel's absolute idealism amounts to *God becoming real in the world*, to His presence in the modern and bourgeois civil and political institutions, so that these historical realities are in fact 'mystical' objects.¹⁷ However strange it may seem, this is precisely the point where Marx's work and Hegel's coincide. Just as the institutions of the bourgeois world are *sensuous incarnations of the supra-sensible*, or in other words *positive expositions of the Absolute*, so too in *Capital* the 'commodity' has a 'mystical' character – *it is a very strange thing, abounding in metaphysical subtleties and theological niceties*, to quote Marx directly.¹⁸ Marx sees in capitalist reality *a world turned upside-down*. Abstract human labour is like the 'abstract man' of Christianity. Value, social unity becoming an object, leads to the paradox of the social bond as a self-positing relationship that posits itself independently of the individuals whom it ought to relate and mediate between – it is a relationship becoming a thing which, posited outside

¹⁶ Suchting 1997.

¹⁷ Colletti 1973 [1969].

¹⁸ Marx 1976c [1867], p. 163.

individuals, dominates them like God, though it is their own estranged social power.

The commodity is a 'use-value', a *'thing'*, concealing in itself a *non-material* objectivity, 'value': 'the commodity, just like the Christian, is the unity of the finite and the infinite, the unity of opposites, *being* and *non-being* together'.¹⁹ In fact it is the same Marx who emphasises that the commodity *is* and *is not* a use-value! The 'dialectic of matter' is confirmed as the logic of this upside-down world. Behind the relative exchange-value there is a real '*absolute*' or *intrinsic* value, existing in the related things themselves – namely, a *hypostatization* of 'value'.

Marx, *horribile dictu*, accepts the argument that value is a metaphysical entity, and merely confines himself to noting that it is the thing, i.e. the commodity itself or value, that is the scholastic entity... [T]hese contradictions are innate in the subject-matter, not in its verbal expression. This society based on capital and commodities is therefore the metaphysics, the fetishism, the 'mystical world' – even more so than Hegel's *Logic* itself.²⁰

The world of commodities and capital is a 'mystical' one, even more so than Hegel's *Logic* itself. The discourse could not be clearer. The 'commodity' as the materialisation of labour (that is, as value) has an *imaginary, purely social existence*. The 'abstract universal', which ought to be the property of the concrete, becomes a self-subsisting entity and an active subject, with the concrete and sensuous counting only as the form of manifestation of the abstract-universal – the predicate of its own substantialised predicate. For Colletti Hegel's dialectical logic is nothing but the 'peculiar method for the peculiar object', *precisely due to his absolute idealism*. The philosophical critique of Hegel and the critical political economy of capitalism, in *Capital* as well as in the *Grundrisse*, are one and the same.

Backhaus arrives at very similar conclusions in his paper 'On Marx's revolutionising and critique of economic theory: the determination of their objects as a totality of deranged forms'.²¹ Marx attributes to the 'objective legality' of society not only a *contradictory* character but also a patent *irrationality*. The realm of the *Verrückte Formen* (the 'deranged' forms, where this displacement alludes at the same time to craziness and perversion) is there from the start, at

19 Colletti 1973 [1969], p. 278.

20 Colletti 1973 [1969], p. 280.

21 Backhaus 2009 [1997].

the beginning of *Capital*, and does not come into being only in Volume III. The not-yet-developed form of exchange-value is already a *mystification* of reality, which, however, is the 'appearance' of things *as they are* (it is a 'manifestation', an *Erscheinung*, not a semblance, a *Schein* – more on this later in this chapter). It is capitalist *reality* itself which is *paradoxical*.

The two fundamental ideas of Marx's dialectical development in value-theory are very simple for Backhaus.²² First, *a contradiction in the commodity itself is found*, the contradiction of being *at the same time* 'use-value' and 'value' – sensible *and* suprasensible. Second, *only as money is the commodity really a commodity*. The true question which gives its specificity to Marx's critique of political economy is opened from here: how the value-thing (as commodity, money, capital), the *Fetisch*, is *constituted from a human basis* – that is, how the social, supra-individual substance which is value develops into a form which presents itself as something over and beyond human beings. The relationship between substance and form, or between essence and appearance, must be thought of as a *necessary inner connection*, as a *non-identity which is at the same time an identity*. Essence must *appear* (this is an *Erscheinung*), but this appearance is a distortion: everything appears upside-down. Since, in general exchange, 'things' present themselves in a non-material connection, commodities hide a 'phantom' mode of existence. For Backhaus, as for Colletti, *this peculiar object requires a peculiar science* to investigate it. Like Colletti, Backhaus quotes Marx on Bailey, according to whom the *paradoxes of speech* just reflect *a paradox of reality itself*.²³ Essence must manifest itself, but this manifestation is *not* the essence, because this appearance [*Erscheinung*] is a 'reversal' [*Umkehrung*] and an inversion [*Verkehrung*]. The phenomenon, or 'form', is a material, distorting 'veil' which *conceals* at the same time that which it paradoxically *reveals*.

Before going on I have to alert the reader to the convention I will adopt in the following regarding the translation of some Hegelian terms structuring Marx's discourse.²⁴ *Schein* has to do with *the phenomena at the surface when they are considered in themselves as the essence*: as such, this explanation of capitalist reality may be *illusory* and 'vulgar', a mere *semblance*. *Erscheinung*

22 Backhaus 2009 [1997], pp. 456–7.

23 Backhaus 2009 [1997], pp. 486–7. See Colletti 2012, p. 76.

24 Useful glossaries or commentaries which enter into these translation-issues are: Inwood 1992; Ehrbar 2010; Heinrich 2008; and Fineschi 2012. See also Hegel 1991 [1817], the Glossary, but also 'Introduction: Translating Hegel's *Logic*' by Harris and Geraets, and Suchting's 'Some minority comments on terminology'.

has to do with those same phenomena as they ‘appear’ or ‘present themselves’. It is *the necessary manifestation of the essence*, the way the latter cannot but appear at the phenomenal level. But in Marx it is at the same time a *perverted* and *crazy* manifestation of the essential laws, hence the ‘derangement’ of the *Verrückte Formen*. Here I translate as ‘appearance’ or ‘manifestation’ a determination with an element of self-subsistence.

The ‘essence’ manifests itself by virtue of an ‘exhibition’, a ‘presentation’: a *Darstellung*. This term is very often translated as ‘representation’. Though I used ‘representation’ in the past, now I very much prefer ‘exhibition’ – exactly because it is less mundane and more technical, thus helping to realise Marx’s dialectical jargon. It also makes it easier to understand that this ‘presentation’ is *not in labour-hours but in money*. It is *the processual exposition of the system which is necessary from the point of view of the logical reconstruction of the whole*. If what is exhibited is recognised as such, as a result of a complex process of mediation, then it is an ‘appearance’, a ‘manifestation’; if otherwise, it is a ‘semblance’ or ‘illusion’. However, as I shall show later, in *Capital* all this cannot be reduced to something ‘closed inside the mind of the philosopher doing science and looking at the self-development of the subject-matter itself’, as Fineschi puts it.²⁵ *Vorstellung* is rendered by me as a mental or notional *representation*: it is an ‘ideal’ anticipation, or the way agents grasp capitalist forms. I interpret *Ausdrücken* in a stronger way than usual: it is ‘to express’, as referring to a *movement from the inner* (as a ‘latent’ or ‘potential’ reality) *to the outer* (the ‘objectified’ form). In fact, it is the ‘genetic’ process ‘constituting’ the *Darstellung*.²⁶

25 Fineschi 2012, p. 1323.

26 A perfectly acceptable different convention of translation could be to employ ‘presentation’ for *Erscheinung*, but in this case the term should not be used for *Darstellung*. The positive aspect of this choice would be the possibility of avoiding translating *Erscheinung* as ‘appearance’, an ambiguous term often taken as equivalent to ‘false’ and ‘illusory’ by many interpreters (indeed, one of the editors of this book, Fred Moseley, questioning my interpretation, submitted a quote from Volume III of *Capital* without realising that the term ‘appear’ in the English translation corresponds to *three* different terms in German). The important thing is to avoid the usual practice in Anglo-Saxon translations of employing (too many) different wordings for the same category in German, according to one’s own guesses at their contextual meaning. That is why translations of Marx in English, even the best, are sophisticated exercises in science-fiction.

5 Marx after Hegel: The 'Fetish-Character of Capital' versus 'Fetishism'

Let me go back, and reconstruct the dialectics of value, money and capital. The 'commodity' presents itself [*Darstellung*] from the start as a *dual* entity: it is a 'use-value', a product with some utility, and has an 'exchange-value', a quantitative relationship with other commodities. It seems that the notion of an 'intrinsic' or 'absolute' value is then a *contradictio in adjecto*, but this is a mere illusion [*Schein*]. Behind this first definition of 'exchange-value' we must detect 'value': the real duality is between use-value and value. This duality *within the commodity*, as the result of the productive process, corresponds to a *duality in the labour* producing it, in the activity. The expenditure of labour-power – or the *living* labour performed by workers – can be seen as dual too: as 'concrete' labour, inasmuch as it produced the commodity as use-value; and as 'abstract' labour, inasmuch as it produces value. Note that use-values and concrete labours are non-homogeneous, thus incommensurable. Value, on the contrary, is a 'gelatine' [*Gallerte*] of labour 'pure and simple': a homogeneous amount, which is commensurable as such. Its definition as a gelatine relates *objectified* labour to *living* labour as a *fluid*.

This idea of value as the objectified *congelation* of the 'abstract' living labour of human beings – value as a *substance* whose magnitude may be measured in units of time (according to some social average) – is *very problematic indeed*. That is why Marx enters into a discussion of the *form of value* in the third paragraph of section I of Chapter I. What is the problem? 'Value', as it has been introduced so far, *is a mere 'ghost'*. It is yet to be shown *how* this 'purely social' entity – 'value' as defined in sections I and II – can gain a *material* existence (even *before* final exchange on the commodity-market, as Marx wishes). Before exchange, what we seem to have in front of us are just concrete labours 'embodied' in definite use-values that are incommensurable. Neither concrete labours nor use-values can be added one to another. Marx therefore goes on to demonstrate that an *actual, practical 'doubling' in reality* (commodity/money) corresponds to the *conceptual duality within the commodity* (use-value/value). Therefore, Marx's analysis of the forms of value (which are *Erscheinung-formen*) reconstructs the logic of the *constellation* in which the values of *all* commodities are *exhibited* by one 'excluded' commodity performing the rôle of the *universal equivalent* – the process of *Darstellung*. When this rôle becomes customarily and politically fixed to one commodity, the universal equivalent is *money*. The money-form, originating from Form C, that is, the *universal-equivalent form*, 'sublates' (that is, conserves and transcends) Form A,

the *elementary form of value* and Form B, the *total form of value*. Money is nothing but a *Hegelian syllogism made actual*.

'Money as a commodity' is produced by labour. Marx mostly refers to gold. Once a definite commodity has been selected to play the rôle of the universal equivalent, the ghost has been able to 'take possession' of a 'body' – the gothic undertone is more than merely rhetorical. Money is literally a 'value embodied' [*verkörperter Wert*] in the use-value of gold. Note that in general, labour is 'embodied' in commodities *only* as concrete labour, *not* as abstract labour – all the current translations in any language notwithstanding, with their wild uses of 'embodiment' everywhere. As for abstract labour, Marx says, it is rather 'contained' [*enthalten*] in commodities. Since money as a commodity is *value embodied*, the *abstract labour contained* in the commodities exchanged against that money is also *exhibited* in the *concrete labour embodied* in gold. In other terms, *the 'exhibition' of commodities' abstract labour requires the 'embodiment' [Verkörperung] of the concrete labour producing gold as money.* 'Exchange-value' has thus developed into a *second* definition. It is not just the exchange-ratio between any two commodities but rather the amount of each of them that is exchanged for some amount of money.

Note what money is for Marx. It is not just the universal equivalent, validating *ex post* the abstract labour which is 'immediately private' and only 'mediately social'. Money is also and primarily the 'individual *incarnation*' [*Inkarnation*] of value resulting from social labour – again, the Christian undertone is not merely rhetorical. As such, *the labour producing gold as money is the only private labour that is at the same time immediately social labour.* When Marx speaks of *unmittelbare gesellschaftliche Arbeit* [immediately social labour] he always refers *exclusively* to the concrete labour producing money as a commodity and exhibiting the abstract labour producing the commodities to be sold on the market. This latter is a *vermittelte gesellschaftliche Arbeit*, a social labour which is always 'mediated' through the exchange of things,²⁷ by the 'reification' which is connected to the 'fetish-character' [*Fetischcharakter*] of the capitalist mode of production and circulation. The *Fetischcharakter* – the 'objective', *thing-like* and alienated nature of capitalist social reality – is actually very real: an *Erscheinung*. What is deceptive, a semblance or *Schein*, is *to attribute social properties to the things themselves as their natural attributes*: this latter is *Fetischismus*, fetishism. But *only if this is done outside of the social*

27 These notions should not be confused with 'socialised' labour [*vergesellschaftete Arbeit*] or with 'total' labour [*gemeinsame Arbeit*].

*relation of capital: within the capitalist reality, the 'social properties' attached to the things are dramatically effective.*²⁸

At this point in Marx's 'presentation', the gelatine of value has actually turned into gold as money on the market. Money is now a 'chrysalis'. Note also that labour is expended by individual producers, hence the 'sociality' of the labour-time spent by workers in production cannot be assumed or postulated. Marx insists that money is a *deranged* or *displaced* form through which sociality is asserted in universal exchange (remember that exchange becomes universal only in capitalism, according to Marx). Circulation dissimulates and distorts at the same time as it exhibits and expresses. As a consequence total labour [*gemeinsame Arbeit*], which primarily has to be seen as all the individual concrete labours taken together, cannot be assumed or postulated as social without taking into account this monetary process, this 'derangement'. The reference here is once again to those *verrückte Formen* which we saw are so crucial for Backhaus.

Through this 'equivalence' [*Gleich-setzung*] of the labours tentatively producing commodities with the labour producing money as a commodity, Marx has posited – qualitatively – the possibility of translating monetary magnitudes into labour-magnitudes, giving way to the notion of a monetary expression of socially necessary labour-time. This *Aequivalenz* is established through exchange on the market. *Marx, however, always insists that the commensurability does not go from money to the commodities, but in exactly the opposite direction.* The 'exhibition' of the value of commodities in the use-value of the money-commodity is for him *a movement from the inner to the outer*: it is an 'expression' of the content in the form (the German verb here is *ausdrücken*). The *unity* between production and circulation is established through a movement *from production to exchange* on the final market for commodities.

Commodities are not made commensurable *by* money because they are *already* commensurable *in advance*, as gelatine of human living labour in the abstract, *inasmuch as these objectifications of living labour are 'ideal' money-magnitudes anticipated by agents* – a process involving the *Vorstellung*. It is

28 Hans Ehrbar has understood this point very well in his commentary on-line: 'Usually, *Fetischcharakter der Ware* is translated as "commodity fetishism". However, a more accurate translation would be "fetish-like character of the commodity". Marx distinguishes between "fetishism", which is a false "story" guiding practical activity, and "fetish-like character", which is a property in fact possessed by social relations. Commodities have a fetish-like character, while members of capitalist society often display fetishism (systematized in "bourgeois economics")' (Ehrbar 2010, emphasis added). Ehrbar's suggestions have been deepened in a very interesting paper by Guido Schulz (2011).

important to realise that in this equivalence, amounting to an equalisation in substance, money (as the universal equivalent) is 'passive', 'commodities' are 'active'. That is why the 'materialisation' in gold of the value of commodities is said by Marx to be a *Materiatur*, an unusual term meaning that the material representing value must have some peculiar properties which make it adequate to be a proper expression and 'form of the manifestation' of value itself.²⁹ For Marx, gold as world-money is exactly that: a *Wertkörper*, a 'body of value', which is at the same time the universally recognised *Materiatur* of abstract wealth.

This is a very uncertain logical sequence. The justification by Marx of his perspective is that the universal 'circulation of commodities' must be always thought of as intrinsically monetary – *Warenaustausch* and *Zirkulation* for him make sense *only* in capitalism as an essentially monetary economy. 'Exchange' cannot be conceived as a barter-like 'exchange of products' (that is, as *unmittelbare Produktaustausch*), with the problems inherent in barter generating money as their solution.³⁰ Commodities enter the market always with a *price-tag* already affixed to them, their money-name. Thanks to the *price-form* taken by values, commodities are presumed to be *already* transformed into an *amount* of (gold as) money *before* actual exchange. *The commodity-price as an amount of 'ideal' money is a 'mental representation' (a Vorstellung) – something anticipated and notional – of gold as 'real' money.* As a consequence it is always possible to translate this 'external' measure of the magnitude of each commodity's value in money-terms, as they are notionally anticipated by producers before exchange, into the *immanent measure* in amounts of labour-time.

We have now all the elements to move on to the way in which Marx determines the 'value of money', which is the inverse of the 'monetary expression of [socially-necessary] labour time'. According to Marx, the quantitative determination of the value of money is fixed *at the point of production of gold*, that is, at the entry-point of gold as money into the circuit. Gold is exchanged at first just as a *mere commodity* against all other commodities. This exchange is not, strictly speaking, already monetary. The (private) labour-time required to produce gold is equalised with the amount of (private) labours producing the other commodities with which gold is exchanged, so that the same amount of labour-time is congealed in one and the others. This is still – Marx

29 I owe this suggestion to Frieder Otto Wolf, in personal conversation.

30 It is a great merit of Backhaus (2009 [1997]) to have cogently stressed that Marx's labour-theory of value is indeed, first of all, a critique of all prior value-theories of capitalism because they were *non-monetary*. This critique is still valid for economic theory after Marx (hence the limits not only of Neoclassical economists, but also of Neo-Ricardians).

is explicit – immediate *barter* (the German here is unequivocal: *unmittelbarem Tauschhandel*). It is not yet ‘circulation’, which always is mediated by money: this being the meaning Marx gives to *Zirkulation*, as Backhaus convincingly says.

Only after it has entered the market in this way, as an ‘immediate product of labour’, at its source of production (to be exchanged with other products of labour of equal value), does gold function as money.³¹ Gold as money then goes into ‘circulation’ properly speaking, that is, into generalised monetary commodity-exchange. *From now on its value is always already given*. In this perspective, *the connection between value and labour is provided through money as a commodity*. This is argued in steps. *Value before exchange is already ideal money* with a given (notional) labour-content: it is a determined *amount* of contained labour. This ‘substance’ is *actualised in circulation* when ‘ideal’ money *turns into real money*. With the exhibition [*Darstellung*] of commodities’ value by money not only does the *concrete* labour producing gold as money *count* as (the *only*) *immediately social labour*, but we are also witnessing a movement *from the inner to the outer*.

Within exchange on the commodity-output-market ‘objectified’ labour³² is *abstract* because, when exhibited in the form of value, the products of human working activity manifest themselves as an ‘independent’ and ‘estranged’ reality *divorced from their origin in living labour*. The implied ‘alienation’ of individuals is coupled with ‘reification’ and ‘fetishism’: *reification*, because social relations *necessarily* take the material *appearance* [*Erscheinung*] of an exchange between things – this is the *fetish-character*; and *fetishism*, because the products of labour have the *semblance* [*Schein*] of being endowed with social properties as if these latter were bestowed upon them by nature. These characteristics and this distinction between ‘fetish-character’ and ‘fetishism’ will reappear in a heightened light in the other two moments of the capitalist circuit. On the labour-market, human beings become the ‘personifications’ of the commodity they sell, *labour-power* or ‘potential’ labour, which is the commodity *of which the workers are a mere appendage*. Within production, *living labour* itself, or labour ‘in becoming’ – organised and shaped by capital as ‘value-in-process’, and embedded in a definite material organisation for the creation of use-values which is specifically designed to enforce the extraction of surplus-value – is the true abstract subject of which *the concrete workers performing it are just predicates*.

31 Note that Marx does *not* write ‘commodity’ but immediate *product* of labour.

32 This is very often in German *gegenständliche Arbeit*; see later for comment.

In *Capital* and in ‘Results of the Direct Production Process’ this is most clearly visible in Marx’s discourse on ‘capital’s productivity’ (Marx’s emphasis as italics; mine as bold and underlining):

Since living labour is already – within the production process – incorporated [*einverleibt*] into capital, the *social productive powers of labour* all present themselves [*stellen dar*] as *productive forces*; as properties inherent in capital, just as in money the general character of labour, in so far as it functioned to create value, appeared [*erschien*] as the property of a thing ... [T]he relation becomes still more complex – and apparently [*scheinbar*] more mysterious – in that, with the development of the specifically capitalist mode of production, not only do these things – these products of labour, both as use values and as exchange values – stand on their hind legs vis-à-vis the worker and confront him as ‘*capital*’ – but also the social forms of labour appear [*darstellen*] as *forms of the development* of capital, and therefore the productive powers of social labour, thus developed, appear [*darstellen*] as *productive powers of capital*. As such social forces they are “*capitalised*” vis-à-vis labour ... The social forms of their own labour ... confront the workers ... as **combinations which, unlike their isolated labour capacities, belong to capital, originate from it and are incorporated [*einverleibte*] within it.**³³

And a few lines below:

In this process, in which the *social* characteristics of their labour confront them as *capitalised*, to a certain extent – in the way that e.g. in machinery the visible products of labour appear [*erscheinen*] as ruling over labour – the same thing of course takes place for the forces of nature and science, the product of general historical development in its abstract quintessence: **they confront the workers as *powers* of capital. They become in fact separated from the skill and knowledge of the individual worker, and although – if we look at them from the point of view of their source – they are in turn the product of labour, they appear [*erscheinen*] as *incorporated* [*einverleibt*] into capital wherever they enter the labour process.**³⁴

33 Marx 1982a [1863–6], pp. 455–8 (emphasis added).

34 Marx 1982a [1863–6], p. 458 (emphasis added).

All Marx's discourse is predicated *not* on semblance [*Schein*], but on manifestation [*Erscheinung*] in the exhibition [*Darstellung*] of capital. This perspective can be rebutted only if we look at this 'paradoxical' reality *from the point of view of its source*: living labour coming from the exploitation of workers as living bearers of labour-power. This is the (critical and revolutionary) discourse on the *constitution* of capital as the automatic fetish becoming a Subject.

Another note about translation is necessary here. When in *Capital* Volume I Marx uses *Arbeit*, labour, he always means *lebendige Arbeit*, labour 'in motion'. When labour is eventually *objectified* in the value of the commodity³⁵ – when it ceases to be a fluid and is congealed in a gelatine – it has morphed into *dead* labour. If we only look at capitalist production and circulation from that point, we remain inescapably in a Ricardian setting – as practically all Marxist economists do today.

6 Marx Beyond Hegel: The 'Constitution' of the Capital-Relation

To be actually self-grounded, value must be produced by value. But dead labour cannot produce more dead labour. What is needed is that capital 'internalise' in production the activity which may turn less dead labour into more dead labour: that is, the *only* 'otherness' to dead labour, which is the *living* labour of human beings. This happens only when *workers* as *bearers of labour-power*, and thereby as *potential* living labour, become a (very special) commodity bought and sold on the (labour-)market. We have already argued that commodities, as values, are a ghost-like 'objectivity' [*Gegenständlichkeit*]. Nobody knows how to handle this value, until it takes a *separate* and *autonomous* form from the commodities themselves: *money*. It is only when the opposition *within* the commodity has become a *real duality* – when value-*as-content* is duplicated by value-*as-form* – that *Hegel's ontological categories start to gain actuality*, and '*value begetting value*' becomes the *instantiation of the Absolute Idea*. Only now *not only* the *ghost* of value has become the *chrysalis* as money: this money-chrysalis 'exhibiting' value has *also* been able to mutate into a *butterfly* – namely, 'self-valorising value'. On a systemic scale, however, this 'idealistic' butterfly cannot but be grounded in the 'materiality' of capital as *vampire*.

35 Marx very often employs *gegenständlich* and the like, which means 'becoming objective', the objectivity standing in front of human beings, as something which has its origin in the processual moment of *labour as activity*.

'Labour' is a very complex category. It must be articulated in all its complexity. 'Labour-power' and 'living labour' have *really* become *capital's* labour-power and *capital's* living labour. At the same time labour-power *cannot but be 'attached' to workers as human beings*, in a social relation with other workers. Workers are *included* in capital (dead labour) as an *internal other* (living labour), to borrow Chris Arthur's enlightening expression. We are meeting a new kind of 'embodiment'. The verb here is not *verkörpern* (taking the body, incarnation) but *ein-verleiben*: *the absorption of workers* (as *living bearers of labour-power*, and hence as the agents who have to expend human *living* labour as *activity*) *into the body of capital* (as the capitalistically shaped configuration of use-values, of 'matter', so that the technological and organisational structure of the labour-process becomes an adequate 'content' for the successful valorisation of money-capital). Before it was a 'possession' and 'incarnation'; now it is internalisation in the 'mechanical' body of capital.

Marx's capital as self-valorising value is confirmed as akin to Hegel's Absolute Idea, seeking to actualise itself while reproducing its own entire conditions of existence. However, capital's zombie-life is dependent on a social condition: *capital must win the class-struggle in production, a 'contested terrain'*: it has to suck away from workers their life, so that it may come back to life as 'undead'. Workers *may* resist their incorporation as internal moment of capital: this surmountable 'barrier' or 'obstacle' [*Schranke*] may become an insurmountable 'limit' [*Grenze*], when *conflict* becomes *antagonism*. The key point is that *it is not possible to have labour without pumping it out from labour-power: it is not possible to use labour-power without 'consuming' the body of the workers themselves, as the living bearers of labour-power*. Capital produces only thanks to this very specific 'consumption', which creates a very specific 'contradiction'. *This is indeed the true pillar of the labour-theory of value as a theory tracing the new 'value added' produced in the period back to the living labour spent by workers*.

As Tomba convincingly highlights, the *consumption* of workers' bodies (and minds!) has no possible compensation.³⁶

When Hegelian ontology seems to come fully into being in capitalist reality as its own realm, it turns out that it crucially hangs on capital's success in exploiting and commanding labour. Even though 'labour' is embodied into capital, capital still cannot but *depend* on it. The 'circularity' of capital – the *ontological* circle of 'positing the presupposition' – has as its *unconscious* secret the 'linear' process of 'sucking' living labour in excess of the necessary labour needed to reproduce workers. The totality of capital exists only to the extent to which it

36 Tomba 2012.

constitutes a specific social relation of production, which *cannot be taken for granted* as if it were reproduced mechanically. The social, antagonistic relation of production 'opens' the totality of capital, and to a certain extent 'breaks' it.

Conclusions

For 150 years after the first edition of the first volume of *Capital* the 'translation' of Marx into Ricardo lost the *essential* Hegelian systematic dialectic so embedded in the book. It is interesting, however, that Hegelian readings of Marx, just like the Ricardian ones, *are both framed within the capital-fetish argument*, and never reach the argument about the *constitution* of that fetish. Both conflate 'direct' dead labour and 'living' labour. Both eschew the 'fluidity' and 'antagonism' which are so vividly presented in the so-called 'historical' chapters.

I end with three quotes from Marx showing a way out from this dead-end. The first is from Chapter IV of *Capital* Volume I. Marx here gives the *positing of the presupposition* movement as the *ontology of capital as automatic Subject*:

In the circulation $M - C - M$, both the money and the commodity function only as different modes of existence of value itself, the money as its *general* mode of existence, the commodity as its *particular*, or, so to speak, *disguised* mode. It is constantly changing from one form into the other without becoming lost in the movement; *it thus becomes transformed into an automatic subject* [*ein automatisches Subjekt*]. If we pin down the specific *forms of appearance* [*Erscheinungsformen*] assumed in turn by *self-valorizing value* in the course of its life, we reach the following elucidation: capital is money, capital is commodities. In truth, however, *value is here the subject of a process* in which, while constantly assuming the form in turn of money and commodities, it changes its own magnitude, throws off surplus-value from itself considered as original value, and thus valorizes itself independently. For the movement, in the course of which it adds surplus-value, is *its own* movement, *its* valorization is therefore *self-valorization*. Because it is value, it has acquired the *occult* ability to add value to itself. It brings forth living offspring, or, at the least, lays golden eggs.

As the *dominant subject* [*übergreifende Subjekt*] of this process, in which it alternately assumes and loses the form of money and the form of commodities, but preserves and expands itself through all these changes, value requires above all an independent form by means of which its

identity with itself may be asserted . . . [N]ow, in the circulation M – C – M, value suddenly *presents itself* [*stellt dar*] as a *self-moving substance which passes through a process of its own*, and for which commodities and money are both mere forms. But there is more to come: instead of simply representing [*darzustellen*] the relations of commodities, it now enters into a private relationship with itself, as it were. It differentiates itself as original value from itself as surplus-value, just as God the Father differentiates himself from himself as God the Son, although both are of the same age and form, in fact one single person.³⁷

Übergreifende is translated into English as ‘active factor’ (Moore and Aveling), ‘dominant’ (Fowkes) or ‘common to all particular forms’ (Ehrbar). These expressions catch only part of the meanings of the word. Marx employed this term with a double accent. The first was, as in Hegel, that of ‘overgrasp’. This is a neologism the translators of *The Encyclopaedia Logic* adopted to follow Hegel’s positive aspect of the process of *Aufhebung*, that is, the speculative comprehension which ‘reaches back and embraces within its scope’ the opposition of the moments in its dialectical stage.³⁸ As universality ‘overgrasps’ particulars and individuals, in the same way thought ‘overgrasps’ what is other than thought. So, the *Subjekt* developing into *Geist* includes objectivity and subjectivity within its grasp. But the term also means ‘overreaching’ and ‘overriding’, bordering on ‘dominant’, and I think these terms convey some of Marx’s intention in using this word.

For Reichelt these formulations confirm how Marx, rather than ‘coquetting’ with Hegel, was *obliged* to employ a dialectically structured argument for an ‘objective’ constraint, ‘*since there exists a structural identity between the Marxian notion of Capital and the Hegelian notion of Spirit . . .* In Marx’s thought the expansion of the Concept into Absolute is the adequate expression of a reality where this event is happening in analogous manner . . . Hegelian idealism, according to which human beings obey a despotic notion, is indeed more adequate to this inverted world than any nominalistic theory wishing to accept the universal as something subjectively conceptual. *It is bourgeois society as ontology*’.³⁹ The dialectical method is as good or bad as the society

37 Marx 1976c [1867], pp. 255–6 (emphasis added).

38 Hegel 1991 [1817].

39 Reichelt 1979, p. 92, p. 94, p. 97 (emphasis added). Postone (2011), after quoting the same phrases from Marx, writes in a similar vein that ‘Marx explicitly characterizes capital as the self-moving substance that is Subject. In so doing, he implicitly suggests that a

to which it corresponds: it is valid *only* where the universality asserts itself at the expense of the individual; and it is in fact *the philosophical doubling of the real inversion*. The characteristic feature of *materialistic* dialectics is the 'method of withdrawal'; that method has to dissolve itself as soon as its conditions of existence disappear.⁴⁰

The second quote is from *Capital* Volume III, Chapter XXIV. It shows that capital as the automatic fetish, as a Subject, is still there in the whole of the book, together with the connected notion of 'deranged' forms. The quote is about *interest-bearing capital*, defined by Marx in Chapter XXIX as '*the mother of every insane form [verrückte Formen]*'.⁴¹

In the form of interest-bearing capital, capital appears [*erscheint*] immediately in this form, unmediated by the production and circulation processes. Capital appears [*erscheint*] as a mysterious and self-creating source of interest, of its own increase. The *thing* money (money, commodity, value) is now already capital simply as a thing; the result of the overall reproduction process appears [*erscheint*] as a property devolving on a thing in itself; it is up to the possessor of money, i.e. of commodities in their ever-exchangeable form, whether he wants to spend this money as money or hire it out as capital. In interest-bearing capital, therefore, this *automatic fetish [automatische Fetisch]* is elaborated into

historical Subject in the Hegelian sense does indeed exist in capitalism' (p. 8) and that 'the social relations that characterize capitalism are of a very peculiar sort – they possess the attributes that Hegel accords the *Geist* ... Marx's Subject is like Hegel's: it is abstract and cannot be identified with any social actors; moreover, it unfolds temporally independent of will' (p. 9). Unfortunately, Postone's perspective is hampered not only by an insufficient account of the monetary aspects of value and capital, but also by a blindness to the equally fundamental process of 'constitution' of capital as a Subject within the class-struggle dimension. As a consequence, he does not see that the 'standpoint of labour' he is so keen to criticise as totally internal to capitalism is rather, at the same time, 'within and against' capital, and hence it is the key materialist foundation of the critique of productivism.

40 Smith (1993a, p. 150, footnote 25) quotes Backhaus, Reichelt, Krahl, Rosdolsky and Klaus Hartmann, as interpreters who compared Marx's and Hegel's philosophical frameworks. Unfortunately, he does not enter into a detailed (or even cursory, for what it is worth) commentary on Backhaus and Reichelt. I have learned a lot over the years from Smith, but his reading of capital as a *pseudo*-subject – a notion which, I must confess, I do not find very illuminating – leads me to regret that he did not engage in a serious confrontation with the literature I am stressing here.

41 Marx 1981 [1894], p. 596.

its pure form, self-valorizing value, money breeding money, and in this form it no longer bears any marks of its origin. The social relation is consummated in the relationship of a thing, money, to itself... The fetish character [*Fetischgestalt*] of capital and the representation [*Vorstellung*] of this capital fetish [*Kapitalfetisch*] is now complete.⁴²

The mystification of capital, now entered into agents' ideas about the process, does not make this upside-down, perverted and crazy, 'deranged' world less real and powerful.

The last quote goes back to Chapter VII of *Capital* Volume I, and gives a clue from where the 'occult ability to add value to itself' comes to capital:

The use of a commodity belongs to its purchaser, and the seller of labour-power, by giving his labour, does no more, in reality, than part with the use-value that he has sold. From the instant he steps into the workshop, *the use-value of his labour-power, and therefore also its use*, which is labour, belongs to the capitalist. By the purchase of labour-power, the capitalist *incorporates [einverleibt]* labour, as a *living* agent of fermentation, into the *lifeless* constituents of the product, which also belongs to him... By turning his money into commodities which serve as the building materials for a new product, and as factors in the labour process, by *incorporating living labour[-power] [lebendige Arbeitskraft einverleibt]* into their lifeless objectivity, the capitalist simultaneously transforms value, *i.e.*, past labour in its objectified and lifeless form, into capital, value which can perform its own valorization process, an animated monster which begins to 'work', 'as if its body were by love possessed'.⁴³

We see clearly the *tension* between the two sides of the coin – a tension which the translation downplays, translating as 'living labour' (the activity actualising labour-power) what in the original is living labour-power (the workers being bearers of that labour-power, and really performing that activity). *One* truth is that the labour of the workers is *of capital*. But there is *another* truth, that labour cannot but be the work *of the workers themselves*. The reference to the 'living' ferment and the 'consumption' of workers, and the insistence on the 'living labour-power' which is 'embodied', 'included' in the animated monster, points towards an unresolved and still 'open' class-contradiction.

42 Marx 1981 [1894], p. 516 (emphasis added).

43 Marx 1976c [1867], p. 302 (italics in original, bold emphasis added).

The scientific *and* revolutionary point of view of Marx is that that bourgeois 'truth' *may* be *proved* false, socially and politically, from a point of view which expresses *another* reality: the one according to which capital *is* the product of *living* labour, which is nothing but *the activity of living bearers of labour-power*. We have to deal with *two* antagonistic ontologies. Marxian theory should be engaged in a reconstruction/interpretation of *Capital* that cannot be separated from the effort of proving that (Hegelian *and* Ricardian) circular views about capitalism are false – in *practice*.

The Secret of Capital's Self-Valorisation 'Laid Bare': How Hegel Helped Marx to Overturn Ricardo's Theory of Profit

Patrick Murray

At the core of Marx's *Capital* lies his revelation of capital's secret, how capital makes money out of money, or, in Marx's more technical language, how value is valorised. In Marx's theory of surplus-value, capital's secret is 'laid bare': money makes money by appropriating – without needing to violate commercial fair play – the unpaid labour of wage-workers. Marx's theory of surplus-value begins his complex theory of profit, which overturns both Ricardo's theory of profit and his individualistic theory of value. Profit includes incomes in the forms of profit of enterprise, interest and rent; the total annual profit is the sum of those incomes for the year.

Profit, and another basic capitalist social form, wages, keep capital's secret well hidden. Profit measures itself against the sum of money invested; the ratio of the two sums, of profit to investment, is the rate of profit. The rate of profit, then, appears to have nothing to do with what part of the investment goes to pay wages, much less with how much unpaid labour a capital appropriates. And this is not merely a matter of appearances. The action of competition among capitals all chasing higher rates of profit tends to bring about a general rate of profit, so the size of individual profits is determined by the size of the individual capital invested. Since capital *per se* appears as the variable determining profit, capital seems to valorise itself. A general rate of profit implies that the profit returned to an individual investment in fact bears no direct relationship to the fraction of the investment devoted to wages or to the unpaid labour appropriated through that investment. Turning to the wage, it presents itself as compensation for the labour done by a wage-worker, as the 'price of labour'. That appearance puts a stop to the thought that profit arises from unpaid labour: there isn't any. The appearances and realities involved with profits and wages seem to torpedo Marx's claim that the source of profit is unpaid labour – and with it his theory of exploitation. But, as Marx was fond of saying in the face of an impasse, 'let us consider the matter more closely'. In order to overturn the extant theories of profit and wages, Marx has to introduce two key distinctions, between labour and labour-power and between constant

and variable capital, and to revolutionise (in a second way) the classical labour-theory of value.

Marx had already put the labour-theory of value on a new conceptual basis by identifying value as a historically specific social form. In *A Contribution to the Critique*, Marx writes, 'the labour which posits exchange-value is a specific social form of labour'.¹ With this conception of value as the consequence of the peculiar social character of commodity-producing labour, which necessarily appears as money, Marx reveals one of capitalism's secrets. Value is something strictly social, and money is the displaced social form of commodity-producing labour: 'Although it is thus correct to say that exchange-value is a relation between persons, it is however necessary to add that it is a relation hidden by a material veil'.² That 'material veil' is money and the price-system. By revealing money to be the necessary expression of value, Marx demonstrates that 'money, though a physical object with distinct properties, represents . . . nothing but a material expression of a specific social form of labour'.³ To solve the conundrums that the general rate of profit poses for the classical labour-theory of value, Marx first argues that *the labour-theory of value is false at the level of individual commodities and capitals*. Marx responds not by abandoning a labour-theory of value; that would be to give up on scientific understanding. Rather, he reconstitutes value-theory, directing it at the level of the totality of commodities and prices, capitals and profits (and, by implication, their representative or aliquot parts).

Political economy's failure to reconcile the theory of value with the formation of a general rate of profit, like its tin ear for the social specificity of value and value-producing labour, is not accidental; inattention to matters of form show its confinement to the 'bourgeois horizon'. Marx's term 'bourgeois horizon' refers to the mindset that was the target of his criticisms of the philosophy and economics of Proudhon's book *The Philosophy of Poverty*.⁴ Of classical political economy Marx writes:

Yet even its best representatives remained more or less trapped in the world of illusion their criticism had dissolved, and nothing else is

1 Marx 1970b [1859], p. 36.

2 Marx 1970b [1859], p. 34.

3 Marx 1970b [1859], p. 35.

4 Marx writes to Annenkov that Proudhon 'does not rise above the bourgeois horizon' (Marx and Engels 1975b, p. 190).

possible from the bourgeois standpoint; they all fell therefore more or less into inconsistencies, half-truths and unresolved contradictions.⁵

In the patterns of bourgeois thinking Marx finds knots of unworkable bifurcations: mind versus world, form versus content, passive versus active, immediate versus mediated. These dualisms arise from the dogma that whatever can be distinguished in thought can exist separately. The bourgeois mindset is always looking to factor out the purely subjective from the purely objective, pure form from pure content.

Hegel taught Marx to recognise and transcend the limitations of the 'bourgeois horizon', though Marx judged that Hegel ran afoul of his own criticisms of that mindset.⁶ At the age of 19, Marx wrote to his father about how, after gulping in Hegel, he understood the reason for the breakdown of his attempt to write a book on jurisprudence from the standpoint of Kant and Fichte. Marx explains, 'The mistake lay in my believing that the one (form) could and must be developed in separation from the other (matter), and consequently I obtained no actual form, but only a desk with drawers in which I then strew sand.'⁷ By contrast, Marx discovered, in Hegel's Concept, an alternative to the bifurcations of the bourgeois mindset: 'The concept is indeed the mediating between form and content.'⁸ Through Hegel, Marx developed the 'logical chops' to overturn the classical theories of value and profit. Of particular importance was Hegel's Logic of Essence: Essence must appear as something other than itself.⁹ In 'The Necessity of Money: How Hegel Helped Marx to Surpass Ricardo's Theory of Value', I argued that Hegel's Logic of Essence enabled Marx to break with Ricardo's theory of value and conclude that value must appear as money.¹⁰ In the present chapter, I argue that Marx leans on

5 Marx 1981 [1894], p. 969.

6 'Form and content are a pair of determinations that are frequently employed by the reflective understanding, and, moreover, mainly in such a way that the content is considered as what is essential and independent, while the form, on the contrary, is inessential and dependent. Against this, however, it must be remarked that in fact both of them are equally essential' (Hegel 1991 [1817], §133, addition, p. 202). Marx's critique of the 'bourgeois horizon' echoes Hegel's criticism of the 'reflective understanding'.

7 Marx 1967a [1837], p. 43.

8 Ibid.

9 Hegel 1991 [1817], §114, p. 165.

10 Murray 1993.

Hegel's Logic of Essence again: surplus-value must appear as profit; profit is the transformed form of surplus-value.¹¹

In a letter to Engels of 16 January 1858, Marx writes, in the midst of work on the *Grundrisse*, 'I am getting some nice developments. For instance, I have thrown over the entire doctrine of profit as previously conceived. In the *method* of treatment the fact that by mere accident I have again glanced through Hegel's *Logic* has been of great service to me.' Marx follows up:

If there should ever be time for such work again, I should greatly like to make accessible to the ordinary human intelligence, in two or three printer's sheets, what is rational in the method which Hegel discovered but at the same time enveloped in mysticism [*mystifiziert hat*].¹²

Let us look further into each of these provocative points.

Marx says that, with the aid of the rational aspect of the method that Hegel mystified, he has 'overthrown the entire doctrine of profit as previously conceived'. Marx's statement naturally raises several questions, which I will try to answer in order: 1) What did Marx mean by his statement that Hegel mystified his method? 2) What did Marx find to be rational in Hegel's method? 3) What were the shortcomings of the previous conceptions of profit? 4) What were the 'nice developments' that Marx made? 5) How did reacquainting himself with Hegel's *Science of Logic* help Marx to make these advances?

1 How, according to Marx, Did Hegel Mystify His Own Method?

What did Marx mean by Hegel's 'mystification of his method'? Let me indicate several aspects of Hegel's method, as Marx understood it, that he would have considered 'mystifying'.

1) Marx objected to Hegel for making logic into a discipline directed at free-standing logical entities. For Marx, this Platonist understanding of logical entities reifies what are properly conceived of as the logical aspects of worldly thinking. Marx adopts Feuerbach's assessment: 'Hegel sets out from the estrangement of substance . . . from the absolute and fixed abstraction.'¹³ Fixed

11 'Marx shows in *Capital* . . . the necessity . . . for the category of value to be transformed into the category of price of production' (Murray 1988, p. 263, 23n).

