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**Bourgeois Revolution, State Formation and the Absence of the International**

International relations always form an aspect of the social dynamics that prevail inside and across societies.¹ That was one of the central conclusions of *The Myth of 1648*, in which I drew out the implications for the discipline of international relations.²

The question, which I pose here, is whether the inverse also applies. Are the social dynamics inside societies also always bound up with international relations? That is another of my book’s conclusions which has critical implications for the classical-Marxist understanding of bourgeois revolutions and state formation – implications with which Marxism has yet to fully come to terms. It raises the wider question of the degree to which Marxism has incorporated

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² Teschke 2003.
the role of the international into its own intellectual self-definition – both theoretically, in terms of its core vocabulary, and historiographically, in terms of the degree to which the international is not simply conceptualised as derivative of domestic trends, but an essential component in the overall reconstruction of the course of history. In fact, I argue here that it is the absence of ‘the international’ which accounts for many of the problems in contemporary Marxist thought about bourgeois revolutions and state formation.

I shall substantiate this claim in four steps. I start by outlining the orthodox-Marxist notion of ‘bourgeois revolution’ and how it has mutated over the years in order to preserve itself against the attacks of non-Marxist revisionist historians. Second, I will introduce the position of ‘political Marxism’ – the literature associated with the work of Robert Brenner, Ellen Wood, and George Comninel – on the English and French Revolutions. While this literature has provided a powerful renewal of Marxism and re-interpretation of European history, I suggest that political Marxism needs to be further developed, because, thirdly, I show, with reference to early-modern Anglo-French history, how ‘the international’ enters as a constitutive moment, and not merely as a contingent or residual quantity, into the social dynamics of early-modern revolutions and the developmental trajectories of state formation. The wider argument is that any understanding of country-specific co-developments of capitalism, revolution and state formation has to register the fact that these processes unfolded within and across an interstate system that centrally shaped their respective national peculiarities. I conclude by outlining the theoretical challenge this poses to Marxism and suggest a re-reading of political Marxism that is capable of comprehending the regionally spatio-temporally differentiated and geopolitically mediated development of Europe as a whole – a perspective that is fully alive to the constitutive role of the international in historical development.

**‘Bourgeois revolution’: the classic conception, revisions and reformulations**

For a long time, the textbook version of the concept ‘bourgeois revolution’ within Marxism, canonised in the *Communist Manifesto*, entailed the following four core components. First, it assumed a self-conscious and united class, the bourgeoisie, as the main agent of revolution. This class was both urban

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3 Hobsbawm 1962, Soboul 1962.
and capitalist and engaged in commerce, manufacturing or finance. Second, it identified a growing class antagonism between a ‘retrograde’ feudal nobility and a ‘progressive’ bourgeoisie that had grown in the interstices of the feudal-absolutist régime, located in the contradiction between a feudal economy in terminal crisis that stood in the way of the full development of capitalist relations of production. Third, it supposed a temporally compressed, violent and decisive capture of state power by the bourgeoisie in a rapid revolutionary strike, that is, a short and intense period between revolutionary outbreak and successful completion. Fourth, as the result of the revolutionary project, it assumed the removal of political obstacles for the full establishment and flowering of capitalism and the emergence of a unified nation-state, a national market, an open public sphere and a liberal representative democrac – that is, the triumph of the bourgeoisie.

Largely as a result of the revisionist onslaught on the ‘social interpretation’ of the English and French Revolutions, the classical concept of ‘bourgeois revolution’ has undergone a profound re-definition since the 1980s. The reaction to revisionism generated, broadly speaking, two sharply diverging responses from within the Marxist tradition. One, associated with the orthodoxy, retained the concept while making substantive empirical concessions; the other, associated with political Marxism, dismissed the concept while re-interpreting the empirical objections on the basis of a new class analysis.