12 Marx and Engels 1975b, p. 102. See also Marx 1976c [1867], pp. 102–3.

13 Marx 1964 [1844], p. 172.

thought-abstractions, 'torn from *real* mind and from *real* nature', become the shadowy objects of inquiry in Hegel's logic.¹⁴

2) Marx traces the fixation of the abstractions investigated in Hegel's logic to his *Phenomenology of Spirit*, 'the true point of origin and the secret of the Hegelian philosophy'.¹⁵ Marx identifies Hegel's standpoint in the *Phenomenology* as that of 'modern political economy': 'He grasps *labour* as the *essence* of man'; however, much as the labour that constitutes value is abstract labour, 'the only labour which Hegel knows and recognises is abstractly mental labour'.¹⁶ Marx spells out the connection between Hegel's reduction of activity to 'sheer activity' and his positing an independent realm of logical abstractions:

The rich, living, sensuous, concrete activity of self-objectification is therefore reduced to its mere abstraction, *absolute negativity* – an abstraction which is again fixed as such and considered as an independent activity – as sheer activity. Because this so-called negativity is nothing but the *abstract, empty* form of that real living act, its content can in consequence be merely a formal content begotten by abstraction from all content. As a result there are general, abstract *forms of abstraction* pertaining to every content and on that account indifferent to, and, consequently, valid for, all content – thought-forms or logical categories torn from *real* mind and from *real* nature.¹⁷

To that accomplishment, Marx offers this back-handed compliment:

Hegel's positive achievement here, in his speculative logic, is that the *definite concepts*, the universal *fixed thought-forms* in their independence *vis-à-vis* nature and mind are a necessary result of the general estrangement of the human essence and therefore also of human thought.¹⁸

Hegel's logic is the necessary outcome of his estrangement from the worldliness of human activity: 'His thoughts are therefore fixed mental shapes or ghosts dwelling outside nature and man. Hegel has locked up all these fixed mental forms together in his *Logic*'.¹⁹ With Hegel, logic is the money of mind:

14 Marx 1964 [1844], p. 189.

15 Marx 1964 [1844], p. 173.

16 Marx 1964 [1844], p. 177.

17 Marx 1964 [1844], p. 189.

18 *Ibid.*

19 Marx 1964 [1844], p. 190.

Logic (mind's coin of the realm, the speculative or thought-value of man and nature – their essence grown totally indifferent to all real determinateness, and hence their unreal essence) is *alienated thinking*, and therefore thinking which abstracts from nature and from real man: *abstract thinking*.²⁰

In these observations on abstraction and logic in the economy of Hegel's thought, we find a remarkable anticipation of Marx's mature theory of value as congealed abstract labour and of money as the necessary expression of value, indifferent to the particularities of commodities.²¹

3) Because Hegel reduces 'the rich, living, sensuous, concrete activity of self-objectification' to 'sheer activity', to abstract thought, the only sort of objectivity that he recognises is pure thinghood, a ghostly objectivity: 'it is equally clear that a *self-consciousness* ... can only establish *thinghood* (i.e. establish something which itself is only an abstract thing, a thing of abstraction and not a *real* thing)'.²² Marx goes on to describe such an object as 'only the *semblance* of an object, a piece of mystification'.²³ Likewise, Ricardo reduces wealth to congealed labour: 'The *independent, material form of wealth* disappears and wealth is shown to be simply the activity of men'.²⁴

4) Marx objected to what he took to be Hegel's theological construal of logic. In describing Feuerbach's 'great achievement', Marx listed first '[t]he proof that philosophy is nothing else but religion rendered into thought'.²⁵ Hegel treats the abstract entities of his logic as ideas in the mind of God; they function as archetypes for the creation of nature and spirit.

5) Hegel, then, mystified logic by treating it as purely *a priori* – just as indifferent to the 'real determinateness' of nature and mind as value is indifferent to particular use-values – as opposed to emerging by reflection on human reasoning about the world.

6) Following Feuerbach, Marx, in his early study of Hegel's *Philosophy of Right*, charged Hegel with imposing prefabricated logical forms onto his objects of study, such as the family, civil society and the state: 'He develops his thinking not out of the object, rather he develops the object in accordance

20 Marx 1964 [1844], p. 174.

21 See Murray 1988, p. 49.

22 Marx 1964 [1844], p. 180.

23 Marx 1964 [1844], p. 183.

24 Marx 1991 [1861–3], p. 345.

25 Marx 1964 [1844], p. 172.

with ready-made thinking put together in the abstract sphere of logic'.²⁶ Marx insists that concepts must arise out of one's thinking over the objects of inquiry in the world – or reflection on that thinking engagement.

7) Marx objects to the 'presuppositionlessness' of Hegelian science.

8) Marx traces the mystification of the dialectic back to Hegel's logic, to his conception of the syllogism. Hegel's 'rational syllogism' reverts to the 'still imperfect combination of *immediacy* and *mediation*' characteristic of the sphere of essence:²⁷

In general, Hegel conceives of the syllogism as mediator, as a *mixtum compositum*. One can say that in his development of the rational syllogism the whole transcendence and mystical dualism of his system comes to the surface. The middle term is the wooden sword, the concealed opposition between universality and singularity.²⁸

Marx adds, 'Anything further than this belongs in the critique of Hegelian logic'.²⁹ If Marx were flatly opposed to logic, this task would be pointless.

2 What is Rational in Hegel's Method?

Though one might think that Marx was flatly opposed to logic in anything like Hegel's sense, evidence exists against that conclusion; not least is Marx's desire to write up what is rational in Hegel's method. Marx recognises the pertinence of logical categories and relations – not only those of ordinary formal logic. We do recognise common patterns in everyday and scientific reasoning whose content and movements can be attended to *as such*, though always *as aspects* of concrete reasoning about nature or spirit. In a passage from the first edition of *Capital*, Marx praises Hegel's attention to the content of some basic logical forms: 'before *Hegel*, professional logicians even overlooked the content of the form of the paradigms of judgment and syllogism'.³⁰ Attending to the content of forms belongs to the rational aspect of Hegel's method.

26 Marx 1970a [1843], p. 14.

27 Hegel 1991 [1817], §114, p. 178.

28 Marx 1970a [1843], p. 85. Hegel writes, 'the *rational* is nothing but the *syllogism*' (Hegel 1969 [1812–16], p. 665).

29 Marx 1970a [1843], p. 89.

30 As quoted in Murray 1988, p. 115.

In closing his chapter on wages, Marx writes, '[W]hat is true of all forms of appearance and their hidden background is also true of the form of appearance "value and price of labour", or "wages", as contrasted with the essential relation manifested in it, namely the value and price of labour-power'.³¹ Here Marx sees a point to making general observations regarding the categories of essence and appearance. The logical terminology of essence and appearance turns up in Marx's thinking about surplus-value in relation to profit: 'Surplus-value and the rate of surplus-value are ... the invisible essence to be investigated, whereas the rate of profit and hence the form of surplus-value as profit are visible surface phenomena'.³² To disclose profit as a necessary form of appearance, Marx first has to locate the source of all surplus-value in surplus-labour. Then Marx doubles back, reasoning from surplus-value to profit, revealing profit to be the transformed form of surplus-value.

As he does in his account of money as the necessary form of appearance of value, Marx finds rational aspects to Hegel's insight into the Logic of Essence. The conventional interpretation of the Logic of Essence sees only the one-way dependence of appearance on Essence; it does not recognise Essence's dependence upon appearance: Essence *must* appear. Classical political economy recognises the scientific demand to go past everyday phenomena and explain them in terms of essential relations. But, confined to its conventional understanding of the logic of essence and appearance, classical political economy does not see the point of doubling back and developing the categories of appearance from those of essence.

3 The Shortcomings of Political Economy's Conceptions about Profit and the Rate of Profit

Classical political economy fails to develop a definitive conception of surplus-value: it never gets to its '*absolute form*'.³³ Nonetheless, classical political economy makes progress. It topples the Trinity Formula, which imagines the three factors of production (land, means of production, and living labour) to be the respective natural and independent sources of the three kinds of revenue (rent, interest/profit of enterprise, and wages). It reduces rent and interest/profit of enterprise to surplus-labour. Contrasting classical political economy with vulgar economics, Marx offers this complex assessment:

31 Marx 1976c [1867], p. 682.

32 Marx 1981 [1894], p. 134.

33 Marx 1972 [1861–3], p. 239.

Classical political economy seeks to reduce the various fixed and mutually alien forms of wealth to their inner unity by means of analysis and to strip away the form in which they exist independently alongside one another. It seeks to grasp the inner connection in contrast to the multiplicity of outward forms. It therefore reduces rent to surplus profit, so that it ceases to be a specific, *separate* form and is divorced from its apparent source, the land. It likewise divests interest of its independent form and shows that it is a part of profit. In this way it reduces all types of revenue and all independent forms and title under cover of which the non-workers receive a portion of the value of commodities, to the single form of profit. Profit, however, is reduced to surplus-value since the value of the whole commodity is reduced to labour; the amount of paid labour embodied in the commodity constitutes wages, consequently the surplus over and above it constitutes unpaid labour, surplus labour called forth by capital and appropriated gratis under various titles.³⁴

Here Marx allows that classical political economy has the three levels of concepts that he distinguishes in his own account: the particular appearance-forms of surplus-value (profit of enterprise, interest and rent), profit and surplus-value. For all that it accomplished, however, '[c]lassical political economy occasionally contradicts itself in this analysis. It often attempts directly, leaving out the intermediate links, to carry through the reduction and to prove that the various forms are derived from one and the same source.'³⁵ This is not accidental, says Marx:

This however is a necessary consequence of its analytical method, with which criticism and understanding must begin. Classical economy is not interested in elaborating how the various forms come into being [*genetisch zu entwickeln*], but seeks to reduce them to their unity by means of analysis, because it starts from them as given premises. But analysis is the necessary prerequisite of genetical presentation, and of the understanding of the real, formative process in its different phases.³⁶

34 Marx 1972 [1861–3], p. 500.

35 Ibid. This lack of proper conceptual mediation is one of Marx's most common criticisms: 'As can be studied in the case of the Ricardian school, it is completely wrong-headed to seek directly to present the laws of the profit rate as laws of the rate of surplus-value, or vice versa' (Marx 1981 [1894], p. 136). See Engels 1978 [1884], p. 93.

36 Marx 1972 [1861–3], p. 500.

Classical political economy's failure to make sense of the development of categories shows its confinement to the 'bourgeois horizon'.

Ricardo was not the last word on profit and surplus-value from the Ricardian school. Commenting on a little-known 1821 pamphlet entitled *The Source and Remedy of the National Difficulties. A Letter to Lord John Russell*, Marx reflects on the limitations of Ricardo's theory of profit, identifies advances made by the author and brings out the limitations of the author's Ricardian standpoint:

This scarcely known pamphlet... contains an important advance on Ricardo. It bluntly describes surplus-value... as '*surplus labour*', the labour which the worker performs gratis, the labour he performs over and above the quantity of labour by which the value of his labour-power is replaced... Important as it was to reduce value to labour, it was equally important [to present] *surplus-value*, which manifests itself in *surplus product*, as *surplus labour*. This was in fact already stated by Adam Smith and constitutes one of the main elements in Ricardo's argumentation. But nowhere did he clearly express it and record it in an *absolute form*.³⁷

This author's blunt description of surplus-value as surplus-labour counts as an advance over Ricardo. Marx identifies a second advance over Ricardo: 'He thus distinguishes the general form of surplus labour or surplus-value from their particular forms, something which neither Ricardo nor Adam Smith [does], at least not consciously or consistently.'³⁸ The author self-consciously articulates the difference between surplus-value and its several forms of appearance, whereas previous classical political economists were prone to mix up these different conceptual levels. Thus, this author makes some progress in addressing Marx's concern about a lack of proper mediation in thinking about surplus-value, profit and surplus-value's particular appearance-forms (profit of enterprise, interest and rent).

All the same, the pamphlet has its limitations:

The pamphlet is no theoretical treatise... It does not, consequently, make the claim that its conception of surplus-value as *surplus labour* carries with it a general criticism of the entire system of economic categories, nor can this be expected of it. The author stands rather on Ricardian

37 Marx 1972 [1861–3], pp. 238–9.

38 Marx 1972 [1861–3], p. 254.

ground and is only consistent in stating one of the consequences inherent in the system itself.³⁹

A 'general criticism of the entire system of economic categories' was the task that Marx undertook in *Capital*.⁴⁰

Let us turn from Marx's general assessment to a number of specific shortcomings of classical political economy directly pertaining to surplus-value and profit. These points specify the difficulties in 'the entire doctrine of profit as previously conceived'.

1) Where well-thought-out concepts of surplus-value, profit and the specific forms of appearance of surplus-value (profit of enterprise, interest and rent) and their conceptual relationships are needed, the discourse of political economy is loaded with confusions, inconsistencies and missing or mixed-up distinctions. 'At bottom, surplus-value – in so far as it is indeed the foundation of profit, but still distinct from profit commonly so-called – has never been developed'.⁴¹ The 'General Observation' with which *Theories of Surplus Value* begins is:

All economists share the error of examining surplus-value not as such, in its pure form, but in the particular forms of profit and rent. What theoretical errors must necessarily arise from this will be shown more fully in Chapter III [of *Capital Volume III*], in the analysis of the greatly changed form which surplus-value assumes as profit.⁴²

2) Likewise, where well-thought-out concepts of the rate of profit and the rate of surplus-value and their conceptual relationship are needed, we again get conceptual confusion:

Ricardo's disciples, just as Ricardo himself, fail to make a distinction between *surplus-value* and *profit* . . . It does not occur to them that, even if one considers not capitals in different spheres of production but *each* capital separately, insofar as it does not consist exclusively of variable capital, i.e., of capital laid out in wages only, rate of profit and rate of

39 Ibid.

40 See Marx's letter to Lassalle of 22 February 1858 (Marx and Engels 1975b, p. 10).

41 Marx 1973 [1857–8], p. 384. On Ricardo see Marx 1969 [1861–3], p. 168.

42 Marx 1963 [1861–3], p. 40. See also Marx 1963 [1861–3], pp. 82 and 89.

surplus-value are different things, that therefore profit must be a more developed, specifically modified form of surplus-value.⁴³

3) Political economy lacked the idea that the concept of profit must be developed out of the concept of surplus-value and shown to be a 'transformed form' of it. Hegelian ideas such as 'more developed forms' lie beyond the 'bourgeois horizon' of the classical political economists.

4) Political economy did not correctly draw the conceptual distinction between labour-power and labour, which provides the necessary foothold for developing the concept of surplus-value. Engels spells out this failure:

Labour is the measure of value . . . Wages, the value of a definite quantity of living labour, are always smaller than the value of the product that is produced by this quantity of living labour, or in which this is expressed. The question [of 'the value of labour'] is insoluble in this form. Marx posed it correctly, and thereby answered it. It is not the labour that has a value . . . It is not labour that is bought and sold as a commodity, but rather labour-power.⁴⁴

5) Lacking the distinction between labour-power and labour, political economy could not draw the distinction between constant and variable capital; instead, it tangled it up with the distinction between fixed and circulating capital.⁴⁵

6) Lacking the distinction between constant and variable capital, political economy could not conceive properly of the rate of surplus-value, the organic composition of capital, profit or the rate of profit.

7) Political economy, then, lacked the correct account of the qualitative source of profit and the quantitative determinants of profit and of the rate of profit. So, political economy could not answer the question: what determines the average rate of profit?

8) Classical political economy failed to reconcile the classical labour-theory of value with the fact that capitals of a) differing organic compositions of capital and b) differing turnover-times tend to form a general rate of profit. Marx lays out the argument, concluding, 'The theory of value thus appears incompatible with the actual movement, incompatible with the actual phenomena of production, and it might seem that we must abandon all hope of

43 Marx 1972 [1861–3], p. 85.

44 Engels 1978 [1884], p. 101.

45 See Marx 1969 [1861–3], p. 170, and Engels 1978 [1884], p. 99.

understanding these phenomena'.⁴⁶ Ricardo recognised the problem in the first chapter of his *Principles*; in fact, Marx shows that Ricardo's examples actually prove that his theory of value cannot be reconciled with the general rate of profit.⁴⁷ However, as Marx sets forth in detail, Ricardo obfuscated this result by throwing the spotlight on secondary matters.⁴⁸ Other political economists, notably Malthus, recognised this basic contradiction without finding a way to overcome it. Instead, they a) rejected the labour theory of value (Malthus), b) argued that it applied to precapitalist societies but not to capitalism (Torrens) or c) tried unsuccessfully to reconcile the contradiction through one subterfuge or another (later Ricardians).⁴⁹ On this contradiction, Engels observes, classical political economy was shipwrecked: 'Around 1839, the Ricardian school foundered on surplus-value'.⁵⁰ At least by the writing of the *Grundrisse* in 1857–8, Marx knew that the labour theory of value in its individualistic conception is untenable: that was the truth at the other end of the stick Marx got hold of in overturning the received conceptions of surplus-value and profit. To throw 'over the entire doctrine of profit as previously conceived', Marx had to overthrow the classical labour theory of value and redirect it from individual commodities and capitals to the 'heap' of commodities and the total capital.

4 How Marx Addresses These Shortcomings of Classical Political Economy

Marx draws the necessary distinctions, develops the required concepts and discovers how to reconcile a reconceived labour theory of value with the formation of a general rate of profit among firms of differing organic compositions and/or turnover-times. Marx draws the distinctions between labour and labour-power and between constant and variable capital, clarifying how the latter distinction differs from that between fixed and circulating capital. These distinctions open the conceptual space for an adequate concept of surplus-value and of the rate of surplus-value, which, in turn, are needed in order to develop the concepts of profit and the rate of profit as 'transformed forms' of surplus-value and the rate of surplus-value, respectively.

46 Marx 1981 [1894], p. 252.

47 Marx 1969 [1861–3], pp. 190–1.

48 See Marx 1969 [1861–3], p. 181.

49 Marx 1981 [1894], pp. 268–9. See also Marx 1969 [1861–3], p. 191.

50 Engels 1978 [1884], p. 101.

To overthrow the existing doctrines of profit, Marx had to overthrow the individualistic classical labour theory of value; only then could he reconcile a labour theory of value with the general rate of profit. Marx replaces the failed labour theory of value, which explains individual prices as expressions of individual values, with a holistic labour theory of value that holds at the aggregate level, that is, for the total capital, and explains subordinate phenomena on that basis.⁵¹ *Individual prices do not match individual values; individual profits do not match individual surplus-values.* Still, the labour theory of value holds at the aggregate level and explains individual phenomena with transformed value-categories: 'The sum of the profits for all the different spheres of production must accordingly be equal to the sum of surplus-values, and the sum of prices of production for the total social product must be equal to the sum of its values'.⁵² Prices of production explain individual prices no longer in terms of individual values but rather on the basis of cost-price (the sum of constant and variable capital) plus profit, as determined by the average rate of profit, which depends on the aggregate surplus-value (= aggregate profit), the ΔM of the total capital.⁵³ Individual profits are no longer explained by individual surplus-values but by the transformed forms of surplus-value and rate of surplus-value, namely profit and rate of profit.

Marx pulls together the crux of his objection to individualistic value-theory, and the chief points of his holistic labour theory of value, in a passage from his criticism of Ricardo (what Marx calls 'cost-price' here is what he calls 'price of production' in Volume III):

Hence, if *profits* as a percentage of capital are to be equal over a period, say of a year, so that capitals of equal size yield equal profits in the same period of time, then the *prices* of the commodities must be different from their *values*. The sum total of these *cost-prices* of all the commodities taken together will *be equal to their value*. Similarly the total profit will be equal to the total surplus-value which all these capitals yield, for instance,

51 'Every section of the *aggregate capital* [*Gesamtkapital*] would in accordance with its magnitude participate in the aggregate surplus-value and draw a corresponding part [*aliquot Teil*] of it. And since every individual capital is to be regarded as shareholder in this aggregate capital, it would be correct to say *first* that its *rate of profit* is the same as that of all the others [because] capitals of the same size yield the same amount of profit ... Competition more or less succeeds in this by means of its equalizations' (Marx 1969 [1861–3], p. 29).

52 Marx 1981 [1894], p. 273.

53 'The production price of the commodity has also developed, as a transformed form of value' (Marx 1981 [1894], p. 263).

during one year. If one did not take the definition of value as the basis, the *average profit*, and therefore also the cost-prices, would be purely imaginary and untenable. The equalisation of the surplus-values in different spheres of production does not affect the absolute size of this total surplus-value; but merely alters its *distribution* among the different spheres of production. The determination of this surplus-value itself, however, only arises out of the determination of value by labour-time. Without this the average profit is the average of nothing, pure fancy. And it could then equally well be 1,000 per cent or 10 per cent.⁵⁴

Marx will not abandon a labour theory of value; without it, the general rate of profit, which is required to arrive at prices of production, is left unexplained. By the same token, we see why Marx objects to Ricardo's method, which treats value and the general rate of profit as being on the same conceptual level. The theory of value must account for the general rate of profit by accounting for the total surplus-value (profit) before it can be used to explain the necessary transformation of values into prices of production.

Implications of Marx's Overthrowing of the Classical Doctrines of Profit and Value for the Organisation of 'Capital'

Since overthrowing previous doctrines of profit required Marx to overthrow the individualistic classical theory of value and replace it with a holistic one, there are major implications for how Marx had to organise *Capital*. The classical labour theory of value fails not only as a theory of profit but also as a theory of prices. That conclusion might appear to consign the first volume of *Capital* to history's dustbin. Böhm-Bawerk claimed that Marx's theory of prices of production in Volume III contradicted his theory of value in Volume I, published in 1867. With what we know today, Böhm-Bawerk's claim looks quite different. But how shall we express this difference? Shall we say, simply, that Marx was well aware of a contradiction? After all, Marx recognises the incompatibility of Ricardian value-theory with a general rate of profit already in the *Grundrisse*. Or shall we take what I argue is the more plausible route of denying any contradiction between the first and third volumes of *Capital*? But how can we do that? Suppose that, ten years after having overthrown Ricardo's individualist labour theory of value, Marx did not write hundreds of pages of *Capital* on the basis of it. Suppose that *Capital* is written, from the beginning, on the basis of the new, aggregate theory of value. Then Marx's claims about value and surplus-value pertain to the 'heap' of commodities and the total capital or their aliquot

54 Marx 1969 [1861–3], p. 190.

parts, not to individual commodities or capitals.⁵⁵ Applied to each actual individual commodity or capital, virtually all the claims of the first two volumes of *Capital* are false and long known to be false by Marx.

If it can be avoided, why accept a reading of *Capital* Volumes I and II that has such a consequence? We can avoid it by reading *Capital* as written from start to finish from the standpoint of the holistic labour theory of value that Marx developed in overthrowing previous doctrines of profit. When Marx uses examples and writes of particular commodities and capitals in the first two volumes, he refers not to actual individual commodities or capitals but rather to representative commodities and capitals that are aliquot parts of the total 'heap' of commodities or capitals.⁵⁶ While it is generally false that individual commodities sell at prices determined by their individual values, it is true that an aliquot part of the heap of commodities would sell at a price determined by its value. Likewise, the profit realised by an individual capital will generally not be determined by the individual amount of surplus-value created by the workers hired by that capital. But the profit to an aliquot part of the total capital would be determined by the surplus-value created by the workers employed across all capitals. There is no contradiction between Volumes I and III because Marx never puts forward the individualistic theory of value that he had demonstrated to be false by 1858.

Discordant Overlapping Discourses: Unmasking Capital's Pretence to Be Self-Valorising

Marx organises the three volumes of *Capital* in order to expose the capital-fetish, capital's pretence to match what Marx thought Hegel claimed for the Concept. Marx organises this disclosure across the three volumes of *Capital* by overlapping the apparent Concept-Logic of capital and the Essence-Logic of surplus-value. He simultaneously develops the concept of capital, with its pretence to the self-contained development characteristic of Hegel's Concept, self-valorisation, and lays out the Essence-Logic of surplus-value, whereby

55 See Murray 2005. 'In capitalist production, each capital is assumed to be a unit, an aliquot part of the total capital' (Marx 1963 [1861–3], p. 416; Marx 1991, p. 299). Fred Moseley comments that this passage 'clarifies the important point that the individual capitals which Marx often used as illustrations in Volume I of *Capital* ... are not in fact individual capitals, but are instead ideal representatives of the total capital ... and thus that the real subject of Volume I is this total capital' (Moseley 2009, p. 142).

56 In a letter to Engels (8 January 1868), Marx suggests the metaphor of the total social surplus-value *in solution*, which neatly fits the idea of aliquot parts: 'I first deal with the general form of surplus-value, in which all these elements are still undifferentiated – in solution as it were' (Marx and Engels 1975b, p. 232).

surplus-value necessarily appears as profit: 'profit is the form of appearance of surplus-value'.⁵⁷ The concept of surplus-value incorporates the antagonistic and exploitative class-relationship between capitalists and wage-workers: it 'lays bare' capital's underpinnings. Marx calls attention to the disruption caused by the overlapping of the apparent Concept-Logic of capital and the Essence-Logic of surplus-value:

In surplus-value, the relationship between capital and labour is laid bare. In the relationship between capital and profit, i.e. between capital and surplus-value as it appears . . . *capital appears as a relationship to itself*, a relationship in which it is distinguished as an original sum of value, from another new value that it posits. It appears to consciousness as if capital creates this new value in the course of its movement through the production and circulation processes.⁵⁸

Identifying this disruptive overlap specifies how Marx both accounts for and exposes capital's pretence to be a Concept-like 'self-valorising' 'automatic subject'.

That capital appears to valorise itself arises naturally out of the way that surplus-value necessarily appears, that is, as profit. Profit is measured against the value of capital's inputs into the production-process (cost-price); consequently, due to the formation of a general rate of profit, the magnitude of profit is a function of the magnitude of capital invested. Since it is proportional to *its* magnitude – and to nothing else apparent to everyday consciousness – capital's growth seems to be entirely its own doing. Marx's counter-discourse of surplus-value exposes the truth about profit and capital's seemingly inherent power to valorise itself. The sole source of profit, hence of capital's valorisation, is the unpaid labour of productive wage-workers.

The phenomenon of wages, like that of profit, supports capital's fetishistic pretence to independence, to be 'self-valorising value'. Marx reconceives wages as the transformed form of the value of labour-power. Marx does not bring in the category of wages until Chapter XIX of Volume I, after he introduces the concept of surplus-value, and draws the distinctions between labour and labour-power and between constant and variable capital and provides a

57 Marx 1981 [1894], p. 139.

58 Marx 1981 [1894], p. 139. 'Just as Marx rejects as illusory the presupposed independence from sensuous actuality that he finds in Hegel's philosophical logic, so, too, does Marx denude the concept of capital of its seeming independence from natural objects and living human labour' (Murray 1988, p. 219).

thorough treatment of absolute and relative surplus-value. The wage-form includes features that are not present in the concept of the value of labour-power. Marx introduces his examination of these features with this short paragraph: 'Let us first see how the value (and the price) of labour-power is represented in its converted [*verwandelte*] form as wages'.⁵⁹ The wage appears to be 'the price of labour', compensation for the labour done: 'On the surface of bourgeois society the worker's wage appears as the price of labour, as a certain quantity of money that is paid for a certain quantity of labour'.⁶⁰ Hence 'all labour appears as paid labour'.⁶¹ Left unchallenged, this understanding of the wage as 'the price of labour' would thwart Marx's 'laying bare' of capital: unpaid labour accounts for profit.

The wage-form blocks drawing the distinction between labour and labour-power; it leaves no way to account for surplus-value and allows no conceptual space for the essential category of variable capital. Like profit and the rate of profit, the wage is an appearance-form that covers up the true source of profit:

We may therefore understand the decisive importance of the transformation [*Verwandlung*] of the value and price of labour-power into the form of wages, or into the value and price of labour itself. All the notions of justice held by both the worker and the capitalist, all the mystifications of the capitalist mode of production, all capitalism's illusions about freedom, all the apologetic tricks of vulgar economics, have as their basis the form of appearance discussed above, which makes the actual relation invisible, and indeed presents to the eye the precise opposite of that relation.⁶²

By first developing the essential categories of labour-power and variable capital, and only later introducing the appearance-form of wages, presented as the transformed form of the value of labour-power, Marx discloses the wage-form to be the necessary form of appearance of relations of domination and exploitation. This is a blow to the Trinity Formula's assurance that all's well in the world of capitalist relations.

This pattern runs throughout *Capital*: Marx moves from observable phenomena interpreted in everyday ways, for example, wages and profits, to their essential determinants. He then works back and develops the appearance-

59 Marx 1976c [1867], p. 697.

60 Marx 1976c [1867], p. 675.

61 Marx 1976c [1867], p. 680.

62 Marx 1976c [1867], p. 680.

forms as transformations of the essential forms. Of the revenue-forms that Marx considers in the chapter on the Trinity Formula, the wage is the first he develops. Notice how he describes each of these revenue-forms. In each case, the term 'transformation' [*Verwandlung*] signals that Marx is showing how an essential category, one of those that enable Marx to 'lay bare' capital's pretences, is (necessarily) transformed into a category of appearance that confirms capital's pretences. Of course, in the Hegelian conception, which Marx adopts, these transformed categories of appearance belong to the essence.

On Reading Chapters IV and V of 'Capital' Volume I

What Marx called the 'Chapter on Capital' in the *Grundrisse*, begins in *Capital* with Chapter IV, 'The General Formula for Capital'. That formula is $M - C - M + \Delta M$, and Marx calls ΔM 'surplus-value'. As we learn in the first chapter of Volume III, 'Cost Price and Profit', this ΔM is numerically, but not conceptually, the same as what Marx calls 'profit'. ΔM is the profit to the total capital, M , which is identified in Chapter I of Volume III as total cost-price. Cost-price is the transformed form of the sum of constant capital and variable capital: 'If we call cost price k , the formula $C = c + v + s$ is transformed [*verwandelt sich*] into the formula $C = k + s$, or commodity value = cost price + surplus-value'.⁶³ In Chapter IV, then, Marx introduces the phenomenon that he intends to explain by developing the concept of surplus-value and later showing that the category of profit is the 'transformed form of surplus-value'. It is the same phenomenon that Marx engages with at the beginning of Volume III.⁶⁴ The fact that Marx calls this ΔM 'surplus-value', not 'profit', and does not introduce the term 'profit' until the first chapter of Volume III, is important. It tells us much about how *Capital* is organised and to what ends.

Chapters IV and V of Volume I are to be read in the light of the first two chapters of Volume III, where Marx introduces the concepts of cost-price and profit and the rate of profit. The ΔM that Chapter IV introduces is not the ΔM of this or that individual capital but rather the net profit to all capitals. Or, which amounts to the same thing, it is the ΔM of an aliquot part of that total capital. Chapter V of Volume I makes it clear that the ΔM of Chapter IV refers to the sum of the profits to all capitals – or to an aliquot part of the total

63 Marx 1981 [1894], p. 118.

64 In the first draft of the chapter 'Cost Price and Profit', in the *Economic Manuscript of 1861–63*, Marx makes this explicit: 'We now return, therefore, to the point of departure from which we proceeded in considering the general form of capital' (Marx 1988a [1861–3], p. 80).

capital.⁶⁵ Though the ΔM of this or that individual capital can be explained by the theory that surplus-value arises out of circulation rather than production, by a 'mark-up' theory, the fact that there is a net surplus-value to the total capital cannot be explained in this way.

In Chapter I of Volume III, ΔM appears as *profit*, a category that is conceptually paired with the category of *cost-price*. This pairing distinguishes profit from the category of surplus-value. Profit is defined as what remains after the cost-price is deducted from the net proceeds from the sale of the commodities produced in the specified time-period: 'as an excess of the sale price of the commodity over its cost price'.⁶⁶ Marx argues that the category of cost-price, by lumping constant and variable capital together, erases that essential distinction.⁶⁷ It naturally produces the illusion that ΔM arises not in production but rather in circulation. 'Thus if commodity value is formed without any other element besides the capitalist's advance of value, there is no way of seeing how any more value is to come out of production than went into it, unless something is to come out of nothing'.⁶⁸ If ΔM cannot come out of production – as it cannot if the wage is 'the price of labour' – then it appears that it must somehow come out of circulation. Colonel Torrens thus insisted that profit must arise in circulation, while Ramsay rebuked him for implying that value could come out of thin air. Marx cites both Torrens and Ramsay in Chapter V of Volume I and again in Chapter I of Volume III.⁶⁹ The way that Torrens accounts for ΔM (for the total capital), which flows naturally from the appearance-forms of cost-price and profit, is shown in Chapter V of *Capital* Volume I to fail: gains and losses cancel one another out. This leaves the questions of what gives rise to ΔM and what determines its magnitude unanswered. Not only are these questions unanswered, Marx charges that they are unanswerable on the basis of capital's uninvestigated appearance-forms (cost-price, profit and rate of profit). He observes, 'But if we start from this rate of profit, we can never establish any specific relationship between the excess and the part of capital laid out on wages'.⁷⁰ So, Marx does not start *Capital* that way.

65 In discussing in Volume III the notion that surplus-value 'derives from the sale [of the commodity] itself', Marx observes, 'We have already dealt with this illusion in detail in Volume 1, Chapter 5' (Marx 1981 [1894], p. 128).

66 Marx 1981 [1894], p. 138.

67 Marx 1981 [1894], p. 253.

68 Marx 1981 [1894], p. 129.

69 Marx 1976c [1867], p. 264, and 1981 [1894], pp. 128–9, respectively.

70 Marx 1981 [1894], p. 138.

Marx starts from the phenomena that appear as profit and the rate of profit. These appearances, as Marx argues in Chapters I and II of Volume III, naturally lead to 1) concluding that ΔM arises in circulation, not production, and 2) attributing to capital a mysterious power to throw off profits (to valorise itself). That pretence to self-valorisation leads Marx in Chapter II of Volume III to compare capital to Hegel's Concept:

We might say in the Hegelian fashion that the excess is reflected back into itself from the rate of profit, or else that the excess, which is characterised more specifically by the rate of profit, appears as an excess which the capital produces over and above its own value . . . [*C*] *apital appears as a relationship to itself*, a relationship in which it is distinguished, as an original sum of value, from another new value that it posits. It appears to consciousness as if capital creates this new value in the course of its movement through the production and circulation processes.⁷¹

Toward the end of Chapter IV of Volume I, which takes up the same phenomena that will be examined in a very different light in the opening chapters of Volume III (namely as the necessary appearance of an essence, surplus-value, as something other than itself), Marx describes capital as a Concept-like 'automatic subject' that 'changes its own magnitude, throws off surplus-value from itself considered as original value, and thus valorises itself independently . . . [V]alue suddenly presents itself as a self-moving substance which passes through a process of its own'.⁷² In Chapter IV of Volume I, Marx does not work through the reasons why profit seems to arise in circulation and capital seems to be an independent, self-moving substance, as he does in the opening chapters of Volume III. Marx does not introduce cost-price, profit and rate of profit, as categories of appearance, until the beginning of Volume III, after he has developed the necessary essence-categories (labour-power as opposed to living labour, constant capital and variable capital, surplus-value and the rate of surplus-value) and has explored the dynamics of surplus-value at length. When Marx does introduce the categories of profit and the rate of profit, he introduces them *as* transformations of the essential categories of surplus-value and rate of surplus-value, which appear necessarily as something other than themselves, namely profit and the rate of profit.

71 Marx 1981 [1894], p. 139. 'But how this happens is now mystified, and appears to derive from hidden qualities that are inherent in capital itself' (Marx 1981 [1894], p. 139).

72 Marx 1976c [1867], pp. 255–6.

We can compare what Marx does with surplus-value and its form of appearance, profit, to what Marx does in Chapter I of *Capital* Volume I, with value and its form of appearance, money. Marx begins with a phenomenon that everyone is familiar with, namely, that a use-value generally presents itself with a price. But he does not describe the phenomenon in that way; instead, he says that wealth in the form of a commodity has an exchange-value.⁷³ At the beginning of section III, Marx again avoids using 'money' or 'price', saying that commodities 'possess a double form, i.e. natural form and value form'. So, when Marx introduces the money-form as the culmination of the dialectic of the value-form, he introduces it not as the familiar everyday phenomenon – commodities have prices – but rather as the necessary form of appearance of value, the transformed form of value, which has first been shown to be the essence of exchange-value.

5 How Did Hegel Help Marx Surpass Ricardo's Theory of Profit?

Let us go to the crux of the matter before turning to some broader considerations. Marx writes of Adam Smith's thinking on surplus-value and profit: 'Adam Smith . . . should certainly have seen from this that he ought not to treat [the] general abstract form as directly identical with any of its particular forms'.⁷⁴ As mentioned above, this failure to discriminate forms is one of the most fundamental criticisms Marx makes of previous theories of profit. Marx immediately attributes Smith's theoretical failure to a methodologically narrow empiricism:

With all later bourgeois economists, as with Adam Smith, lack of theoretical understanding needed to distinguish the different forms of the economic relations remains the rule in their coarse grabbing at and interest in the empirically available material. Hence also their inability to form a correct conception of money, in which what is in question is only various changes in the form of exchange-value, while the magnitude of value remains unchanged.⁷⁵

73 Martha Campbell observes, 'Although Marx never regards exchange value as anything but money price, he does not specify that it is until he shows what money price involves' (Campbell 1997, p. 100).

74 Marx 1963 [1861–3], p. 92.

75 *Ibid.* Of Ricardo's method Marx says, 'But the faulty architectonics of the theoretical part (the first six chapters [of Ricardo's *Principles*]) is not accidental, rather it is the result of

Here Marx associates the two chief failings of classical political economy: 1) it does not grasp the necessary formal difference between a commodity and the money for which it is exchanged (though their value-magnitudes are the same); and 2) it does not grasp the necessary formal difference between profit and surplus-value (though their value-magnitudes are the same).⁷⁶

Here lies the short answer to the question: how did Hegel help Marx surpass Ricardo's theory of profit? Hegel taught Marx to take matters of form in earnest, not to take given concepts for granted but to probe their content in a painstaking empirical and conceptually self-reflective way that I call 'redoubled empiricism'.⁷⁷ From Hegel, Marx learned to *develop* concepts, a thought foreign to the mindset of the classical political economists, to show how one concept is the *transformed form* of another, as profit is the transformed form of surplus-value, and to demonstrate the necessity of such transformations.⁷⁸ More particularly, Marx learned from Hegel's Logic of Essence not to treat essence and appearance as separable: Essence must appear as something other than itself. Essence is not some imperceptible thing or force that stands alone, independent of its expression. No, the two are one complex reality.

What Marx Learned from Hegel: Not an Exhaustive List

1) *Immanent critique*: Marx learned from Hegel to advance science by way of an immanent critique of previous thinkers.⁷⁹ Marx's mature theory of profit is a case in point; he arrives at it by probing the failure, which had been seen by Malthus, Bailey and others, of the individualistic classical theory of value to account for the general rate of profit.

Ricardo's method of investigation itself and of the definite task which he set himself in his work. It expresses the scientific deficiencies of this method of investigation itself' (Marx 1969 [1861–3], p. 167).

76 'In elaborating [*die Entwicklung*] the concept of value, he [Ricardo] does not clearly distinguish between the various aspects, between the exchange value of the commodity, as it *manifests itself, appears* in the process of commodity exchange, and the existence of the commodity as value as distinct from its existence as an object, product, use-value' (Marx 1972 [1861–3], p. 125). Marx also makes this kind of complaint regarding Ricardo's approach to surplus-value and profit.

77 See Murray 1997.

78 'This whole BLUNDER of Ricardo's... spring[s] from his failure to distinguish between *surplus-value* and *profit*; and in general his treatment of *definitions of form* is crude and uncomprehending, just as that of the other economists' (Marx 1989a [1861–3], p. 439).

79 Hegel 1969 [1812–16], p. 581.

2) *Conceptual clarity*: Quite a few of the mistakes of the political economists involve lack of clarity about concepts; often their concepts are vague, confused or ambiguous. Hegel wrote, '[P]hilosophizing requires, above all, that each thought should be grasped in its full precision and that nothing should remain vague and indeterminate.'⁸⁰ Marx's mature theory of profit is again a case in point, since, before Marx, no clear conceptual distinctions were drawn between labour and labour-power, constant and variable capital, surplus-value and profit or the rate of surplus-value and the rate of profit.

3) *Not taking concepts for granted*: Marx does not take categories for granted. Marx complains over and over about political economists taking concepts for granted rather than 'developing' them, reaching back to his first serious encounter with them in the *Paris Manuscripts*. One of Marx's basic criticisms of Ricardo is that he simply assumes the general rate of profit rather than probing it to determine its conceptual compatibility with his individualistic theory of value.⁸¹ As we have seen, classical political economy made a bad showing where the category of wages was concerned:

Classical political economy's unconsciousness of this result of its own analysis and its uncritical acceptance of the categories 'value of labour', 'natural price of labour', etc. as the ultimate and adequate expression for the value-relation under consideration, led it into inextricable confusions and contradictions, as will be seen later, while it offered a secure base of operations to the vulgar economists who, in their shallowness, make it a principle to worship appearances only.⁸²

Because of his attention to forms, Marx's scientific agenda reaches far beyond the horizon of political economy. The idea that a system of categories needs to be criticised fits in perfectly with the aspirations of Marx's 'redoubled empiricism', but it is foreign to an empiricism unreflective about its categories.

4) *Essence must appear as something other than itself*: From Hegel's *Logic of Essence* Marx learned the basic conceptual figure: Essence necessarily appears as something other than itself. Essence and appearance are recognised to be inseparable. Hegel supersedes the conventional understanding of the categories of the *Essence-Logic* as 'products of the reflecting understanding, which both assumes the distinctions as *independent* and at the same time posits their

80 Hegel 1991 [1817], §80 addition, pp. 127–8.

81 See Marx 1969 [1861–3], p. 174.

82 Marx 1976c [1867], p. 679.

relationality *as well*... [I]t does not bring these thoughts together'.⁸³ Hegel's advance in grasping the Logic of Essence shows up in Marx's treatments of value and of surplus-value: value necessarily appears as something other than itself, money; surplus-value necessarily appears as something other than itself, profit.

5) *Systematic dialectic: to develop concepts and transform forms*: Marx learns from Hegel's logic to develop categories methodically, in a structure of mutual presupposition, not just to postulate them. Developing the necessary forms of appearance of essences is a crucial case of developing categories. Marx rebukes Ricardo for postulating a general rate of profit and then making a faulty effort to check to see if it is compatible with the law of value as Ricardo had (too narrowly, as it turns out) conceived of it.⁸⁴ Needless to say, '[h]ow from the mere determination of the "value" of the commodities their surplus-value, the profit and even a *general rate of profit* are derived remains obscure with Ricardo'.⁸⁵ More generally, Marx complains that Ricardo's *Principles*, starting with the first chapter, is a conceptual hodgepodge.⁸⁶ Marx insists that the general rate of profit must be developed out of the theory of value, not simply postulated. The very idea of transformed forms is Hegelian in inspiration. When we move from the phenomena in their everyday interpretation to their essence, we move in order to comprehend them. In reversing directions and moving from essential categories to their necessary forms of appearance, we grasp appearance-forms, such as money and profit, as transformed forms of essential categories, value and surplus-value, respectively. In proceeding in this way Marx develops categories and achieves a conceptually adequate representation of capitalist actuality – 'absolute form'.

83 Hegel 1991 [1817], §114, p. 179.

84 Marx 1969 [1861–3], p. 174. See also Moseley 1993a, p. 163.

85 Marx 1969 [1861–3], pp. 190–1.

86 Marx 1969 [1861–3], pp. 164, 168, 190.

'The Circular Course of Our Representation': 'Schein', 'Grund' and 'Erscheinung' in Marx's Economic Works

Igor Hanzel

Introduction

The aim of this chapter is to deal with the methodological aspects of Marx's economic works, and here especially with the ways he proceeds from a certain cluster of concepts of political economy as a science to other ones.¹ I start with a short overview of Marx's procedures in *Capital* Volume I leading to the manuscript 'Chapter VI. Results of the Immediate Process of Production' and show how they correspond to a circular type of theory-construction.

For a better understanding of this type of theory-construction, I then analyse Hegel's logico-categorical reconstruction of the movement of scientific knowledge from *Schein* via *Wesen* to *Erscheinung* as given in his *Science of Logic* and I show how Marx draws on Hegel's category-clusters *Schein*, *Wesen* and *Erscheinung*, and their orderings. Based on this account I also propose a translation into English of the category-pair *Schein* and *Erscheinung* that takes into account these peculiarities. Because I make this proposal only at the end of this chapter, I shall use throughout my text the German terms for this pair as well for categories that are related to it. As the primary source for the quotations I will use the texts published in the *MEGA* edition; all the quotes in English are my translations from German. For a better understanding of the categories employed by Marx, I insert into the English quotations in square brackets the corresponding German terms in their basic, for example, infinitive form. In the English translations of quotations from Hegel's *Wissenschaft der Logik* I use the German terms for those categories. In order to distinguish the categories of cognition from their linguistic expressions, I put the former in italics and the latter in quotation-marks. I capitalise those categories which stand for clusters of categories.

Finally, I give an epistemological account of the category-pair *Schein* and *Erscheinung* with respect to Marx's economic works together with a

1 This paper was written with the support of the grant VEGA, number 1/0221/14.

description of the peculiarities of German syntax in relation to that pair. Based on this account, I propose an interpretation of the term 'subject' from Chapter IV of *Capital* Volume I, and of chosen sections in Marx's manuscripts used by Engels in the publication of *Capital* Volume III.²

1 Marx's 'Circular' Logic of Theory-Construction

Marx starts Chapter I of *Capital* Volume I, with the following statement:

The wealth of societies in which the capitalist mode of production prevails appears [*erscheinen*] as an 'immense collection of commodities'; the individual commodity appears as its elementary form. Our investigation therefore begins with the analysis of the commodity.³

Then, in a sequence of steps he subjects the commodity to a series of analyses, based on which he reduces in thought the exchange-value of a commodity to its value-character, and then in turn derives the concepts of exchange-value and money as a form of exchange-value. This enables him also to move to understanding how surplus-value is produced. All these steps, finally, lead, or to be more precise (if Marx had stuck to his initial plan), should have led, to 'Chapter VI. Results of the Immediate Process of Production'. Its most important aspect, from the point of view of this chapter, is what Marx labels as '*Cirkellauf unsrer Darstellung*', that is, the 'circular course of our representation'⁴ with respect to what should have been the end of the first volume of *Capital*:

The *commodity*, as the elementary form of bourgeois wealth, was our point of departure, the prerequisite for the emergence of capital. On the other hand, commodities appear now [*erscheinen*] as the *product of capital* ... If we consider societies of *developed capitalist production*, the commodity appears [*erscheinen*] in them as the constant elementary

² See Marx 1992 and Marx 2012. I would like to thank Dr Gerald Hubmann from the Berlin-Brandenburgische Akademie der Wissenschaften in Berlin, Germany, for enabling me to access the manuscript Marx 2012 shortly before its publication.

³ Marx 1987d [1872], p. 69, Marx 1976c [1867], p. 125. The term '*erscheinen*' appears in the German original only once, not twice as in the English translation.

⁴ Marx 1988c, p. 24, Marx 1976c [1867], p. 949.

presupposition of capital and also the immediate result of the capitalist process of production.⁵

He also states the following: 'The *commodity*, as the *universally necessary form of the product*, as the specific characteristic of capitalist mode of production, shows itself palpably in the large-scale production that emerges in the course of the development of capitalist production'.⁶

The last trace of Chapter VI can be found in the first edition of *Capital* Volume I, at the very end of 'The Modern Theory of Colonisation', where he says the following:

Suppose the capitalist has advanced and consumed in the process of production £5,000, £4,000 in means of production, £1,000 in labour-power, with a rate of exploitation of labour of 100%. So, the value of the product, e.g., of x tons of iron, is £6,000. If the capitalist sells the iron at its *price*, then he realises a surplus-value of £1,000, that is, the unpaid labour materialised in the iron . . . The immediate result of the capitalist production is *commodity*, even if a commodity impregnated with surplus-value. We are thrown back to our point of departure, the commodity.⁷

I interpret these statements as meaning that while Marx in section I of Chapter I of *Capital* Volume I chooses the mass of commodities together with a single commodity as an average sample from this mass as a point of departure for his exposition while giving no conceptual justification for this choice, at the (supposed) end of this volume, this point of departure receives its justification. Simultaneously, Marx explicitly indicates how this 'end-point' of derivation differs from that point of departure:

The *commodity* that emerges from capitalist production is determined differently from the commodity we began with as the element, the presupposition of capitalist production. We began with the individual commodity as an independent article in which a specific amount [*Quantum*] of labour-time is objectified and which therefore has an exchange-value of a definite size [*Größe*]. The commodity now appears [*erscheinen*] further determined in a twofold manner: 1) What is objectified in it . . . is a specific quantum [*Quantum*] of socially necessary labour. But whereas in

5 Ibid.

6 Marx 1988c, pp. 29–30, Marx 1976c [1867], p. 953.

7 Marx 1983f [1867], p. 619.

the commodity as such it remains quite undecided (and is in fact a matter of indifference) from whom this objectified labour is derived etc., the commodity as the *product of capital* contains partially paid and partially unpaid labour . . . 2) The individual commodity does not only appear [*erscheinen*] materially as an aliquot part of the total produce of capital, but as an aliquot part of the total lot produced by it. We do not at all have in front of us the individual independent commodity, the single product. Not individual goods, but a *mass of commodities* appears [*erscheinen*] as the result of the process.⁸

About his own conceptual derivation he claims that it 'shows how the commodity as the *product of capital* . . . must be thought differently from the way in which we conceived it at the outset of our development of the individual independent commodity'.⁹

Based on his cyclical conceptual development, Marx claims that Proudhon does not take into account the mass of commodities as the product of the total capital, where the whole mass of commodities, produced, for example, in one week, 'breaks down into one part whose *price* = the weekly wage = the variable capital laid out during the week and containing no *surplus-value* . . . and another part whose price consists only of surplus-value, etc'.¹⁰ And because Proudhon sticks to the concept of an isolated commodity, Marx argues, 'Proudhon is quite right as far as the *appearance* goes [*so weit als der Schein reicht*]',¹¹ while commenting on his paradoxes as follows: 'They consist in the fact that he regards the confusion wrought by economic phenomena [*Erscheinungen*] in his own mind as the laws governing those phenomena [*Gesetz der Erscheinung*]'.¹²

2 Hegel and Marx's 'Circular' Logic

If one looks at the works of Marx's published in Section II of the *MEGA*, as well as the quotations from them given above, one will readily see that he uses German terms such as '*Erscheinung*', '*Grund*', '*Begründetes*', '*Gesetz der Erscheinung*' and '*Erscheinungsform*'. These stand for categories employed by

8 Marx 1988c, p. 33, Marx 1976c [1867], pp. 953–4.

9 Marx 1988c, p. 43, Marx 1976c [1867], p. 965.

10 Marx 1988c, p. 49, Marx 1976c [1867], p. 972.

11 Ibid.

12 Marx 1988c, p. 50, Marx 1976c [1867], p. 972.

Marx in the process of constructing his economic theory. In such an endeavour, as I will show now, he explicitly draws on Hegel's *Science of Logic*.

Marx is well aware of the fact that those categories play a crucial rôle in the *cyclical method of theory-construction*. Marx deliberately used this method in the framework of his endeavour to construct an economic theory (for example, in the movement from the concept of exchange-value 'back' to that of exchange-value; from the concept of the mass of commodities 'back' to that of the mass of commodities, and so on). Some instances of the cyclical movement in Marx's economic works are summed up in Table 1. The asterisked terms indicate that the concepts derived differ from those which were the point of departure for the derivations; precisely what this difference is I will explain below.

TABLE 1 *Examples of Marx's cyclical relations between concepts in his economic theory*

Examples of Marx's circular conceptual movements		Location of the movements
from	to	
Exchange-value	Exchange-value*	Section 1 ↓ Section III Chapter I, <i>Capital</i> Volume I
Mass of commodities	Mass of commodities*	Section I, Chapter I, <i>Capital</i> Volume I ↓ 'Chapter VI. Results of the Immediate Process of Production'
Average (sample) commodity	Average (sample) commodity*	Section I, Chapter I, <i>Capital</i> Volume I ↓ Chapter XII, <i>Capital</i> Volume III
Wage	Wage*	Inside Chapter XIX <i>Capital</i> Volume I

(Continued)

TABLE 1 (Continued)

Examples of Marx's circular conceptual movements		Location of the movements
from	to	
Profit ($\Delta M = M' - M$)	Profit* (industrial, merchant, enterprise, interest, average, average rate of, etc.)	Chapter IV, <i>Capital</i> , Volume I ↓ Chapters I to IV, Parts IV and V <i>Capital</i> Volume III
Price	Price* = Production-price	Chapters I to III ¹³ <i>Capital</i> Volume I ↓ Chapter X, <i>Capital</i> Volume III

Marx is also well aware of the fact that the development of political economy as a science, in the framework in which he operates, went from the apparent phenomena to their essence. For example, he argues that Ricardo 'has reduced the apparent relativity [*Scheinrelativität*] which these things (for example, diamonds and pearls) possess as exchange-values, to the true relation hidden behind the appearance [*Schein*], to their relativity as mere expressions of human labour'.¹⁴ And, at the same, he is well aware of the fact that the knowledge of this essence can serve as the explanatory basis for 'back-derivation' of these phenomena. This cycle I describe in German terms: *Schein* → *Wesen* → *Erscheinung*.

Marx acknowledges that categories such as *Schein*, *Erscheinung*, *Grund*, *Begründetes*, *Gesetz der Erscheinung*, *Erscheinungsform*, and so on, hold not only for thought-movements in political economy as a science but also in *other sciences*. So, for example, he declares that the fact 'that in their appearance [*Erscheinung*] things are often presented in an inverted way is something familiar in every science'.¹⁵ He also states – thus unifying, on the basis

13 I do not represent here the shifts of meaning of the term 'price' in the movement from the first to the second and third chapter.

14 Marx 1983f, p. 113, Marx 1976c [1867], p. 177.

15 Marx 1987d [1872], p. 500, Marx 1976c [1867], p. 677.

of applied categories of cognition/knowledge, political economy and celestial mechanics – that a scientific analysis of competition is possible only if we can grasp the inner nature of capital, just as the apparent [*scheinbar*] motions of heavenly bodies are intelligible only to someone who is acquainted with their real [*wirkliche*] motions, which are not perceptible to the senses.¹⁶

Finally, in order to pass over to the analysis of Hegel's categories, let me put Marx's statement about *Erscheinungsform* side by side with Hegel's passage in which he introduces the transition from the category-cluster of *Being* to that of *Essence*.

By the way, for the *Erscheinungsform* 'value and price of labour' or 'wage' holds, in contrast to the essential relation [*wesentliches Verhältniß*] which *erscheint* – the value and price of labour-power – what holds for all *Erscheinungsformen* and their hidden background [*verborgener Hintergrund*]. The former reproduce themselves directly, spontaneously, as usual forms of thinking, the latter must first be discovered by science.¹⁷

Being is the immediate. Since knowledge wants to cognise [*erkennen*] what being is *in and for itself*, it does not stop at the immediate and its determinations, but penetrates through it on the presupposition that *behind* [*hinter*] this being there is something else than being itself, that this background [*Hintergrund*] constitutes the truth of being. This cognition [*Erkenntnis*] is a mediated knowledge [*Wissen*] because it is not given immediately with and in essence, but starts from an other, the being, and had to make the preliminary way, the way of coming out from being or, rather, going into this . . . through this mediation it finds the essence.¹⁸

In order to understand the importance of Hegel's *Science of Logic* for Marx's economic works and especially the creation of *Capital*, one has to understand primarily the difference between Hegel's understanding of what the categories of *Science of Logic* as a *whole* stand for and what they could stand for, under a certain reinterpretation, according to Marx.

While for Hegel those categories stand for a philosophical reconstruction of the developmental stages of the absolute spirit before the creation of nature and the finite (human) mind [*Geist*],¹⁹ Marx reinterprets those categories in

16 Marx 1987d [1872], p. 315, Marx 1976c [1867], p. 433.

17 Marx 1987d [1872], p. 504, Marx 1976c [1867], p. 682.

18 Hegel 1986 [1812–16], Bd. 2, p. 13, Hegel 2010, p. 337, Hegel 1969, p. 389.

19 Hegel 1986 [1812–16], Bd. 1, p. 44, Hegel 2010, p. 29, Hegel 1969, p. 350.

such a way that they stand for the philosophical reconstruction of the appropriation of the (natural and/or social) world by humans. This reinterpretation thus takes place in the framework of a *realist epistemology* to which Marx turned not later than 1843–4 in the *Critique of Hegel's 'Philosophy of Right'*.²⁰

After giving an overall ('macroscopic') characterisation of Marx's relation to Hegel's *Science of Logic*, let me now turn to its 'fine' category-structures, namely, to the interlocked chain of category-clusters that I diagram as *Schein* → *Wesen* → *Erscheinung*, because, as shown above, this chain plays a central rôle in Marx's understanding of the method of construction of his economic theory. I shall start with an overview of this chain and its subclusters as given by Hegel and then I shall show how this chain and its subclusters reappear in Marx's economic works.

Schein is characterised by Hegel initially by the term '*Unwesen*',²¹ that is, as something non-essential, adventitious, and as 'the whole rest which remained from the sphere of being'.²²

From *Schein*, via reflection and its various levels (identity, difference, opposition, contradiction), Hegel arrives at the category *Grund* as the central category of the cluster *Wesen*. Here it is worth noting that Hegel, like Marx, regards essence as something internally differentiated and contradictory.²³ At the same time he treats the category *Grund* as a cluster of categories; key among them, from the point of view of Marx's economic works, are those of *formelle Grund* and *reale Grund*.

Let me begin with the former. Hegel relates the category *Grund* with the statement '*Alles hat seinen zureichenden Grund*',²⁴ which is normally translated as 'Everything has its sufficient reason'. In my view, he alludes here to two possible meanings of the German term '*Grund*': 1) as the *ground of certain phenomena*, where Hegel also uses the term '*Grundlage*',²⁵ which can be translated as 'basis'; and 2) as *reason* in the sense of giving a reason or reasons in the justification of something. In order to understand such an ambiguity of meaning, one has to turn to Hegel's category *formelle Grund*, which I translate as *formal ground*. Hegel views it as a stage:

20 On this see Hanzel 1999, pp. 190–2.

21 Hegel 1986 [1812–16], Bd. 2, p. 19, Hegel 2010, p. 342, Hegel 1969, p. 395.

22 Ibid.

23 There is, however, a profound difference in their respective understanding of this contradiction. For a critique of Hegel's understanding of the contradiction in essence by Marx see his *Critique of Hegel's 'Philosophy of Right'*. For an analysis of this critique see Hanzel 1999, pp. 193–5.

24 Hegel 1986 [1812–16], Bd. 2, p. 82.

25 Ibid.

That a *Grund* is, therefore the posited is the *Grund*, conversely thus the *Grund* is the posited... Because of this identity of the *Grund* and *Begründeten*, the *Grund* is sufficient... [N]othing is in the *Grund* that is not in the *Begründeten*, and nothing is in the *Begründeten* that is not in the *Grund*.²⁶

In order to understand this quote and to provide a correct English translation of the German terms in it, one should compare it with Hegel's views in the note attached to the exposition of the category *formal ground*.

Here, via a characterisation of the use of the concept of force in mechanics, Hegel shows that the German term '*Grund*' has two possible meanings, namely, two epistemic categories that correspond to it. First, it refers to the *basis of certain phenomena* – which I translate as 'the ground'. This ground *grounds* – this is my translation of the German verb '*zu begründen*' – these phenomena. The latter are 'the grounded'; this is my translation of the German noun '*das Begründete*'. Second, if my explication holds, then the ground is the epistemic/cognitive *reason* that justifies the origin and existence of the phenomena. Here the term 'reason' is the second meaning of the German noun '*Grund*'. Due to the specificity of the German language here, Hegel had to use the term '*Grund*' in *Science of Logic* to stand both for the category *ground* and for the category *reason*. That one *simultaneously* has to take into account both meanings comes to the surface when Hegel shows that in the science of mechanics – with respect to the understanding of the relation between the forces and their effects – these effects are the *reasons* in the conceptual derivation of the forces, that is, the latter are the *reasoned*. But, on the other hand, forces are the *ground* of the effects of the forces; the latter are the *grounded*. Hegel therefore views the knowledge of the ground as that of formal ground as an incomplete and unfinished type of knowledge of the ground. *It cannot be the ultimate type of knowledge of the ground because the ground is conceptually reasoned via its phenomena which are, however, determined by it.*

In addition, Hegel locates another deficit of cognition at the level of the category *formal ground*. He declares, 'When reflection about determinate reasons [*Gründe*] sticks to that form of the ground [*Grund*] which was here obtained, then the assigning of the ground [*Grund*] remains only a mere formalism and empty tautology'.²⁷ What Hegel has in mind here is that at the level of cognition represented by the category *formal ground*, the ground is reasoned via its phenomena [*Dasein*] which are the *reason*, so that the ground and its phenomena are characterised via the same cognitive content. That is, one has

26 Hegel 1986 [1812–16], Bd. 2, p. 97, Hegel 2010, p. 398, Hegel 1969, p. 457.

27 Hegel 1986 [1812–16], Bd. 2, p. 98, Hegel 2010, p. 399, Hegel 1969, p. 458.

here an 'identical basis [*Grundlage*] of the ground [*Grund*] and the grounded [*Begründeten*]:²⁸ So, the requirement that 'the ground [*Grund*] ought to have *another content* than what is to be explained'²⁹ cannot be fulfilled at the level of cognition characterised by the category *formal ground*.

What is the importance of Hegel's reconstruction of the category *formal ground* with respect to Marx's economic works? It makes it possible to understand, for example, how and why Marx was able to hook up his work in the field of political economy to the works of other political economists. Such a connection on Marx's part, via the category *formal ground*, is stated in Chapter I of *Capital* Volume I with respect to the concept of *value*: '[I]t was only the analysis of the prices of commodities which led to the determination of the size of value [*Werthgröße*], only the common money-expression of commodities which led to the establishment of their value-character'.³⁰ Stated otherwise, by knowing the quantitative determination of the price, one derives/discovers the existence of the quantitative determination of value. The presence of the category *formal ground* can also be found with respect to the concept *surplus-value* in the above comment by Marx, where he states, 'In actual fact, the rate of profit is that, from which one historically departs. Surplus-value and the rate of surplus-value are, relative to this, the essential and invisible to be investigated'.³¹

The split between the *supposed relation of determination* (for example, force determines its effects), and the *movement of cognition from the reason to the reasoned* (for example, from effects to their force) is overcome according to Hegel at the level of knowledge of the ground as the *real ground*.³² Here the *ground is already the reason, its phenomena are the reasoned, and the very ground is conceptually derived, that is, reasoned via something else than its own phenomena*. This 'something else' simultaneously stands for a content which differs from that given in the ground. Does there exist in Marx's economic works a counterpart to Hegel's *real ground*? In my view, it is the concept of value understood in such a way that value has its origin in labour, and the concept of surplus-value understood in such a way that surplus-value has its origin in surplus-labour. Once value and surplus-value are conceptually *reasoned* via labour and surplus-labour as the *reason*, then in both cases reason and the reasoned have different contents.

28 Ibid.

29 Hegel 1986 [1812–16], Bd. 2, p. 99; Hegel 2010, p. 400; Hegel 1969, p. 458.

30 Marx 1987d [1872], p. 106, Marx 1976c [1867], p. 168. I translate Marx's '*Werthgröße*' as 'size of value'.

31 Marx 1992, p. 52, Marx 1981 [1894], p. 134.

32 See Hegel 1986 [1812–16], Bd. 2, p. 102; Hegel 2010, p. 402; Hegel 1969, p. 461.

The importance of the differentiation of the two meanings of the German term '*Grund*', as well as the differentiation between the category *formal ground* and the category *real ground*, allows one to understand what Marx meant when he spoke about the historical priority – *in cognition* in the framework of political economy as a science – of the concept of profit in respect to that of surplus-value and of the concept of the wage in respect to that of the value (price) of labour-power. Both the concept of profit and the concept of wage at the level of *Schein* are the *reason* by means of which their respective *ground* – surplus-labour and value of labour-power – are derived, that is, are the *reasoned*. Then, via Marx's conceptual endeavour, the concepts of profit* and wage* – here, I utilise the notation given in Table 1 above – are derived. They are *derived as the grounded from their respective ground*, the concept of surplus-value and the concept of value of labour-power, the latter being the *reason*. Below, I will show also how the category *real ground* has a central rôle in Marx's thought-movement from the description of production of value to that of production of surplus-value in the passage from Chapters I to III, via Chapter IV, to Chapter V in the first volume of *Capital*.

Hegel then brings in the category *Condition* which he relates to the category-cluster *Grund*. This enables him to reflect on the relation of these two categories and on the issue of the *conditioning* of the ground. It is notable that Hegel declares that 'the real ground is ... essentially conditioned'.³³ Once one interprets this statement in such a way that the *ground of its very existence* (that is, before one tries to derive its respective phenomena) depends on the presence of certain conditions, this enables one to understand – at the level of categories – the fact that Marx viewed the ground of economic processes in capitalism – value and surplus-value – as conditioned in its very existence. Only under certain essential social conditions³⁴ does concrete labour acquire the additional determinations of abstract labour and surplus abstract labour, and use-value those of value and surplus-value.

The category *Condition* enables Hegel also to deal with the issue of the relation of the ground to the grounded, that is, with the conditions under which the essence's ground *erscheint* and thus acquires various *Erscheinungen*. Once all the conditions – the essential and those (non-essential) pertaining to the production of the grounded, described as *Erscheinungen* – are given, then one can speak of the 'emergence of the thing [*Sache*] into existence'.³⁵ Here

33 Hegel 1986 [1812–16], Bd. 2, p. 113; Hegel 2010, p. 410; Hegel 1969, p. 470.

34 Marx explicitly employs the term 'essential conditions' in the *Grundrisse* (Marx 1973 [1857–8], pp. 463–4), in the *Economic Manuscripts of 1861–63* (Marx 1982b [1861–3], p. 2287) and in *Capital Volume I* (Marx 1976c [1867], pp. 270–2).

35 Hegel 1986 [1812–16], Bd. 2, p. 119; Hegel 2010, p. 414; Hegel 1969, p. 474.

existence is the category which mediates between the cluster *Grund* and the cluster *Erscheinung*. In the latter Hegel also introduces the category *Gesetz der Erscheinung* used, as shown above, very often by Marx.

3 Possible Meanings and Translations of *Schein* and *Erscheinung*

What lessons can be drawn from the comparative treatment of Hegel and Marx given above? From the point of view of German syntax the following fact should be mentioned. The noun '*Schein*' has, unlike the noun '*Erscheinung*' – '*Erscheinungen*' – *no plural form*. So, wherever Marx employs the term '*Erscheinungen*', its meaning can be either *surface phenomena before they are explanatorily derived from (reasoned on the basis of) their respective essence*, or, *surface phenomena after such derivation*. This ambiguity, forced upon Marx by the peculiarity of German, has to be taken into account when translating the term '*Erscheinungen*'. How should the term '*Schein*' be translated? A.V. Miller opted for 'illusory being'.³⁶ In my view, *Schein* should be not reduced to pure illusion; the former can serve, as shown above in the case of political economy as a science, as a point of departure for the thought-movement to and the discovery of the quantitative determination (size) of the ground. Worth noting here is that Marx, when dealing with *Schein* and the corresponding concepts of political economy involved in commodity-fetishism, characterises these concepts as 'objective forms of thought'.³⁷ I propose to translate Hegel's and Marx's *Schein* and Marx's *Erscheinungen*, when the latter stands for phenomena as yet not derived by explanation from the essence, as 'appearance(s)'. If *Erscheinung(en)* stands for the phenomenon (phenomena) already derived by explanation from the essence, I opt for the translation 'manifestation(s)'. English is in the fortunate situation that it can form plurals from both expressions.

Another difference between '*Schein*' and '*Erscheinung*' is that while the latter is combined by Marx with the noun '*Form*' to make '*Erscheinungsform*', the former, to the best of my knowledge, is not.³⁸ So, again, Marx's '*Erscheinungsform*'

36 See Hegel 1969 [1812–16].

37 Marx 1987d [1872], p. 106, Marx 1976c [1867], p. 169. It is another issue when *Schein* turns into illusion, say, in theoretical science or in human practical action.

38 Only when the whole *MEGA* edition is available on a CD-ROM will one be able to state this with complete certainty. The same holds for the German noun '*das Scheinen*' employed by Hegel. Whether it is used also by Marx will remain an open question until one is able to perform string-searches in the digitalised edition of *MEGA*.

has to be translated according to the meaning he assigns to it: as 'form of appearance' or as 'form of manifestation'.

Worth mentioning here also is the following feature of the German language. While the noun '*Erscheinung*' corresponds to the verb '*erscheinen*', and the noun '*Schein*' to the verb '*scheinen*', the latter verb is used primarily in the common-sense meaning of, for example, '*Es scheint, als ob . . .*', that is, 'It seems as if . . .'. Marx, at least in my view, therefore used not only the verb '*scheinen*', but also sometimes the term '*erscheinen*' in order to give an epistemological characterisation of the knowledge attained at the level of appearances and given in everyday consciousness; in this case the translation should be 'to appear'. So, for example, he declares (the underlining and translation are mine, the italics are Marx's):

Im Mehrwerth ist das Verhältniß zwischen Capital und Arbeit bloßgelegt; im Verhältniß von Capital und Profit, d.h. Capital und dem Mehrwerth, wie er einerseits als im Circulationsproceß realisierter Ueberschuß über den Kostenpreis der Waare, andererseits durch sein Verhältniß zum Gesamtcapital näherbestimmter Ueberschuß erscheint, erscheint das Capital als Verhältniß zu sich selbst, ein Verhältniß worin er sich als ursprüngliche Werthsumme zu einem von ihm selbst gesetzten Neuwerth unterscheidet. Daß es diesen Neuwerth während seiner Bewegung durch den Productionsproceß und den Circulationsproceß erzeugt, dieß ist im Bewusstsein. Aber wie dieß geschieht, ist nun mystificirt und scheint von ihm selbst zukommenden occult qualities herzukommen.³⁹

In surplus-value, the relationship between capital and labour is laid bare; in the relation of capital and profit, that is, capital and surplus-value as, on the one hand, the excess over the cost-price of the commodity realised in the process of circulation and, on the other hand, as it appears, via its relation to the total capital, as a more determined excess, the capital appears as a relation to itself, a relation in which it differs as the original sum of value from the new value it itself posits. That it produces this new value in the course of its movement through the process of production and process of circulation, this is in the consciousness. But how this takes place, is now mystified and seems to come from occult qualities belonging to the capital itself.

39 Marx 1992, p. 64, Marx 1981 [1894], p. 139.

Marx sometimes disambiguates the meanings of the noun '*Erscheinungsform*' and of the verb '*erscheinen*' in such a way that he combines them with another expression. In the case when he employs the noun at the level of knowledge of phenomena before he passes to the conceptual grasping of the underlying social mechanism producing the respective phenomena, he uses the expression '*erste Erscheinungsform*','⁴⁰ that is, 'first form of appearance'.⁴¹ He also employs this type of clarification with respect to the verb '*erscheinen*'; for example, he uses the expression '*zuerst erscheinen*','⁴² that is, 'to appear first',⁴³ or '*ursprünglich erscheinen*','⁴⁴ that is, 'to appear initially',⁴⁵ or '*unmittelbar erscheinen*','⁴⁶ that is, 'to appear directly'.⁴⁷ This clarification enables him, as I will show below, to use the term '*erscheinen*' as a characterisation of the phenomena which serve him as the point of departure of the thought-movement to the ground of these phenomena. Once the phenomena are the 'end-point' of the thought-derivation starting from the ground, then they can serve – as I will show below – the purpose of understanding why certain social phenomena are conceptually reflected in the mind as appearances, that is, reflected in a distorted, upside-down way.

As to the *epistemological* aspect of Marx's cyclical movement from appearance via essence and ground to manifestation, which Hegel characterised as 'retreat into the ground and coming out of it',⁴⁸ the following question can be stated: how does manifestation differ, from the point of view of knowledge, from appearance? In order to answer this question let me turn to Marx's derivation of profit on the basis of surplus-value in the *Grundrisse*. Initially, at the level of appearance, Marx characterises profit as an excess over the cost-price k with which the elements entering into the production-process are purchased, and where this excess comes out of the process of production together with k ; thus, in symbols, it takes the form $k \rightarrow k + \Delta k$, where ' \rightarrow ' stands for the production-process and ' Δk ' for this surplus. Once Marx brings in the concepts of variable capital v , constant capital c , total advanced capital $c + v$ and surplus-value s pertaining to the process of capitalist production as the latter's essence,

40 Marx 1983f [1867]; p. 102, Marx 1987d [1872], p. 165.

41 Marx 1976c [1867], p. 247.

42 Marx 1983f [1867], p. 18; Marx 1987d [1872], p. 70.

43 Marx 1976c [1867], p. 126.

44 Marx 1983f [1867], p. 22; Marx 1987d [1872], p. 75.

45 Marx 1976c [1867], p. 131.

46 Marx 1983f, p. 110; Marx 1987c, p. 173.

47 Marx 1976a, p. 257.

48 Hegel 1986, Bd. 2, p. 103; Hegel 2010, p. 402; Hegel 1969, p. 462.

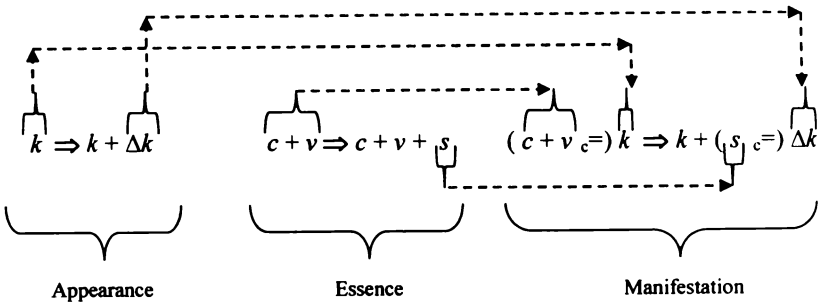


FIGURE 1 Schematic representation of Marx's derivation of the concept of profit in the Grundrisse

his approach here can be represented as $c + v \rightarrow c + v + s$. Then, finally, Marx moves conceptually in such a way that he reasons the concept of cost-price k via the concepts of constant capital, variable capital and their sum, thus the meaning of the symbol ' k ' is now constructed as $c + v_c = k$, and the excess of the cost-price is reasoned via the concept of surplus-value, so the meaning of the symbols ' Δk ' is now constructed already as $s_c = \Delta k$.⁴⁹ Marx's movement from appearance via essences 'back' to manifestation in this case can thus be represented symbolically via the diagram presented as Figure 1.

Here the dashed arrows indicate that the concepts of advanced capital, excess over advanced capital from the appearance-level of cognition, as well as concepts of constant and variable capital and of surplus-value from the essence-level of cognition, reappear, via a shift, at the level of manifestation in the derivation of the concept of profit. In the words of Marx: 'The product of capital is *profit*. The magnitude of surplus-value is therefore measured by the size of the value of capital'.⁵⁰ Thus, at the level of knowledge of manifestation are involved not only concepts given already at the level of knowledge of appearance, but also concepts that are given for the first time at the level of knowledge of essence.

This is expressed by Hegel as follows: *manifestation is the unity of appearance and of the immediacy of being to which the essence has again restored itself*.⁵¹ Stated in more understandable, epistemological terms: *the concepts introduced at the level of knowledge of essence as the reason – as the explanans – are shifted in the process of explanation to the reasoned – to the explained, to the*

49 Here the symbol ' $c=$ ' stands for the construction of the meaning given on the right side by means of the meaning given on the left side. Thus, the shift of cognition from appearance to manifestation can be viewed here as a restructuring/reconstruction of the initial constructions of the meaning of the terms ' k ' and ' Δk '.

50 Marx 1976–81, p. 620.

51 Hegel 1986 [1812–16], Bd. 2, pp. 147–9, Hegel 2010, pp. 437–8, Hegel 1969, pp. 499–500.

explanandum. So, while at the level of appearance concepts involved in the grasping of essence are yet not given, they are already given at the level of manifestation. This is the epistemic difference between knowledge at the level of appearance and knowledge at the level of manifestation.

4 The Meaning of 'Schein', 'Erscheinung' and 'erscheinen' in *Capital* Volume I and the 1863–7 Manuscripts

Given the above explanation of the peculiarities of the German terms '*Schein*' and '*Erscheinung*', and of the ways Marx employs the categories corresponding to them, it is possible to give an explanation of the categories employed by Marx in the first volume of *Capital* and in the 1863–7 Manuscripts.

The statement given by Marx at the very beginning of *Capital* Volume I uses the term '*erscheinen*' in following context:

The wealth of societies in which the capitalist mode of production prevails appears [*erscheinen*] as an 'immense collection of commodities'; the individual commodity appears as its elementary form. Our investigation therefore begins with the analysis of the commodity.⁵²

Marx uses here the term '*erscheinen*' in the sense of 'appears' because it is for him the point of departure of his thought-movement to the ground of the commodity, its value.

In Chapter IV of this volume he states, "M – C – M" is . . . the general formula for capital, in which it appears directly [*unmittelbar erscheinen*] in the sphere of circulation.⁵³ Here the verb '*erscheinen*' is unified with the term '*unmittelbar*' in order to express that the description of the processes of circulation is, as in the case given above, the point of departure for the movement to the understanding of the ground of the (seemingly) mysterious origin of profit given by the difference between M' and M.

Let me now turn to Chapter XIX ('The Transformation of the Value (and Respectively the Price) of Labour-Power into Wages'). Just as Marx in the preceding chapters was able to explain the ground of any commodity, including labour-power, namely, value, he assigns to the category of wage the status of appearance by stating:

⁵² Marx 1987d [1872], p. 69; Marx 1976c [1867], p. 125. The term '*erscheinen*' appears in the German original only once, not twice as in the English translation.

⁵³ Marx 1983f [1867], p. 110; Marx 1987d [1872] p. 173; Marx 1976c [1867], p. 257.

On the surface of bourgeois society the worker's wage appears [*erscheinen*] as the price of labour, as a certain quantity of money that is paid for a certain quantity of labour. Thus people speak of the value of labour, and call its expression in money its necessary or natural price. On the other hand they speak of the market price of labour, i.e. prices which oscillate above or below its necessary price.⁵⁴

Then he gives an additional epistemological evaluation of the term 'value of labour':

In the expression 'value of labour', the concept of value is not only completely extinguished, but inverted, so that it becomes its contrary. It is an expression as imaginary as the value of the earth. These imaginary expressions arise, nevertheless, from the relations of production themselves. They are categories for the forms of appearance [*Erscheinungsformen*] of essential relations.⁵⁵

Based on such an evaluation, he states the following critique of political economy as a science:

Classical political economy borrowed the category 'price of labour' from everyday life without further criticism... The political economist... never discovered that the course of the analysis had led not only from the market-price of labour to its presumed value, but also to the resolution of this value of labour itself into the value of labour-power. Classical political economy's... uncritical acceptance of the categories 'value of labour', 'natural price of labour', and so on... offered a secure base of operations to the vulgar economists who... make it a principle to worship appearances [*Schein*] only.⁵⁶

Next, Marx explains – via the description of a socio-economic mechanism – how the value (price) of labour-power 'is represented in its converted form as wages';⁵⁷ and then, based on this explanation, draws the following conclusion: 'The wage-form thus extinguishes every trace of the division of the working day into necessary labour and surplus-labour, into paid labour and unpaid

54 Marx 1987d [1872], p. 498; Marx 1976c [1867], p. 675.

55 Marx 1987d [1872], p. 500; Marx 1976c [1867], p. 677.

56 Marx 1987d [1872], pp. 500–1; Marx 1976c [1867], pp. 677–8, p. 679.

57 Marx 1987d [1872], p. 501; Marx 1976c [1867], p. 679.

labour. All labour appears [*erscheinen*] as paid labour'.⁵⁸ In the last sentence, the term '*erscheinen*' has the meaning of appearance because it is here characterised as being (seemingly) unrelated to necessary labour and surplus-labour. Then he speaks about the

decisive importance of the transformation of the value and price of labour-power into the form of wages, or into the value and price of labour itself . . . all the apologetic tricks of vulgar economics, have as their basis the form of appearance [*Erscheinungsform*] discussed above, which makes the actual [*wirkliche*] relation invisible, and indeed presents to the eye the precise opposite of that relation. World history has taken a long time to get to the bottom of the mystery of wages; nothing is easier to understand than the necessity, the *raison d'être* of this form of appearance [*Erscheinungsform*].⁵⁹

Here, again, I translate not only the first but also the second occurrence of *Erscheinungsform* as 'form of appearance' because here it stands for a surface-phenomenon whose underlying mechanism was already discovered.

At the very beginning of the 1863–7 Manuscripts, in Chapter I ['*Verwandlung von Mehrwerth in Profit*'], Marx gives an overall characterisation of his conceptual endeavour in the planned third volume:

In their real movement, capitals confront one another in certain concrete forms, for which both the shape capital assumes in the immediate production-process and its shape in the process of circulation manifest themselves [*erscheinen*] merely as particular moments. The configurations of capital, as developed in this volume, thus approach step by step the form in which they manifest themselves on the surface of the society, in the action of different capitals on each other, that is, in competition and in the everyday consciousness of the agents of production themselves.⁶⁰

Here, I translate the German terms '*erscheinen*' and '*auftreten auf der Oberfläche*' as 'manifest themselves' and as 'manifest themselves on the surface', respectively, because Marx's aim is to derive/explain in a step-by-step manner the phenomenal characteristics of capital as a whole, produced in the mutual interactions of particular capitals, by employing as the explanatory *ground* the concepts obtained in *Capital* Volume I, which grasp the universal

58 Marx 1987d [1872], p. 502; Marx 1976c [1867], p. 680.

59 Marx 1987d [1872], pp. 502–3; Marx 1976c [1867], pp. 680–1.

60 Marx 1992, p. 7; Marx 1981 [1894], p. 117.

characteristics common to any and all particular industrial capitals.⁶¹ Therefore also, the term 'concrete forms', in the above quote, pertaining already to the result of interactions of particular capitals, should stand, in Marx's ambition, already for the derived/explained forms, thus for *thought-concrete forms and not for the superficial 'sense'-concrete forms of everyday consciousness*.

After such a general statement, Marx moves the investigation on to the concept of profit, stating, 'The investigation will nonetheless show that the cost-price, in the economy of capital, acquires the *false appearance* [*falscher Schein*] of a category of *value of production itself*.'⁶² And he states that even though constant and variable capitals given in the value of the produced commodity have different origins, and that what unifies them is just the fact that they replace both portions of the capital advanced to trigger the production-process, nevertheless, '[t]his real state of affairs, however, from the standpoint of capitalist production, necessarily manifests itself *upside down* [*nothwendig erscheinen in verkehrter Weise*]'.⁶³ He spells out what he has here in mind as follows:

Profit, as we are originally faced with it, is thus the same thing as surplus-value, save in a mystified form, though one that necessarily arises from the capitalist mode of production. Because no distinction between constant and variable capital can be recognised in the apparent formation [*scheinbare Bildung*] of the cost-price, the origin of the change of value that occurs in the course of production is shifted from the variable capital to the capital as a whole. Because the price of labour-power appears [*erscheinen*] at one pole in the transformed form of the *wage*, so does surplus-value at the other pole in the transformed form of *profit*.⁶⁴

What Marx does here is to explain/derive the social mechanisms producing false, distorted knowledge, via which actors involved in production conceptually reflect their own practical action and on the basis of which they practically act. This knowledge of phenomena, if taken by itself prior to and/or outside such explanation/derivation, has the status of *appearances*, for which Marx employs here the German terms '*falscher Schein*', '*erscheinen in verkehrter Weise*' and '*scheinbare Bildung*'.

But once this knowledge is already shown, via derivation/explanation, as being *necessarily generated* from the respective social mechanisms, it obtains –

61 On the methodological reconstruction of this method of explanation/derivation see Hanzel 1999.

62 Marx 2012, p. 29; Marx 1981 [1894], p. 119.

63 Marx 2012, p. 21; Marx 1981 [1894], p. 121.

64 Marx 2012, p. 26; Marx 1981 [1894], p. 127.

in the context of such derivation/explanation – the status of a *manifestation*; here Marx employs, for example, the term '*nothwendig erscheinen*'; therefore I translated the above compound-expression '*nothwendig erscheinen in verkehrter Weise*' as 'necessarily manifests itself upside down', even though the translation of the partial expression '*erscheinen in verkehrter Weise*' is 'to appear upside down'.

In section II ('*Kostenpries*') of Chapter I, Marx explains relation of his own conceptual movement to that in political economy as a science, in the following manner:

From the transformation of m' into p' , of the rate of surplus-value into the rate of profit, one should derive the transformation of surplus-value into profit, not the other way round. In actual fact, the rate of profit is that from which one historically departs. Surplus-value and the rate of surplus-value are, relative to this, the essential and invisible to be investigated, whereas the rate of profit and hence the form of surplus-value as profit, show themselves on the surface of appearances [*oberfläche der Erscheinungen*].⁶⁵

He then states:

Under the heading of *costs*, which the labour-wage [*Arbeitslohn*] shares with the price of the raw material, the depreciation of the machinery, etc., the extortion of unpaid labour appears [*erscheinen*] only as an economy in the payment for one of the articles that comprise the costs... Since all parts of capital appear [*erscheinen*] in the same measure as the ground of the *excess value* (profit), the capital-relation is mystified.⁶⁶

And he states also that:

profit is... a *transformed form of surplus-value*, a form in which its origin and the secret of its existence [*Dasein*] are veiled and obliterated, *externalised*. In point of fact things are vice versa, profit is the form of appearance [*Erscheinungsform*] of surplus-value, and the latter has to be sifted out [*herausgeschält*] from the former only by analysis. In surplus-value, the relationship between capital and labour is laid bare; in the relationship between capital and profit, i.e., between capital and surplus-value as it appears on the one hand as an excess over the cost price of

65 Marx 1992, p. 52; Marx 1981 [1894], p. 134.

66 Marx 1992, pp. 60–1; Marx 1981 [1894], p. 136.

commodity realised in the circulation process and on the other hand as an excess determined more precisely by its relationship to the total capital, *capital appears as a relationship to itself* [*erscheinen als Verhältniß zu sich selbst*]; a relationship in which it is distinguished, as an original sum of value, from another value that it posits. That it produces this new-value [*Neuwerth*] in the course of its movement through production and circulation, this is in consciousness. But how this happens is now mystified, and seems [*scheinen*] to come from occult qualities belonging to capital itself.⁶⁷

In the first quote given here, the German term '*Oberfläche der Erscheinungen*' stands for the knowledge of phenomena from which both the concepts of surplus-value and rate of surplus-value had been derived, thus, the former knowledge stands in relation to the latter one as that of *appearance* to that of the *ground of this appearance*; therefore I translate that German term as 'surface of appearances'.

In the second quote Marx shows that once *in knowledge* the price for which labour-power is purchased is *conceptually unified* with the price for which the other components entering the production-process are being purchased *under the meaning of the term 'production-price'*, the origin of the surplus-value in surplus-labour cannot be grasped any more. One thus arrives at a mystified, distorted and inverted, that is, upside-down representation [*Vorstellung*] of the *ground* of the capital; we thus understand Marx labels by means of the term 'transposed consciousness'.⁶⁸ Therefore, Marx's term '*erscheinen*' should here be translated as '*to appear*'.