The orthodox reformulation entails a number of concessions. Firstly, in terms of agency, a town-based, united and self-conscious bourgeoisie is no longer the necessary carrier of the revolutionary project. The definition of agency can be extended to include both, urban and rural capitalists, including members of the liberal professions, the intelligentsia, officers, and the ‘petty bourgeoisie’. In fact, it is of secondary importance who exactly carries the revolution through, as long as the bourgeoisie remains its prime beneficiary. Secondly, in terms of outcome, the bourgeois seizure of state power is no longer a defining conceptual trait. The post-revolutionary state can be compatible with...
various state forms, ranging on a spectrum from Bonapartism and ‘enlightened absolutism’ to constitutional monarchies and republics, including the survival of pre-revolutionary élites in it. ‘Bourgeois revolutions’ are no longer deemed to produce ‘bourgeois states’. In fact, the definition of the post-revolutionary state is indeterminate. Economically speaking, the full establishment of capitalism is no longer foreseen. A combination of different modes of production is possible, while the capitalist one becomes ‘dominant’ over time. Finally, in terms of duration, rather than being compressed into a few intense years of violent activity, ‘bourgeois revolutions’ can stretch out over decades, if not centuries, involving numerable ‘moments of transformative convulsion’.

Overall, there has been a shift within mainstream Marxism from an episodal ‘purposive’ to an epochal ‘consequentialist’ reformulation of the term ‘bourgeois revolution’. Outcomes, not causes or agents, matter. But how plausible is this conceptual redefinition? For, if this revised concept of ‘bourgeois revolution’ is unsure about its causal agent, unsure about its results, and unsure about its duration, then why should we still adhere to it as an over-arching explanatory category? In other words, while the content of the concept has been progressively eroded, many Marxists still hold on to its semantic shell.

**Problems of ideal-type construction and comparative historical sociology**

The real problem with the orthodox reformulation does not reside in definitional accuracy, but in method, for there is a tension in this new concept of ‘bourgeois revolution’ between a methodological ambition to construct a theoretical concept – a pure or ideal-type – and its confrontation with the diversity of historical cases, most notably the English, French, German and Russian experiences. This leads either to an expansion and thus dilution of the concept or to the demotion of cases to ‘variants’ – usually, to both. But how many ‘variants’ or ‘exceptions’ can a theoretical construct bear? The dilemma is further exacerbated by the realisation that most variants do not only diverge from the alleged norm, creating so many special paths – *Sonderwege* – but that the very norm itself, that is, 1789, fails to conform to the concept. However, without a norm as the defining comparator, variants are no longer variants or exceptions, but unique and free-standing phenomena. Concept and history travel towards opposite poles. The tension turns into an open contradiction – an aporia.

The reasons for this theoretical capsizing emerge directly from the adoption
of the comparative method as the adequate strategy of concept formation. Here, the premise is that discrete historical national trajectories, self-enclosed entities, serve as the units of comparison. While this is rarely openly foregrounded, the Marxist literature on bourgeois revolutions and state formations is littered with research-organising terms such as ‘drawing parallels’, ‘finding analogies’ and ‘establishing patterns’. The very term ‘paths of development’, while admitting the multi-linear nature of passages, nevertheless reveals the tacit background assumption of distinct and disconnected trajectories that should all converge, with minor variations, towards the *telos* of capitalism within the framework of the modern nation-state, as if revolutions were pre-determined events that would occur sooner or later in the life cycles of nations. The principal idea is that the logic of national developments can essentially be reconstructed on the basis of an ‘internalist’ reading of social dynamics in abstraction from wider world-historical trends. Sociology, in any case, trumps geopolitics.

But this theoretical fixation on exclusively national dynamics and its concomitant invocation of comparative history fundamentally fails to problematise the fact that these plural roads towards capitalism do not run in parallel and mutual isolation, neither chronologically, nor socio-politically, nor geographically. In fact, they constantly, to stretch the metaphor, ‘cross each other’ in the wider forcefield of the international. This has crucial implications for fully understanding their particularities. Cross-national comparisons remain, of course, instructive; but, if our inquiry is driven by identifying uniformities for purposes of securing the concept ‘bourgeois revolution’, while we repeatedly encounter differences, then ideal-type construction should make way for a radically historicised reading of the great international arch of the regionally differentiated transitions to capitalism.

One counter-argument put forward by the Marxist orthodoxy to the charge of over-generalisation is the insistence on cycles of bourgeois revolutions. First, a cycle of ‘classical bourgeois revolutions’ comprises Holland (1572), England (1640), America (1776) and France (1789). These are classified as ‘revolutions from below’ against absolutist states, carried through by ‘broad coalitions of small producers’. Second, a cycle of ‘revolutions from above’ encompasses German and Italian unification, the American Civil War (1861–5) and the Meiji Restoration (1868) in Japan, where ‘the existing state apparatus was used to remove the obstacles to bourgeois domination’.