In the third quote, the phrase '*profit is . . . a transformed form of surplus-value*' stands for the knowledge which can be characterised by the category-pair and direction of explanation/derivation *ground* → *manifestation of this ground-appearance*. Via the phrase '*vice versa*' Marx shifts to another category-pair and to a different type of conceptual derivation, namely that of *appearance* → *ground of this appearance*; the former is the starting point for the derivation/discovery of the latter, that is, from the former the latter has to be cognitively 'sifted out'.

Finally, the remaining part of the third quote above expresses the fact, as shown already above, that Marx relates Hegel's category *substance-subject* to a level of knowledge about capital to which neither the category *ground* nor *manifestation of the ground* can be assigned, but only the category *appearance*. At this level of knowledge about capital, as in Chapter IV of *Capital* Volume I,

67 Marx 1992, p. 64; Marx 1981 [1894], p. 139.

68 Marx 1992, pp. 60–1; Marx 1981 [1894], p. 136.

Marx characterises the self-valorisation of value explicitly via the expression 'occult'. In fact, he uses this expression in a context which he explicitly relates to Hegel, stating:

The excess, how it – speaking in Hegel's manner – reflects itself back into itself, or, stated otherwise, the excess characterised more specifically by the rate of profit, appears [*erscheinen*] thus as an excess which the capital yields annually over and above its own value or produces in a certain period of circulation.⁶⁹

So, the general conclusion is that Marx's logic of thought-movement from exchange-value in Chapter I of *Capital* Volume I up to production-price, rate of profit and average rate of profit in the 1863–7 Manuscripts does not draw on Hegel's category *substance-subject* in a *positive* sense, that is, at the level of knowledge characterised by the category *ground* and/or the category *manifestation*. On the contrary, it assigns that category to the level of knowledge characterised by the category *appearance*, that is, to a level which, in certain circumstances, can turn into illusory, false forms of knowledge.

5 The Meaning of 'Value as Subject' in Chapter IV of *Capital* Volume I

In Chapter IV of *Capital* Volume I, Marx, when dealing with the general formula of capital $C - M - C'$, declares about value that it:

is constantly going from one form into the other, without being lost in this movement; it thus becomes transformed into an automatic subject . . . In truth, . . . value becomes here the subject of a process in which, while constantly assuming the form in turn of money and commodities, it changes its own magnitude, throws off surplus-value from itself considered as original value, valorises itself. For the movement in the course of which it adds surplus-value is its own movement, its valorisation as self-valorisation. It has acquired the occult ability to posit value because it is value. It brings forth living offspring, or at least lays golden eggs . . . [N]ow value suddenly presents itself as processing, self-moving substance, for which commodities and money are both mere forms. Value therefore now becomes processing value, processing money, and, as such, capital. It comes out of circulation, enters into it again, preserves and multiplies

69 Marx 1992, p. 64; Marx 1981 [1894], p. 139.

itself within circulation, emerges from it with an increased size, and starts the same cycle anew.⁷⁰

Can these reflections be viewed as corresponding to, or even as an application of, Hegel's category of a self-moving substance, that is, *substance-subject* which the latter employs in the cluster *Concept* in the Subjective Logic of his *Science of Logic*?⁷¹ To answer this question one has to take into account the location of Chapter IV in the overall structure of the first volume of *Capital*. In the three chapters before Chapter IV Marx gives an explanation of the law of value and also derives/explains on its basis the laws pertaining to money and the prices of commodities. In section I of Chapter IV Marx brings in a new phenomenon, namely, that the conscious aim of the agents of production is to make money, concisely expressed in the general formula given above. In a subsequent step, in section II, Marx shows that this phenomenon cannot be explained on the basis of scientific laws derived in Chapters I to III: 'The form of circulation within which money turns into [*entpuppen*] capital contradicts all the previously developed laws bearing on the nature of commodities, value, money, and circulation itself'.⁷² This explanatory deadlock is then expressed by him via the conceptual antinomy: 'Capital cannot . . . arise from circulation, and it is equally impossible for it to arise apart from circulation. It must have its origin in circulation and not in circulation'.⁷³

At the same time Marx provides the conceptual framework in order to escape from this deadlock. He declares:

The formation of capital must be possible even though the price and the value of commodity be the same, for it cannot be explained by referring to any divergence between price and value. If prices actually differ from values, we must first reduce the former to the latter, i.e., disregard this situation as an accidental one, in order to have in front of oneself the phenomenon of the formation of capital on the basis of the exchange of commodities in its purity, and to prevent our observations from being interfered with by disturbing incidental circumstances which are irrelevant to the actual course of the process.⁷⁴

70 Marx 1983f [1867], pp. 109–10; Marx 1987d [1872], pp. 171–3; Marx 1976c [1867], pp. 255–6.

71 For a discussion of this see the contributions of Riccardo Bellofiore, Patrick Murray and Tony Smith in this volume.

72 Marx 1983f [1867], p. 110; Marx 1987d [1872], p. 173; Marx 1976c [1867], p. 258.

73 Marx 1983f [1867], p. 119; Marx 1987d [1872], p. 182; Marx 1976c [1867], p. 268.

74 Marx 1983f [1867], p. 119; Marx 1987d [1872], p. 182; Marx 1976c [1867], p. 269.

Thus, all laws from Chapters I to III in their unity provide the necessary but insufficient basis for the elimination of that antinomy and for the conceptual grasping of the *ground* of capital as a type of social relation. This means that from the point of view of Marx's aim to explain the origin of the 'self-increase' of money expressed in the general formula of capital, the whole content of Chapters I to III serve him as an introductory 'description' of the *phenomenon* of capital-formation described in Chapter IV, whose ground has yet to be to be conceptually grasped. So, this phenomenon has here the epistemic/cognitive status of *appearance*. This is my interpretation of Marx's claim:

The circulation of commodities is the starting-point of capital... If we disregard the material [*stofflicher*] content of commodities, i.e., the exchange of various use-values, and consider only the economic form brought into being by this process, we find that that its ultimate product is money. This ultimate product of commodity-circulation is the first form of appearance [*Erscheinungsform*] of capital... money... [is] its first form of appearance.⁷⁵

Therefore Marx evaluates the cognitive/epistemic status of the description of value in sections I and II of Chapter IV, where it is viewed only as a self-increasing entity, as insufficient because value in this description displays the 'occult' – in respect to the understanding of value given in Chapters I to III – property of adding out of nothing – that is, *seemingly* without any added labour – to itself an added value (that is, surplus-value).⁷⁶ Only starting from section III does Marx move to the explanatory ground of value viewed initially as a self-increasing entity, while conceptually grasping that ground starting from Chapter V of Part III of *Capital* Volume I. Here the *real ground* of capital is conceptually grasped, while the *occult*, that is, *apparent* self-valorisation of value is explained, so that the former stands for the historically specific social relation of production between the owners of labour-power and the owners of the means of production, while the latter stands for a false, distorted form of reflection in the consciousness of the agents of production.

This, in turn, means that Hegel's category *substance-subject* has its counterparts in those concepts of political economy given in Chapter IV of the first volume of *Capital* which correspond to the level of cognition of the social relation of capital characterised by the category *phenomenon as appearance* and not by the category *real ground*. Stated otherwise, Hegel's category *substance-subject*

75 Marx 1983f [1867], p. 102; Marx 1987d [1872], p. 165; Marx 1976c [1867], p. 247.

76 Marx 1983f [1867], p. 109; Marx 1987d [1872], p. 172; Marx 1976c [1867], p. 255.

does not contribute to Marx's conceptual grasping of the very *real ground* of the social relation characterised by him via the economic term 'capital'.

So, Marx's logic of thought-movement from exchange-value to value, from value to exchange-value, money and price, as well that from value to surplus-value, draws neither on Hegel's movement from the clusters of categories in the Objective Logic to those in the Subjective Logic in *Science of Logic*, nor on Hegel's movements inside the clusters given in the Subjective Logic. Instead, as shown above, Marx in his thought-movements in *Capital* Volume I and related manuscripts draws on Hegel's movements inside the clusters from the Objective Logic, the latter of course being reinterpreted by Marx from the point of view of a realistic epistemology. Under this realistic reinterpretation Hegel's clusters of categories in the Objective Logic can be viewed as corresponding to the categories of what Marx labelled as the *appropriation of the world by a thinking head*.⁷⁷

Conclusions

The conclusion of the above reflections on Marx and Hegel is that central to the understanding of the 'architecture' of Marx's economic works, especially of Chapter XIX of *Capital* Volume I and of the 1863–7 Manuscripts used by Engels in his edition of the third volume of *Capital*, is a restructuring, from the point of view of a realistic epistemology, of Hegel's category-clusters centred on the sequence *appearance* → *essence* → *manifestation* given in the Objective Logic of his *Science of Logic*. Without taking into account the fact that Marx employed the difference between epistemological meanings of the terms 'appearance' and 'manifestation', the cyclical thought-derivations performed by him in these works cannot be understood as yielding an increase of knowledge.

As shown above, the translation of the ways Marx employs the German terms '*Erscheinung*' and '*erscheinen*' depends on the epistemic status of the respective passage where these terms are employed. In passages where Marx deals with the everyday, transposed (inverted) knowledge of the actors of production before it is derived/explained, the translations should be 'appearance' and 'to appear'. In the passages where Marx has already derived/explained this knowledge on the basis of his knowledge about the real ground of the capitalist social relation, the translations should be 'manifestation' and 'to manifest itself'.

77 Marx 1976–81, p. 37; Marx 1973 [1857–8], p. 101.

It is worth noting that Marx had a negative view, presented already in 1844/1845 in Chapter 6 of *The Holy Family*, of Hegel's category *substance-subject* given in the Subjective Logic, namely:

In *Hegel* there are *three* elements, *spinozistic substance*, *Fichte's self-consciousness*, and *Hegel's necessarily antagonistic unity* of the two, *absolute spirit*. The first element is the metaphysically caricatured [*travestierte*] *nature in separation* from the human being; the second is the metaphysically caricatured *spirit in separation* from nature; the third is the metaphysically caricatured *unity* of both, *the real human being* and the real *human species*.⁷⁸

Still, certain clusters of categories from Hegel's Subjective Logic can also be realistically reinterpreted. They could be viewed as corresponding to categories involved in the creation of thought-projects of the future practical transformation of the (natural and/or social) world, namely, to what Marx labelled as the '*praktisch-geistige*' appropriation of the world.⁷⁹ Here I mean especially Hegel's cluster *Teleology* with its subclusters *the subjective purpose*, *the means* and *the carried-out purpose*. Finally, certain categories from the Subjective Logic could also be realistically reinterpreted, that is, interpreted in such a way so as to grasp in categories the structure of human practical action in transforming the world. Here I mean especially Hegel's cluster *Life* with its subclusters *the living individual*, *the life-process* and *the genus*.⁸⁰

78 Marx and Engels 1957 [1844], p. 146.

79 Marx 1976–81, p. 37. M. Nicolaus's translation of the German '*praktisch-geistige*' as 'practical and mental' (Marx 1973 [1857–8], p. 101) is, at least in my view, misleading because it does not grasp what Marx meant here, namely, the creation – *in mind* – of the plans of *future practical* action. A better translation would be 'practico-mental'. An even better translation of '*praktisch-geistige*' should draw on the translation of the German '*Geist*' as 'mind'.

80 It remains an open question what should be the 'fate' of those categories in Hegel's Subjective Logic which would not find (in a reinterpreted form) their way into the clusters for either practico-mental action or for the description of practical action. It is possible, *as a working hypothesis*, that due to the development of modern symbolic logic, formal syntax and formal semantics, they in fact drop out of the philosophical business of investigation into categories of cognition, and reappear in a transformed way inside modern symbolic logic, formal syntax and formal semantics. Here I mean especially the reinterpretation of the categories appearing in Hegel's cluster *Judgement*. On this see Wolff 1995.

PART III

Different Views of the Dialectic

∴

An Outline of the Systematic-Dialectical Method: Scientific and Political Significance

*Geert Reuten*¹

Introduction

Marx and Hegel both contributed to development of the method of systematic-dialectical presentation, or systematic dialectics (SD) for short. Marx himself only briefly wrote explicitly on this method in his scant methodological writings.² In this chapter I reconstruct this method, and fill in, or make explicit, any apparent methodological gaps, with a view to what we can learn through SD in the investigation of the *contemporary* political economy of capitalism.

This chapter is divided into four sections. Section 1 provides a synopsis of the method. Section 2 sets out the concepts and principles of research prior to an SD presentation. Section 3 discusses several general principles of an SD presentation. Section 4 is the substantial part of the chapter and sets out the principles and method of the SD argument or presentation itself. Under these main sections, subsections are numbered consecutively and used for internal cross-referencing (§§1–14).

SD is a superb scientific method for the synthesis of knowledge about a social system, and thus for the comprehension of a political economy. In terms of our purpose, the method allows one to theorise what institutions and processes are necessary – rather than contingent – for the reproduction of the capitalist system. This take on the method, initially developed in collaboration with Michael Williams, allows for the detection of strengths and weaknesses in the actual structure of the system itself. Generally speaking, the earlier parts of an SD presentation help delineate the strengths of the system as well as its contradictions (compare Marx's *Capital*), while the latter parts help to develop the comprehension of its weaknesses and contradictions (not fully developed in Marx's unfinished project). Any undue focus on one or the other can lead

¹ University of Amsterdam, Faculty of Economics and Business (<http://www.fee.uva.nl/pp/greuten/>). I thank Wijnand van der Woude for his useful comments and editing of drafts of this chapter. I also gratefully acknowledge the discussion of an earlier version of the chapter by the other contributors to this book and Martha Campbell.

² Notably the 1857 'Introduction' to the *Grundrisse* – Marx 1973 [1857–8].

to political paralysis – weaknesses should be understood in the context of the system's strengths, and vice versa. §§12–14 of section 4 outline the political significance of the SD method.

In terms of the history of thought, the SD method that I flesh out connects substantially with Hegel's Logic of Essence. Hegel's method is especially useful in terms of setting out the strengths of the capitalist system. However, for the reasons outlined in §12, it is not capable of dealing with immanent weaknesses. At that crucial point I deviate from Hegel's 'logic' in a significant way.

The impatient reader will find cold comfort in this chapter – the detection of system-weaknesses is only discussed in the last quarter of the chapter. This is, moreover, a chapter on method. The detail of the strengths and weaknesses requires a systematic presentation of the contemporary political economy of capitalism itself.

1 The Method of Systematic-Dialectical Presentation in Brief

§1 *Aim and Synopsis*

In principle the method of SD may apply, with qualifications, to natural and social object-realms. For brevity, in this chapter I will refer mainly to the capitalist political economy (in brief the capitalist system, or capitalism), from which I also take examples, generally with reference to Marx's *Capital*, which is assumed to be the most well-known SD text to the reader.

SD has in common with other scientific methods that it seeks to know reliably what can be known. One main distinction from *most* other approaches is the SD claim that the key to the reliability of that knowledge lies in the *interconnection* of all relevant knowledge about some object-totality. SD is sceptical of any partial knowledge, including model-building, although it does not dismiss this knowledge *a priori* (§3, §7). Wider perspectives can show the limits, if not the falsity, of partial knowledge.

A second main distinction from *all* other approaches is the method through which the interconnection of the relevant knowledge is gained (§§9–14). The remainder of this section provides a synopsis of the method, which further sections flesh out. Using the metaphor of a pyramid, as shown in Figure 1, will help in outlining the method.

The starting point, denoted in the figure by 'α', is an all-encompassing conception of some object-totality (capitalism) that abstractly captures the essence of that object-totality (compare the 'commodity' for Marx's *Capital*). At the same time, this starting point posits what all objects and processes in this totality have in common (§9). While it is important to know what the entities and processes in the concrete world have in common (that is, α), it is, however,

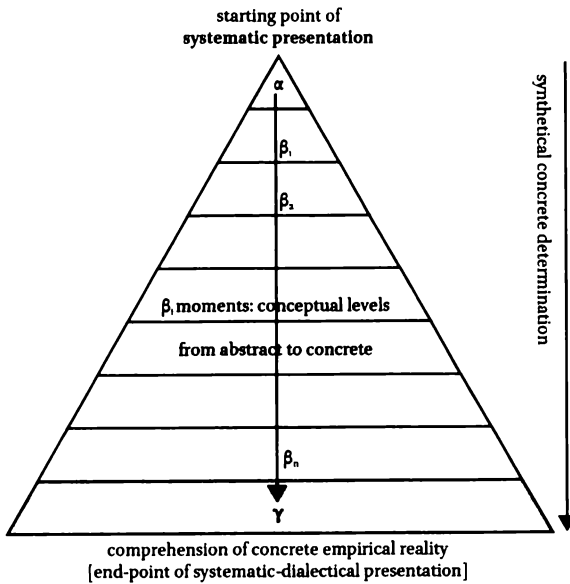


FIGURE 1 *Systematic investigation and presentation*

more important to know how these entities and processes are interconnected within that commonality. This interconnection is exhibited in the dialectical conceptual movement between synchronous stages. Each layer, denoted by a ' β_i ', is called a synthetic 'moment' (§4). As we move down the pyramid, we get an ever wider and more concrete grasp of the object-totality. Each stage of this dialectical presentation sets out *how* the system, initially posited abstractly (α), can exist. It thus provides the conditions of its existence in the concrete world – each time nearer to its empirical reality and so expanding our grasp of it. In the end, this grasp will be appropriate to a full *comprehension* of the essential working of the object's empirical reality, here denoted by ' γ ' (§§10–14), as a self-reproducing or self-sustaining entity. This comprehension, in principle, allows us practically to apply knowledge of the object-totality (in the case of a 'natural' object-realm) or practically to reorganise that totality (in the case of a social object-realm).

2 Research Prior to Systematic-Dialectical Presentation

§2 *Object-Totality*

A condition for an SD investigation is that its object-realm, in our case capitalism, is inherently systemic; that is, it consists of interacting constituent parts forming an integrated whole (compare §12 on necessity). This is an ontological

matter. Without wanting to make a divorce between these, a rather epistemological requirement is that the object-realm can also be *presented* as a 'totality'. The received SD view, stemming from Hegel, is that an object-realm can be presented as a totality only when it can be captured by a *unifying concept* (α in §1) that can successfully lead to the comprehension of reality (γ). However, this alone is not a sufficient criterion for a totality. A second criterion is that the object-realm can be presented without making any assumptions about *that* object-realm (see §6). This is to some extent a relative matter as we may require assumptions about *other* object-realms, say biological or physical realms (that is, issues that are not treated in the SD), as the political-economic realm does not exist in a vacuum. A third condition is that violations of these latter assumptions, be they explicit or implicit, do not immediately falsify the knowledge about the object-totality at hand. (In practice this means, for example, that we treat gravity or the general human constitution as relatively stable).

§3 *Research Prior to SD Presentation: Analysis versus Synthesis*

SD inquiry encompasses two phases: research prior to the SD presentation, and SD investigation and presentation. Only the systematic presentation is reported – this is the material that one finds in an SD text (compare section 4). This §3 is about the research prior to that presentation.

In principle, the SD method critically appropriates the relevant existing knowledge about an object-totality. This is, of course, generally considered to be a condition for science in general. However, a major distinction between SD and most other research-methods is that in SD investigation *synthetic knowledge appropriates analytic knowledge*. Consider the following descriptions (rather than definitions) of the terms 'analysis' and 'synthesis'. *Analysis*: to scrutinise by way of the division of wholes into their elements, or the deconstruction of initial knowledge. *Synthesis*: to connect, assemble or unite knowledge; the combination of often diverse concepts into a whole by indicating their interconnections. In pre-systematic research the *results* of existing analysis and empirical research are critically appropriated. The systematic investigation thus presupposes this knowledge (this point will be qualified later). There need be no temporal divorce between this appropriation and the work of synthesis, during which the investigator will often return to this existing knowledge in order to re-appropriate it in the detailed systematic presentation.

Within the pre-systematic research-phase, the researcher engages in a stage of preliminary synthesis – Marx called this 'abstract determination' (abstract constitution).³ I indicated that one condition for an object-realm to be an

3 Marx 1973 [1857–8], p. 101. 'Determination' is the standard translation for the German '*Bestimmung*' (see Inwood 1992, pp. 77–9 on the complexities of the term). 'Delineation' is

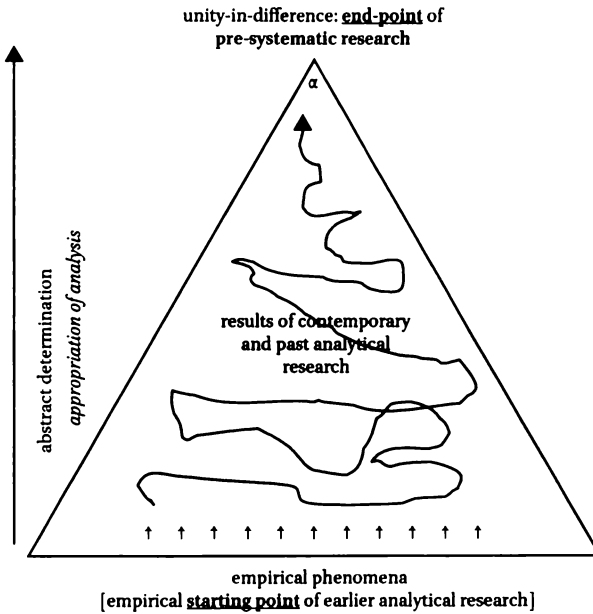


FIGURE 2 *Research prior to SD presentation*

object-totality is that it can be successfully captured by one unifying concept (§2). Which concept this could or should be is the result of an enormous creative research-process involving a great deal of trial and error. However, once this unifying concept is presented as the starting point of an SD presentation it will seem obvious and simple – and it should! Nevertheless, on page one of an SD work it will not be obvious that the author might be able to present the complexity of the totality (capitalism in the case of Marx) on basis of that ‘simple’, though in fact very abstract, unifying concept.

The pyramid in Figure 2 is a metaphoric image of this *abstract determination*, or research prior to the SD presentation.⁴ The aim of this phase is to move from existing knowledge (the base of the pyramid) to the abstract starting point (the pyramid’s apex, α) of the systematic presentation proper. This seeking of the ‘unity-in-difference’ is not a straightforward process. The base of the pyramid represents analytical research and past empirical studies, which

one of its connotations; instead of determination; ‘constitution’ might be another approximation. In the current context, one major aspect of this *abstract determination* is the subsumption of phenomena under more general phenomena, as species under a genus. Note that subsumption does *not* constitute their actual interconnection (see §10).

4 Tony Smith (1990, pp. 4–5) calls this the ‘stage of appropriation’; Patrick Murray (1988, 2000, and 2003) calls it ‘phenomenological inquiry’.

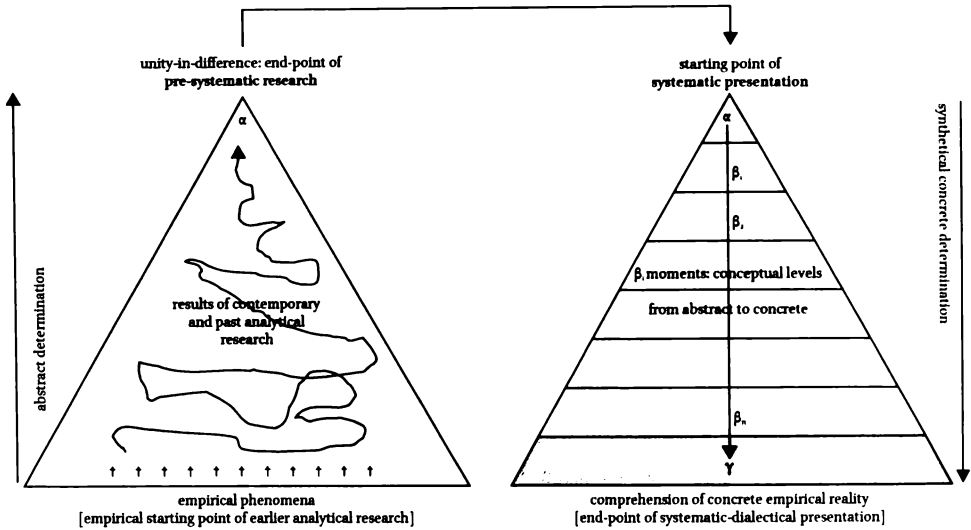


FIGURE 3 From research prior to SD to systematic investigation and presentation

developed through the process of making conceptual distinctions between phenomena and of partial analyses, in both everyday cultural history and scientific history. This unity-in-diversity (α in Figure 2) is then the starting point for the SD presentation, as indicated in Figure 3.

We have good reason to believe that pre-systematic research along these lines was also the path taken by Hegel and Marx, to arrive at the respective starting points of their systematic dialectics.⁵

There is, however, a crucial difference between Hegel and Marx concerning the critical appropriation of existing relevant knowledge at this research-stage, which then fed the content of the systematic presentation. The philosopher Hegel drew on the received views of contemporary empirical sciences for data on the natural and social realms; his task was to gain holistic knowledge from his synthetic systematisation of these received views. He was hesitant about speculating on the fate of knowledge at the research-frontier: 'The owl of Minerva spreads its wings only with the falling of the dusk.'⁶

For Marx this was very different. His study of the then-influential political-economic writings made him sceptical of the received view. Therefore,

5 See also Smith 1993b, p. 18. Marx describes this research in one of his few methodological writings (1973 [1857–8]). For the important insights of the next two paragraphs I draw on Damsma 2014, chapter 1.

6 End of Preface of the *Philosophy of Right*, 1821.

although he often drew on these writings, he felt compelled to carry out conceptual and empirical analysis of his own.⁷ In *Capital* this analysis is set out *alongside* and during his systematic presentation. Although this analysis is systematically placed at the appropriate points (by chapter), this gives Marx's SD presentation a very distinctive complexion, particularly since he usually does not clearly distinguish between his analytical and his synthetic texts. This often complicates the detection of the systematic order.⁸

3 Systematic-Dialectical Presentation – General Principles

Before we discuss the argument of the SD presentation proper in section 4, this section briefly sets out some general SD principles.

§4 *Systematic Order and Dialectical Moments*

The relative significance of a contemporary phenomenon does not necessarily pertain to its historical emergence. Although history is important in explaining *how* the existent came into being, it cannot explain why it is 'what it is', nor how the existent is reproduced as an interconnected whole.⁹ Therefore the systematic order and conceptual progression of SD has nothing whatsoever to do with the historical emergence of institutions and processes. The fact that 'commercial capital' emerged historically prior to 'industrial capital', for example, does not imply that the former should have systematic priority.

The term '*moment*' refers to the constituents (each surface β_i in Figure 1) of each progression of the SD presentation. Each new moment marks a conceptual progression. Generally, a moment is a composition of concepts that belong together; these concepts are thus posited as immediately connected, or connected by a mediating concept.

In a text, systematic ordering is inevitably sequential. Nevertheless *ontologically* we always have the simultaneity of all moments.

7 See also Murray (2003, pp. 157, 160), who calls this Marx's phenomenological inquiry, as distinct from his presentation.

8 The insight that the distinct complexion of Marx's text is due to this mixture of analysis and synthesis, I owe to Damsma 2014, chapter 1. As with all good ideas, this is obvious in hindsight. For me at least, this at once clarified many of the puzzles of the systematic structure/ordering of *Capital*. Further, Tony Smith's 1990 book has been most important in the detection and delineation of Marx's analytical and synthetic work.

9 Reuten and Williams 1989, p. 34. See also Smith 1990, pp. 8–9; Arthur 2002, p. 75; Murray 2003, pp. 152–3; and Fineschi in this volume, footnote 14.

§5 *Definition and Conceptual Progress*

The *definition* of concepts is an inherent part of analysis (§3), and is useful for that endeavour. However, to the extent that *conceptual development* is central to the development of science generally, the positing of concepts as 'definitive' can hamper this development, even within non-dialectical discourses. Starting from an abstract concept of a totality (α), SD sets out interconnections in a layered movement of increasingly concrete concepts (β_i). In so far as we therefore have conceptual development, SD eschews definitions. Nevertheless, at each dialectical level, or moment (§4), it *delineates* concepts 'for the moment'. (This means, for example for Marx's *Capital*, that an early concept of 'capital' – *Capital* Volume I, Part II – is different from later, richer conceptualisations). Even so, the early concept is not untrue: indeed, it is true, but only abstractly ('encompassingly') so. Its truth is contained in the newly developed concept. Conceptual development progressively details a concept's conditions of existence.

§6 *Absence of Presuppositions and Assumptions*

SD not only eschews definitions (§5), it also eschews the introduction of assumptions. Although SD eschews assumptions, it is sometimes not possible to avoid the introduction of an entity or process which cannot be immediately 'grounded' (see §10 for explanation of this term), because that grounding requires the introduction of another moment that itself cannot be introduced immediately. In that case, the as-yet-ungrounded entity is introduced on the basis of an explicit temporary assumption/requirement that it can indeed be grounded later.¹⁰ (Unfortunately many systematic dialecticians call this postponed grounding a 'presupposition' at that particular point).¹¹ Generally the

10 These self-imposed requirements of 'explicit' temporary assumptions, and 'reference' to a later moment, simplify reading and are a courtesy to the reader.

11 This is a misleading use of the term presupposition ('tacitly assume to be the case'). My view is that the use of the term 'presupposition' stems from an inadequate translation of the German noun '*Voraussetzung*' that Hegel sometimes used. One meaning is indeed 'assumption', but Hegel adopted another, 'positing in advance', which is better translated as 'requirement' (or, in this case, 'positing the requirement'). Hegel's use of the verb *voraussetzen* ['to posit in advance'] might be translated as 'to require'. (Compare Inwood 1992, pp. 224–6.) This would indicate that we posit a moment which still requires further conditions of existence.

Marx apparently does not consistently use the term '*Voraussetzung*' in the way indicated above. To the extent that his use is similar to the one indicated, the standard Fowkes English translation of *Capital* Volume I (Marx 1976c [1867]) makes it difficult to detect it. For example, in Part II, the terms *Voraussetzung* or *voraussetzen* are translated variously

temporary introduction of as-yet-ungrounded moments is merely due to the fact that, whereas the entities or processes simultaneously co-exist ontologically, their written epistemological presentation must be sequential.

Even with this qualification, such SD assumptions/requirements are always grounded within the presentation. An SD presentation is not complete until all the relevant constituents of a given object-totality are endogenously determined, that is, when there are no ungrounded assumptions or exogenous variables.¹²

§7 *Synthesis and the Rôle of Analysis*

SD investigation is the process of inquiry from a systematic starting point (Figure 1). This investigation *results* in the *systematic presentation* that one finds in an SD text (such as Marx's *Capital*). An SD presentation is *synthetic*.

In §3, I indicated that SD investigation requires sufficient conceptual and empirical analysis for its synthetic presentation. However, if the existing analysis is poor, then clearly the synthesis will be defective. In this case the author of an SD work will need to undertake the appropriate analysis.¹³ In terms of exposition, these additional pieces of analysis can usually be moved to addenda (independent of the presentation), so that the systematic presentation proper is purely synthetic.

§8 *Immanency and Immanent Critique*

The SD presentation of a social totality is an immanent one. That is, it sets out the system from the perspective of the object-totality's principles, norms and standards. This is a principle adopted from Marx. Even if the system is presented *from within itself*, this does not imply the absence of any evaluation or assessment. When the norms and standards are taken to *their* logical conclusions, we may detect possible inconsistencies, which an immanent critique makes explicit.

as 'pre-condition' (p. 260), 'assumption'/'assume' (pp. 267, 271, 275, 276), 'implies' (p. 273) and 'presupposes' (pp. 274, 279). Marx also uses the terms *Unterstellen*, rendered 'assumption' (p. 263), and *Gesetzt*, rendered as 'suppose' (p. 263).

¹² See footnote 3 above on the term 'determination'.

¹³ In §3 I noted that Marx was confronted with this exact problem, so that he had to engage in analysis himself. In my 2000 paper on SD I neglected the possible requirement for analysis along with the systematic investigation and Guido Starosta (2008) rightly criticised me for this.

4 Systematic-Dialectical Presentation

In this last section we discuss the systematic presentation proper. Strictly, the 'presentation' is the text of an SD work. However, it should be emphasised that alongside the actual writing process, the author is engaging in a complicated SD investigation.

§9 *Systematic Starting Point: Requirements*

The pre-systematic research (§3) leads up to the starting point of an SD presentation. This starting point is an all-encompassing moment, which comprehensively captures the object-totality. That is, it *abstractly* (that is, implicitly) captures all the interconnections of all the necessary moments of the totality. Any starting point is inevitably abstract in that it cannot immediately grasp its object in its full, *concrete* interconnectedness. At the starting point we merely have the appropriation of analysis as an *abstract determination* (α in Figure 3). Or, we have 'merely' posited a unity-in-difference, the unifying concept of the object-totality – such as 'free will' for Hegel (*Philosophy of Right*), or 'the commodity' for Marx (*Capital*). This concept is so utterly abstract – even though it is simple – that by itself it can have no existence and it thus appears impossible. It will at least provoke the question of how this abstraction can be encompassingly true, and prompt further argument or presentation. (At the start of Marx's *Capital*, for example, it is not obvious how the commodity, or commodification, could be the unifying concept of the capitalist political economy). Thus the starting point is apparently impossible on its own: that is, its conditions of existence (grounds) are not apparent.¹⁴

At the beginning it is, of course, as yet unproven that the starting moment (α) indeed is the *unifying concept* of the object-totality. This has to be shown in the process of progressive concretisation and differentiation (β). As Hegel says, at the beginning 'difference is still sunk in the unity, not yet set forth as different'. Only on completion of the presentation will we know that '[t]he truth of

14 Most SD treatises use the term 'contradictions' to describe such an apparent impossibility (as well as similar apparent impossibilities that occur later on in the presentation). The term 'contradiction' is generally, however, too problematic in the English language. 'Contradiction' inevitably has the connotation of 'inconsistency', which is not at issue, while in this context 'apparent impossibility' more precisely conveys the meaning. (See also Smith 1990, pp. 6, 13; Reuten and Williams 1989, pp. 26–30.) 'Contradiction' is the common translation for the German *Gegensatz*, which is less problematic in German; the English 'contradiction' is closer to the German *Widerspruch*. That is not to say that I exclude the term 'contradiction' altogether (§14), but merely refrain from using it in *this* context.

the differentiated is its being in unity. And only through this movement is the unity truly concrete.¹⁵ Once the presentation is complete – and thus when the initial unifying concept is shown to be inherent in the object-totality, in its full concreteness (γ) – we will have come full circle, confirming the truth of the abstract starting point.¹⁶ Thus the ultimate test of a starting point is the success of the presentation itself.¹⁷

§10 'Grounding Moments' or 'Conditions of Existence':
The Mode of Presentation or Argumentation

Through the starting point, we aim to find out which entities, institutions and processes are necessary to make an object-totality, in our case the capitalist system, into a potentially reproducible constellation. That is, a constellation that is potentially continuous and self-sustaining (in many places, of course, this has been the case for one to nearly two centuries). We seek the 'necessary' moments, in contradistinction to 'merely' contingent moments (§12).

In Marx's *Capital*, for example, through the starting point of the commodity and commodity-relations – an apparently impossible unifying concept for a society – the capitalist mode of transcending this apparent impossibility is presented. *Capital* Volume I sets out the first main stage of this presentation in the sequence of the commodity, exchange, the monetary-value dimension (Part I), then capital and the production of capital (Parts II to VI), followed by the accumulation of capital (Part VII). Its result is the contour of a potentially reproducible constellation, one that requires further concrete grounding of

15 Hegel 1985 [1833], p. 83.

16 Compare Murray 2003, p. 157 and Arthur 1997, p. 31.

17 Systematically, the starting point is merely the *entry-point* into the system. In principle – with introductory, referential and explanatory qualifications – we could also have entered at some other moment (think of the metaphoric pyramid). Our queries might have been somewhat different, although another entry-point would again have posed an apparent impossibility. (For example, Marx might have entered his SD in *Capital* at the moment of capital-accumulation, lacking, at that point, moments such as the production of capital. This would have required the introduction of the temporarily ungrounded moment (§6) of this production of capital, which it must be assumed can be grounded once we have come full circle). In *this* respect, the specific entry-point is somewhat arbitrary. However, to the extent that an abstract and simple moment/concept is easier to understand than a concrete and complex concept, it is preferable to start with the former. The price of this way of beginning the presentation, as the reader of a conventional SD work will know, is that the moments immediately following the starting point can be quite difficult precisely because of their abstractness.

the moments presented in this sequence (*Capital* Volumes II and III, as well as the books which Marx had planned but did not even begin to draft).

Beginning from the starting point, an SD presentation must pose the *proximate condition of existence* of a moment, that is, the *immediate* requirements necessary for the existence of that moment. The terminology for a proximate condition of a moment is its 'first *ground*', or '*grounding moment*'.¹⁸ To the extent that this grounding moment cannot exist by itself (that is, to the extent that it is non-endogenous), that moment requires *new* proximate grounding moment(s). Thus the original grounding moment's conditions of existence are progressively developed. In sum then, we have a development or the *movement of (a series of) grounding moments*.¹⁹ At each point, the dialectical presentation is *driven* forward by the *insufficiency*, that is, the impossibility, of a posited moment.

This process must continue until we have presented *all the conditions of existence of the entire system* – all the conditions that make it a potentially reproducible system. If successful, all grounding moments will be entirely endogenously determined. Throughout this movement, there is 1) *conceptual differentiation* and 2) *conceptual concretisation*. These are two sides of the same coin. I briefly expand on each.

1) *Conceptual differentiation*: With the progressive grounding movement, we have increased differentiation of phenomena. Recall that the process of research prior to the SD presentation, abstract determination (§3), results in a *unity-in-difference* (see the left pyramid in Figure 4). Within that research-process, phenomena are subsumed under more general phenomena – much like species are subsumed under a genus. (For example, the sale of output, the lease of land and lending money are all market-transactions.) In such a way, an *abstract connection* between phenomena is established.

This unity-in-difference does not exhibit the interconnection and *concrete* determination, or delineation, of the various subsumed phenomena. For this their *difference-in-unity* would have to be systematically shown: in what respects phenomena differ (see the right pyramid in Figure 4). Each new

18 The terms 'condition of existence' and 'ground' are used interchangeably. The first term has the advantage of focusing on existence, and is perhaps initially more transparent. The term 'grounding moment' has the advantage of focusing in on the momentary, therefore emphasising its incompleteness.

19 This movement, together with the two qualifications outlined in the remainder of this section, is in my view the core of Hegel's Essence-Logic (that is, the second part of his *Logic*).

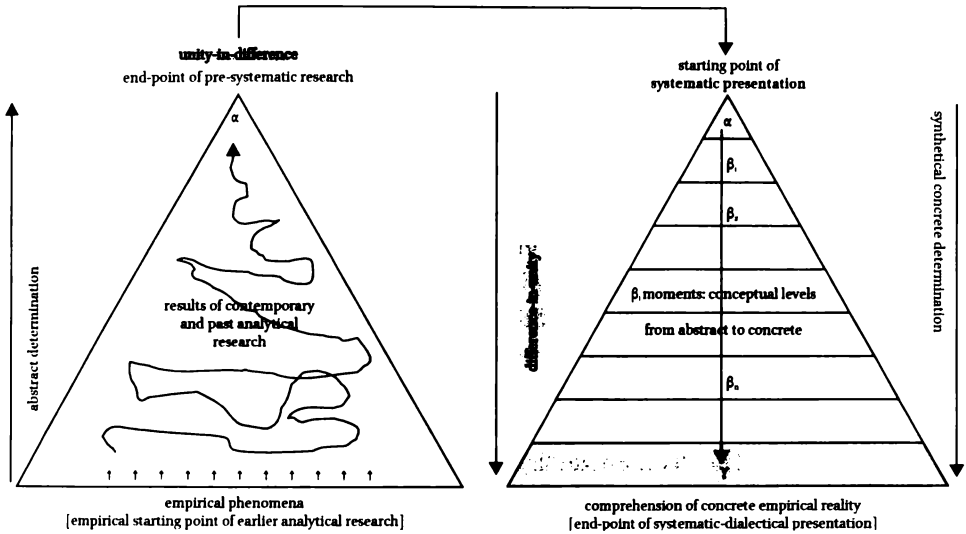


FIGURE 4 From research prior to SD to systematic investigation and presentation

grounding moment is also a more concrete determination of their differences. (Throughout all of *Capital*, for example, we have the differentiation of ‘capital’ in several ways, such as in *Capital* Volume III, into industrial, commercial and money-/finance-capital.) These increasingly concrete differences thus appear to have been posited in preceding moments only *implicitly*. In this manner, differences that were not previously set forth as such, appear in increasingly concrete *forms*. The grounding moment at a new level (say, ‘capital’ at the end of *Capital* Volume I) sets out a still (relatively) abstract existence that cannot yet actually exist, which drives the presentation forward as described.²⁰

With this differentiation, each grounding moment, each level of (relatively abstract) *existence* of the totality (β_i) is further determined as a particular *form of existence*. At each level entities are a unity of form and determinate existence – that is, as determined at that level.²¹ In Marx’s *Capital* Volume I, for example, money has a different form of existence within the moment of Chapter I – where ‘abstract labour’ is its placeholder – than at its more developed form in Chapter III. ‘Capital’ gains different, ever more concrete, forms of existence throughout the three volumes of *Capital*. In Part I of *Capital* Volume II, for example, capital is posited as simultaneously existing as various forms in a circuit ($M - C_1 \dots P \dots C_j' - M'$).

20 Compare Hegel 1991 [1817], §§120–4, and 1985 [1833], pp. 81–3.

21 Compare Hegel 1991 [1817], §§124–30.

2) *Conceptual concretisation*: Through the movement from abstract concepts and determinations to concrete concepts and determinations (that is, through increasingly concrete grounds or conditions of existence), we set out essential interconnections. This goes on until the level of empirical reality is reached, that is, the level at which all the *essential interconnections* posited earlier (β_1 – β_n) *appear in experience* (γ). We should now be able to *comprehend experience in its essential interconnectedness*. Empiricists and purist positivists will argue that we have made an unnecessary detour: did we not have the empirical reality before us all this time? Yes, we had empirical appearances, but – and this is the point of SD – we cannot simply ‘read’ phenomena and understand their interconnections and the relative importance (necessary or otherwise) of different phenomena to a totality. Nevertheless, phenomenal reality is indeed reality (I do not say ‘the’ reality) and the ultimate yardstick for an SD endeavour. *Essence and appearance are inseparable*, even if we distinguish the two throughout the course of the systematic presentation. As Hegel argued ‘[e]ssence must *appear* . . . [It] is not *behind* or *beyond* appearance, but since the essence is what exists, existence is appearance’.²²

On completion, if successful the initial unifying concept is shown to be inherent in the concrete object-totality. On arrival at this ‘end’ we are now in a position to *re-comprehend the starting point*, the earlier moments, and so forth (compare §9 ‘full circle’).

This section has focused on systematic ‘presentation’, the argument by which a totality is outlined, in a sense the ‘result’. The (creative) process by which this presentation is delineated is systematic *investigation*. I make some remarks about this process in an appendix at the end of this chapter.

§11 *Forces, Tendential Forces and their Expressions* (*Grounding Moments Continued*)

In §10, we saw that the starting point of a presentation is progressively grounded by a movement of moments, the insufficiency of each posited moment driving the presentation forward. This movement delineates the increasingly concrete

22 Hegel 1991 [1817], §131. Patrick Murray (for example in this volume) forcefully stresses that this is one of the key points that Marx took over from Hegel.

The epistemological process through which we reach the eventual comprehension of appearance and experience in their essential interconnectedness, and so of the unity of essence and appearance, was metaphorically pictured as a pyramid (Figure 1). This should not convey the impression that in my view reality is ontologically layered. However, I do not claim that there can be no other positions within the Marxian discourse, even within the ‘new dialectics’; see Brown, Slater and Spencer 2002 (and their references).

conditions of existence of both the starting moment and the further moments it necessitates. Earlier conditions of existence do not become irrelevant or untrue – they remain relevant and true – but are transcended by ever more concrete conditions: ‘a concentration of many determinants’, as Marx puts it.²³

The ground, in providing conditions of existence (§10), is often further determined by a *force* (or synonymously, a compulsion), the manifestation of which is termed as that force’s *expression*.²⁴ A force and its expression are central to an SD presentation of processes and their dynamic effects within the object-totally. (For example, the compulsion to produce surplus-value, which implies the compulsion toward the commodification of labour-power, is expressed in a rate of surplus-value. The compulsion to accumulate capital along with the implementation of new production-techniques is expressed in a rate of accumulation). In the following paragraphs, I briefly expand on: 1) *tendential forces*; 2) their *expressions*; and then 3) the *interaction* of multiple tendential forces.

1) *Tendential forces*: When a political-economic force (*tout court*) has an absolute character for the totality the operation of that force is necessary for the existence and reproduction of that totality. (For example, the compulsion to accumulate capital is necessary for capitalism’s reproduction).²⁵ That said, it should then be recognised that a force almost never has such an absolute character in regard to any individual constituent part of that totality, since there may be a certain balance of contingent influences acting upon an individual entity – a balance of contingencies that does not apply to similar entities generally.²⁶ (For example, whereas a profitable individual enterprise could deliberately interrupt its capital-circuit, cease to accumulate and liquidate – in spite of the various constraints that will ‘usually’ act upon it not to do so – the collective group of enterprises *must necessarily* accumulate in order to reproduce capitalism). It is in this latter sense that I adopt the term ‘tendential force’, or equivalently ‘tendency’, in keeping with the absolute character of that force for the totality as a whole. A tendential force might not always predominate in any individual case, but it must apply to a significant enough number of cases (note this does not necessarily mean ‘on average’) such that, abstracting

23 Marx 1973 [1857–8], p. 101.

24 Hegel sets out this connection in Division B–C, on Relationship, of his Logic of Essence (1991 [1817], §§135–41).

25 It can of course be the case that a force will be counteracted at times by the operation of *other* forces. This interaction of forces is discussed in the third point in this subsection.

26 Note that such a contingency is not an epistemological or methodological defect (perhaps at least some of these contingencies can indeed be adequately theorised), but is ontologically underdetermined.

from counteracting tendencies, it has a predominant character for the totality. (Thus the compulsion to accumulate capital is a tendential force). The concept of tendency is not found in Hegel's work. Marx does posit tendencies in his SD, without, however, elaborating on the meaning of his conception of tendency.²⁷

2) *Expression of tendential forces*: The quality of the expression or manifestation of a tendential force establishes what can and what cannot be quantified within a political-economic discourse generally (including analytical models) and also within a political-economic SD presentation. This quality need not result in precise quantifications of the expressions of a tendency, that is, *ex ante*, or law-like, in which case the *degree of expression* is 'underdetermined'. (For example, accumulation may be necessary for the system, but whether its expression is a rate of accumulation of three or six per cent is contingent. A rate of three per cent may be sufficient for systemic reproduction, but of course other positive rates can also be compatible with its reproduction).²⁸

3) *Interconnection of tendential forces*: A synthetic dialectical presentation is well suited to the theorising of the mutual interaction of tendential forces (and, in this respect, it is superior to analytical model-building). Systematic clarity demands that we take one tendential force, and the expression thereof, at a time, as one moment, and then connect it with a second force and its expression (one that may perhaps counteract the former), and proceed in this manner. These various moments should then be synthesised as a *constellation of interconnected tendential forces and their expressions*, as 'a concentration of many determinants'.²⁹ (The rate of accumulation of capital, for example, is the complex *expression* of a constellation of interconnected tendential forces).

Marx's well-known presentation of the cycle of the rate of profit in three moments, in Chapters XIII to XV of *Capital* Volume III, is the paradigmatic case of the presentation of a constellation of interconnected tendential forces. The

27 In Marx's work it is often not clear whether his term 'tendency' refers to a force or its expression, or perhaps both (I discuss Marx's use of the term in Reuten 1997).

28 Note that *this* expression of a tendential force is also not an epistemological defect – in principle the determinants for one or another certain rate of accumulation can be known. Again, it is due to the ontologically underdetermined character of the expression of political-economic tendential forces.

29 Tony Smith (2003, pp. 27, 30) calls this a 'meta-tendency'. More specifically (p. 34), he refers to cyclical patterns. 'A "meta-tendency" uniting the two sets of tendencies can also be derived with systematic necessity: the joint operation of the tendencies and counter-tendencies itself tends to form a cyclical pattern' (pp. 27–8). His illuminating paper greatly helps to clarify the concept of tendency (especially pp. 26–8, 30, 34–9). Smith and I diverge somewhat with regard to the conceptual 'systematic necessity' of (some of) these meta-tendencies (see §14 where I expand on the contingent aspects of cyclical patterns).

first moment (Chapter XIII) sets out one constellation of interconnected tendential forces and their single expression in the rate of profit (a concentration of many determinants). The second moment (Chapter XIV) sets out counter-tendencies. The third moment (Chapter XV) sets out the expression of the earlier moments in a rate-of-profit cycle.³⁰

§12 *Necessity and Contingency in a Social Object-Realm* (*Grounding Moments Continued*)

For an object-totality to exist, *all* of its conditions of existence (grounds) must *necessarily be fulfilled*. The grounding movement (§§10–11) identifies which phenomena (entities, institutions and processes) in an object-totality are necessary and which are contingent. Phenomena are contingent when these could be different without changing the essence, the essential functioning and potential reproduction of the system. An example might be the dress-codes of bankers, which presumably have no economic impact. Another might be retail opening hours, or the *personal* distribution of income between individuals, which presumably do have an economic impact. They are contingent in the sense that an endless variety of opening hours or of personal-income distributions are, in principle, compatible with the capitalist system.

This implies that by means of the presentation, we find which institutions and processes are merely contingent and so ‘in principle’ changeable within the system. This possibility of change within the system is thus an important political consequence of the SD method.³¹

SD is generally concerned with necessities and not with contingencies. The implication is that everything that is *not* dealt with, is, in principle, changeable within the system. Necessary institutions and processes constitute the system.

30 This rate-of-profit cycle itself has the characteristics of a tendency – prolonged periods of steady growth or of stagnation cannot be excluded *a priori*. The third moment in Marx’s exposition of the profit-cycle is, after all, the synthesis of two other underdetermined tendencies. In fact, the name given to these three together, in Part III, ‘the tendency of the rate of profit to fall’, is misleading because it focuses attention on the first moment only. See Reuten 2004 and Reuten and Thomas 2011.

31 See Reuten and Williams 1989, pp. 35–6. This political relevance works in two directions. The personal distribution of income between individuals, for example, could, in principle, be changed within the system. On the other hand, the corollary is that if the majority of people are not satisfied with the system even with, for example, that redistribution, it makes sense to strive for possible alternatives to the system itself. Without referring to the methodical necessity–contingency distinction, Smith 1990, pp. 38–40, and 1993b, p. 28 cast this political relevance of SD in terms of ‘fundamental’ and ‘non-fundamental structures’.

On the other hand, contingencies can take us into 'an endless sea' of indeterminate possibility ('it could be this way, or that way'). However, we will see in §§13–14 that the issue is somewhat less simple than it may appear here – at some crucial junctions we cannot neglect contingencies.

Addendum: Hegel and Marx on necessity and contingency: While necessity is central to Hegel's *Essence-Logic*,³² there is no room for contingency in his work. To my knowledge the same applies for other SD works.³³ In his lectures, not published by him, Hegel is quoted as saying, 'The sole aim of philosophical inquiry is to eliminate the contingent. Contingency is the same as external necessity, that is, a necessity which originates in causes which are themselves no more than external circumstances'.³⁴ In his *Encyclopaedia Logic*, Hegel begins the presentation of this issue with the category of 'possibility', in the sense that everything that we perceive is possible (he means 'determinate possibility', not fictional possibility by assumption). Next he introduces the category of 'contingency' (accidentality). The point here is these contingencies (for example, bankers' dress-codes) may have grounds (or perhaps must have grounds), though *these* grounds are not a part of, or are not essential to, the object-totality at hand. Hegel's third category is that of 'necessity'. Necessities posit the object-totality as an interconnected whole (as set out in §10 above). A 'necessary' moment contains the antecedent moment transcended in itself.³⁵

This makes sense as far as it goes. As we have already seen in §11, necessary forces could have contingent quantitative expressions. 'Normally' this poses no problem in the systematic presentation to the extent that, firstly, this has no consequences for the systematic interconnection of moments, and, secondly, we comprehend these contingent expressions within a totality, that is, when we have reached the end-point of the presentation. (Again, in §§13–14 contingencies that are relevant for the systematic presentation will be treated).

While Hegel is explicit about necessity and contingency, in his scant methodological writings Marx is not, and we must use the content of his texts to make inferences. These inferences are complicated by the fact that Marx expounded analysis alongside his synthetic presentation, without clearly separating the two (§3). Often his (apparent) analysis does introduce contingency.

32 In his *Encyclopaedia Logic* it is the most substantial element of the *Logic of Essence's* last Division C: 'Actuality'.

33 The exception is Reuten and Williams 1989. Arguments for investigating contingency are set out on pp. 16–17, 24–5, 31, 147 and 263–4.

34 Hegel 1837, p. 28; compare 1991 [1817], §§143–5.

35 Hegel 1991 [1817], §§142–9; compare 1985 [1833], p. 80.

Even so, considering the general structure of his argument throughout *Capital* (and considering the preliminary-draft character of especially Parts IV to VII of *Capital* Volume III) I think that Marx’s synthetic argument mainly addresses necessity. (I cannot substantiate this issue here, as it would require an extensive study.) If this is correct, Marx nevertheless introduces the type of contingency that I treat in §§13–14.

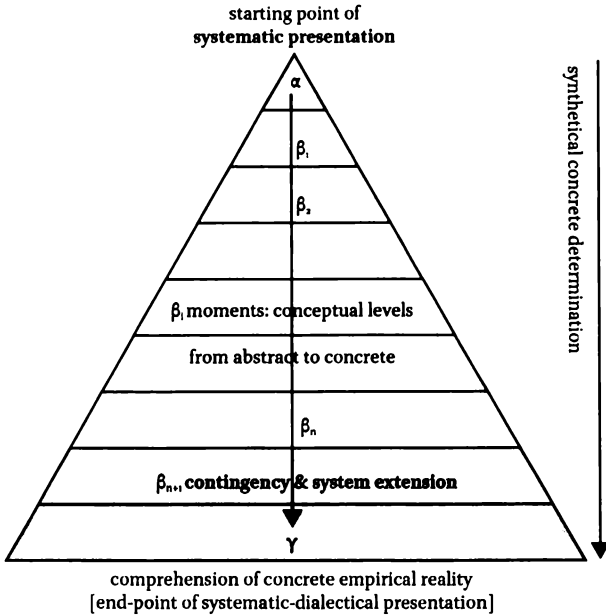


FIGURE 5 Systematic investigation and presentation with system extension

§13 ‘System-Extension’ Type 1: Becoming Necessary

The SD method outlined in §§9–12 takes inspiration from Hegel’s 1817 *Encyclopaedia Logic*. That said, it must deal with certain methodological limitations to be appropriate for the development of an immanent critique of the (contemporary) political economy of capitalism, for which Marx’s *Capital* laid the paradigmatic foundations.³⁶

At least for the object-totality of the capitalist political economy, a Hegelian account of SD is inadequate because of the complete separation between necessity and contingency it insists upon (compare §12). Thus §13 and §14 will set out two reasons why this separation is not appropriate, and why particular contingencies should indeed be dealt with. In each case, the result is that

36 Reuten and Williams 1989 represents our endeavour to develop this articulation further.

a particular type of contingency must enter the systematic presentation as a 'system-extension'. The layer $\beta_n + 1$ in Figure 4 shows a placeholder for these system-extensions. Even so, I stress that SD cannot deal (and in my view, should not try to deal) with other types of contingency.

The first type of system-extension is required because of the organic character of the capitalist system. Here a moment that was once contingent may 'become necessary'. Consider the juridical property-form of the enterprise. At first sight, it appears to be contingent whether this form is that of the firm (with unlimited liability), or that of the corporation (with limited liability). In quite a few circumstances today this still is contingent. However, both a generalised *increasing* concentration of capital within enterprises and a generalised *continued* centralisation of capital-enterprises would be impossible without the corporate form of enterprise (that is, limited liability). Another example is the particular structural developments in finance in the twentieth century which meant that a continuous 'creeping price-inflation' became necessary to the capitalist system.³⁷

In the case of the form of enterprises, Marx introduces the joint-stock company (JSC) at the end of Chapter XXIII and expands on it in Chapter XXVII, in his 'final draft' for *Capital* Volume III. He does not see the JSC as essentially different from interest-bearing capital but rather as a *developed form* of it.³⁸ One might see this as an immanent development of the system (compare §10 on the form of existence). The case of creeping inflation might similarly be theorised as an immanent organic development (even if more complicated than the former case).

A rigid Hegelian might argue that in such cases an ontologically new system comes into being, requiring a new systematisation in accord with its new necessities. However, we do not have the replacement of the original group of necessities by another different group. Instead, new necessities are added to the 'previous' necessities. If this is correct, the organic development of the system adds ever more necessities – the implication is that the system is becoming more restrictive. This insight, a consequence of the SD method, is of course politically important.

37 Reuten 2003. In the same book in which that paper appears, Tony Smith (Smith 2003, p. 26) takes a similar view in making a distinction between Hegel's (or Hegelian) and Marxian SD: 'Marxian systematic theory is *revisable*. Historical developments in capitalism may ... lead us to discover systematic necessity in areas previously overlooked'. (I suppose that 'overlooked' is just an unfortunate term, because that could make it an epistemological rather than an ontological matter).

38 See Reuten 2002, pp. 191–8.

System-extensions, at least in my own investigative experience, occur toward the 'end' of the presentation (this also applies to the system-extension discussed in §14, and Marx's introduction of the JSC). This is in accordance with the suggestion that priority should be given to proximate grounds 'most necessary' for the reproduction of the system (§10).

§14 *'System-Extension' Type 2: Ontological Systemic Weaknesses and Contingency*

The first type of system-extension (§13) is important in assessing the strength of the capitalist system – including its potential for reproduction. We discussed the possibility of increasing systemic restrictions stemming from the organic development of the system.

A second type of system-extension concerns system-weaknesses. There is little to no scope for comprehending these within a Hegelian SD. The reasons for this stem from Hegel's view of contradictions, combined with the view on necessities.

For Hegel – and here I am in agreement with him – a contradiction can have no *concrete* existence. Contradictions exist as internal processes, but in their external expressions contradictions are actually transcended in one way or another at a given point in time. Thus the capitalist system 'temporarily resolves' these contradictions in one way or another, whence capitalism has a concrete existence.

However, I disagree with Hegel on how contradictions are actually resolved. Because Hegel did not deal with contingency (§12), he had to resolve contradictions at the level of necessity. In this regard, this mode of resolution implies that contradictions are 'dimmed' (played down).³⁹ Consequently, system-defects are reconciled. Hegel's SD has therefore been called utopian. (Apparently with this in mind, Tony Smith calls Hegel's an affirmative SD).⁴⁰ This resolution and reconciliation is executed through Hegel's Subjective Logic (or the Logic of the Concept – the third part of the *Logic*).

The key issue here is not that contradictions are resolved – there is agreement that they are – but a different appreciation of those resolutions, includ-

39 There is no adequate English translation for Hegel's (and Marx's) usage of the German term *aufheben* (I adopt 'transcend' or 'resolve' as the context requires). In Hegel's case as discussed in §14, contradiction does not disappear, but I think that it is fair to say that, not only is a contradiction 'dimmed' (played down) on its transcendence into a new moment, but is also dominated by that transcending moment.

40 See, for example, Smith in this volume.

ing their robustness. This different appreciation would seem to be a matter of how the process of resolution is understood.

Along with this difference, Smith and I, and apparently Marx in *Capital*, adopt from Hegel's method his Essence-Logic – its strength – and leave aside his Subjective Logic.⁴¹

Consequently some contradictions require contingent resolutions.⁴² Rather than being understood as a drawback of the method, this should be understood as a strong point, precisely because the practice of the capitalist system is indeed one of contingent resolution of its contradictions or weaknesses. In other words, even though the system has clearly historically been robust in terms of establishing its necessities, it is nevertheless vulnerable because of its contradictions.⁴³

Apart from in a footnote (to §9), I have not used the term 'contradiction' before this section. I am inclined to reserve this term for ontological defects and vulnerabilities (weaknesses that are not resolved at the level of necessity). The contingent resolution of these contradictions – and the defects thereof –

41 I differ with any interpretations of Marx's *Capital* that hint at Marx basing himself on a Subjective Logic, as Fred Moseley (in this volume) does. Marx experimented with it in the *Grundrisse* manuscript (see Meaney 2002, and in this volume). However, he never personally published this manuscript. There is no textual evidence whatsoever deriving from *Capital* that Marx there adopts a dialectical Subjective Logic. (Use of the words 'general' or 'particular' are of course not evidence for this either, as there is room for these terms in dialectical Essence-Logic.)

42 In Reuten and Williams 1989 (pp. 26–30), we indicated why an SD for the capitalist political economy could not reach beyond Hegel's Essence-Logic. Smith (Smith 1990) made this point in a much more sophisticated manner (unfortunately, at that time we did not know each other and the printing of the books coincided). See also Smith 1993b and in this volume. Smith and I seem to agree that contradiction may be a persistent and irreducible characteristic of social reality. Reuten and Williams 1989, more so than Smith, emphasised the contingency of, and shifts in, the essential transcendence of contradiction – so positioning contingency within the essential SD (as I do in the current text). Even so, I do not think we substantially disagree on this.

43 Chris Arthur takes a very different position in his SD project (elements of it are outlined in Arthur 2002 and in <http://www.chrisarthur.net/towards-a-systematic-dialectic-of-capital.pdf>). He highlights the dominance of capital within the system (we agree on this) and *therefore* considers Hegel's Subjective Logic to provide an adequate framework for presenting that dominance. Riccardo Bellofiore (in this volume), without explicitly endorsing Hegel's Subjective Logic, posits that fetishism empowers capital in a way similar to it being a Subject in the Hegelian sense.

make these an inherent characteristic of concrete reality.⁴⁴ We have more or less (un)stable contingent practices which 'temporarily' overcome contradictions. It should be emphasised that these contingent resolutions inevitably face all the forces earlier posited in the SD as necessary. The insight gained from this 'system-extension' – vulnerability in the face of necessary forces and the vulnerability of the very strengths of the capitalist system – is of tremendous political importance.

To illustrate a 'system-extension' due to ontological weaknesses of capitalism, I will briefly discuss the (dis)continuous accumulation of capital as generating a crisis-ridden cyclical development of capital. This is one of the main, and probably one of the most important cases where this second type of 'extension' becomes significant. Such an extension is required when the systematic presentation arrives at a point when a necessary condition of existence (for example, the condition requiring a continual accumulation of capital) lacks sufficient determination – 'underdetermination'. Further 'determination' can only be provided at the level of contingency, as opposed to the level of necessity. Usually, this implies that several solutions are possible. Of course, in reality one solution will be the case at one particular time. This will not imply, however, that this particular solution will be repeated in the same shape in future (or for that matter, that it has not been different in the past).

In Marx's *Capital* Volume I, and in the 'final drafts' for *Capital* Volumes II and III, we see this underdetermination at the level of necessity – and hence the introduction of a 'required contingency' in each of the parts of the presentation dealing with the accumulation of capital: Part VII of Volume I (accumulation); Part III of Volume II (reproduction); Part III of Volume III (development of the rate of profit).⁴⁵ Generally, there are sufficient conditions to determine the accumulation of capital, but not for the continual accumulation of capital. Its *contingent* resolution is in economic crisis and the cyclical development of capital. Even if these cycles have certain common characteristics, the length

44 Thus – whereas an 'apparent impossibility' (§9) is a matter of the limits of the presentation (we cannot introduce all the proximate conditions of existence of a moment at the same time) which is resolved at a later point in the presentation – 'contradiction' is an ontological limit of the system. To the extent that the object-realm for Hegel's *Logic* is 'thought', he can say (Hegel 1985 [1833], p. 71), '[T]he essence of philosophy consists precisely in resolving the contradiction of the Understanding'. This manner of resolving contradiction is not appropriate to a presentation of a social object-realm.

45 To these we might add the drafts for chapters of *Capital* Volume III that casually deal with monetary aspects of the cycle: Chapters XXI, XXII, XXX, XXXI. See Reuten 2002, pp. 189–90; this paper deals with all of Parts III to V of *Capital* Volume III.

and amplitudes of their phases are contingent; thus *the form of existence of the cycle* is contingent.

The 'non-necessity' – that is the contingency – of the form of these cycles is clearly of great political importance, especially when viewed from the perspective of the social forms of subsumption of labour (as including unemployment) during the course of a business-cycle.

Conclusions

The method of systematic dialectics is particularly well suited to identifying which institutions, entities and processes are necessary, rather than contingent, for the continued reproduction of an object-totality such as the capitalist system. Such a system's strength is that it immanently generates these necessities (§§9–12).⁴⁶ To the extent that it does, the SD method outlined here – which builds on Hegel's Essence-Logic – is capable of clearly exhibiting this reproduction of necessities. However, a Hegelian SD is not suited to the comprehension of a system that organically generates *new* necessities (§13). Nor is it able to detect and theorise any weaknesses in the immanent generation of necessities in cases of underdetermination, as a consequence of its inadequate treatment of contradictions and necessities (§14). In this respect, the incorporation of *required contingencies* is an important improvement of the method. The political significance of this insight is that it reveals systemic weaknesses and vulnerabilities.

Appendix: Systematic Investigation

Section 4 of this chapter focused on systematic 'presentation', the argument by which a totality is outlined, in a sense the 'result'. The process by which this presentation is delineated is systematic *investigation*. (This investigation is itself preceded by the appropriation of analytical and empirical research discussed in §3; compare §7). In initially grounding the starting point, and then later moments, the *proximate* conditions of existence are presented (§10). But what is proximate? This is, to a degree, a matter of the creative process of investigation. As a consequence, there are no hard-and-fast rules or guidelines for investigation – there are no criteria other than the content of the argument.

⁴⁶ Another strength is that it immanently subsumes the agents of these necessities. This is a matter of content that I have not dealt with.

Nonetheless, to give the reader a feel for the process, I will make a few comments based on my experience in SD investigation and presentation.⁴⁷ Systematic ordering is not usually obvious. During the investigative process, a transposition and re-transposition of moments occurs for larger collections of moments (say chapters or parts), but more often with smaller groups of moments (think of the order of sections within a chapter). This is largely a matter of what best ‘fits’.

An example will clarify this. Based on everyday experience, and analysis, banks and the corporate form of enterprises would seem to require systematic placement. When should these be introduced into the presentation? In *Capital*, Marx introduced these only in Volume III. This ordering, however, is not the only possibility. Transpositions of larger moments, such as the introduction of banks and the corporate form, do make a difference in the arguments that can be made – at least in how concisely they can be made. This seems to be less the case for smaller transpositions, where there is often some arbitrariness.

In the various editions of *Capital*, we do see some smaller transpositional differences. In order to discover the relatively larger transpositions we should compare the last version with the earliest drafts, that is, those of 1857–8 and 1861–3.⁴⁸ Roberto Fineschi has, beyond this, compared nine of Marx’s plans for the ordering of *Capital*, from 1857 to 1866. In particular, Fineschi outlines Marx’s transposition of the moment of the accumulation of capital in these plans, and the consequences this had for the general structure of the presentation.⁴⁹

The process of Marx’s writing of *Capital* underscores the importance of systematic investigation. Marx wrote his ‘final draft’ for *Capital* Volume III in 1864–5; his final drafts for *Capital* Volume II date from 1865 to 1870 and from 1877 to 1878, from which Engels edited *Capital* Volumes II and III. Marx published *Capital* Volume I in 1867. Despite his being under pressure from various people to publish, the decision was his. After 1867 Marx worked almost exclusively on revisions of Part III of *Capital* Volume II (1877–8), dying in 1883. Why

47 Reuten and Williams 1989, as well as a book that I am currently writing.

48 Between these drafts we have more than just larger transpositions in the SD – the content of the argument changes (one example is Marx’s view on the business-cycle – see Reuten and Thomas 2011). In an important study, Mark Meaney (2002) sets out how much of Marx’s *Grundrisse* (the 1857–8 manuscript) is homologous with Hegel’s Objective Logic as well as his Subjective Logic (or his Logic of the Concept) – compare Meaney in this volume. In *Capital*, however, the Subjective Logic is discarded – see Smith 1990, and in this volume.

49 Fineschi 2010, and in this volume.

was it that for more than 20 years he had a more or less complete structure, and drafts, of *Capital* Volumes II and III without caring to publish these, completing his life-work? My answer is that Marx was stuck. Not because he was not able to write the full work, but because he had already published *Capital* Volume I. I suspect that this publication prevented him from making both smaller and larger transpositions of moments over the three volumes. Anyone with experience in doing systematic-dialectical investigation and presentation knows that important transpositional changes are bound to occur up until the final draft of the *full* text. Publishing *Capital* Volume I set it 'in stone', and prevented these transpositions.⁵⁰

50 I make this remark here, although the issue would deserve a full paper. In a 2009 paper I provided some hypotheses regarding the connection between *Capital* Volume I and the 'final draft' for Part II of *Capital* Volume III (the part on 'the' transformation-problem). I suppose this (non-)connection *from* Volume III to Volume I was one major stumbling-block.

Marx, Hegel and the Value-Form

Christopher J. Arthur

Introduction

It is generally recognised that of all the chapters of Marx's *Capital* it is the first chapter of Volume I in which the subterranean influence of Hegel's *Science of Logic*, and of its categories, is easily detectable. However, this observation has not been much supported by detailed accounts of just which categories are relevant. The present chapter reconstructs the dialectic of the value-form in order to show how Hegel's categories illuminate it. After an initial analysis of the commodity, using Hegel's categories of 'Being' (quality, quantity and measure), the remaining categories deployed are drawn from Hegel's Doctrine of Essence, because the oppositions characteristic of its structure are suited to a study of the doubling of the commodity into commodities and money. These comprise: essence and appearance; reflection and the determinations of reflection (namely: identity, difference, contradiction and ground); positing the presupposition; the inverted world; force and expression; actuality, together with its modal categories; and substance.

This present discussion of Marx's first chapter is part of a broader project of mine to provide a *systematic-dialectical reconstruction* of the categories of his *Capital*.¹ Systematic dialectic is a method of exhibiting the inner articulation of a given whole. Science, in treating such a totality, must elucidate a set of categories, capturing the forms and relations constitutive of the totality, in an ordered presentation. There is a significant homology between the movement of exchange, generating a system of *pure forms of value*, abstracted from the natural specificity of commodities, and the movement of thought, generating Hegel's system of *logical* categories, abstracted from the real material world. Moreover the *form* of value as such, which springs from exchange as a process of 'abstraction', may be analysed regardless of any labour-content. Indeed *theoretical priority* must be accorded to 'form-analysis' because it is the practice of exchange that establishes this necessary form of social synthesis in the first place, before labours expended are commensurated in it. Here, then, I analyse the value-form *as such*, 'bracketing' the origin of the objects of exchange.

¹ See Arthur 2002 for more on this; chapter 1 has a review of relevant literature.

Whereas Hegel abstracts from everything through the power of thought, exchange abstracts only from what is presented to it, a delimited sphere of use-values. So the dialectic of capital is less general than Hegel's in scope, but within its own terms equally *absolute*, in so far as it is founded on all-round abstraction to leave quasi-logical forms of being of commodities. But the value-form of the commodity is not an axiom, or an empirical given, upon which all else depends; the originating form gains actuality and truth only when grounded in the totality to which it gives rise through a dialectical logic.

However, I go further than just drawing attention to methodological lessons from Hegel's systematic ordering of categories, as do others. I draw also on his ontology. Hegel shows how an ideality builds itself up, moment by moment, into a self-actualising totality, an 'Absolute'. If then, as I believe, capital has in part an ideal reality, then if it can be shown to incarnate Hegel's blueprint it may be self-sustaining in the same way. Hegel's logic can be drawn on in such a study because capital is a very peculiar object, grounded in a process of practical abstraction in exchange in much the same way as Hegel's dissolution and reconstruction of reality is predicated on the abstractive power of thought. Abstraction is 'out there'. Conversely I interpret Hegel's self-actualising 'Idea' as the ontologic *specific* to capital, because it has relevance only to a system of self-moving abstractions. In general I have no problem with a system of categories such as Aristotle and Kant articulated. But I believe Hegel's view of system is *peculiar* in that he claims 'the Concept' is the self-acting author of its own forms. I say the same of capital. Just as Hegel holds that 'thinking itself, devoid of personality, [is] the productive subject';² so I take capital as a 'productive subject devoid of personality'. It is as if Hegel, in his philosophy, absolutised the specific dialectic of capital, although his factual knowledge of fully functioning capital was gained second-hand, in his readings of classical political economy and the English newspapers. However, in a short chapter such as this I cannot do more than demonstrate that Hegel's logic illuminates the categories of Marx's first chapter.³

What is the starting point of *Capital*? Does its movement follow the method of rising from abstract determinations to the concrete whole, as outlined in Marx's unpublished 1857 'Introduction'? The concrete as the unity of diverse

2 Hegel 1985 [1833], p. 9.

3 I covered some of this ground in Arthur 2004. That treatment used an apparatus taken from Russell's theory of relations. The dialectical exposition presented here is better. For the development of the systematic dialectic beyond that of this chapter see Arthur 2009, which takes the argument to the General Formula for Capital on the basis of Hegel's Doctrine of the Concept.

determinations is then the result, not the starting point. Or did Marx reject this in beginning *Capital* with a *concretum* (as he says in his 'Notes on Adolph Wagner'), namely the commodity, because wealth presents itself to us immediately as 'a heap of commodities'? Confusion on this point is resolved by taking account of two different meanings of 'abstract and concrete'.

Marx speaks in his Preface to *Capital* of the power of abstraction by analogy with the microscope because it yields 'the economic cell-form', the commodity. Here the 'abstract' means that which is taken apart from the whole that supports it, and within which it gains its meaning; it is *separated* off from it. But, especially if the commodity is not understood as mediated in the whole, it may be taken in immediate *experience* as 'concrete' in the sense of tangible.

However, a more usual sense of the 'abstract' is that which results from the most general way of thinking about anything, achieved by leaving aside all its specific characteristics so as to generate a simple immediacy for *thought*, namely a pure category not susceptible to analysis (as is the concrete, of course).

If this distinction is accepted then we observe that *Capital* has *two* beginnings: the analytic, and the synthetic (or systematic).⁴ Capital is the object, but this is analysable into the movement of money, and money mediates commodity-exchange. Thus *Capital* begins from the commodity, and further *analyses* it into two aspects: its usefulness and its exchangeableness. While usefulness remains a standing condition of commodity-exchange, exchangeableness cannot be reduced to it, but is a social determination that follows its own law. The value-form is the abstract starting point for a *systematic*-dialectical development of the concrete whole of capitalist production articulated in terms of the totalising concept of 'value'. Although our analytical starting point, namely 'the commodity produced by capital', appears as a concrete one, the practical abstraction imposed in exchange from every given feature of it leads to a systematic dialectic of 'pure form' homologous with the 'pure thoughts' of Hegel's logic.

(Below the introduction of a Hegelian logical category is flagged in bold).

The Forms of Value (I): The Commodity

This first section thematises what it is to *be* a commodity. This is value in the shape of **being** [*Sein*] – the first domain of Hegel's *Logic* – and its determinations

4 In this interpretation I follow Banaji 1979, p. 40. Note also that Hegel says his *Logic* has 'equally both a synthetic and an analytical beginning' (Hegel 1991 [1817], §238).

here also follow those in the *Logic*, namely 'quality, quantity, and measure',⁵ to which correspond in our case, it will be seen, 'exchangeableness', 'magnitude' and 'exchange-value'.

The foundation of the systematic presentation of the categories of capital is that the value-form is a pure form imposed on 'products' without expressing any material content given in them. All the bodily characteristics of the commodity are abstracted from in exchange. This leaves the 'being of exchange' void of any determinacy whatsoever, yet there is *something-there* (*Dasein* is Hegel's term). For, if it is the movement of *exchange* which makes this being *present*, then that being does after all have a determination, namely the bare **quality** of 'exchangeableness', which anything appearing in exchange must have. (I distinguish this from 'exchangeability', which is value in a measurable sense – see below.)

How does **something** prove that it has exchangeableness? This requires the commodity to have others against which it may exchange. It is only in so far as a commodity is translated into a second commodity that its exchangeableness is demonstrated. But that this exchangeableness has yet been retained, and not dissipated in its realisation, is shown if the second commodity in turn proves itself 'of worth' through being exchanged against a third commodity, and so on. An ever-changing series of commodities passes through our hands endlessly, a **spurious infinity**. But a **genuine infinity** is posited when the other commodities are grasped only as complementary forms of the first in a closed system in which all commodities refer back to each other. The commodity returns to itself having been presented *in* its other, but it is one and the same in both cases. When the exchangeableness of a commodity is brought back to it, the commodities gain 'being-for-self'. Every commodity is now characterised as in itself an 'exchangeable'.

However, in Hegel's logic the 'being-for-self' thus developed is problematic. It is 'one' which *excludes* other ones, the **many**, yet is not distinguishable from them; in their mutual definition they are all one and the same, having no inner specificity. Hegel argues that their separateness is sustained therefore only by their continual '**repulsion**' of one another, 'a process of reciprocal *excluding*'.⁶ The 'one' determines its being through the negative relation to other such ones,

5 Here I leave aside the subtleties of **being** and **nothing**. For that see chapter 8 of Arthur 2002: there I show that, considering the commodity, although what is not 'value' is of course 'use-value', it is wrong to identify 'nothing' and 'use-value' (see footnote 13, p. 173); rather, being and nothing are moments *of value*; defining itself negatively, value simply *is the absence of* use-value, which becomes its own positive presence, so to speak.

6 Hegel 1991 [1817], §§96–7.

the 'many', yet its identity *with* its others necessarily connects it indissolubly to its others; this relation is a force of 'attraction', Hegel says.

In our case what do 'repulsion' and 'attraction' mean? An exchangeable commodity is valid only through another (attraction), but for them to be distinct exchangeables the requirement of numerical difference⁷ must be sustained (repulsion); it is so here by the distinct material bearers of commodities. Moreover, while the exchange-relation identifies the sides as substitutable, its polarity preserves the moment of repulsion at the same time.

So here the dialectic of repulsion and attraction realises one commodity in another very abstractly, not another of different quality (except in use-value, of course) but simply an other identical to the first. As exchangeables, commodities are all of exactly the same quality and, although many are present, this *merely numerical* difference does not form the kind of limit that marks off two *qualitatively* different things. This will be important later. We have now established the commodity as 'one' among 'many'. But the many as a whole, determined as 'one One', so to speak,⁸ raises the question: how many make it up? But it does not matter! The quality of exchangeableness does not change into another quality no matter how many commodities are in play in this network. This means quantity is a determination 'external' (Hegel) to quality.

The articulation of the substructure of the category of **quantity** I use here broadly follows Hegel in that the main divisions are a conflation of those he gives in his *Science of Logic* and his *Encyclopaedia*: 'pure quantity', 'quantum' and 'ratio'. The vindication of my category of 'value as **pure quantity**' follows from the fact that the quantity of exchangeables has no inherent limit. Every exchangeable relates to putatively infinite others. Equally, the many, considered as determinate, consists of discrete 'ones'. Every 'one' has to be determined as an exchangeable item if exchange is to be possible. It is not enough for the commodities to be specified as having properties that make them exchangeable in a general indeterminate sense; a determination is required that allows for discrete exchangeables to be presented for exchange. In other words a commodity must be specifiable as an item for sale. It has to specify itself in discrete units, each of which – the **quantum** – announces itself as an instantiation in *delimited* form of the good concerned. A baker does not sell 'bread' but a loaf of such and such a weight. Only thus does sale become determinate.

The value-category of 'quantum' must be modelled in its bearers, which must be countable items. A baker has to specify such a **unit** as 'a one-pound

7 If two things are identical in all respects they may be said to be the same thing. However, if they are nonetheless countable as two, they are said to be 'numerically different'.

8 '*Das eine Eins*', Hegel 2010 [1812–16], p. 141.

loaf', for example. A commodity must be delimited as an exchangeable, for instance 'a loaf', to be an example of a commodity, yet this limit is equally sublated since any number, for instance of 'loaves', may be taken as together exchangeable since, if one is, all the many identical ones taken together are too. Because it is rare for commodities to be exchangeable one for one, room has to be made for the commodities related to be numerous, in order for a number of units of one commodity to exchange against another number of units of another commodity.

Exchangeable commodities, then, take determinate shape in a delimited quantity, yielding the category of **magnitude**, defined as a number of units. The striking thing about this quantification is that, although each good has its own natural index of magnitude (weight or whatever) in terms of which haggling goes on, these commodities seem unable to refer to any common index of exchangeableness because, *ex hypothesi*, as naturally diverse goods, their index of amount differs absolutely (no one would exchange two pounds of gold for two pounds of iron). Here magnitude is a *pure* number, and yields a ratio of such numbers: 'I'll give you six of these for four of those' is the quantitative form of the offer for exchange.

Brought into unity with itself in this way, as reflexive, 'magnitude' passes over into the **ratio** of quanta. Thus in our case, the number of units of one commodity, with respect to the number of units of another commodity, is the quantitative bearing on one exchangeable of another. Magnitude thus related to itself in such a ratio of quanta is the being-for-itself of quantity in that the ratio is the manner in which a quantum relates to itself having passed through the other related quantum.

Measure (that is, 'specifying measure') Hegel defines as qualitative quantity. I divide it into 'rule', 'series of (specific) measures' and 'unity of measure-relations'. Quality and quantity are unified here in that the ratio implicitly reinstates quality if it remains the same while its terms alter. When there is the reiterated identity of its quotient, we have a magnitude that retains its 'quality', regardless of this 'external' variation in the quanta so related.

In our case 'measure' is 'exchange-value'. This depends on the presence of a stable *rate of exchange* that one commodity has against another. If it is so, then a **rule** is operating. *Pro rata* exchange has a qualitative character because it remains the same regardless of the increase (or decrease) in the number of commodity-units related in it. The key point about this is that the ratio abstracts from the specific items involved. If, in this rate of exchange, two of A exchange against three of B, and four of A against six of B, then it is clear that a rule is being followed. Considered as a result, such passing over of the one side

to the other gives the commodity its specific measure, its exchange-value; what it 'amounts to', so to speak, is specified in something other than itself.

However, every rate of exchange taken by a commodity differs for every commodity related to the given commodity. Thus its exchange-values are so many measures, yielding a **series of specific measures** (of exchange-values) specifying it in different ways.

I now turn aside to discuss Hegel on 'real measure' [*Das Reale Mass*]. Hegel's treatment of 'measure' in his *Science of Logic* is too long and confused, but in the *Encyclopaedia* it is too short! My treatment of measure in this section is closer to the abbreviated account in Hegel's *Encyclopaedia* than it is to the longer discussion in his *Science of Logic* in which he distinguishes 'real measure' from 'specifying measure'. At this point, then, it is necessary to discriminate between them and to discuss precisely what is covered by the category of measure here. In the *Science of Logic*, Hegel develops the category of specifying measure, in which something is measured by something else (in our case the exchange-value of one commodity is given in terms of another), in order to derive 'real measure'. Now I think Hegel's argument very dubious, although I have no space here to show this. It seems to me that 'real measure' is not a 'surface' category characteristic of 'being' but a category of 'essence', for it measures a supposed *immanent* magnitude. Here, then, I am concerned only with 'specifying measure'. (Yet we still have available to us the category of 'real measure' to deploy further on, precisely when we reach the category of 'value as essence' presented in money).

To resume: the members of this *indefinite series* of measures cannot here be measuring different qualities of the commodity, because exchangeableness is a unitary determination; thus if a 'measurable' is present it must exist in a form that is indifferent to all the specific exchange-values, which are all equivalents of one another as its measures. All these specific measures being valid, they are substitutable. So we reach the notion that there must be some *unity* to them, that, although they are all different exchange-values of a commodity, they must represent the same 'measurable'.

In my argument 'the series of specific measures' plays a rôle superficially similar to that of Hegel's 'nodal line of measures', in generating the transition to 'essence', so it is worth explaining our different strategies here. Hegel develops the category of the 'nodal line' from his consideration of the way in which quantitative changes in a thing eventually give rise to a qualitative change. Every new quality will have its own proper measure, of course, hence such changes in succession generate a nodal line of measures. He argues that these changing qualities nevertheless have the same permanent *substratum* indifferent

to them and their measures. This is 'measureless', in Hegel's peculiar terminology. In this 'indifference' to measure he sees 'the becoming of essence'. In our case a *single quality*, namely exchangeableness, remains the same however large or small the number of commodities related as exchangeable. But when a commodity is considered quantitatively, namely in terms of its 'exchangeability', it has many measures, as its exchange-value is specifiable in terms of many other commodities. My argument then is that we can suppose that there is some common element in this series of measures, appearing phenomenally in various 'external' exchange-values: exchange-value as such. *In fine*, I replace Hegel's diachronic line with a synchronic series in order to get to my own final term of measure.

This is: the **unity of measure-relations** (replacing Hegel's 'the measureless'). The series of specific measures, exchange-values, taken in this unity as substitutable ways of giving the measure, leads us from the exchange-values of a commodity to a unitary measurable, the notion of the *immanent exchangeability* of a commodity. Of course this always must be specified in some sort of measure but is itself indifferent to each and every available specific measure. 'Immanent exchangeability' I will term 'value' once we have made the transition to the category of 'essence' so that we can speak of value as the *essence* of the commodity.

Before that, it is relevant to examine a false transition in Marx. Our argument goes from the series of exchange-values of a commodity to the supposition that there is an immanent value, taken as the essence of commodity-relations. This valid argument is very like the one Marx advances when he first says exchange-value appears purely as a relation but then considers what is implied if *one* commodity has *many* exchange-values equivalent to each other. These are mutually replaceable and hence exchange-value must be the mode of expression [*Erscheinungsform*] of a 'content' distinguishable from it. However, Marx proceeds immediately to a quite different argument, the notorious 'third thing' argument. Taking now *two* commodities, he sets them as 'equal' to each other, hence of 'identical magnitude', and hence equal to some 'third thing' to which they are reducible. (Notice the claim the two commodities are equal is very different from the argument that all exchange-values of a commodity are 'equivalent' to each other). Marx's reasoning here is defective because it has not yet been shown that the two commodities *are* 'of identical magnitude', only that they stand in a relation of exchange; such a presupposed third thing is not yet posited at such an elementary level. (It is money that provides the necessary community of commodities and which makes possible comparison of their magnitude in a 'third thing'). By contrast, here we simply say that if a commodity has many measures then these measures might all be doing the same thing

in different ways, that is, giving a measure of value as such, regardless of any *specific* measure.

To sum up the 'being' of value: 'exchangeableness' is a category of quality; quantity and measure add to it to yield a category of 'immanent exchangeability', designating the power of exchange intrinsic to a commodity; value is its 'essence'.

The Forms of Value (II): Money

Let us review how we determine value as 'essence'. We take the 'abstract equivalence' of the measures to result in an 'indifferentness' to all categories of being. We say that *if* there is a genuine unity to exchange-value *then* this points to value as such as the essence of the commodity. But such an assumption has to be vindicated in the further development of the exposition.