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Is this a satisfactory solution? Reflecting on these two cycles, a *prima facie* case can be made that revolutions do never unfold in a geopolitical vacuum, but that their causes, courses, and consequences are always already co-constituted by their participation in a common field of ‘the international’. Regarding the first cycle, the Dutch and American Revolutions were precipitated by the fiscal demands of their respective imperial rulers, the Spanish and the British. This led to the foundation of the Dutch Republic, enshrined in the Westphalian Peace Treaties, and the consolidation of US independence. One of the structural preconditions and proximate cause of the French Revolution was Anglo-French geopolitical rivalry, dramatically manifested in the disastrous Seven Years’ War (1756–63) and French participation in the American War of Independence (1775–83). What followed were the terminal fiscal crisis of the Ancien Régime and the convocation of the Estates General in 1789. Foreign intervention, Napoleon and the Congress of Vienna followed suit.

Regarding the second cycle, the German experience was directly triggered by the modernisation pressures during the Napoleonic conquest, leading to the Prussian reform era under vom Stein and Hardenberg and, then, on to the Wars of Unification. Japan was not opened up by the heavy artillery of ‘cheap commodities’, but by Commander Perry (1853) and other squadrons of Western imperial powers forcing entry into the Japanese market at gunpoint. Modern Italy was forged in the cauldron of Austrian and French outside intervention.

While this approaches what the defenders of the notion of ‘revolutions from above’ imply, three qualifications are important here: firstly, these transformations were not so much ‘revolutions from above’ as ‘revolutions from outside’, mediated through ‘revolutions from above’. Secondly, these ‘revolutions from above’ were not reactions to the transnational expansion of the world market, but primarily geopolitical reactions to military and diplomatic pressure transmitted through the states-system. These geopolitical shocks forced these states to invent strategies of social transformation that would, first of all, reform their military-fiscal systems in order to position themselves successfully in the states-system. Thirdly, whether and what form of capitalism was introduced, and what form of state was created, depended crucially on the conjunction of the timing and form of geopolitical pressure and the specific political strategies that state-classes were able to design, activate and implement in the face of domestic class resistance. In this respect, the claim that existing, and therefore precapitalist, state-classes or ruling classes restructured the state from within seems to be counter-intuitive, since
This restructuration would have undermined the very social bases of their economic reproduction and political domination. It is questionable whether these precapitalist ruling classes would have committed collective class suicide in the face of national emergencies as a result of outside pressure by surrendering their formidable powers of extra-economic coercion. I suggest that this clash of external imperatives and internal responses, formulated against the background of nationally pre-existing and distinct class constellations holds the key for understanding the diversity of the transitions to capitalism.

The only (partial) exception, as I will demonstrate further below, to this pattern of internationally-mediated causation was, arguably, the English Civil War and the ‘Glorious Revolution’, though even this case was heavily, but I would argue not centrally, co-determined by the wider strategic field of European dynastic geopolitics, as is evidenced by the impact of the struggles around the ‘Protestant Succession’ and the fight of Parliament against continental, absolutist and popish-catholic states, or the continental legacy of the ‘Hanoverian Succession’.

This criticism of the absence of the international in Marxist attempts to retain the notion of ‘bourgeois revolution’ and rethink the dynamics of state formation may appear to be over-stated. Perry Anderson, for example, argues that revolutions

> were, of course, historically interrelated, and the sequence of their connexions enters into the definition of their differences. Their order was constitutive of their structure. . . . Each revolution was in some measure a condition or inspiration of the next.8

However, rather than offering any prospect for a satisfactory theoretical resolution of this acute observation, this (and similar propositions) only states the enormity of the intellectual challenge and does not seem to have unsettled faith in the coherence of the term ‘bourgeois revolution’ as a general historically operative category. While the chronologically sequenced, cumulatively connected and internationally mediated nature of ‘bourgeois revolutions’ has been recognised, there is a marked reticence to move from an ad hoc admission of the contingent role of the international towards a general reflection on how to systematically integrate the problem of the international into Marxist social theory and, hence, to provide a theoretically-controlled historical reconstruction.

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of the dynamics of European and global developments that places the international at the centre of, and not as an afterthought to, the analysis. There is a fundamental difference between mitigating the comparative method by having recourse to auxiliary hypotheses about the temporary significance of the international, and a general and systematic attempt to elevate the international from the start to a constitutive component of any theory of history, revolutions included.