If the commodity has something essential to it, then it has value *in itself* distinct from the relativity of exchange-value. The relation between the two is illuminated by Hegel's category of reflection (important in the development of 'reflection' is the dialectic of 'presupposition and posit').⁹ Initially the *distance* between essence and appearance appears unbridgeable, because we said the immanent unity of measure is *indifferent* to the contingent specifying measures; although they are analytically presupposed, value is to be taken *apart* from them. So it seems value is *essential* and exchange-value is inessential, a mere *semblance* [*Schein*] of value, subject to extraneous influences, whereas value as such is the truth abiding within the shell of the commodity. Value posits itself *against* exchange-value, as it were. But exchange-value is the *immediately given* presupposition of value in the first place. Whence this value? If it arises simply from our *external reflection* on the set of exchange-values, which yields value as *our abstraction* from it, this reduction means value-as-essence is not grasped as *self-specifying* in its appearance [*Erscheinung*]; exchange-value

9 Although the phrase 'positing the presupposition' is used in several places late in the *Science of Logic*, it is thematised in the section on reflection, but not in this exact formulation; however, it is a natural gloss on the result of 'determining reflection', and it is used in Mure's commentary accordingly. See Mure 1950, pp. 95–6. Within Marxism, see Bellofiore and Finelli 1997, p. 50. An obvious example is well elucidated by Jairus Banaji: 'Circulation is posited as both presupposition and result of the Immediate Process of Production. The dialectical status of the Sphere of Circulation thus shifts from being the immediate appearance (*Schein*) of a process "behind it" to being the posited form of appearance (*Erscheinung*) of this process' (Banaji 1979, p. 28; Banaji cites Marx's *Grundrisse* (Marx 1973 [1857–8]), p. 358, but pp. 255–6 are even more relevant).

remains external to it. Conversely, if we simply take value as a *given essence* prior to exchange-value this lacks grounds. What is required is that *value itself* posits exchange-value as its presupposition and, therewith, posits itself. We require a '**determining reflection**' (to borrow Hegel's term).

So we now turn to the **determinations of reflection**. In the movement of reflection upon itself the commodity must achieve **identity** with itself as value. Yet value is *other* than its immediate being as a material body. Thus value is not after all immediately identical with the commodity but is **different** from it. So this requires explicitly the mediating moment of being-different-from-itself when value is made manifest only in another commodity. There results therefore the **contradiction** that value is, and is not, found in the commodity. The *value-form* in which commodity A expresses its value in commodity B gives the contradiction a **ground** allowing co-existence of the moments, as we shall show.

In its very constitution value is opposed to use-value. However, in the value-form we find the value that is not use-value A is borne by use-value B. Analytically the value of the commodity and its use-value are abstract opposites that fall apart. But within the value-form, which exists in the relation of commodity to commodity, instead of falling apart, the opposing determinations of the commodity are reflected against one another.

Let us turn to the forms of **appearance** of value presented by Marx in his *Capital*. In the ordinary way there is nothing wrong with thinking of a unitary *essence* manifesting itself in different *appearances*. So why does Marx speak of 'defects' or 'deficiencies' in the expressions of value? The problem here is that *no* unitary essence is yet posited, although one must be if value is to be present in the manifold commodity-relations.

(This problem does not arise if one holds that immediately social labour-time has already been *given* as this unitary essence; then quite naturally one reads the development of forms of value as realisations of this *given identity* in commodities, and there are *no* defects, because all forms are adequate expressions of value, and all that is required is to show how the money-commodity emerges as a numeraire).

At first sight it seems the simple form of value implicit in commodity-relations exhibits value adequately. This form is:

Form I *The Simple Form of Expression of Value*
z of commodity A expresses its value in y of commodity B.

In this elementary form of value, if value appears in accordance with its **law of appearance** then both related commodities take specific forms of value, such that the commodity in 'relative form' (A) expresses its value in its 'equiva-

lent' (B). I follow Marx in seeing the commodity in relative form as the 'active' pole of the expression, because that is the commodity whose value is to manifest itself, and the commodity in equivalent-form as the 'passive' pole, because it serves merely as the material shape of the value of A. Marx acutely notices that the commodity in equivalent-form appears there not as a value (because *its* value is not being expressed) but simply as a use-value.

Ideally value is determined in opposition to the heterogeneity of use-value. But value must *appear* if it is to have any actuality. Immediately a commodity appears as a use-value, but, because the value of a commodity is defined in *opposition* to its own use-value, it cannot appear therein. Paradoxically the claim that A is a value requires A to *exclude* this value from itself and to posit it as use-value B. Even if B is itself potentially a value, *its* value-expression is as it were stifled at birth so that the body of commodity B figures as the actualisation of A's value. It is not that commodity A has a *given* essence simply expressed in the equivalent but that value as essence *comes to be* in this expression, and is figured rather at the equivalent pole as what appears in the *shape* of use-value B. The 'peculiarity' (Marx) of the commodity in equivalent-form is that its *sensuous* body counts as the phenomenal shape of a *supersensuous* world of value. So here the world of value predicates itself on use-value in inverse fashion. In essence value *is not-use-value* (in A), that is, it is a **supersensuous realm**, but as appearance value *is use-value* (in B), that is, it appears as a **sensuous reality**.

The deficiency of the simple form is that in it a commodity is related only to one other, which means that value has not yet achieved the universality of its expression implied by the presumption that, underlying the web of exchange-relations, there is some force that regulates them, that the many exchange-values which a commodity may have nevertheless exist in a unity. This 'accidental' expression of the value of A in B is therefore defective because it is not all-encompassing. Moreover there is nothing special about the commodity B which would grant it a rôle as a privileged interlocutor of A. One could just as well have taken A's relation to C, or to D, under review.

Taking these other alternatives into account gives rise to the more comprehensive 'expanded form of value'.

Form II *The Expanded Form of Expression of Value*

z of commodity A expresses its value in $\left\{ \begin{array}{l} \text{y of commodity B} \\ \text{or x of commodity C} \\ \text{or w of commodity D} \\ \text{or so on and so forth.} \end{array} \right.$

At first sight it seems this expanded form presupposes that the value of A remain unaltered in magnitude, whether expressed in units of B, C, or D, or in innumerable other commodities. But this is not at all plain since all these commodity-equivalents are incommensurable. Notice also that the connector here, significantly, is 'or', not 'and' (when reversed in the general form it will be 'and'). Why in the expansion of the simple form is it the connector 'or' which links the various equivalents? When expanded the simple form cannot result in a heterogeneous bundle of use-values because the parameters of the problem under consideration demand that the form of essence be unitary. Hence B, C, D, and so on are *alternative* 'units' of value logically implicit in commodity-relations. These are *alternative* ways to express A as a value. This expression is therefore deficient because of the inability of any one commodity to exclude the others from being value as essence. The lack of a unitary essence is a defect of this form. Of course, if value as essence were already given then the deficiency could be interpreted only as a lack of common measure. But such a common essence is not yet constituted.

If the expanded form of value is *reversed* we therewith reach the *general form of value*, to wit, 'The value of B, and of C, and of D, and so on, expresses itself in A'. Notice that B, C, D, and so on are here linked with an 'and' not an 'or' (as in the expanded form), because B expressing its value in A does not exclude C from so doing. It is instructive to consider the meaning of this reversal more closely. To begin with let us distinguish two things that might be meant by reversal.¹⁰

'Reversal' may mean that we move from the perspective of commodity A expressing its value in B to that of commodity B taking A as its equivalent, the two expressions being considered side by side, so to speak, as covering the same content but different formally in that the 'sense' of the expression runs in a different direction. Nothing significant is changed if a whole set of commodity A's equivalents is reversed such that A is the common point of reference.

Another meaning of 'reversal' is that what is reversed is the original expression of commodity A's value in its equivalents such that this origin is *preserved* in the reversed expression, along with the positing 'activity' of commodity A. The two expressions are not side by side but dialectically determined as *related* through opposition, through *developing* the meaning of A's determination as value. I adopt this second point of view.

The significance of this dialectic of reversal is rooted in the asymmetry of the poles of the value-expression. Marx's use, in his discussion of this, of the

10 Notice that because the expression of value is not a symmetrical relation 'reverse' here is not the simple 'converse'. See Arthur 2004, pp. 38–9.

terms 'active' and 'passive' is an unmistakable reference to Hegel's dialectic of 'force and expression', upon which we shall draw in the following discussion.¹¹ This dialectic is powered by the contradiction that the force is supposed to *belong* to the thing just as it is, yet an unexpressed force is no force at all; however, to be expressed it requires its *solicitation* by other things. These others must themselves therefore be forces. While a force proves itself only in its expression, in its effect on something, the nature of the latter is the necessary complement of the force. Gravity attracts apples but not rainbows. The force requires 'solicitation' by that which suffers its effect. The first force and the soliciting force are therefore merely two moments of a whole relation and share a common content.

Just so, if commodity A expresses its value in a definite amount of commodity B, at the same time it is *enabled* by B to reflect on its nature as value. B solicits A to recognise it as the means whereby value may be realised. It follows that commodity A, just in so far as it posits commodity B as its own equivalent, conversely posits itself as the relevant referent of B's proper expression of itself; it presupposes it is the value-equivalent of B. If all the commodities in equivalent-form solicit a value-expression of A in this way, this allows A to posit itself as *their unitary equivalent*. The dialectic moves from commodity A determining use-value B as the expression of value, because it cannot be use-value A, to commodity A determining *itself* as containing the essence of value, when it reflects all the original alternative equivalents into itself. Abstracting out this reverse movement gives the general form of value. To remind ourselves, this is:

Form III *The General Form of Expression of Value*

<p style="text-align: center;">y of commodity B and x of commodity C and w of commodity D and so on and so forth.</p>	}	<p style="text-align: center;"><i>express their value in z of commodity A.</i></p>
---	---	--

In this form the commodity A solicits all the *other* commodities to solicit *it* as their unitary form of value. Thus A, while now the *universal* equivalent, does not simply assume the rôle of *passive* equivalent, as it would do if we considered an *original* one-sided relation of B, C and D, to A. It preserves its active

¹¹ For Hegel's discussion of force and expression see *Science of Logic*, Book II, Section 3, chapter 3; *Phenomenology of Spirit*, chapter 3.

rôle because it *attracts* the other commodities to express their value in it as a *unitary* form. It determines itself thus as *essentially* value, becomes value-for-itself, rather than having merely implicit value as in its original position. So value not only must *appear*, when the value of commodity A appears as *what it is not*, namely commodity B; if it is to be *actual* it must appear as *what it is*, exchangeableness as such, and that is what is present in the universal equivalent.

As the outcome of the *dialectical* (not *formal*) reversal A now *contains* in sublated form the opposition of relative form and equivalent-form within itself, *actively* determining itself to the position of value in autonomous form, and attracting the other commodities to it accordingly. For the opposition of active and passive poles is itself sublated in the general form. Now there is *reciprocity of forces*, to be concretised in the money-form, such that it is useless to ponder whether commodity-value expresses itself only in money or whether money attracts commodities to it only because it counts as value as such.

The general form is an advance on the simple form in which the positing of the equivalent as value is the result of the activity of the commodity in relative form, hence not *self-positing*. With the general form, reached through the dialectic of force and expression, the original commodity A, now the universal equivalent, retains its active rôle in expressing itself through its relations to the other commodities, but now instead of positing them as its equivalents it posits itself as theirs; moreover just as it is, so it is value *incarnate*. In no way should the general form be read as a set of simples, neglecting the logic of the reversal, because in the simple form the equivalent is *passive* but the *universal* equivalent actively determines itself to the position of value in autonomous form. This is the peculiarity of the equivalent-form raised to a higher power. Now the universal equivalent is *posited* as value-for-itself, a locus of intrinsic value.

The general form of value is a *unity* of form. To begin with we have this contrast between the sensuous appearance (body of A) of a supersensuous world of value *behind* the body of the commodities (such as B, C, D, and so on). This 'kingdom of laws' is a '**first intelligible world**' ('intelligible' here can be understood in Kantian terms as what gives sense to the manifold of value-bodies by granting them this essential meaning). But in a second step it emerges that, as the universal equivalent, A in its *sensuous immediacy* is a '**second intelligible world**' of value which contrasts with the supersensuous world of value that A originally posited behind B, and so on.¹²

¹² For Hegel on the relation of these two worlds see *Science of Logic*, 'The World of Appearance and the World-in-Itself' and 'The Dissolution of Appearance'; also *Phenomenology of Spirit*, 'Force and Understanding: Appearance and the Supersensible World'.

So the first world of value comprises the law-like *expression* of value in the body of A, and the second follows from the realisation that if value *is* now A, then this equivalent itself is not just the effect of the law of value as a force expressing itself in it, but is itself value in another shape, namely immediate value. Instead of (or as well as) value reflected back from the equivalent, the equivalent reflects value onto itself. Because commodity A as a sensuous reality is at the same time value, a second world of value is posited at the level of sensuousness, complementing the supersensuous one. These two worlds of value stand in an **inverted** relation to each other: in the first one value is different from use-value, whereas in the second one value is identified with a use-value-body, commodity A. The second value-world co-exists with the first in that the material body of the universal equivalent does not just *reflect* into a visible world the hidden original supersensuous world of value; it now, just as it is, counts as value in *immediate* shape.

Because the originating moment is preserved in sublated form we find the kingdom of value *doubles* into **reflected and immediate totalities**. In the universal equivalent, value, originally defined in opposition to the use-value of A (hence a supersensuous reality), *is* now use-value A (a sensuous reality). This is outright *identity* of opposites (whereas, in the simple form, value, defined as not-use-value A, is given in use-value B, so it is supersensuous and sensuous at the same time, but in relation to two *different* commodities). The two worlds of value, the sensuous and supersensuous, are here immediately one; the very same commodity contains both worlds. They are **essentially related**. The commodity is 'a sensuous supersensuous thing' (Marx).¹³

We might call Form III 'a' general form of value, because it is not yet determined *which* commodity is *the* universal equivalent. For commodity B could follow the same route as A did, such that *it* ends up as the focus of a 'general form'. Hence the universal equivalent posited in the intermediation of commodities has not *yet established its own ground* to stand upon. A commodity functions as universal equivalent only if it alone successfully solicits the other commodities to recognise it as the *only* appropriate expression of their value. The universal equivalent must be a *unique* universal equivalent.

Let us lay out formally the problem (using abbreviated expressions):

¹³ 'ein sinnlich übersinnliches Ding': Marx 1976c [1867], pp. 163, 165 (translations corrected).

Form IV *The Total Form of Value*¹⁴

1) *The total expanded form*

The value of zA is yB or xC or wD etc.
 or The value of yB is zA or xC or wD etc.
 or The value of xC is zA or yB or wD etc.
 or etc.

2) *The total general form*

The value of yB and xC and wD etc. is zA
 or The value of zA and xC and wD etc. is yB
 or The value of zA and yB and wD etc. is xC
 or etc.

In this 'total form' there are two complementary moments: the total expanded form yields through its reversal the total general form. Implicit then in exchange-relations are a manifold of potential value-expressions. There are many potential points of origin such that we have multiple expanded forms. Since in each of these the expression 'The value of A is B' is matched by an expression 'The value of B is A' in another, they are exclusive of one another. A commodity in one instance is in relative position and in the rest is a partial equivalent. Likewise the multiple 'general' forms involve putting a commodity in equivalent-form once but relative form in all others. All these general forms are potential ways to actualise value. But, once again, these forms exclude one another.

In these sets of potential value-expressions we find many *alternative* worlds of value presented, but these cannot co-exist. Although these many universes of value are all possible, they are not compossible, yet we have not given adequate *grounds* for granting one of them *actuality*.

Let us now consider the transition from this impasse to money. As Marx says, the defect of the general form is that the universal-equivalent form can be assumed by any commodity. Yet there cannot be more than one universal equivalent if value is to be a unitary sphere, therefore some principle of selection must exclude all possibilities but one. Logically there is nothing to distinguish them. But the problem was solved when social custom excluded all commodities but one, suggests Marx. Historically gold was chosen although something else could have been. At all events the *singularity* of gold brings value-relations to a focus and creates a homogeneous value-space.

14 Compare Marx 1976d [1867], p. 33. This form of value appears only in the first edition of *Capital* (1867) and is thereafter suppressed.

Form V *The Money-Form of Value*

20 yards of linen	} <i>express their value in an ounce of gold.</i>
1 coat	
40 lbs. of coffee	
10 lbs. of tea	
Half a ton of iron etc.	

However, the transition to money is not at all an easy one. The steps in the argument are as follows:¹⁵

- 1) It is **possible** formally that any commodity can serve as universal equivalent.
- 2) Since any commodity could have served thus, that it is gold appears **contingent**.
- 3) The one that is actually selected must make itself **necessary** to the system. (How the money-commodity achieves this is discussed below).

The existence of money depends on the existence of other commodities as its correlates, but if it *acts* as exchangeableness-in-immediacy then this mediation vanishes. While these commodities are its analytical presuppositions, as value-for-itself money posits itself as *not* posited. It is to be taken at 'face-value'. Gold as value-for-itself presupposes that there are commodities to *be* valued by it, but only with money are commodities posited *as* values in themselves. The upshot is that it is not commodities that are immediately values, and hence posit money as their mediated reflection; rather it is money that is determined as value in immediate shape, and thus reflects value into such commodities as prove themselves saleable. Value, as a unitary essence, is posited once money *constitutes* this unity of form in *practice*. Moreover only if the form of value is practically constituted does any material content become socially recognised, and commensurated, in it. Marx rightly says the key thing about money is that without it products 'do not confront each other as commodities, but as use-values only', *not values*.¹⁶

¹⁵ For these modal categories see Hegel 1991 [1817], §§143–7.

¹⁶ Marx 1976c [1867], p. 180.

This means that money presents the moment of their essential unity as values to them when acting as their unique universal equivalent. Value as one-and-many is posited more concretely when commodities both exclude the money-commodity from themselves and yet at the same time achieve an adequate expression of value only in so far as it is their common centre of attraction. Money as the 'one One' is the moment at which all attraction and repulsion is brought into a unitary focus.

However, for value to be actual requires not merely that there is the logical possibility that a money-commodity be the *unique* value-equivalent but that this uniqueness is effectively grounded. But is not the presence of money simply *presupposed* at this point? More especially, *how* does gold achieve its unique position here as *the* universal equivalent? By its own act! Money is always already the attractor of commodities because it has immediate exchangeability. This point needs more discussion. It is of no moment to enter into a historical treatment of gold's emergence as the money-commodity. The key issue for a systematic-dialectical presentation of this 'fact' is why gold is money *now*. In the systematic presentation of its rôle even the mediations *logically* presupposed in its development vanish. The money-form of value links back to the simple form, having been developed from it by a series of metamorphoses that it must run through in order to win its finished shape. However, the presence of gold-money retroactively denies any other commodity the *opportunity* to 'run through' the dialectic of form to become money.

This brings us to the *logic of exclusion*. Initially, it seems that *commodities* must exclude one of their number to serve as the unique universal equivalent. Therefore if the money-commodity is excluded *by the others* the 'fact' that it is money only obtains through *their* activity. Thus we do not yet have gold existing as money on its own account; it remains, in effect, *contingent* on that *condition* of its existence. But if we bear in mind that the dialectic of force and expression ends with the universal equivalent *actively* asserting itself as value-for-itself, then it seems better to ask how the *activity* of the money-commodity *excludes itself* from the other commodities, even if *expositionally* it appears otherwise.¹⁷

The answer is that money maintains itself as value in autonomous form *against* the other commodities; as their centre of attraction it prevents any other commodity taking its position just because it *already* acts as value in immediate form in virtue of fulfilling the money-functions, accordingly attracting other commodities to find a value-equivalent in it. It seems as if the

17 For Hegel on presupposed 'condition', 'fact' [*Sache*], and the grounding 'activity' that mediates them, see Hegel 1991 [1817], §§148–9.

other commodities excluded gold 'in the first place' but the boot is on the other foot once it becomes active on its own account. The alleged 'effect', namely the exclusion of the money-commodity by the other commodities, becomes the cause of itself when money posits the presupposition that it alone 'was' excluded virtually, by actually excluding any other claimant to its throne.

The *reflection* of commodities and money into each other is not merely a 'positing reflection' of value as in a mere correlation of relative and equivalent poles of value, for this lacks sufficient determinacy in that the position of the commodities could be reversed. Nor is it adequate to its existence that a certain commodity is given a privileged rôle through some 'external' stipulation, for example a state-issue of a 'legal tender'. What is required to give value its self-subsistence is a 'determining reflection' in the required sense; once in actuality gold is exchangeableness in immediate shape, it posits itself as its *own* presupposition, instead of being posited *by its presupposition*, namely the commodity-manifold. Having sublated its virtual origin in the dialectic of the forms of value, it is not a passive measure of commodity-value, but has the sovereign *power* of immediate exchangeability with other commodities.

The point is not to show how a *process* of exclusion occurred, but to show that the logic of money is itself exclusionary. So, although it could be silver, not gold, *in the imagination*, in *actuality* the money-commodity is what it *is*. This seems a mouse of an argument, but this is a point where dialectic must acknowledge its limits: that money is gold, and how gold became so, is not a logical point. But the demonstration of what money *is*, in relation to commodities, is a *logical* investigation. (Certainly dialectic cannot retroject its systemic logic into a *historical* force, wherewith the necessity of money to the present system makes itself into a speculative requirement that, originally, people act so as to fix a commodity as money).

It is necessary that there be money, but surely it is not necessary that money be a commodity. Yet in presenting the development of the value-form I proceed to a *money-commodity* when seeking to actualise the universal-equivalent form. Why is this? The methodological reason is that each stage of a systematic dialectic supersedes the previous one with a *minimum* of new material. In stabilising the previous determinations the new form requires only the minimum *sufficient* conditions for this, not *necessary* conditions. Thus I do not seek to show that gold is *necessary* to a capitalist economy (notwithstanding the present flight to gold). The point is that the systematic development cannot have credit-money come in straight away, when it is only later in the exposition that it may be developed on the basis that commodity-money already exists. At this level of commodity-relations it is sufficient to solve the present problem by positing a money-commodity. The logical development of the

necessity of money and its functions is required, and is carried forward, even if gold is here its *contingent* shell. Later the defects of gold may be addressed when the means to remedy them have been developed.

The Proper Measure of Value

Let us now explore the form-determinations that underpin the proper measure of value.

When value appears in finitude its actuality is that of *amount*. Value as amount is existent as a *sum* of money, really distinct from other such sums, albeit identical with them as value, and is embodied in commodities of definite worth. Such a sum of money is *reflected into itself* so that money presents value to us not in an equivalent (for which it has no need) but as *equivalent to itself*. In its *self-identity* value in money-form is 'equal to itself'; it has a reflexive relation to itself. Through its mediation commodities worth the same sum of money may, by abstraction from that, be said to be of equal worth. (Note that to derive the notion of 'equal worth' here may be to hypostatise an abstraction; still required is a substantive theory of what *makes* them of equal worth). But it would be quite wrong to say commodities are already of equal worth before money made possible such an equivalence-relation. In money value is equivalent to itself, whereas the commodity as value is not, because it requires an equivalent-form outside it.

The presence of money in such finite shapes allows a determinate measure of value to be applied. The category of *real measure*¹⁸ of value comprehends a triad of moments: a) immanent magnitude; b) monetary medium; and c) standard of value.

Money has the form of a measuring-rod of value because of its self-equivalence (just as a ruler is identical in length to itself). Although it seems that measure presupposes a dimension within which things are measured, in our case the grounding movement is the reverse. It is the practice of measure that *constitutes* the dimensionality of value. Without it, the magnitude of value is mere immanence, implicitly quantitative but without any metric of its own. Money as real measure introjects the form of magnitude onto this immanence.

However, for value as an 'immanent magnitude' to gain an index of amount requires a suitable monetary *medium*, in which a *real measure* of the value

18 Hegel treats 'real measure' in the Doctrine of Being of his *Logic*, but we argued earlier it is better placed in the Doctrine of Essence, the level at which we are now.

of commodities is properly given. Value notionally has immanent magnitude, but this is formless unless there is a monetary medium that crystallises it and gives it phenomenal measure. To model the ideal immanence of value as an extended magnitude, the monetary medium, and its own measure, must provide for homogeneity, additivity, divisibility, imperishability, transportability, and so forth. The use of gold is merely a stepping-stone toward perfecting this. Although in the medium of gold this function of measure is effected materially, the key requirement is merely that the medium allows for measure, that it makes present in finite form value as an amount of itself; it is clear this may be done formally in paper-denominations, even if the metric is merely notional as in dollar-bills.

Money not only *gives* the measure but through this it enables commodities to gain the quality of *being* measurable. In the ordinary way this is not an issue; a thing has weight prior to its relation to the proper measure of its weight. But in our case practice *imposes* the abstract form of measure on commodities. Value is not a substance with a given dimensionality, requiring only a numeraire to set up a system of measure. Value gains an immanent magnitude only when the *form* of measure is practically applied and grounds the required quantitative dimension. In order to give the measure its operational actuality many Marxists believe it must be a product of labour, because it must be of the same nature as what is measured, just as weight is measured in a balance by standard 'weights' (but note the use of a spring-balance). However, here we are considering measure as pure form corresponding to our presentation of value as pure immanence. The *pure form* of measure requires simply a linear metric such that four dollars are worth twice two dollars.

Money as measure of value grounds the imputation that value exists as a magnitude immanent to commodities. The monetary medium is not so much a suitable measuring-rod for a pre-existing magnitude; it gives a space for value to constitute itself *as* a magnitude.¹⁹ However, the measure-function of money simply provides the *form* of commensuration. How the actual magnitudes are *determined* is another question. (In my view the magnitude of value remains indeterminate until conceptualised as the result of capitalist competition). But if there is some determination of magnitude it is nugatory unless the money-form provides the dimension of magnitude in the first place.

¹⁹ I follow Reuten 2010 in bringing to the fore the category of 'monetary medium'. He speaks of money as a 'hypostatic union' of measure and medium. This is similar to the present discussion, but I prefer to say it is money as measure that unites magnitude, medium and standard.

It is also necessary to distinguish the medium of value required for magnitude to become a monetary measure from that of the *standard* of value. Thus if the monetary measure is gold, this still leaves the standard pound of gold to be determined. The index of magnitude of the standard then models the posited dimensionality of the immanent magnitude.

This concretises the presupposition of a single measure that was unfulfilled at the level of mere exchange-values of commodities, which failed to unify the commodities in a single order. We may now speak of money as the value-measure proper and, if it takes shape in a medium with an index of amount, we have a workable system of measurement.

This means the value of a commodity appears as less than, equal to or more than the value of another. Money makes commodities *comparable in value*. However, there is more to money than this measure-function. Value, although taking finite mode in sums of money or as embodied in commodities, is not fully individuated. Sums of money must be numerically different one from another, but notice that this difference is purely notional. For this numerical difference in sums of money is equally sublated in a combined sum of money when the different amounts *merge* into one amount. 'Bits' of money are ideally attracted into one, but are notionally distinguished by a notional repulsion materially effected by the bearers of value. Two different accounts, each containing 10 dollars, achieves the necessary separation of amounts of value by purely formal means. But notice that if I have 10 dollars in an account, and I enter a further 10, I do not have two '10s', as if the account were a cash-box; I have a single sum of 20 dollars, so here the moment of *pure magnitude* takes precedence over that of numerical difference; even so I can re-divide the amount by withdrawing, say, 12 dollars.

Commodities come, of course, in incommensurable physical amounts. But their money-values are not merely commensurable, such that the *relative* worth of commodities may be compared; they are *additive*. A heterogeneous basket of commodities cannot be (bodily) merged, but their ideality as value allows money to do so. As a homogeneous amount of value what they are worth *together* may be stated as one sum of money. Nor is the summing achieved by abstraction as when one cat and one dog make two animals. Values are not distinguishable from one another except in magnitude, hence there is no need to abstract from qualitative difference in order to sum them; conversely pure magnitude is not sufficient to separate them, for ideally they merge to form one magnitude. But as embodied, for example, in coin, value is peculiar in that the magnitudes are both ideally one yet materially many numerically.

This practical fact that all 'values' may merge into one sum of money shows value is *one substance*, not a class of independently existing substances. Value *is* a substance, incarnated in money, and is the (social) substance *of* commodities. Since value is a substance Marx can properly speak of the 'metamorphoses' of commodities (how a substance, here value, changes shape in finite mode), and also can characterise capital as a 'self-moving substance'.²⁰ Moreover money as capital allows value to appear as a substance that can be *accumulated*.

To conclude: I underline that the systematic presentation of the value-form moves from simple abstract categories to ones less so. To begin with we identified value with the elementary quality of exchangeableness; we ended by showing that value is a unitary substance incarnated in money.

²⁰ Marx 1976c [1867], p. 256.

Dialectics of Labour and Value-Form in Marx's *Capital*: A Reconstruction

Mario L. Robles-Báez¹

In *Capital* Marx presents his own concept of capital as a *totality*, based methodologically on a development from Hegel's systematic dialectic.² In Marx's concept, capital is considered the result of its self-actualising movement, along which all the necessary forms of existence (or moments) that constitute its internal logical structure of presentation are systematically ordered and inter-related in a synchronised form, acquiring progressively more concreteness and determinacy. Beginning with the immediate moment corresponding to the categories that represent the simplest and most abstract forms of the existence of capital, Marx's argument moves progressively towards moments in which the categories acquire a greater concreteness and complexity, forming thus a sequential chain of internal negative relations along which foregoing categories constitute not only the presupposition of the categories that are progressively posited, but are at the same time also dialectically negated; in other words, as the categories are determined progressively, the preceding ones are not only preserved, but also grounded retrogressively. As a synthetic process, it is the insufficiencies in determinacy inherent in a given less complex moment that make it necessary for the subsequent moment to be introduced. Hence, the meanings of the categories are actualised by means of the progression of the moments of the presentation, and presentation itself continues up to the moment when the concept of capital is completely determined and grounded as a *totality-in-thought*, and thus presented as a self-sustaining system.

As with any complex text, however, Marx's argument in *Capital* is not free of problems. One such is the determination of the social value-form of commodities based on abstract labour, where Marx's reasoning throughout the progressive moments in which the general concept of capital is presented gives rise to ambivalences that have led to differing interpretations.

1 Universidad Autónoma Metropolitana-Xochimilco, Mexico City.

2 'Hegel's *Logik* . . . has been a great service to me as regards the *method* of dealing with the material' (Marx and Engels 1975a, p. 93).

Taking into consideration, then, Marx's systematic-dialectical method as outlined above, and that his mapping of the Hegelian categories in *Capital* does not exactly match Hegel's own mapping in the *Logic*, this chapter sets out to reconstruct said determination by arguing that social abstract labour-time as represented definitively by the social value-forms of *all kinds* of commodities as products of capitals (the so-called reduction-problem), cannot be fully posited and actualised until the moment when the production-prices of commodities are determined (the so-called transformation-problem) in *Capital* Volume III. This author's argument will only address four moments of *Capital's* logical structure: 1) the point of departure (Part I of Volume I); 2) the passage to capital in general (Part II of Volume I); 3) the passage to the immediate appearance of capital in general (Part I of Volume III); and 4) the passage to many industrial capitals (Part II of Volume III).

First Moment: The Point of Departure

The first moment of Marx's presentation refers to simple commodity-circulation, $C - M - C$, as the *immediate appearance of capitalist circulation*, where the determinations and relations that correspond to the *immediate forms of the existence of capital*, that is, commodity and money, are posited.

The starting point is the commodity-form – with its two determinations: use-value and exchange-value – as the simplest entity of capital, that is, the 'cellular form' of capitalist economic wealth. From the exchange-values of commodities such as they immediately reveal themselves in circulation, that is, as different quantitative proportions in which, as qualitatively different use-values, commodities are exchanged for one another, Marx derives the foundations of simple commodity-circulation, that is, value as 'the most abstract expression of capital itself',³ with abstract labour as its substance, and money as its immediate social form of both existence and measure and therefore its price-form, and he does this through a double inverse movement that refers to the dialectical relations essence/appearance and content/form.

The first movement corresponds to the passage from the exchange-values of commodities to their values as much as to the common homogeneous content that grounds them. To the extent that value is based on labour, this passage is, at the same time, a movement of abstraction towards its substance: abstract

³ Marx 1973 [1857–8], p. 776.

labour.⁴ As a substance that is crystallised in commodities, value is what allows different commodities to identify themselves *as equals*, despite their *qualitative differences* in terms of use-values, whereas the *quantity* of value, measured in terms of abstract labour-time, is what allows them to be exchanged in a certain *quantitative proportion*.

In Marx's view, this movement of the abstraction of labour is a real process that involves a simultaneous *qualitative* and *quantitative* reduction of labour.⁵ The quality-aspect concerns the reduction of *all individual* labours expended *privately* in production, into *social* labour and *simple* labour. This implies considering complex labour (including intensive labour)⁶ and simple labour as two *qualitatively* different *types* of labour, and the relation between these two is what makes it possible to establish a *quantitative* relation, that is, complex labour as multiplied simple labour.⁷ The quantity-aspect concerns the reduction of *all* labour-times into quanta of necessary simple labour-time as it is *socially measured*.⁸

Nevertheless, despite the importance given by Marx to the abstraction of labour in determining the value of commodities, he treats it as a simplifying assumption: 'In the interests of simplification, we shall henceforth view every form of labour-power directly as simple labour-power; by this we shall simply be saving ourselves the trouble of making the reduction'.⁹ And as can be seen below, this simplifying assumption is only the first manifestation of a series of problems that emerge from Marx's presentation of the determination of the social values of commodities as products of capital throughout *Capital*.

4 It should be noted that this movement of abstraction is not to be confused with the abstraction of the useful character of labour.

5 'To measure the exchange value of commodities by the labour-time they contain, the different kinds of labour have to be reduced to uniform, homogeneous, simple labour, in short to labour of uniform quality, whose only difference, therefore, is quantity.

This reduction appears to be an abstraction, but it is an abstraction which is made every day in the social process of production. The conversion of all commodities into labour-time is no greater an abstraction, and is no less real, than the resolution of all organic bodies into air' (Marx 1977 [1859], p. 30). See also Marx 1972 [1861-3], p. 135.

6 'Of course, labour is distinct qualitatively as well, not only in so far as it [is performed] in different branches of production, but also more or less intensive etc' (Marx 1973 [1857-8], p. 846).

7 'More complex labour counts only as *intensified*, or rather *multiplied* simple labour, so that a smaller quantity of complex labour is considered equal to a larger quantity of simple labour' (Marx 1976c [1867], p. 135).

8 See Marx 1976c [1867], pp. 129-30.

9 Marx 1976c [1867], p. 135.

The first problem involves the context where the reduction is realised. Indeed, in this regard, two opposite interpretations have been made: one considers that all labours are posited as social abstract labour immediately at the moment at which they are expended in production, supposing thereby that the reduction is realised independently of the social connection of commodities in the exchange; while the second considers that the reduction can only be realised through the exchange of commodities. This author contends that the latter interpretation is the correct one.

The next problem arises when considering the character of abstract labour: is it physiological or social? The response is contradictory in this author's opinion, because it is actually both. In other words, when taken as the natural determination of any individual activity of living labour, the character of labour expended in the sphere of production can only be an *expenditure of physiological labour* that, once objectified in commodities, itself becomes an *objective abstraction*. However, it is an abstraction that has not yet been socially posited. *Physiological* abstract labour thus constitutes the *presupposition* of social abstract labour, which can only be *socially posited* through the exchanging of commodities. This means that what constitutes social abstract labour is not the *reality* of physiological labour, but rather the *social positing of this reality*.¹⁰ The problem, though, is that individual labours in a physiological sense cannot constitute social abstract labours because they still lack the moment of singularity as a *social unity*.¹¹

Consequently, values as physiological labour-time objectified in commodities can only be the *presupposition of*, or the *immediate determination of*, their *social values*, and, as such, they should be considered the objectification of certain *amounts* of the physiological labour-time taken to produce them. As socially presupposed values, an alternative would be to call them *individual values*. To quote Marx:

10 Fausto 1983, p. 117. Abstract labour cannot be considered as labour-in-general, whether in a material sense, that is, as the physiological characteristics common to all labours, nor as a subjective construction, that is, as a simple generalisation of all labours as concrete labours.

11 According to Marx, this *unity*, that is, total social abstract labour-time, is what removes from its individual agents the condition of subjects: 'Labour, thus, measured by time, does not seem, indeed, to be the labour of different persons, but on the contrary the different working individuals seem to be mere organs of this labour... It is the labour-time of an individual, *his* labour-time, but only as labour-time common to all; consequently it is quite immaterial *whose* individual labour-time this is' (Marx 1977 [1859], pp. 30–2).

Social labour-time exists in these commodities in a *latent* state, so to speak, and becomes evident only in the course of their exchange. The point of departure is not the labour of individuals considered as social labour, but on the contrary the particular kinds of labour of private individuals, i.e., labour which proves that it is universal social labour only by the supersession of its original character in the exchange process. Universal social labour is consequently not a ready-made prerequisite but an emerging result.¹²

Thus, what is derived in the first movement is the 'original character' of the abstraction of labour, that is, its physiological determination, which can only become social abstract labour by its 'supersession' in the exchange-process.

The reverse movement corresponds to the passage from the individual value of commodities to their value-form or exchange-value. This movement refers to the dialectical unity of content and form, in which form is considered not only as being grounded by content, but also as part of the determination of content. Given that an individual value is an essential content that cannot appear directly in the use-value of the commodity in which it is objectified, it needs to be expressed in the use-value of a different commodity. The specific commodity in whose use-value the individual values of all other commodities are expressed takes the *money-form* of the social values of all commodities.¹³ Thus, as the material expression of the individual values of commodities, money henceforth becomes the 'being-there' of their respective values, that is, the *immediate social form of the existence* of their individual values, and consequently also of the physiological labour-times represented by them.¹⁴ It follows, then, that it is only by means of the money-form which commodities acquire in the exchange-process that their individual values, and the physiological labour-times they represent, are posited as social forms:

12 Marx 1977 [1859], p. 45. See also Marx 1976c [1867], pp. 165–6.

13 With the positing of the money-form, one passes from the situation where matter (that is, the use-value) is the bearer of form (that is, the individual value) to a situation where value-form is incarnated in matter (that is, in the use-value of the specific commodity that functions as money).

14 The money-commodity is thus a universal that is, at the same time, a singular, that is, a concrete universal: 'It is as if alongside and external to lions, tigers, rabbits, and all other actual animals, which form when grouped together the various kinds, species, subspecies, families, there existed also in addition *the animal*, the individual incarnation of the entire animal kingdom. Such a particular, which contains within itself all really present species of the same entity, is a *universal* (like *animal, god, etc.*)' (Marx 1976d [1867], p. 26).

This necessity to express individual labour as general labour is equivalent to the necessity of expressing a commodity as *money*... Thus considering the existence of the commodity as money, it is not only necessary to emphasize that in money commodities acquire a definitive *measure* of their value – since all commodities express their value in the use value of *the same* commodity – but that they become manifestations of social, abstract, general labour; and as such they all act as social labour, that is to say, they can be *directly exchanged* for all other commodities in proportion to the size of their values.¹⁵

This is a *qualitative transformation* that takes the form of a *quantitative relationship*, and in its rôle as a unity of quality and quantity, *money* then becomes the *general social measure* of the individual values of commodities as social values. In other words, it is through money that the amounts of physiological labour-time become quanta of social abstract labour; and it is in this way that the social values of the commodities are qualitatively and quantitatively *posited*. Thus the qualitative and quantitative positedness of the social value of commodities is unified in the money.

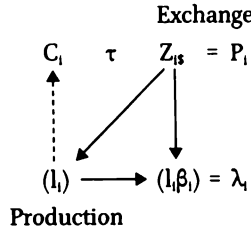
Social Value and the Most General Price-Form

Once the measurement-unit of the money-commodity has been established, the expression of the value of commodities in a given quantity of said unit becomes the commodity's money-form or price-form: for instance, 'A single equation, such as 1 ton of iron = 2 ounces of gold, now suffices to express [ideally] the [individual] value of the iron in a *socially valid manner*'.¹⁶ This is the *simplest and most general price-form* of the social value of any commodity. At this level of the presentation, the value of the commodity is fundamental, Marx states, 'since any rational understanding of money has to start from this foundation, and price, in its general concept, is simply value in the money form'.¹⁷ The following chart expresses the determination of the social value of a commodity, C_i, by mediation of its general money-form:

¹⁵ Marx 1972 [1861–3], p. 136.

¹⁶ Marx 1976c [1867], p. 189 (emphasis added).

¹⁷ Marx 1981 [1894], p. 295.



where: l_i = a certain amount of physiological labour-time;
 ----- \rightarrow = the immediate objectification of the physiological labour-time in the production of C_i ;
 τ = the monetary expression of the commodity, or the expression of the individual value of C_i in the money;
 $Z_{i\$}$ = the monetary units representing the general price-form of C_i ;
 P_i = the general price-form of C_i ;
 \longrightarrow = the relations of determination of the social value of C_i by mediation of its money-form;
 β_i = the reduction-coefficient, which expresses the transformation of units of physiological labour-time, l_i , into units of social labour-time, $l_i\beta_i$; and
 $\lambda_i = l_i\beta_i$ = the social value of C_i .

FIGURE 1 Graphical representation of the determination of the social value of a commodity by means of its money-form

This chart shows that, in general, the individual value of a commodity, that is, a certain amount of physiological labour-time, l_i , directly objectified in said commodity, is posited as a social value, λ_i , that is, as a quantum of social abstract labour-time, $l_i\beta_i$, by mediation of its price-form in the exchange. This transformation is expressed by the reduction-coefficient β_i , which represents the qualitative and quantitative positing of the physiological abstract labour as abstract labour socially measured through money. It thus represents the passage from a physiological labour-time-space to a social abstract labour-time-space by mediation of its socially determined value-form of existence: the money-form.

The passage to the following moment traverses at least two further insufficiencies: 1) simple commodity-circulation, $C - M - C$, does not contain within itself the principle of self-renewal necessary to sustain itself by itself, as required by the circulation of capital; and 2) consequent to this, the value-form of commodities as determined in $C - M - C$ is insufficient to be considered the value-form of said commodities as products of capital.

Second Moment: The Passage to Capital in General

The second moment corresponds to the conversion of the money-form of value into *capital in general*, that is, capital such as it presents itself as a general, essential concept. This author contends that Marx presents this movement initially as a unity of three moments: the *qualitative* determination of its becoming, $M - C - M$; the *quantitative* determination of its becoming: $M - C - M'$; and the *measure* that corresponds to the unity of its qualitative and quantitative determinations.