**Political Marxism and the critique of the ‘bourgeois paradigm’**

A much more promising Marxist response to the revisionist attack on the concept of ‘bourgeois revolution’ has been elaborated over the last two decades by ‘political Marxism’. Here, four arguments are crucial.10

First, capitalism is not a phenomenon that will inevitably emerge – in a teleological or techno-determinist way – out of the contradictions of the common European experience of medieval feudalism. In fact, capitalism originated in a highly specific sociopolitical context in late-medieval and early-modern England as the unintended consequence of class conflict between exploiters and exploited (lords and peasants) in the agrarian sector. Neither the general crisis of feudalism in the fourteenth and fifteenth centuries, nor the twelfth- and sixteenth-century urban revivals, nor the commercial republics of the Italian Renaissance or the ‘European Discoveries’ resulted in the more or less European-wide triumph of capitalism.11

Second, capitalism can neither be defined transhistorically as rational economic action based on the subjective profit motive as Max Weber maintains,12 nor is it simply profit-oriented buying cheap and selling dear in the market (whether local, inter-urban, or long-distance) as the Braudel-Wallerstein...

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9 The term was first used pejoratively by Guy Bois in his reply to the original Brenner thesis on the transition from feudalism to capitalism, but seems now to be generally accepted. Bois 1985, p. 115. Bois’s work is reviewed in Teschke 1997.

10 In addition to the references in footnote 6, see also Brenner 1977 and 1985.

11 The debate on transitions to capitalism has recently been relaunched in mainstream history and historical sociology. See Emigh 2004.

12 Weber’s definitions of capitalism are notoriously hard to establish and reconcile, since they slide from an understanding of capitalism as a specific rational type of profit-oriented economic action, via a specific type of organisation of the enterprise to a specific social relation between capitalists and free labour. Yet, these types follow roughly a real-historical developmental trajectory from times ancient to ‘the modern West’ within a general philosophy of history driven by the perfection of rationalisation in increasingly differentiated social spheres. See Weber 1958, pp. 13–31; 1978, pp. 110, 130, 165.
tradition argues. Capitalism is a social relation between persons in which all ‘factors of production’, including labour-power, have become commodified and where production of goods for exchange has become market-dependent and market-regulated. On this basis, capitalism does not mean simply production for the market, but competitive reproduction in the market based on a social-property régime in which propertyless direct producers are forced to sell their labour-power to property-owners. This separation of direct producers from their means of reproduction and their subjection to the capital relation entails the compulsion of reproduction in the market by selling labour-power in return for wages. This social system is uniquely dynamic, driven by competition, exploitation and accumulation.

Third, we need to radically dissociate the two sides of the conceptual pair bourgeoisie-capitalism. If capitalism is not simply urban commerce on a greater scale, then we cannot assume that a town-based class of burghers (or even a class of merchants and financiers) is the necessary carrier of the capitalist project. You can have a non-capitalist bourgeoisie, as you can have a capitalist aristocracy.

Fourth, we need to stop subsuming the English and French, and many other, revolutions under the common heading of ‘bourgeois revolution’. In this respect, the assimilation of France and England as two variants of one path towards modernity, with the former achieving political centralisation a bit earlier while lagging behind in economic development, and the latter being economically precocious while having to catch up politically, needs to be rejected. In contrast, we need to embed the respective nature of the French and English Revolutions in the specificities of the long-term dynamics of their sharply diverging class relations and trajectories of state formations from the Middle Ages onwards.

According to political Marxism, the decisive class conflict in the English case did not revolve around the struggle between an urban, capitalist and progressive bourgeoisie and a landed and reactionary nobility in alliance with a monarchy. On the contrary, it was driven by conflicts between a landed, but capitalist, aristocracy against a reactionary class alliance of big monopoly merchants, surviving feudal magnates and the monarchy. This conflict climaxed in the Glorious Revolution with the capture of power by the capitalist aristocracy and the downgrading of the monarchy to the formula ‘Crown-in-Parliament’.

And it was this outcome – miles away from the classical idea of ‘bourgeois revolution’ – that produced what Ellen Wood calls ‘the pristine culture of capitalism’.14

Meanwhile, the French case also failed to pit a capitalist bourgeoisie against a feudal nobility plus absolutist ruler. In the run-up to Quatre-Vingt-Neuf, the class distinctions between the bourgeoisie and the aristocracy had become blurred, as members of both classes made most of their wealth from landholdings and lucrative state offices. But the income from these landholdings was generated through precapitalist sharecropping and not from asserting direct control over production. Additionally, members of both classes reproduced themselves from fees collected in their capacity as office-holders, investment in state loans and royal largesse. It was competition over access to state offices that triggered the French Revolution, taking the form of an intra-ruling-class conflict among aristocratic and bourgeois, but distinctly non-capitalist, office-holders and financial rentiers over the form of the state. The effect of 1789 was not the establishment of capitalism, but the entrenchment of a precapitalist agrarian sector, including the consolidation of peasant holdings, and the expansion of the state apparatus to provide for bourgeois careers.15

In short, while the English Revolution was not bourgeois, it was capitalist; and while the French Revolution was bourgeois, it was not capitalist.

This re-interpretation presents a fundamental breakthrough for Marxism. However, while political Marxists have successfully dispelled the ideal-type of the ‘bourgeois paradigm’, that is, the necessary unity of bourgeoisie and capitalism, and cleared the way for a powerful re-interpretation of the long-term bifurcation of the social dynamics in England and France that also accommodates many empirical criticisms of revisionism, the international still remains under-theorised as an intervening dimension of sociopolitical transformations. In this sense, the full potential of political Marxism is still compromised by the comparative method.16 For, if we reflect on early-modern Anglo-French state formations, we will see that both national trajectories are

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15 Comminel 1987.
16 Wood’s recent work engages much more comprehensively with the international aspects of the history of capitalism, but the theoretical problem of how the international dimension can be incorporated into the core premises of political Marxism and whether any such incorporation conflicts with the earlier emphasis on comparative history is not directly addressed. See Wood 2003.
This emphasis on the geopolitical context of revolutions and constitutional developments is, of course, a staple of non-Marxist historical sociology – from Otto Hintze’s reformulation of the ‘primacy of foreign policy’ argument that dominated the discourse of the ‘Prussian School of Historiography’ ever since Leopold von Ranke,17 via Theda Skocpol’s Tocquevillian reading of the French Revolution,18 to the currently dominant neo-Weberian orthodoxy in historical sociology.19 Here, the general argument is that modern state formation is driven primarily by the dynamics of military competition compelling rulers to monopolise, centralise and maximise the means of violence. In the process, they rationalise state administrations for the more efficient raising of public revenues to sustain ever more powerful war-making capacities, leading to the competitive selection of ‘permanent war-states’ and an overall cross-European isomorphism of state institutions. These mechanisms converged in the generalisation of the modern state, which is essentially defined as a ‘fiscal-military’ machine.20

This renaissance of the discourse of geopolitical rivalry in contemporary historical sociology does not mean that Marxism needs to pay homage to the neo-Weberian theme of the priority and autonomy of ‘the geopolitical’, and even less to the nineteenth-century German obsession with the ‘primacy of foreign policy’. The challenge for Marxism, rather, is to understand how social-property relations determine the modes in which different polities are inserted into the international and to integrate the geopolitical as one dimension of social reproduction into an overall reconstruction of the regionally differentiated expansion of capitalism within and through the European system of states. In other words, we need to come to terms with the nationally specific and diachronic, yet cumulatively connected and internationally mediated nature of ‘capitalist transitions’ within the framework of socially uneven and geopolitically combined development.21

18 Skocpol 1979.
19 For three typical examples that stress the role of war in state formation see Bonney 1995a, Ertmann 1997, and Contamine 2000.
20 The neo-Weberian orthodoxy in historical sociology is criticised in Teschke 2003, pp. 117–27.
21 Rosenberg 1996. For a recent critique of the neo-Gramscian theory of international relations from a perspective of uneven and combined development, see Shilliam 2004.
Post-revolutionary state formation and the role of the international: the case of England

The starting-point for this great international chain of mediation is the one country where capitalism, as Robert Brenner shows so impressively, developed endogenously and earliest: seventeenth-century England. For it was here that not only capitalism first emerged on a nation-wide basis, but that the first modern state emerged in tandem with capitalism. And it was this capitalist ‘heartland’, which gave European and, later, worldwide developments a very specific inflection – in fact, a revolutionary spin.22

The claim of the modernity of the post-1688 English state may not go unopposed, because, for a long time, it was common to see continental state formation, especially in its dominant absolutist variant, as the proper home ground for the rise of the modern state. Here, it was suggested that the relentless centralisation of political power driven by the state-modernising projects of absolutist kings created the ideal-typical features of the modern state, as defined by Max Weber: a rational bureaucracy, a standing army under state control, a centralised system of taxation, the development of Roman law, the notion of absolute sovereignty, and so forth.