The *qualitative* determination refers to the cyclical movement $M - C - M$, the aim of which is money as an end-in-itself, and the process through which the value that is originally advanced in the money-form passes successively through the antithetical phases $M - C$ and $C - M$, where it posits itself in the M and C forms that it assumes in turn, without becoming lost within and through this movement. As a continuous unity of M and C , the value, Marx says, 'is *capital*, and this positing itself appears as the *circulation of capital*'.¹⁸ The value, which initially appeared as a predicate of M and of C and, therefore, to some extent as an *inert substance* in the simple commodity-circulation $C - M - C$, is posited through this movement as the *essential subject* of the circulation of capital, that is, the *essential being of capital as a self-moving substance*; and money and commodities thus become the material forms of the existence of capital. Thus, money as money is negated and superseded as a tangible material thing, becoming a process. However, this is *insufficient* to explain completely the conversion of value into capital, because the fact is that the result 'in which the whole process vanishes, is the exchange of money for money, $M - M \dots$ the same for the same', which makes the process 'appear to be an operation as purposeless as it is absurd'.¹⁹

To overcome the insufficiency of the qualitative determination, the result of this process should necessarily be the *quantitative difference* with respect to the amount of value originally advanced, which implies going beyond its own quantitative limit. For Marx, value that is not only preserved and self-perpetuating through circulation, but which also increases its own magnitude by adding a surplus-value to itself, becomes capital as a self-valorising value. Thus the amount of money-value that is originally advanced into circulation has to be advanced with the aim of valorising itself. This therefore shows that 'the complete form of this process is $M - C - M'$, where $M' = M + \Delta M$, i.e. the original sum advanced plus an increment'.²⁰

18 Marx 1973 [1857–8], p. 266.

19 Marx 1976c [1867], pp. 248 and 251.

20 Marx 1976c [1867], p. 251.

After summarising this conversion, Marx argues:

But there is more to come: instead of simply representing the relations of commodities, it now enters into a private relationship with itself, as it were. It differentiates itself as original value from itself as surplus-value, just as God the father differentiates himself from himself as God the son, although both are of the same age and form, in fact one single person; for only by the surplus-value of £10 does the £100 originally advanced become capital, and as soon as this has happened, as soon as the son has been created and, through the son the father, their difference vanishes again, and both become one, £110.²¹

Given that the becoming of the money-value advanced into the *quality of capital* is due to the *quantitative increment* of value that value itself has bred from itself through its own circulation-process, the positing of capital is expressed by the *reciprocal positedness of the related quanta of value embodied in its own result*, that is, the becoming of both, the quantum of value originally advanced (M: God) and the quantum of surplus-value that relates to it as its own increment (ΔM : the Son), into capital (M': the One). The father creates the son, but the son also creates the father. This *qualitative positing* of the related quanta of value, that is, of the constituent parts of value that value itself has valorised to itself, refers to its *own measure of realisation* as, or its transformation into, a *new quality: capital*.

In accord with the initial nature of money, the only apparent feature by which capital – when transformed into money – may be *measured* is the new value which it has created; i.e. the *first aspect of money as the general measure of commodities repeats itself; now as the measure of surplus value – of the realization of capital*. In the form of money, this realization appears as *measured by itself*; as being its *own measure*.²²

The *qualitative relation* through which the becoming of capital is *measured* against itself can be represented thus by the *quantitative ratio* denoting the quantum of surplus-value (ΔM) that a given quantum of advanced money-value as capital (M) has created in a given period of time: that is, $\Delta M / M$. To the

21 Marx 1976c [1867], p. 256.

22 Marx 1973 [1857–8], p. 448 (emphasis added). 'But as $M + m$, £422 advanced capital plus an increment of £78 on the same, M' or £500 also exhibits a *qualitative relation*, although this qualitative relation itself exists only as a relation between the parts of a corresponding sum, i.e. as a *quantitative ratio*' (Marx 1978 [1885], p. 128; emphasis added).

extent that it represents the *qualitative positing of value as capital*, it can be defined as the *rate of valorisation of capital in general*. This rate is the logical presupposition of the rate of profit of capital, which will be presented only at the moment when capital is posited in the moment of appearance.

However, considering that the metamorphoses experienced by the value-form during this circulation-process occur under the law of equivalent exchange, this process by itself cannot explain the source of the valorisation, that is, the creation of surplus-value. Thus, this process proves to be *insufficient* as the foundation of the conversion of money-value into capital, and therefore of sustaining itself by means of itself. According to Marx, this insufficiency can only be overcome by the introduction of *living labour* into 'the hidden abode of production' where, by means of its productive consumption together with the means of production, the secret of the production of surplus-value is laid bare, and this in turn allows one to reach the heart of the matter concerning 'not only how capital produces, but how capital is itself produced'.²³

Thus, capital can become capital only by means of its negative relationship with its own other, that is, labour as non-capital, yet labour through which capital becomes capital. Each is thus the negation, or 'not-being', of the other. Labour thus acquires a further determination: labour that produces capital as its own other; and this is the reason for their being opposite to each other,²⁴ just as their respective bearers, capitalists and wage-labourers, are opposite. Thus is posited that which was presupposed, that is, labour posited as value- and money-producing labour in simple commodity-circulation, and what is now posited, in other words capital-producing labour. Thus, capital can be understood as the abstract substance that is transformed into a Subject, in other words as a self-moving substance.

Although the (re)production of capital will not be treated here, three points need to be made: First, as capital's own products, money and commodities become its own posited forms of existence, and as such are converted into the material conditions of the reproduction of capital and of the social classes that compose capitalist society.²⁵ Second, considered as a unity of its own processes of production and circulation through which it is sustained and self-multiplies,

²³ Marx 1976c [1867], pp. 279–80.

²⁴ 'The one is made visible in the other, and is only in so far as that other is. Essential difference is therefore Opposition; according to which the different is not confronted by *any* other but by *its* other. That is, either of these two... is stamped with a characteristic of its own only in its relation to the other: the one is only reflected into itself as it is reflected to the other. And so with the other. Either in this way is the other's *own* other' (Hegel 1975 [1817], §119, p. 172).

²⁵ Marx 1976c [1867], p. 724.

capital is presented to itself as the subject of an expanding movement in the form of 'a spiral, an expanding curve, not a simple circle'.²⁶ And third, as a result of the movement of the reproduction of capital, 'the laws based on the production and circulation of commodities become changed into their direct opposite through their own internal inexorable dialectic',²⁷ that is, into the laws of capitalist appropriation. What this means is that the exchange of equivalents is transformed into the appropriation by capital, without equivalent, of the unpaid portion of labour realised by the labour-power of the wage-labourers.

Social Value and Direct Price

The constituent parts of the money-form of the value of commodities, as products of capital, are: 1) the constituent parts of the sum of money-value originally advanced as capital, M , in the purchase of the commodities, C , required for their valorisation in production, that is, constant capital (means of production) and variable capital (labour-power); and 2) the surplus-value as the unpaid labour-time extracted directly from the wage-labourers. The sum of money that is equivalent to the valorised value, M' , objectified in the commodities produced as products of capital, C' , is thus composed of the money-value originally advanced, M , which is equal to c (constant capital) + v (variable capital), plus a surplus-value, s . Thus, the general price-form of the value of any commodity as a product of capital can be depicted as:

$$P = c + v + s$$

With the positing of this price-form, the simplest and most general money-form of a commodity is negated and superseded, obtaining thus a greater degree of concreteness and determinacy.

In Chapter XII of *Capital* Volume I, Marx introduces the concept of the *social value* of commodities which are of the *same kind* but produced by different individual producers within the context of a branch of production: 'The real value of a commodity, however, is not its individual, but its social value; that is to say, its value is not measured by the labour-time that the article cost the producer in each individual case, but by the labour-time socially required for its production'.²⁸

26 Marx 1973 [1857–8], p. 266. See also p. 620.

27 Marx 1976c [1867], p. 729.

28 Marx 1976c [1867], p. 434. 'The value of a commodity is certainly determined by the quantity of labour contained in it, but this quantity is itself socially determined' (Marx 1976c [1867], p. 318).

From Marx's own writings, the determination of the social value of commodities of the same kind has been interpreted in two opposite ways, which in fact correspond to the two opposite interpretations of the reduction of labour discussed above under the first moment. One interpretation considers determination to be the result of the *weighted average* of the aggregate of all the individual labour-times expended by all the individual producers:

The total value produced divided by the number of products determines the value of the individual product and it becomes a commodity only as such an aliquot part. It is no longer the labour expended on the individual particular commodity . . . but a proportional part of the total labour – i.e., the average of the total value [divided] by the number of products – which determines the value of the individual product and establishes it as a commodity.²⁹

This interpretation can only be valid if all the individual labour-times objectified directly in the production of the commodities are immediately taken as amounts of abstract social labour-time, which would imply that, regardless of differences in methods and conditions of production employed by the individual producers, any individual unit of labour-time in a physiological sense produces the same unit of social value; and that, depending on the method and conditions of production for each of them, the determination of the social value of commodities will result in the realisation of less or more value, and therefore of less or more surplus-value, than the value and surplus-value generated by each individual producer.³⁰ It should be noted, however, that a weighted average is always the result of a subjective construction.

By contrast, the other interpretation considers the determination of the social value of commodities of the same kind as the result of an *objective process of reduction*: 'in every process of creating value, the *reduction* of the higher type of labour to average social labour, for instance one day of the former to *x* days of the latter, is unavoidable'.³¹ This determination is thus understood as the result of a subsequent process of social measuring through which all individual labour-times in a physiological sense that are objectified in the production of the total mass of commodities of the same kind within a given branch of production, regardless of their individual methods and conditions of production, are posited as quantities of abstract labour-time as socially

29 Marx 1972 [1861–3], p. 113. See also Marx 1969 [1861–3], p. 208.

30 Marx 1981 [1894], p. 279.

31 Marx 1976c [1867], p. 306.

This chart shows the positing of the individual values of the commodities, C_i (that is, a certain amount of physiological labour-time, l_i , objectified directly in their production plus the value of the means of production, λ_{MPi} , transferred to them), into the same social value, λ^o , that is, a certain quantum of social labour-time ($\lambda_{MPi} + l_i\beta^o_i$), by means of their same direct price, P_D , in the sphere of exchange.

The direct price of commodities of the same kind produced by any individual producer can be depicted by the following formula:

$$P_D = c + (v_i + s_i) \Rightarrow \lambda_{MP} + (l_i\beta^o_i)$$

where c and $(v_i + s_i)$ are proportional to λ_{MP} and $(l_i\beta^o_i)$, respectively.

However, besides acknowledging that the reduction of all individual labours is 'unavoidable', Marx reduces this to a *superfluous operation*: 'We therefore save ourselves a superfluous operation, and simplify our analysis, by the assumption that the labour of the worker employed by the capitalist is average simple labour'.³² This author disagrees with Marx's claim that this reduction is a superfluous operation, because, even for Marx himself, the positing of the social value of commodities requires that the reduction of labour be accomplished not just for all the individual labours of the same kind expended within a branch of production, but for *all* individual labours of *different kinds*, which produce the different commodities in all branches of production that constitute social production as a whole: 'Suffice it to say that this reduction is in fact *accomplished* with the positing of products of all kinds of labour as values. As values, they are equivalent in certain proportions; the higher kinds of labour are themselves appraised in simple labour'.³³

What is clear from this quote is that the reduction of labour within a branch of production is still *insufficient* for the positing of all the kinds of labours as *actual* social labours, and, therefore, it is also *insufficient* for positing the value-form of the commodities produced in all branches of production as *definitive* or *actual* social values.

³² Marx 1976c [1867], p. 306.

³³ Marx 1973 [1857-8], p. 846.

Third Moment: The Passage to the Appearance of Capital in General

As in any passage to a more concrete moment of Marx's presentation, the passage to the moment when capital in general reflects itself in appearance implies a dialectical inversion: 'In actuality . . . i.e. in the world of phenomena, things are the other way round'.³⁴ In particular, what Marx presents here is the logical implication of the conversion of 'surplus-value and the rate of surplus-value' that 'are, relative to this, the invisible essence', into 'the rate of profit and hence the form of surplus-value as profit', which are their 'visible surface phenomena'.³⁵

The point of departure here is the money-form in which the constituent parts of the value of any commodity as product of capital appear: $C = k + s$, where k represents the *cost-price*, that is, the part of the value that replaces the total capital expended in its production, and s , surplus-value, which appears as a simple excess of value over the cost-price. As such, the excess as surplus-value does not appear to derive from the (unpaid) labour objectified in the production, but from the sum of all the parts of the total capital advanced. Thus Marx states:

As this supposed derivative of the total capital advanced, the surplus value takes on the transformed form of *profit*. A sum of value is therefore capital if it is invested in order to produce a profit, or alternatively profit arises because a sum of value is employed as capital. If we call profit p , the formula $C = c + v + s = k + s$ is converted into the formula $C = k + p$, or *commodity value = cost price + profit*.³⁶

At the moment in which capital in general appears in the surface of phenomena, *surplus-value* acquires the *money-form of profit*. However, as such, profit must be understood essentially not as an excess over the cost-price, but rather as something that has been posited and grounded by capital itself, and therefore, as a result of capital's self-movement, as a relationship to itself that reflects itself in appearance.

In surplus value, the relationship between capital and labour is laid bare. In the relationship between capital and profit, i.e. between capital and

34 Marx 1981 [1894], p. 138.

35 Marx 1981 [1894], p. 134.

36 Marx 1981 [1894], pp. 126–7.

surplus-value as it appears on the one hand as excess over the cost prices of the commodity realized in circulation and on the other hand as an excess *determined more precisely* by its relationship to the total capital, capital appears as a relationship to itself, a relation in which it is distinguished, as an original sum of value, from another new value that it posits.³⁷

As a result, the surplus-value as profit must be *measured* by capital itself, that is, through its relation with itself as a self-increasing value. In so far as it corresponds to the moment of appearance of capital in general, this *measure* refers to the *rate of profit of capital as a general concept*, which is determined by the proportion of surplus-value as profit that the presupposed capital (that is, the total capital advanced) has created in a given period of time. This rate expresses in the following manner the proportion in which capital itself has increased its own value:

Proceeding from itself as the active subject, the subject of the process . . . capital relates to itself as self-increasing value; i.e. it relates to surplus value as something posited and founded by it; it relates as well-spring of production, to itself as product; it relates as producing value to itself as produced value. It therefore no longer measures the newly produced value by its real measure, the relation of surplus labour to necessary labour, but rather by itself as its presupposition. A capital of a certain value produces in a certain period of time a certain surplus value. Surplus value thus measured by the value of the presupposed capital, capital thus posited as self-realizing value – is *profit*; regarded not *sub specie aeternitatis*, but *sub specie – capitalis*, the surplus value is profit; and capital as capital, the producing and reproducing value, distinguishes itself within itself from itself as profit, the newly produced value. The product of capital is profit. The magnitude, surplus value, is therefore measured by the value-magnitude of the capital, and the *rate of profit* is therefore determined by the proportion between its value and the value of capital.³⁸

Thus it is that, at the moment in which capital in general reflects itself into itself in appearance and, therefore, at the moment in which its *essential measure* (that is, its rate of valorisation as was established in the second moment)

37 Marx 1981 [1894], p. 139 (emphasis added).

38 Marx 1973 [1857–8], p. 746.

becomes the *general rate of profit of capital and surplus-value* as a *sub specie capitalis* becomes *profit*,³⁹ it is posited as an *existing capital in general*.

Social Value and the General Price-Form

Taking k to represent the cost-price, and $r = p / K$ the general rate of profit, where p represents profit, and K the total capital advanced, the general price-form of the value of commodities as products of capital acquires a further concrete form:

$$P = k + rK$$

However, due to the fact that, as Marx asserts, '*capital exists and can only exist as many capitals*, and its self-determination therefore appears as their reciprocal interaction with one another',⁴⁰ the concept of capital in general, as a relation with itself that reflects itself from itself in appearance, is *insufficient* in order to be posited as an *actual socially existing capital*.

Fourth Moment: The Passage to the Multiplicity of Capital

This moment implies two passages: the passage from capital in general to many capitals, and the passage from the latter to capital as a whole. Both passages are discussed by Marx in the *Grundrisse* and *Capital* at two different levels of abstraction.

In the *Grundrisse*, Marx deals with these passages in line with Hegel's logic of the One and the Many, and therefore in terms of repulsion and attraction. In the first, the one, that is, capital in general, posits the many ones, that is, many capitals, through its repulsion of itself. In the second, the one One, that is, capital as a whole, is posited through the mutual attraction of the many ones.

For the first passage, Marx uses Hegel's double sense of repulsion, namely '*repulsion in itself*' and '*external repulsion*',⁴¹ and relates them to the competition between the many capitals:

39 Or as Marx says it in Hegelian words, when 'the excess is reflected back into itself from the rate of profit, or else that the excess, which is characterized more specifically by the rate of profit, appears as an excess which the capital produces over and above its own value, either annually or in some definite period of circulation' (Marx 1981 [1894], p. 139).

40 Marx 1973 [1857–8], p. 414 (emphasis added).

41 See Hegel 1969 [1812–16], p. 168.

[The] essence of capital, which, as will be developed more closely in connection with competition, is something which repels itself, is many capitals mutually quite indifferent to one another . . . Since value forms the foundation of capital, and since it therefore necessarily exists only through exchange for counter-value, it thus necessarily repels itself from itself. A universal capital, one without alien capitals confronting it, with which it exchanges . . . is therefore a non-thing. The reciprocal repulsion between capitals is already contained in capital as realized exchange value.⁴²

The first sense refers to the positing of the many capitals through the negative relation of capital in general to itself. But once the many capitals have already been posited, the second sense refers to the reciprocal external repulsion of the many capitals against one another. According to Marx, it is precisely through competition understood in this term, that the many capitals are posited and determine themselves as *socially existing capitals*:

Conceptually, *competition* is nothing other than the inner *nature of capital*, its essential character, appearing in and realized as the reciprocal interaction of many capitals with one another, the inner tendency as external necessity. Capital *exists and can only exist as many capitals*, and its self-determination therefore appears as their reciprocal interaction with one another.⁴³

All moments of capital which appear involved in it when it is considered from the point of view of its general concept obtain an independent reality, and, further, only show themselves when it appears as real, as many capitals.⁴⁴

Free competition is the relation of capital to itself as another capital, i.e. the real conduct of capital as capital . . . Competition merely expresses as real, posits as an external necessity, that which lies within the nature of capital; competition is nothing more than the way in which the many capitals force the inherent determinations of capital upon one another and upon themselves.⁴⁵

42 Marx 1973 [1857–8], p. 421, footnotes * and †.

43 Marx 1973 [1857–8], p. 414 (emphasis added).

44 Marx 1973 [1857–8], p. 520.

45 Marx 1973 [1857–8], pp. 650–1.

Accordingly, Marx's notion of competition can be understood as a process that is realised at two simultaneous levels of abstraction. The first is on the level of *essence*: this refers to the negative reciprocal reflectedness of many capitals with one another through which they themselves, inasmuch as they are concretely different from one another, are posited as capitals *essentially identical* to one another, that is, as existing values that valorise themselves. Here they do not differ from one another qualitatively, but quantitatively. This is *their identity within their difference*. The second level of abstraction is *appearance*: this refers to the reciprocal relation of the many capitals among themselves whereby, as capitals that are different in many concrete aspects, they oppose and compete with each other in order to obtain their greatest valorisation. This, by contrast, is *their difference within their identity*.

Regarding the second passage, Marx, in line with Hegel, considers that the reciprocal repulsion of the many capitals is counteracted by their attraction. His aim here is to indicate that the multiplicity of capital passes over into what Hegel calls 'a *going-together-with-itself*',⁴⁶ the *one One*, that is, *capital as a social whole*. And it is through this transposition that the many capitals are thus unified into an *organic totality*: 'the *one posited as one*';⁴⁷ and each of them becomes an aliquot part of capital as a social whole – a social totality that nonetheless remains rooted in the repulsion of the many capitals.

Thus competition also presents itself as a contradictory relationship between total capital and the many capitals it comprises, through which both are posited and determined reciprocally as existing social capitals, and total social capital is posited as capital in its existence in-and-for-itself, with the many capitals as the existence of the multiple parts of it. Each capital is not only one of many capitals, but they are all also one and the same. Indeed, capital as a social whole and the many capitals are thus constituted as inseparable moments of a single organic unity. Without the whole, the parts do not exist; by the same token, without the parts, the whole does not exist. The whole presupposes the parts, and the parts the whole. The whole and the parts are thus two existences of one single unity.

In Part II of Volume III of *Capital*, Marx concretises his notion of competition as the reciprocal relationship of many capitals to each other in the positing of *industrial capital*, that is, the only form of capital that produces capital, where each one of the many capitals is considered a *particular* branch of industrial capital, producing the *same kind of commodity*, and where the 'entire

46 Hegel 1969 [1812–16], p. 172.

47 Hegel 1969 [1812–16], p. 174.

mass of commodities' produced is regarded 'as a *single commodity*' that has '*one price*'.⁴⁸

Given that competition is carried out through the exchange-relations of *commodities* produced by the different particular industrial capitals, it is through their reciprocal commodity-relationships that they are recognised in relation to each other as *essentially identical* but simultaneously also as *concretely different*.

At the level of *essential* reality, it is through these relationships that they are posited *socially as identical forms of value-as-capital*, and therefore through them that they are recognised with each other *as equals*, differing only quantitatively. In so far as they express their qualitative positedness as existing social capitals, these are *qualitative relationships* that are manifested by the *same quantitative relationship: the uniform rate of profit*,⁴⁹ which is the actualisation of their *measure of realisation* at the moment in which capital appears as a multiplicity of particular industrial capitals. As the *common measure* of their realisation, this rate expresses the quantum of surplus-value in the form of profit that each branch of industrial capital has produced in proportion to its magnitude, within a given period of time and regardless of the material form of the commodities produced and technical composition of capital used to produce them. On the other hand, the *quantitative* relationship that expresses the *qualitative* positedness of total industrial capital refers to its *specific measure of realisation: the general rate of profit of industrial capital as a whole*, which, inasmuch as it is the result of 'the level of exploitation of labour as a whole by capital as a whole',⁵⁰ denotes the total surplus-value in the form of profit that said capital has produced in a given period of time. Thus 'the general rate of profit is the moment where total social capital establishes its unity with itself',⁵¹ and where said capital, as such, confronts *its own other as a whole*, that is, industrial labour as a whole.

Actual-Social Value and Production-Price

Since the uniform rate of profit expresses the positedness of the different industrial capitals as socially identical capitals, the money-form of the value of the commodities that each of them produces is actualised, acquiring a price-form corresponding to this rate. These prices are what Marx calls

48 Marx 1981 [1894], p. 283.

49 The uniform rate of profit cannot be the same thing as the average rate of profit: the latter can only be an average of the differential market-rates of profit of the industrial capitals.

50 Marx 1981 [1894], p. 299.

51 Arthur 2001b, p. 144.

production-prices, and it is through these prices that the values of the commodities produced by all of the different branches of industrial capital are now posited, qualitatively and quantitatively, as *actual-social values*; and as a consequence, the quantities of labour-time objectified in commodities are actualised as *definitive quanta of abstract labour-time as socially measured*.

In the *Grundrisse*, Marx refers to the dialectical inversion that results from considering the competition between individual capitals:

The fundamental law in competition, as distinct from that advanced about value and surplus value, is that it is determined not by the labour contained in it, or by the labour time in which it is produced, but rather by the labour time in which it can be produced, or, the labour time necessary for reproduction. By this means, the individual capital is in reality only placed with the conditions of capital as such, although it seems as if the original law were overturned. *Necessary* labour time as determined by the movement of capital itself; but only in this way is it posited. This is the fundamental law of competition . . . In short, here all determinants appear in a position which is the *inverse* of their position in capital in general. *There price determined by labour, here labour determined by price* etc. etc. The influence of individual capitals on one another has the effect precisely that they must conduct themselves as *capital*; the seemingly independent influence of the individuals, and their chaotic collisions, are precisely the *positing of their general law*. The market here obtains yet another significance. The influence of capitals as individuals on each other thus becomes precisely their *positing as general beings*.⁵²

Competition is what inverts the original law based on 'value and surplus-value', which was advanced at the moment of capital in general, into a law based on prices and profits. As a dialectical inversion, the original law is not actually overturned, but rather negated and superseded and, therefore, still preserved as the foundation of 'the fundamental law of competition'.

Taking the above in the context of competition between capitals in different branches of industrial capital, this inversion has the following implications: a) the actual-social value of the commodities produced by each particular fraction of total industrial capital is determined not 'by the labour time in which it is produced', but rather by the actual-social labour-time determined by means of its production-price; b) the production-price is the actualisation and there-

⁵² Marx 1973 [1857–8], p. 657 (emphasis added).

fore the negation and supersession of the direct price of the social value of commodities of the same kind produced in a given production-branch,⁵³ the determination of which is presented in isolation from the totality of the branches of industrial capital at the moment of capital in general in Volume I of *Capital*; and c) it is only by means of competition in the marketplace that all the different fractions of industrial capital are actually posited with the conditions of capital in general, that is, 'as general beings'.

From the above, it is possible to affirm further, on the one hand, that, due to the dialectical unity of form and content which underlies the different moments in which Marx presents his concept of capital in *Capital*, the processes of determination of the production-prices of commodities and of the qualitative and quantitative reduction of the labour objectified in them into actual-social labour can only be understood as two processes that are *simultaneously* realised through each other. On the other hand, contrary to what Marx himself and many Marxist political economists maintain, the determination of the actual-social values of all kinds of commodities as products of industrial capitals cannot be understood as a result of the weighted averages of the aggregate of individual labour-times expended within the particular branch of production that produce them, but rather as the necessary labour-time that is imposed or validated socially by industrial capital as a whole,⁵⁴ and consequently, the determination of the production-prices does not imply transferences of value or surplus-value among the different branches of industrial capital.⁵⁵ And lastly, for the entirety of social industrial capital, the 'price of production equals value'.⁵⁶

Set out below is a graphical representation of the process of simultaneous determination of the actual-social value of commodities through their production-prices, supposing that there are only two branches of industrial capital, each one producing a specific type of commodity, C_1 or C_2 , with different production-methods, that is, with particular means of production and different quantities of direct social labour-time decided within each

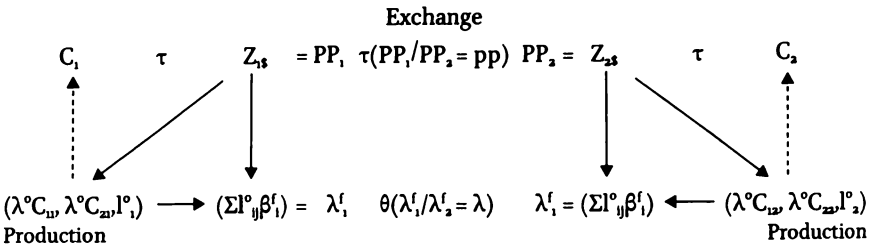
53 The social value of commodities, such as is defined in Volume I of *Capital*, is concretised as market-value in Volume III.

54 'If the value of commodities is determined by the necessary labour-time contained in them and not simply by labour-time as such, it is capital that first makes a reality of this mode of determination' (Marx 1981 [1894], p. 180).

55 See Marx 1981 [1894], p. 264.

56 Marx 1981 [1894], p. 265.

branch of production, and that both commodities are used as means of production in the production of both the commodities.



- where: l°_i = the social labour-time directly objectified in the branch that produces the commodities C_i ;
- $\lambda^{\circ}C_{ij}$ = the social value of commodity i as means of production required to produce the commodity j , corresponding to its direct price, P_{Di} ;
- τ = the reciprocal equality relationships of commodities in the monetary space;
- Z_{is} = the monetary units that represent the production-price, PP_i , of C_i ;
- PP_i = the production-price of commodities C_i ;
- \longrightarrow = the relations of determination of the *actual-social value* of the commodities by mediation of their production-prices;
- pp = the relative production-price;
- l°_{ij} = the direct and indirect social labour-times objectified in the branch that produces the commodities C_i ;
- β^f_i = the final reduction-coefficients by which the units of social labour-time are transformed into units of *actual-social labour-time*;
- λ^f_i = the *actual-social value* of commodities C_i , which is equal to certain *quantities of actual-social labour-time* directly and indirectly objectified in them, $(\Sigma l^{\circ}_{ij}\beta^f_i)$;
- θ = the reciprocal equality-relationships of commodities in the social value-space; and
- λ = the relative actual-social value of the commodities.

FIGURE 3 *Graphic representation of the determination of the actual-social values of commodities by mediation of their production-prices*

Figure 3 shows the *simultaneous positing* (or *transformation*) of the social values of the commodities C_i as products of both branches of industrial capital into their actual-social values, λ^f_i , which implies the transformation of the

quantities of social labour-times, l^o_{ij} , objectified directly and indirectly during their production into quanta of definitive or actual-social labour-time, $\Sigma l^o_{ij}\beta^f_i$, by mediation of their production-prices, PP_i .

The production-price, PP_i , of the commodities, C_i , produced by any particular branch of industrial capital, i , can thus be depicted by the following formula:

$$PP_i = (c_i + v_i) (1 + r) = c_i + v_i + p_i \Rightarrow (\Sigma l^o_{MP-i}\beta^f_i) + (l^o_i\beta^f_i) = \lambda^f_{MP-i} + (l^o_i\beta^f_i) = \lambda^f_i$$

where: c_i = constant capital, equivalent to the production-prices of the means of production employed;

v_i = variable capital;

r = the uniform rate of profit;

p_i = profits = $(c_i + v_i) r$, which are equivalent to the surplus-value produced, s_i ;

l^o_{MP-i} = social labour-time objectified in the means of production;

β^f_i = the final reduction-coefficients by which the units of social labour-time,

l^o_i , are transformed into units of *actual-social labour-time*;

$\Sigma l^o_{MP-i}\beta^f_i = \lambda^f_{MP-i}$ = the *actual-social labour-times* objectified in the means of production, which are equivalent to their *actual-social values* and therefore proportional to c_i ; and

$l^o_i\beta^f_i$ = the *actual-social labour-time* directly objectified in the commodities, which is proportional to $(v_i + s_i) = (v_i + p_i)$.

Actual-Social Value and Market-Price

At the level of the *concrete appearance* of reality, competition between industrial capitals is what determines that the money-forms of the commodities produced in the different branches of production plus the rates of profit corresponding to them, deviate from their production-prices and from the uniform rate of profit, respectively. These money-forms are the *market-prices* for the different commodities, and the rate corresponding to the particular industrial capital that produces them is its *market-rate of profit*, that is, its *concrete measure of realisation*.

As deviations from their production-prices, the market-prices of commodities represent certain amounts of actual-social value, that is, certain amounts of actual-social labour-time, which may be higher than, lower than or equal to those expressed in their production-prices. Thus sales of commodities at their market-prices imply *transferences of surplus-value*, or profit, from the branches of production having market-prices below their production-prices towards those branches having market-prices above their production-prices. Moreover,

inasmuch as they exist, the production-prices and the uniform rate of profit constitute the centres of gravity around which market-prices and market-rates of profit, respectively, fluctuate.⁵⁷

Given that production-prices and uniform rates of profit cannot be directly seen, the only way to grasp them is through weighted averages of market-prices and market-rates of profit, respectively. These average figures can be called the *average or market-production-price* and the *average rate of profit*, respectively, and the profit corresponding to them, the *average profit*. Even though they do not coincide with production-prices or the uniform rate of profit, these average figures are, as Marx says, 'by no means of merely theoretical significance. It is, rather, practically important for capital whose investment is calculated over the fluctuations and compensations of a more or less fixed period of time'.⁵⁸ What is clear here is that these average figures do not correspond to the production-prices or to the uniform rate of profit.

By the same token, given that the *individual capitals* within any branch of industrial capital produce with organic compositions of capital that differ from each other, and given that each particular branch produces the same kind of commodities that have the same market-price, the rate of profit of each of them is its *individual market-rate of profit*, that is, its *individual measure of realisation*, which differs not only from those of other individual capitals, but also from the market-rate of profit of that particular industrial branch. This is evidenced by the fact that, by selling its commodities at the market-price, any given individual capital earns a certain amount of profit on the basis of which its own individual market-rate of profit is calculated, whose magnitude may be higher than, lower than or equal to the market-rate of the branch of industrial capital of which it is a fraction.

As a capital that is essentially a capital in general, the main objective of which is to valorise itself and accumulate as much as possible, any given individual capital does not try to extract for its own 'capital advanced in production' simply 'the same surplus-value or profit as any other capital of the same size, or a profit proportionate to its size, no matter in what branch of production it may be applied',⁵⁹ but, on the contrary, it will compete with all other individual capitals in order to obtain the greatest valorisation for itself. Hence,

57 It is in this sense that Marx argues that the prices of production are 'the centre around which the daily market prices revolve, and at which they are balanced out in definitive periods' (Marx 1981 [1894], p. 280).

58 Marx 1981 [1894], p. 291.

59 Marx 1981 [1894], p. 297.

each individual capital will try to adopt and/or employ any powerful lever available to do this, for example technological innovation or credit.

Returning to the first moment of the presentation, simple commodity-circulation can no longer be conceptualised merely as the *immediate appearance of capitalist circulation*, $C - M - C$, but rather as the *grounded appearance of the sphere of circulation of the circuit of capital*, $P \dots C' - M' \cdot M - C \dots P$. In this way, any concrete commodity that now appears 'is different from the commodity taken as the element, the starting-point of capitalist production'. Indeed, as a product of a determinate individual industrial capital, it manifests itself not as a simple commodity, but rather 'as a *part* both really and conceptually of production as a whole' and therefore 'represents a definitive portion of capital and of the surplus-value created by it'.⁶⁰ The commodity, the starting point of Marx's presentation in *Capital*, plus its value-form-determinations, are thus only *grounded retrogressively* at the moment in which capital is posited as many capitals, and the commodity may be thus conceived in the unity of its diverse determinations as a product of capital.

60 Marx 1972 [1861-3], pp. 112-13.

References

- Althusser, Louis 1972, 'Marx's Relation to Hegel', in *Politics and History: Montesquieu, Rousseau, Hegel and Marx*, London: New Left Books.
- Arthur, Christopher J. 1978, 'Labour: Marx's Concrete Universal', *Inquiry*, 21: 87–104.
- 1993, 'Hegel's *Logic* and Marx's *Capital*', in *Marx's Method in 'Capital': A Reexamination*, edited by Fred Moseley, Atlantic Highlands, NJ: Humanities Press.
- 1997, 'Against the logical-historical method: dialectical derivation versus linear logic', in *New Investigations of Marx's Method*, edited by Fred Moseley and Martha Campbell, Atlantic Highlands, NJ: Humanities Press.
- 2001a, 'Capital in General and Marx's *Capital*', in *The Culmination of Capital: Essays on Volume Three of Marx's 'Capital'*, edited by Martha Campbell and Geert Reuten, Basingstoke: Palgrave Macmillan.
- 2001b, 'Capital, Competition and Many Capitals', in *The Culmination of Capital: Essays on Volume Three of Marx's 'Capital'*, edited by Martha Campbell and Geert Reuten, Basingstoke: Palgrave Macmillan.
- 2002, *The New Dialectic and Marx's 'Capital'*, Leiden: Brill.
- 2004, 'Money and the Form of Value', in *The Constitution of Capital: Essays on Volume I of Marx's 'Capital'*, edited by Riccardo Bellofiore and Nicola Taylor, Basingstoke: Palgrave Macmillan.
- 2009, 'The Concept of Money', in *Karl Marx and Contemporary Philosophy*, edited by Andrew Chitty and Martin McIvor, Basingstoke: Palgrave Macmillan.
- Backhaus, Hans-Georg 2009 [1997], *La dialettica della forma di valore. Elementi critici per la ricostruzione della teoriamarxiana del valore*, edited by Riccardo Bellofiore and Tommaso Redolfi Riva, Rome: Editori Riuniti (Italian translation from *Dialektik der Wertform*, Freiburg).
- Banaji, Jairus 1979, 'From the commodity to capital', in *Value: The Representation of Labour in Capitalism*, edited by Diane Elson, London: CSE Books.
- Bellofiore, Riccardo 2009, 'A Ghost Turning into a Vampire: The Concept of Capital and Living Labour', in *Re-Reading Marx: New Perspectives after the Critical Edition*, edited by Riccardo Bellofiore and Roberto Fineschi, Basingstoke: Palgrave Macmillan.
- Bellofiore, Riccardo and Roberto Finelli 1997, 'Capital, Labour and Time', in *Marxian Economics: A Reappraisal, Volume 1: Method, Value and Money*, edited by Riccardo Bellofiore, Basingstoke: Macmillan.
- Bellofiore, Riccardo and Roberto Fineschi (eds.) 2009, *Re-Reading Marx: New Perspectives after the Critical Edition*, Basingstoke: Palgrave Macmillan.
- Brown, Andrew, Gary Slater and David Spencer 2002, 'Driven to abstraction? Critical realism and the search for the "inner connection" of social phenomena', *Cambridge Journal of Economics*, 26: 773–88.

- Campbell, Martha 1997, 'Marx's Theory of Money: A Defense', in *New Investigations of Marx's Method*, edited by Fred Moseley and Martha Campbell, Atlantic Highlands, NJ: Humanities Press.
- Carlson, Gray 2007, *A Commentary to Hegel's 'Science of Logic'*, Basingstoke: Palgrave Macmillan.
- Clarke, Simon 1991, *Marx, Marginalism and Modern Sociology: From Adam Smith to Max Weber*, Basingstoke: Macmillan.
- Colletti, Lucio 1972 [1969], *From Rousseau to Lenin*, London: New Left Books.
- 1973 [1969], *Marxism and Hegel*, London: New Left Books.
- 2012, *Il paradosso del Capitale. Marx e il primo libro in dieci lezioni inedite*, Rome: Liberal edizioni.
- Damsma, Dirk 2014 (draft), 'On the Articulation of Systematic-Dialectical Methodology and Mathematical Models', forthcoming PhD dissertation, University of Amsterdam.
- Dussel, Enrique 1985, *La Producción Teórica de Marx: Un Comentario a los Grundrisse*, Mexico City: Siglo XXI.
- 2001, *Towards an Unknown Marx: A Commentary on the Manuscripts of 1861–63*, edited by Fred Moseley, London: Routledge (translation of Dussel 1988, *Hacia un Marx Desconocido: Un comentario de los Manuscritos de 1861–63*, Mexico City: Siglo XXI).
- 2008, 'The Discovery of the Category of Surplus Value', in *Karl Marx's 'Grundrisse': Foundations of the Critique of Political Economy. One Hundred and Fifty Years Later*, edited by Marcello Musto, London: Routledge.
- Ehrbar, Hans 2010, *Glossary to Marx's 'Capital' and Other Economic Writings*, <http://www.econ.utah.edu/~ehrbar/glossary.pdf>, accessed 31 May 2012.
- Engels, Friedrich 1978 [1884], 'Preface' to Karl Marx, *Capital*, Volume II, translated by David Fernbach, Harmondsworth: Penguin.
- 1987a [1877], *Anti-Dühring: Herr Eugen Dühring's Revolution in Science*, in *Marx and Engels Collected Works*, Vol. 25, London: Lawrence & Wishart.
- 1987b [1872–82], *Dialectics of Nature*, in *Marx and Engels Collected Works*, Vol. 25, London: Lawrence & Wishart.
- 1991 [1886], *Ludwig Feuerbach and the End of Classical German Philosophy*, in *Marx and Engels Collected Works*, Vol. 26, London: Lawrence & Wishart.
- Fausto, Ruy, 1983, *Marx: Lógica & Política*, Tomo I, Sao Paulo: Editora Brasiliense.
- Feuerbach, Ludwig 1983 [1839], 'Towards a critique of Hegel's philosophy', in *The Young Hegelians: An Anthology*, edited by Lawrence Stepelevich, Cambridge: Cambridge University Press.
- 1986 [1843], *Principles of the Philosophy of the Future*, Indianapolis, IN: Hackett.
- Finelli, Roberto 2004, *Un parricidio mancato. Hegel e il giovane Marx*, Turin: Bollati Boringhieri.

- Fineschi, Roberto 2001, *Ripartire da Marx*, Naples: La città del sole.
- 2005, 'The Four Levels of Abstraction of Marx's Concept of "Capital"', http://marxdialecticalstudies.blogspot.it/2010/11/roberto-fineschi-four-levels-of_25.html (revised version forthcoming in *In Marx's Laboratory: Critical Interpretations of the 'Grundrisse'*).
- 2006, *Marx e Hegel: Contributi a una rilettura*, Rome: Carocci.
- 2009a, "Capital in General" and "Competition" in the Making of *Capital*, *Science & Society*, 73, 1: 54–76.
- 2009b, 'Dialectic of the Commodity and its Exposition: The German Debate in the 1970s – A Personal Survey', in *Re-Reading Marx: New Perspectives after the Critical Edition*, edited by Riccardo Bellofiore and Roberto Fineschi, Basingstoke: Palgrave Macmillan.
- 2010, 'Überlegungen zu Marx' Plänen einer Kapitaltheorie zwischen 1857 und 1865', *Beiträge zur Marx-Engels-Forschung*, new series, 59–75.
- 2012, 'Glossario', in Karl Marx, *Il capitale* [Volume I], Tomo II: 1317–33.
- Gunn, Richard 1992, 'Against Historical Materialism: Marxism as a First-order Discourse', in *Open Marxism*, Vol. II, edited by Werner Bonefeld and others, London: Pluto Press.
- Hanzel, Igor 1999, *The Concept of Scientific Law in the Philosophy of Science and Epistemology: A Study of Theoretical Reason*, Dordrecht: Kluwer.
- Hayek, Friedrich 1976, *Law, Legislation, and Liberty, Volume 2: The Mirage of Social Justice*, Chicago: University of Chicago Press.
- Hecker, Rolf 2009, 'New Perspectives Opened by the Publication of Marx's Manuscripts of *Capital*, Vol. II', in *Re-Reading Marx: New Perspectives after the Critical Edition*, edited by Riccardo Bellofiore and Roberto Fineschi, Basingstoke: Palgrave Macmillan.
- Hegel, Georg Wilhelm Friedrich 1969 [1812–16], *Science of Logic*, translated from the second edition (1832) by A.V. Miller, London: Allen & Unwin.
- 1975 [1817], *Hegel's Logic: Being Part One of "The Encyclopaedia of the Philosophical Sciences"*, translated from the third edition (1830) by William Wallace, Oxford: Oxford University Press.
- 1977 [1807], *Phenomenology of Spirit*, translated by A.V. Miller, Oxford: Oxford University Press.
- 1985 [1833], *Introduction to the Lectures on the Philosophy of History*, translated from the third edition (1940) by T.M. Knox and A.V. Miller, Oxford: Clarendon Press.
- 1986 [1812–16], *Wissenschaft der Logik*, second edition (1832), Bd. 1, 2. Frankfurt am Main: Suhrkamp.
- 1991 [1817], *The Encyclopaedia Logic: Part I of the Encyclopaedia of Philosophical Sciences with the Zusätze*, translated from the third edition (1830) by T.F. Geraets, W.A. Suchting and H.S. Harris, Indianapolis, IN: Hackett.

- 1999 [1812–16], *Hegel's Science of Logic*, translated from the second edition (1832) by A.V. Miller, Amherst, NY: Humanity Books.
- 2008 [1820], *Outlines of the Philosophy of Right*, translated by T.M. Knox, Oxford: Oxford University Press.
- 2010 [1812–16], *The Science of Logic*, translated from the second edition (1832) by George di Giovanni, Cambridge: Cambridge University Press.
- Heinrich, Michael 1989, 'Capital in General and the Structure of Marx's *Capital*: New Insights from Marx's "Economic Manuscript of 1861–63"', *Capital & Class*, 38: 63–79.
- 2008, *Wie das Marxsche Kapital Lesen. Hirnweise zur Lektüre und Kommentar zum Anfang von Das Kapital*, Stuttgart: Schmetterling.
- 2009, 'Reconstruction or Deconstruction? Methodological Controversies about Value and Capital, and New Insights from the Critical Edition', in *Re-Reading Marx: New Perspectives after the Critical Edition*, edited by Riccardo Bellofiore and Roberto Fineschi, Basingstoke: Palgrave Macmillan.
- Houlgate, Stephen 2005, *The Opening of Hegel's 'Logic': From Being to Infinity*, West Lafayette, IN: Purdue University Press.
- Iñigo Carrera, Juan 1992, *Dialectical Cognition. The Regulation of the Action in its Form of Reproduction of Self-Necessity by Thought*, Buenos Aires: CÍCP.
- 2007, 'Knowing capital today. Using *Capital* critically. Volume I: The commodity, that is, free consciousness as the form of alienated consciousness', accessed 6 June 2012.
- 2008 [2003], *El capital: razón histórica, sujeto revolucionario y conciencia*, Buenos Aires: Imago Mundi.
- 2013, 'The method, from the *Grundrisse* to *Capital*', in *In Marx's Laboratory: Critical Interpretations of the 'Grundrisse'*, edited by Guido Starosta and Peter Thomas, Leiden: Brill.
- Inwood, Michael 1992, *A Hegel Dictionary*, Oxford: Blackwell.
- Kincaid, Jim 2009, 'The New Dialectic', in *Critical Companion to Contemporary Marxism*, edited by Jacques Bidet and Stathis Kouvelakis, Leiden: Brill.
- Kogan, Albert 1986, 'Zur Frage der Methodologie des Planes der sechs Bücher von Karl Marx', in *Arbeitsblätter zur Marx-Engels-Forschung*, 20: 56–80.
- Kouvelakis, Stathis 2003, *Philosophy and Revolution: From Kant to Marx*, New York: Verso.
- Lenin, Vladimir Ilich 1976 [1895–1916], *Philosophical Notebooks*, in *Lenin Collected Works*, Vol. 38, Moscow: Progress Publishers.
- 1977 [1908], *Materialism and Empirio-Criticism: Critical Comments on a Reactionary Philosophy*, in *Lenin Collected Works*, Vol. 14, Moscow: Progress Publishers.
- Levine, Norman 2006, *Divergent Paths: Hegel in Marxism and Engelsism, Volume I: The Hegelian Foundations of Marx's Method*, Lanham: Lexington Books.
- Marx, Karl 1954, *Briefe über 'Das Kapital'*, Berlin: Dietz.

- 1955 [1847], *The Poverty of Philosophy*, translated by the Institute of Marxism-Leninism, Moscow: Progress Publishers.
- 1963 [1861–3], *Theories of Surplus Value*, Part 1, translated by Emile Burns, London: Lawrence & Wishart.
- 1964 [1844], *Economic and Philosophic Manuscripts of 1844*, translated by Martin Milligan, London: Lawrence & Wishart.
- 1965 [1867], *Capital*, Volume I, Moscow: Progress Publishers.
- 1967a [1837], 'Letter to his Father: On a Turning-Point in Life', in *Writings of the Young Marx on Philosophy and Society*, translated by Loyd Easton and Kurt Guddat, New York: Anchor Books.
- 1967b [1844], 'On the Jewish Question', in *Writings of the Young Marx on Philosophy and Society*, translated by Loyd Easton and Kurt Guddat, New York: Anchor Books.
- 1969 [1861–3], *Theories of Surplus Value*, Part 2, translated by Renate Simpson, London: Lawrence & Wishart.
- 1970a [1843], *Critique of Hegel's 'Philosophy of Right'*, translated by Annette Jolin and Joseph O'Malley, Cambridge: Cambridge University Press.
- 1970b [1859], *A Contribution to the Critique of Political Economy*, translated by S.W. Ryazanskaya, London: Lawrence & Wishart.
- 1972 [1861–3], *Theories of Surplus Value*, Part 3, translated by Jack Cohen and S.W. Ryazanskaya, London: Lawrence & Wishart.
- 1973 [1857–8], *Grundrisse: Foundations of the Critique of Political Economy*, translated by Martin Nicolaus, Harmondsworth: Penguin.
- 1975a [1842], 'Proceedings of the Sixth Rhine Province Assembly. Third Article. Debates on the Law on Thefts of Wood', in *Marx and Engels Collected Works*, Vol. 1, London: Lawrence & Wishart.
- 1975b [1843], 'Contribution to the Critique of Hegel's *Philosophy of Law*', in *Marx and Engels Collected Works*, Vol. 3, London: Lawrence & Wishart.
- 1975c [1844], 'On the Jewish Question', in *Marx and Engels Collected Works*, Vol. 3, London: Lawrence & Wishart.
- 1975d [1844], 'Contribution to the Critique of Hegel's *Philosophy of Law*. Introduction', in *Marx and Engels Collected Works*, Vol. 3, London: Lawrence & Wishart.
- 1975e [1844], *Economic and Philosophic Manuscripts of 1844*, in *Marx and Engels Collected Works*, Vol. 3, London: Lawrence & Wishart.
- 1976a [1845], 'Theses on Feuerbach', in *Marx and Engels Collected Works*, Vol. 5, London: Lawrence & Wishart.
- 1976b [1847], *The Poverty of Philosophy*, in *Marx and Engels Collected Works*, Vol. 6, London: Lawrence & Wishart.
- 1976c [1867], *Capital*, Volume I, translated from the fourth edition (1890) by Ben Fowkes, Harmondsworth: Penguin.

- 1976d [1867], 'The Commodity. Chapter One, Volume One, of the first edition of *Capital*', in *Value: Studies by Karl Marx*, translated by Albert Dragstedt, London: New Park.
- 1976e [1843], 'Zur Kritik der Hegelschen Rechtsphilosophie. Kritik der Hegelschen Staatsrechts', in Karl Marx and Friedrich Engels, *Werke*, Bd. 1, Berlin: Dietz.
- 1976–81 [1857–8], 'Ökonomische Manuskripte 1857/58' (2 vols.), in Karl Marx and Friedrich Engels, *Gesamtausgabe*, second section, Vol. 1 (*MEGA*² II/1), Berlin: Dietz.
- 1977 [1859], *A Contribution to the Critique of Political Economy*, translated by S.W. Ryazanskaya, Moscow: Progress Publishers.
- 1978 [1885], *Capital*, Volume II, translated by David Fernbach, Harmondsworth: Penguin.
- 1978–82 [1861–3], 'Zur Kritik der politischen Ökonomie (Manuskripte 1861–1863)' (6 vols.), in Karl Marx and Friedrich Engels, *Gesamtausgabe*, second section, Vol. 3 (*MEGA*² II/3), Berlin: Dietz.
- 1980, 'Ökonomische Manuskripte und Schriften 1858–1861', in Karl Marx and Friedrich Engels, *Gesamtausgabe*, second section, Vol. 2 (*MEGA*² II/2), Berlin: Dietz.
- 1981 [1894], *Capital*, Volume III, translated by David Fernbach, Harmondsworth: Penguin.
- 1982a [1863–6], 'Results of the Direct Production Process', in *Marx and Engels Collected Works*, Vol. 34, London: Lawrence & Wishart.
- 1982b [1861–3], 'Zur Kritik der politischen Ökonomie (Manuskript 1861–1863)', in Karl Marx and Friedrich Engels, *Gesamtausgabe*, second section, Vol. 3, part 6 (*MEGA*² II/3.6), Berlin: Dietz.
- 1983a, 'Marx to Engels. 16 January 1858', in *Marx and Engels Collected Works*, Vol. 40, London: Lawrence & Wishart.
- 1983b, 'Marx to Engels. 1 February 1858', in *Marx and Engels Collected Works*, Vol. 40, London: Lawrence & Wishart.
- 1983c, 'Marx to Ferdinand Lassalle. 22 February 1858', in *Marx and Engels Collected Works*, Vol. 40, London: Lawrence & Wishart.
- 1983d, 'Marx to Ferdinand Lassalle. 11 March 1858', in *Marx and Engels Collected Works*, Vol. 40, London: Lawrence & Wishart.
- 1983e, 'Marx to Engels. 2 April 1858', in *Marx and Engels Collected Works*, Vol. 40, London: Lawrence & Wishart.
- 1983f [1867], 'Das Kapital. Kritik der politischen Ökonomie. Erster Band. Hamburg 1867', in Karl Marx and Friedrich Engels, *Gesamtausgabe*, second section, Vol. 5 (*MEGA*² II/5), Berlin: Dietz.
- 1985a, 'Marx to Engels. 2 August 1862', in *Marx and Engels Collected Works*, Vol. 41, London: Lawrence & Wishart.

- 1985b, 'Marx to Engels. 9 August 1862', in *Marx and Engels Collected Works*, Vol. 41, London: Lawrence & Wishart.
- 1985c, 'Marx to Ludwig Kugelmann. 28 December 1862', in *Marx and Engels Collected Works*, Vol. 41, London: Lawrence & Wishart.
- 1985d, 'Marx to Engels. 6 July 1863', in *Marx and Engels Collected Works*, Vol. 41, London: Lawrence & Wishart.
- 1986, *Outlines of the Critique of Political Economy (Rough Draft of 1857–58)*, in *Marx and Engels Collected Works*, Vol. 28, London: Lawrence & Wishart.
- 1987a, *Outlines of the Critique of Political Economy (Rough Draft of 1857–58)* [conclusion], in *Marx and Engels Collected Works*, Vol. 29, London: Lawrence & Wishart.
- 1987b [1859], *A Contribution to the Critique of Political Economy*, in *Marx and Engels Collected Works*, Vol. 29, London: Lawrence & Wishart.
- 1987c, 'Marx to Ludwig Kugelmann. 13 October 1866', in *Marx and Engels Collected Works*, Vol. 41, London: Lawrence & Wishart.
- 1987d [1872], 'Das Kapital. Kritik der politischen Ökonomie. Erster Band. Hamburg 1872', in Karl Marx and Friedrich Engels, *Gesamtausgabe*, second section, part 6 (*MEGA*² II/6), Berlin: Dietz.
- 1988a, *Economic Manuscripts of 1861–63*, in *Marx and Engels Collected Works*, Vol. 30, London: Lawrence & Wishart.
- 1988b, 'Ökonomische Manuskripte 1863–1867, Teil 1', in Karl Marx and Friedrich Engels, *Gesamtausgabe*, second section, Vol. 4, part 1 (*MEGA*² II/4.1), Berlin: Dietz.
- 1988c, 'Kapitel Sechs, Resultate des unmittelbaren Produktionsprozesses', in 'Ökonomische Manuskripte 1863–1867, Teil 1', in Karl Marx and Friedrich Engels, *Gesamtausgabe*, second section, Vol. 4, part 1 (*MEGA*² II/4.1), Berlin: Dietz.
- 1989a, *Economic Manuscripts of 1861–63* [continuation], in *Marx and Engels Collected Works*, Vol. 31, London: Lawrence & Wishart.
- 1989b, *Economic Manuscripts of 1861–63* [continuation], in *Marx and Engels Collected Works*, Vol. 32, London: Lawrence & Wishart.
- 1991, *Economic Manuscripts of 1861–63* [continuation], in *Marx and Engels Collected Works*, Vol. 33, London: Lawrence & Wishart.
- 1992, 'Ökonomische Manuskripte 1863–1867', in Karl Marx and Friedrich Engels, *Gesamtausgabe*, second section, Vol. 4, part 2 (*MEGA*² II/4.2), Berlin: Dietz.
- 1994, 'Economic Works 1861–1864', in *Marx and Engels Collected Works*, Vol. 34, London: Lawrence & Wishart.
- 1996 [1867], *Capital*, Volume I, in *Marx and Engels Collected Works*, Vol. 35, London: Lawrence & Wishart.
- 1998 [1894], *Capital*, Volume III, in *Marx and Engels Collected Works*, Vol. 37, London: Lawrence & Wishart.

- 2002 [1879/1881], 'Notes on Adolph Wagner', in *Later Political Writings*, translated by Terrell Carver, Cambridge: Cambridge University Press.
- 2008, 'Das Kapital. Kritik der politischen Ökonomie. Zweiter Band. Hamburg 1885', in Karl Marx and Friedrich Engels, *Gesamtausgabe*, second section, Vol. 13 (MEGA²II/13), Berlin: Akademie.
- 2012, 'Ökonomische Manuskripte 1863–1867, Teil 3', in Karl Marx and Friedrich Engels, *Gesamtausgabe*, second section, Vol. 4, part 3 (MEGA² II/4.3), Berlin: Akademie.
- Marx, Karl and Friedrich Engels 1956 [1844], *The Holy Family, or Critique of Critical Critique*, translated by R. Dixon, Moscow: Foreign Languages Publishing House.
- 1957 [1844], *Die Heilige Familie*, in Karl Marx and Friedrich Engels, *Werke*, Vol. 2, Berlin: Dietz.
- 1973, 'Briefe. Januar 1856 bis Dezember 1859', in Karl Marx and Friedrich Engels, *Werke*, Vol. 29, Berlin: Dietz.
- 1974, 'Briefe. Oktober 1864 bis Dezember 1867', in Karl Marx and Friedrich Engels, *Werke*, Vol. 31, Berlin: Dietz.
- 1975a, *Selected Correspondence*, Moscow: Progress Publishers.
- 1975b, *Karl Marx and Frederick Engels: Selected Correspondence: 1846–1895*, translated by Dona Torr, Westport, CT: Greenwood Press.
- 1990, 'Briefe. Januar 1860 bis September 1864', in Karl Marx and Friedrich Engels, *Werke*, Vol. 30, Berlin: Dietz.
- 1998 [1845], *The German Ideology*, Amherst, NY: Prometheus.
- Meaney, Mark E. 2002, *Capital as Organic Unity: The Role of Hegel's 'Science of Logic' in Marx's 'Grundrisse'*, London: Kluwer.
- Moseley, Fred 1993a, 'Marx's Logical Method and the "Transformation Problem"', in *Marx's Method in 'Capital': A Reexamination*, edited by Fred Moseley, Atlantic Highlands, NJ: Humanities Press.
- (ed) 1993b, *Marx's Method in 'Capital': A Reexamination*, Atlantic Highlands, NJ: Humanities Press.
- 1995, 'Capital in General and Marx's Logical Method: A Response to Heinrich's Critique', *Capital & Class*, 56: 15–48.
- 1997, 'The Development of Marx's Theory of the Distribution of Surplus-Value', in *New Investigations of Marx's Method*, edited by Fred Moseley and Martha Campbell, Atlantic Highlands, NJ: Humanities Press.
- 2000, 'The New Solution to the Transformation Problem: A Sympathetic Critique', *Review of Radical Political Economics*, 32, 2: 15–48.
- 2001a, 'Editor's Introduction' to Enrique Dussel, *Towards an Unknown Marx: A Commentary on the Manuscripts of 1861–63*, London: Routledge.
- 2001b, 'The Bewitched and Distorted World of Capital: The Level of Abstraction of Competition in Volume 3 of *Capital* and Beyond', www.mtholyoke.edu/~fmoseley.

- 2002, 'Hostile Brothers: Marx's Theory of the Distribution of Surplus-Value in Volume 3 of *Capital*', in *The Culmination of Capital: Essays on Volume Three of Marx's 'Capital'*, edited by Geert Reuten and Martha Campbell, Basingstoke: Palgrave Macmillan.
- 2009, 'The Development of Marx's Theory of the Distribution of Surplus-Value in the Manuscript of 1861–63', in *Re-Reading Marx: New Perspectives after the Critical Edition*, edited by Riccardo Bellofiore and Roberto Fineschi, Basingstoke: Palgrave Macmillan.
- Moseley, Fred and Martha Campbell (eds.) 1997, *New Investigations of Marx's Method*, Atlantic Highlands, NJ: Humanities Press.
- Mure, Geoffrey R.G. 1950, *A Study of Hegel's Logic*, Oxford: Oxford University Press.
- Murray, Patrick 1988, *Marx's Theory of Scientific Knowledge*, Atlantic Highlands, NJ: Humanities Press.
- 1993, 'The Necessity of Money: How Hegel Helped Marx Surpass Ricardo's Theory of Value', in *Marx's Method in 'Capital': A Reexamination*, edited by Fred Moseley, Atlantic Highlands, NJ: Humanities Press.
- 1997, 'Redoubled Empiricism: The Place of Social Form and Formal Causality in Marxian Theory', in *New Investigations of Marx's Method*, edited by Fred Moseley and Martha Campbell, Atlantic Highlands, NJ: Humanities Press.
- 2000, 'Marx's "truly social" labour theory of value: abstract labour in Marxian value theory', *Historical Materialism*, 6: 27–66.
- 2002, 'The Illusion of the Economic: The Trinity Formula and the "Religion of Everyday Life"', in *The Culmination of Capital: Essays on Volume Three of Marx's 'Capital'*, edited by Martha Campbell and Geert Reuten, Basingstoke: Palgrave Macmillan.
- 2003, 'Things Fall Apart: Historical and Systematic Dialectics and the Critique of Political Economy', in *New Dialectics and Political Economy*, edited by Robert Albritton and John Simoulidis, Basingstoke: Palgrave Macmillan.
- 2005, 'The New Giant's Staircase', *Historical Materialism*, 13, 2: 61–83.
- Pinkard, Terry 1988, *Hegel's Dialectic: The Explanation of Possibility*, Philadelphia: Temple University Press.
- Pippen, Robert 1989, *Hegel's Idealism*, Cambridge: Cambridge University Press.
- Plekhanov, Georgy 1965 [1895], *The Development of the Monist View of History*, Moscow: Progress Publishers.
- 1976 [1891], *The Materialist Conception of History*, London: Lawrence & Wishart.
- Postone, Moishe 1993, *Time, Labor, and Social Domination*, Cambridge: Cambridge University Press.
- 2011, *The Historical Subject: Rethinking Marx's Mature Critique of Hegel*, mimeo (a revised version has been published in *Actuel Marx*, 50).

- Reichelt, Helmut 1970, *Zur logischen Struktur des Kapitalbegriffs bei Marx*, Frankfurt am Main: Europäische Verlansanstalt (Italian translation 1973 by F. Coppellotti, Bari: De Donato).
- Reuten, Geert 1993, 'The Difficult Labor of a Theory of Social Value: Metaphors and Systematic Dialectics at the Beginning of Marx's *Capital*', in *Marx's Method in 'Capital': A Reexamination*, edited by Fred Moseley, Atlantic Highlands, NJ: Humanities Press.
- 1997, 'The notion of tendency in Marx's 1894 law of profit', in *New Investigations of Marx's Method*, edited by Fred Moseley and Martha Campbell, Atlantic Highlands, NJ: Humanities Press.
- 2000, 'The Interconnection of Systematic Dialectics and Historical Materialism', *Historical Materialism*, 7: 137–65.
- 2002, 'The rate of profit cycle and the opposition between Managerial and Finance Capital: a discussion of *Capital III* Parts Three to Five', in *The Culmination of Capital: Essays on Volume Three of Marx's 'Capital'*, edited by Martha Campbell and Geert Reuten, Basingstoke: Palgrave Macmillan.
- 2003, 'On "Becoming Necessary" in an Organic Systematic Dialectic: the case of creeping inflation', in *New Dialectics and Political Economy*, edited by Robert Albritton and John Simoulidis, Basingstoke: Palgrave Macmillan.
- 2004, '"Zirkel Vicieux" or Trend Fall? The Course of the Profit Rate in Marx's *Capital III*', in *History of Political Economy*, 36, 1: 163–86.
- 2009, 'Marx's general rate of profit transformation: methodological, theoretical and philological obstacles – an appraisal based on the text of *Capital III* and manuscripts of 1864–65, 1875 and 1878', in *Re-Reading Marx: New Perspectives after the Critical Edition*, edited by Riccardo Bellofiore and Roberto Fineschi, Basingstoke: Palgrave Macmillan.
- 2010, 'The Monetary Value Dimension', unpublished conference paper, Manchester.
- Reuten, Geert and Peter Thomas 2011, 'From the "fall of the rate of profit" in the *Grundrisse* to the cyclical development of the profit rate in *Capital*', *Science & Society*, 75, 1: 74–90.
- Reuten, Geert and Michael Williams 1989, *Value-form and the state. The tendencies of accumulation and the determination of economic policy in capitalist society*, London: Routledge.
- Ricardo, David 1821, *On the Principles of Political Economy and Taxation*, London: John Murray.
- Rosdolsky, Roman 1992 [1977], *The Making of Marx's 'Capital'*, London: Pluto Press.
- Roth, Regina 2009, 'Karl Marx's Original Manuscripts in the *Marx-Engels-Gesamtausgabe* (MEGA): Another View on *Capital*', in *Re-Reading Marx: New Perspectives after*

- the Critical Edition*, edited by Riccardo Bellofiore and Roberto Fineschi, Basingstoke: Palgrave Macmillan.
- Sandel, Michael (ed.) 1984, *Liberalism and Its Critics*, New York: New York University Press.
- Schmidt, Alfred 1968, 'On the Concept of Knowledge in the Critique of Political Economy', in *Karl Marx 1818 1968*, Bad Godesberg: Inter Nationes.
- Schulz, Guido 2011, 'Marx's distinction between the fetish character of the commodity and fetishism', <http://marxandphilosophy.org.uk/assets/files/society/pdfs/schulz2011.pdf>, accessed 31 May 2012.
- Shortall, Felton C. 1994, *The Incomplete Marx*, Aldershot: Avebury.
- Smith, Tony 1990, *The Logic of Marx's 'Capital': Replies to Hegelian Criticisms*, Albany, NY: State University of New York Press.
- 1993a, *Dialectical Social Theory and Its Critics: From Hegel to Analytical Marxism and Postmodernism*, Albany, NY: State University of New York Press.
- 1993b, 'Marx's *Capital* and Hegelian Dialectical Logic', in *Marx's Method in 'Capital': A Reexamination*, edited by Fred Moseley, Atlantic Highlands, NJ: Humanities Press.
- 2003, 'Systematic and Historical Dialectics: Towards a Marxian Theory of Globalization', in *New Dialectics and Political Economy*, edited by Robert Albritton and John Simoulidis, Basingstoke: Palgrave Macmillan.
- Stalin, Joseph 1947 [1938], *Dialectical and Historical Materialism*, in *Problems of Leninism*, Moscow: Foreign Languages Publishing House.
- Starosta, Guido 2008, 'The Commodity-Form and the Dialectical Method: On the Structure of Marx's Exposition in Chapter 1 of *Capital*', *Science & Society*, 72, 3: 295–318.
- Suchting, Wal 1997, 'Hegel's *Science of Logic* as Logic of Science', mimeo.
- Tomba, Massimiliano 2012, *Layers of Time: Karl Marx as Historical Materialist*, Leiden: Brill.
- Wolff, Michael 1995, *Die Vollständigkeit der Kantischen Urteilstaffel*, Frankfurt am Main: Victorio Klostermann.

Name Index

- Althusser, Louis 64n
Annenkov, P.W. 190n
Aristotle 270
Arthur, C. J. 36–38, 64n, 89n, 90n, 91n, 94,
111, 117, 269n, 270n, 272n, 280n, 310
- Bailey, Samuel 211
Banaji, J. 271n 277n
Bellofiore, Riccardo 277n, 90n
Böhm-Bawerk, Eugen 203
- Campbell, Martha 89n, 210n
Carlson, David Gray 97n
Clarke, Simon 100n
Colletti, Lucio 92n, 93n, 94n, 96, 110
- Dussel, Enrique 115, 125
- Engels, Frederick 56, 72n, 89n, 91n, 110,
197n, 200, 201, 204n, 215, 238
- Fausto, Ruy 295
Feuerbach, Ludwig 17, 99n, 103n, 192, 194
Fichte, Johann Gottlieb 191
Finelli, Roberto 277n
Fineschi, Roberto 65n, 117, 123
Foley, Duncan 115
- Gunn, Richard 100
- Houlgate, Stephen 93, 97–98, 103
- Iñigo Carrera, Juan 91, 94, 100–101, 105,
107–109
- Kant, Immanuel 191, 270, 282
- Lassalle, Ferdinand 199n
Lenin, Vladimir Ilich 89, 92
Levine, Norman 64n
- Malthus, Thomas 201, 211
Mattick, Paul 115
Meaney, Mark 36–38, 45n, 49n, 64n, 117
Moseley, Fred 89n, 204n; 213n
Mure, G. R. G. 277n
Murray, Patrick 89, 100, 191n, 192n, 194n,
204n, 205n, 211n
- Nicolaus, Martin 41, 239
- Plekhanov, Georgy 89
Postone, Moishe 24–5
Proudhon, Pierre-Joseph 66, 70, 190
- Ramsay, George 208
Reuten, Geert 89n, 123, 289n
Ricardo, David 134, 159, 189, 191, 194,
198–9, 200–01, 202, 203–4, 210–11n
Rosdolsky, Roman 41, 55, 58, 63, 115
Russell, Bertrand 270n
- Shortall, Felton 117
Smith, Adam 133, 198, 210
Smith, Tony 89n, 90n, 91, 94–96, 65n,
102–103, 111, 128
Stalin, Joseph 89n
Starosta, Guido 107n
- Torrens, Robert 201, 208
- Wagner, Adolph 100
Williams, Michael 89n
Wolff, Michael 239
- Yaffe, David 115

Subject Index

- absolute 17, 23, 25–26, 34, 36, 38n
absolute form 196, 198, 213
absolute method 47–48, 54, 59
abstract
 and concrete 271
 alienation 17, 33, 34n
 as opposed to concrete 96–99, 101–102, 106–107, 110
 from 90, 92, 94n, 94–102, 103n, 110
 highest essence 45–46
 universality 45, 48
abstraction 8, 166, 169, 170, 171, 269–71
accidental relations 62
accumulation 148, 149, 150
affirm through self-negation 93, 102, 104, 105n, 106, 109–110
alienated thinking 194
alienation 166, 180
aliquot (or representative) part 190
 of the ‘heap of commodities’ 203–4
 of the total capital 202n, 203–4, 204n
analysis 45, 96, 99–105, 105n, 107n, 107–108, 110, 246
analytical phase 100n, 100–101, 107–109
a priori synthesis 45, 49–57, 59
appearance 165, 168, 169, 170, 174, 175, 180, 181, 184, 186
 false 6
 necessary inner connection 174
 necessary manifestation of the essence 165, 174
assumptions
 eschewed in systematic dialectics 250–51
 Arbeit 182
 gemeinsame 177n, 178
 gegenständliche 178n
 lebendige 182
 unmittelbare gesellschaftliche 177
 vergesellschaftete 177n
 vermittelte gesellschaftliche 177
Arbeitskraft 182
 lebendige 182
Ausdrücken 175, 178
Aufhebung 57, 60–62, 185
barrier, obstacle 183
barter 179–180
beginning of science *see* point of departure
Begriff 47–50, 52, 54–57, 59, 63, 168
 organic system 53
Being 165, 166, 168, 169, 173
 being and non-being 173
 being-for-itself 104–105
 doctrine of 30–31
 ideal 92, 96–98, 102–105
 immediate 165
 ground of 165
 real material 90, 93–96, 98, 103–104, 105n, 110
bourgeois 171, 172, 178n, 188
 political institutions 172
 society as ontology 185
bourgeois horizon 190, 191, 191n, 198, 210–1
capital 22–3, 28, 33, 164, 170, 171, 172, 173, 174, 176, 178, 181, 183, 184, 184n, 186, 186, 187, 270, 271, 291
 accumulation of 169
 as a whole 169
 as a totality 164, 183, 184
 as (self-sustaining) ideal reality 166
 as self-moving, self activating substance 170, 185, 185n
 as Subject 164, 165, 166, 169, 170, 184, 186, 186n
 dominant 184, 185
 encompassing 165, 170
 overgrasp 185
 overreaching 185
 overriding 185
 as vampire 182
automatic fetish 186
automatic subject 205
capital-fetish 170, 184, 187
circulating 49, 52, 56–57
constant 189, 200–2 208
constitution of 164, 182, 184, 186n
distinguishes itself within itself from itself 41, 42, 57–58

- end-in-itself 54
 fixed and circulating 200
 in general 5, 116–17, 122, 125, 127–31, 133, 135, 145, 146, 152, 154, 157
 interest-bearing 7, 8, 41, 46–47, 55, 59, 62, 170, 186
 linear exploitation of labour by 164, 183
 logic of 170
 many capitals 169, 170
 multiplying 41, 57, 59
 mystification of 208, n, 209n, 209n
 ontology of 184
 organic composition of 200–1
 organic unity 46, 49–50, 52, 54, 56, 61
 particular capitals 170
 perennial 41, 57
 proceeds from itself 53
 productivity 181
 profit-bearing 41, 43, 46–47, 55, 59
 purely abstract form 46–47, 49, 55–57, 59–62
 real 42, 43, 46–47, 55, 59
 realized 56
 relates itself to itself 41, 49, 59, 62
 relation 164
 self-causing unity 48
 self-expanding circle 41, 42, 57
 self-realizing value 57–58
 self-reproducing 41, 42, 57–59
 self-valorising value 204–7
 singularity of 170
 spiral 41, 57
 total social 201–2, 202n, 203–4, 208
 totality 52
 turnover time of 200–1
 universality of 170
 variable 199–202, 208
 zombie's life 183
- circular views
 Hegelian and Ricardian 184, 188
 circulation 169, 177, 178, 179, 180, 182, 184, 185, 186
 Christian, Christianity 171, 172, 173, 177
 class struggle 186n
 in production 164, 183
 classical political economy
 failings of 190–1, 196–202, 210–1, 210–1n, 211n, 211n, 212
- cognition 45–46
 commensurability 178
 commodity 100–101, 107–110, 164, 168, 170, 173, 174, 176, 177, 179, 180, 180n, 182, 184, 186, 187, ch. 11 *passim*
 determinate being 104
 mystical character of 172
 phantom mode of existence 174
 communitarianism 24–5
 competition 5, 116–17, 122, 128–31, 133, 135, 154, 189, 202n
 complex 165, 167, 170, 171, 175, 181, 183
 concept, doctrine of 23, 27, 34, 35, 38–40, 166, 168, 169, 170, 185
 Concept-logic 4–5, 6, 7, 12, 117–28, 169, 191, 204
 conceptual clarity 212
 concrete 90–91, 97–98, 100–101, 103, 108–110, 165, 166, 167, 169, 171, 173
 living whole 45–47, 62
 ontologically prior real 44, 46
 organic whole 45–48, 50
 organism 44
 totality 44, 48, 50
 totality of thoughts 44, 46, 61
 universal 42, 58–59
 whole 43, 46, 52
- concretion 165, 168, 169
 concretum 166
 content 101–102, 109–110
 contingent 167, 168, 169, 171
 contradiction 263–66
Contribution to the Critique of Political Economy 190
 cost-price 202–3, 207–8
 credit-capital 122, 127, 130–31
 and fictitious capital 158
 see also interest-bearing capital
 critical political economy 173
 critique of political economy 164, 174
 critique of the 'reflective understanding' 191n, 212–3
- Darstellung* 165, 167, 170, 175, 175n, 176, 180, 182
darstellungsweise 141
 definition 45
 democracy 18
 demonstration 45

- determinate being 104
determinations 90, 94–97, 101–102, 105, 108–110
double character of 210
division 45
dialectics 164, 167, 176
as concretion 165
 as method of withdrawal 186
 epistemological rôle 165, 167
 logic of dissimulation 165
 as systematic exhibition, exposition 166, 170
 new 1
 ontological rôle (as systematic generation of Capital as Subject) 166
 See also systematic dialectics
dialectical method 90–94, 100, 100n, 140, 142
dialectical reversal 280, 282
diamat 89, 91, 110
dissociated sociality 29, 32, 34
domination 206
dualisms 191, 195
- Einverleiben* 181, 187
embodiment 177, 183
 as possession, incarnation 183
 as internalisation in the mechanical body of capital 187
empirical universality 47
Enthalten 177
equivalence 178, 179
Erscheinung, erscheinen 6, 10, 165, 174, 175n, 176, 177, 181, 182, 186, 187
Essence logic (*Wesenslogik*) 5, 6, 7, 11, 31, 32, 34, 35, 168, 169, 191–2, 196, 204–7, 211–13, 254n, 264
esence 165, 167, 168, 169, 170, 174, 175
 and appearance 256
estrangement 166
exchange 169, 171, 176, 177, 178, 179, 180, 186
exchange-value 173, 174, 176, 177, 181, 274–77
exhibition, exposition 165, 166, 167, 169, 175, 177, 178, 180, 182
 systematic 165, 166
existence, form of 255
exploitation 164, 182, 189
 as linear process of sucking living labour in excess of necessary labour 183
- expression 178, 179
 from the inner to the outer 175, 178, 180
expropriation 169
external relation 94, 97, 102, 107
- factors of production 196
Fetisch 186
 constituted from a human basis 174
 Fetischcharakter 177
 Fetischgestalt 186
Fetischismus 177, 178
fetish 60, 164, 182
 fetish-like character 176, 178, 178n, 180, 187
fetishism 9–10, 30, 33, 167, 168, 173, 176, 178n, 180
finite 92–93
finitude 92–93
fixed thought forms 192–3
forces, tendential 256–59
form 101, 164, 167, 168, 169, 170, 174, 175, 176, 177, 178, 179, 180, 181, 182, 184, 185, 186
form of value
 expanded 279–80
 general 280–83
 money 285
 simple 278–9
 total 284
formal abstraction 96–99, 101, 103n, 110
- Gallerte* 176
Gegenständigkeit 182
Geist 185, 186n
generality, universality 168, 169, 170, 185, 186
genetic phase *see* synthetic phase
Gleich-setzung 178
God 172, 173, 185
gold 177, 178, 179, 180,
 as (real) money 179
Gothic 177
Grenze 183
ground 165, 169
Grundrisse 123–31, 271, 277n
- Hegelian syllogism 177
holism 169
homology 171, 172
hypostatization 166, 170, 173

- Idea 47, 50, 58, 61, 92, 166, 168, 170, 171, 172, 182, 183
of capital 47, 59, 62
unfolding of 170
- idealism 3-4, 7-9, 12, 92, 94-95, 98, 110-111, 167, 170, 172
absolute 172, 173
- idealist 90-94, 96, 99-100n, 103, 105-107, 111
- idealist abstraction 96-100, 106
- ideality 92
- identity, non-identity 174, 185
- immanent critique 211
- individuality 50, 57, 168, 172, 173, 178, 180, 186
- infinite 92-93
- incarnation 166, 172, 177, 183
- Inkarnation* 177
- interest 189, 196-7, 199
- inversion 2-4
of subject and predicate 166
isomorphism 170, 171
- invertive method 194-5
- Kapitalfötsch* 187
- labour 165, 171, 176, 177, 178, 180, 180n, 182, 183, 187
abstract 168, 168n, 172, 176, 177
as activity 176, 180, 182n, 183, 187, 188
as contrasted with labour-power 200, 206, 212
as counter-subject 171
as gelatine 176
as internal other 171, 182, 183
concrete 176, 177, 178, 180
as embodied 176, 177
dead 182, 183, 184
dissociated 169
immediately social 177, 180
incorporated living 181
in becoming 180
in motion 182
labour time 178, 179
living labour 169, 176, 178, 180, 181, 182, 183, 184, 188
living labour as source 181, 182
immediately social 177
monetary expression of 178, 179
necessary 183
objectified 176, 180, 182
private 169, 177, 179
productive powers of l. 181
social 177, 181
socialised 177n
socially necessary 178, 179
standpoint 186n
total 176n, 178
labour-power 176, 180, 183, 187
as potential living labour 180, 182
labour theory of value 10, 115
liberalism 24-25
limit 183
logic
of being 50-52, 56
of essence 50-52
of the concept 52-53, 56-57
logic as the money of spirit 193-4
- manifestation 165, 169, 173, 174, 175, 179, 182
- material 92-93, 98, 102, 104-107
- Materiatür* 179
- Manuscript of 1861-63* 131-36
- Manuscript of 1863-65* 136-37
- materialism 3-4, 7-9, 12, 90
- materialist 90, 92, 94-96, 98-100n, 102-106, 110-111
- matter 92-93
- measure 179
external 179
immanent 179
- measure of value 274-7, 288-90
- mediation 175
- mental abstractions *see* formal abstractions
- method 165, 168, 172, 173
circular 47
comprehension 45-48, 54-55, 57, 61, 63
of inquiry 165
of presentation 165, 270-71, 287
scientifically correct 42, 45, 55, 60
scientific 43
true cognition 47
of inquiry 45-46
- mixtum compositum* 195
- moment, dialectical 249
- money 12, 20-22, 29, 31-32, 164, 169, 171, 174, 175, 176, 177, 178, 179, 180, 181, 182, 184, 185, 286-7, 288-91

- as a commodity 177, 179
- as butterfly 182
- as chrysalis of value 178, 182
- as displaced social form 190
- as universal equivalent 176, 179
- 'material veil' 190
- necessary expression of value 190–1, 194, 210, 213
- value of 179
- monster 187
 - animated 187
 - as if its body were by love possessed 187
- movement of contradiction 93
- mystical shell 89, 91–92, 94, 105, 110–111
- mystification 174, 187
 - of the capitalist mode of production 206
 - of Hegel's method 192–5
- nature 171, 181
 - as external other 171
- necessary 166, 167, 168, 169, 174, 175
- necessity 90, 104, 107
 - becoming necessary 262–63
 - necessary moments 253, 259–60
 - necessity, Hegel and Marx on 260–61
- negation of the negation 106, 168
- Notes on Wagner*, Marx's 271
- nothing 103–104
- nothingness 103
- object of knowledge 164, 165
- objectification 48, 53–54, 166, 178
- objective immanent form 47–48
- objectivity 53, 166, 173, 182, 182n, 185,
- ontology 171, 183, 184, 185, 270
- opposition 169, 170, 112, 182, 185
- order of knowledge 166, 167
- order of reality 166, 167
- organic development 44
- paradox 172, 174, 182
 - paradox of speech 174
 - paradox of reality 174
- Paris Manuscripts* 212
- particularity 4–5, 9, 50, 57, 118–24, 128, 131, 139, 166, 168, 171, 182
- Phenomenology*, Hegel's 281n, 282n
- philological
 - clue 46
 - exegesis 41–43, 47, 55–56, 59, 61, 63
 - map 42, 55
- Philosophy of History* Hegel's 270
- The Philosophy of Poverty* (see also Proudhon, Pierre-Joseph) 190
 - point of departure 96–97, 101–105, 110
 - positing the presupposition 164, 165, 183, 184, 277–8, 287
- The Poverty of Philosophy* 190
- prefabricated (pre-established) logic or concepts 194–5
- presentation 165, 166, 170, 175, 175n, 179
- presuppositionlessness of Hegelian science 195
- presuppositions
 - eschewed in systematic dialectics 250–51
- price 179
- price of production 115, 117, 202, 202n, 203
- Principles of Political Economy and Taxation* (see also David Ricardo) 201, 210–11n, 213
- process of genus 56–58
- productive powers 181
- production 165, 169, 177, 178, 180, 181, 182, 184, 186
 - as contested terrain 183
 - hidden abode of 171
- productivism 186n
- Produktenaustausch* 179
 - unmittelbarer* 179
- profit 41, 42, 46, 57–58
- profit 2, 10, 117, 132
 - average rate of 200, 203
 - general rate of 115, 117, 126, 129, 134, 190, 200–3, 212–3
 - 'mark-up' theory of 208
 - of enterprise 189, 196, 199
 - rate of 189, 199–200, 202n, 206, 208, 212
 - tendency of the rate of profit to fall 161
 - transformed form of surplus-value 200, 205, 211
- pseudo-subject 169, 186n
- pure thinghood 194
- quantity to quality 275–6

- rational kernel 43, 50, 89, 91–92, 94, 96,
 105, 110
 rational syllogism 195, 195n
 real abstraction 90, 103n
 real capital 42, 43, 46–47, 50, 55, 59,
 61–63
 universal organizing principle 49
 realised capital 56
 realised genus 42, 58–59
 of logic 49, 53–55, 57–58, 63
 realist metaphysics 166
 reason 166
 redoubled empiricism 211
 religion 17–18
 rent 189 196–7, 199
 representation 94–95, 97–98, 167, 175
 mental or notional 175, 179
 reproduction 94–96, 102–103, 106–110
 revenue 135
 reversal 174
 Ricardian 182, 184, 188
 Ricardian School 197n, 198–9, 201
 Rosdolsky challenge the 41, 42, 55, 58, 63
 rules of logic 49, 53–55, 57–58, 63

Schein 10, 174, 176, 177, 182
 scheinbar 181
Schranke 183
 science 170, 172, 174, 175, 181
Sein 173
 self-consciousness 166
 self-moving principle 53–54
 self-reproducing individuality 57–58
 self-reproducing power 63
 semblance 174, 175, 177, 180, 182
 sensible, supra-sensible 166, 172, 174
 sheer activity 193–4
 simple circulation 46, 49–51
 infinite series 51
 mediation of extremes 51
 pure illusion 51
 simple unity 168
 simple universality 58
 singularity 4–5, 118–24, 128, 131
 soul 53–54
 Spirit 185
 Absolute 68
 starting point, systematic-dialectical 247
 state 18–19, 27–28

 subjectivity 53
sub specie capitalis 57
 Subject 5–7, 9–10, 11, 120–21
 Substance 120–21, 166, 170, 171, 174, 176,
 179, 180, 185, 185n
 surplus-value 6, 180, 184
 production and distribution of 5, 9,
 115–17, 122–39
 general form and particular forms 122,
 127–35
 surplus-value
 rate of 199–200, 212
 syllogism 27–28, 140
 synthesis 45
synthetic a priori
 advance 47–50, 52–54, 56, 58–61
 deduction 52–55, 59, 61
 judgments 50
 knowledge 43, 48–49, 56
 synthetic movement 89, 98, 100, 100n,
 103, 105, 107, 111
 synthetic phase 97–98, 100, 100n, 103,
 107, 111
 systematic dialectics 1, 9, 11, 19, 32, 35–40,
 160, 167, 170, 213, 269–70, 286, 287
 Systematic-dialectical method 89–91, 96,
 100, 105, 111
 aim 244–45
 assumptions, eschewed 250–51
 conditions of existence 253–54
 critique 251
 general principles 249–51
 grounding moments 249–51
 immanent critique 251
 moment, dialectical 249
 necessary moments 253
 presentation 252–60
 presuppositions, eschewing 250–51
 research prior to SD
 presentation 245–49
 starting point 247
 synthetic character 251
 systematic investigation 266–68
 unifying concept 247–48

 tendencies 256–59
 theorem 45–46
 thought-form 95–99, 102, 104–105
 transformation problem 115, 117, 161

- transformed [*verwandelte*] form 200–3n,
206–7, 210–1, 213
- take possession 177, 183
of a body 177
- Tauschhandel* 180
Unmittelbarer 180
- translation 164, 165n, 174, 174n, 175n, 177,
178, 182, 184, 187
as science-fiction 175n
lost in 164, 184
- Trinity Formula 196, 206–7
- Übergreifende* 170, 184, 185
- Umkehrung* 174
- unity between production and circulation
178
- unity-in-difference 247–48
- unity of identity in difference 168
- unity of the difference 167
- universal organizing principle 60–61
- universal-particular-singular 140, 155, 162
- universality 4–5, 9, 50, 57, 118–24, 128, 139,
166, 168, 169, 170, 178
abstract universality 168, 173, 185
- use-value 171, 173, 174, 176, 177, 178, 180,
183, 187
- valorisation 183
self-valorisation 169, 170
- value 22–23, 29, 31–32, 165, 170, 172, 173,
176, 179, 179n, 180, 181, 182, 183, 184, 185, 186,
186n, 187
absolute 173, 176
as content 182
as gelatine 178
as form 164, 176, 177, 180, 182
- as ghost 182
- as substance 171, 176
- before exchange 180
- Being 271 ff.
- embodied 177
- Essence 277 ff.
- form of 169, 171, 176, 180
- intrinsic 173, 176
- self-valorising 182, 183, 184
- Schein* and *Erscheinung* 277, 277n
- sensuous and supersensuous 279,
282–3
substance of 291
- value-form 210, ch. 11 *passim*
- Verkehrung* 174
- Verkörperung*, *Verkörpern* 177, 183
- Verrückte Form(en)* 173, 175, 178, 186
- Vorstellung* 167, 175, 178, 179, 187
- vulgar political economy 196, 206, 212
- wages 189, 196–7, 199–200,
transformed form of the price of labor-
power 196, 206–7, 212
- Warenaustausch* 179
- Wert*
verkörperter 177
Wertkörper 179
- Wesen* 168
- Wissenschaft* 45, 62
- whole 164, 167, 169, 170, 175
- workers
exploitation of w. bearers of labour-power
182
consumption 183, 187
- Zirkulation* 179, 180