In contrast, the early-modern British state was long disdained as a non-entity. Even the term ‘state’ was held to be a peculiarly un-English concept that had no place in the English political lexicon. English political theory preferred terms such as Commonwealth, Parliament, the Bill of Rights, Common Law, civil society and the primacy of private property to capture the locus of political authority. Moreover, the British polity was regarded as weak, undertaxed, understaffed, underfunded – in short, the paradigm of a liberal polity. The dualisms of ‘British Liberty’ vs. ‘Continental Despotism’, ‘Civil Society’ vs. the ‘State’, ‘the liberal subject’ vs. ‘the political collective’ and Locke’s society of property-owners vs. Rousseau’s General Will litter the literature.

However, this perspective has been radically revised and, in a way, turned on its head since the mid-1980s. With regard to continental Europe, the by now dominant revisionist historians of absolutism, Marxists and non-Marxists alike, have come to de-absolutise royal power.23 The stress is now on the

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22 van der Pijl 1998.
limits of their modernising and state-rationalising efforts. In fact, the French Old Régime is now regarded as a cumbersome, un-reformable, and hopelessly inefficient premodern state, riddled with office venality, patrimonialism and sinecures. The rights and prerogatives of historically deeply entrenched institutions – the parlements, the provincial estates and other corporate bodies – were routinely re-affirmed and expanded by the Crown in order to maintain the co-operation of powerful regional and local élites, while diverse provincial law codes and customs survived all attempts of rationalisation.

With regard to England, the debate has been dominated by the Brewer thesis.24 John Brewer argues that, rather than turning into a weak, liberal state as the Whig historiography long maintained, post-1688 England – and, as of 1707, the United Kingdom – developed into a strong ‘military-fiscal’ state. The post-revolutionary state was characterised by a growing and increasingly efficient fiscal bureaucracy that generated the resources to finance spiralling military costs. An ‘Administrative Revolution’ swept the state. Core Departments of Government – the Treasury, the Excise and the Navy – turned from patrimonial into modern bureaucracies. Indeed, if any early-modern polity came to resemble Weber’s definition of the modern state, then it must have been eighteenth-century England.

What do we make of this inversion and how does this square with political Marxism? If we want to explain what appears to be a paradox, we cannot simply derive successful state modernisation from geopolitical imperatives, as Brewer suggests,25 without reconnecting state development with domestic social dynamics and, in particular, social-property relations. The post-1688 British state responded to military competition so vigorously and successfully only on the back of a capitalist property régime that generated the resources to finance war without the constant threat of bankruptcy and royal defaulting on debts that was so characteristic of France. The unique fiscal responsiveness of the British polity was secured through the self-taxation of the capitalist aristocracy, so that tax levels were not only sustainable and tax collection effective, but sociopolitically far less divisive compared with absolutist France. For what had happened, of course, in 1688 was the capture of state power, clearly enshrined in the new formula ‘King-in-Parliament’, by a fairly homogenous and united class of agrarian capitalists. Agrarian capitalism had generated a social-property régime in which the political conflicts amongst

the members of the ruling class over the distribution and terms of the rights of political accumulation (Marx’s ‘extra-economic compulsion’) were replaced by private forms of economic exploitation in the sphere of production. This shift from personalised forms of domination and appropriation to depersonalised forms generated the formal (though not substantive) separation between the economic and the political. Market and state, private and public came to be increasingly differentiated.

It was this new form of sovereignty, no longer personal-dynastic, but abstract-national sovereignty, which led to the concomitant revolution in public administration – the fiscal revolution, the financial revolution and the military revolution in particular. 26 This combination of revolutionary institutional innovations – Britain’s naval superiority and exceptional fiscal responsiveness in the face of external military pressure on the basis of a self-sustaining capitalist economy – gave the Hanoverian state the decisive comparative economic, fiscal and coercive advantage over its continental competitors. 27 The neo-Weberian assumption of a growing cross-European isomorphism of state forms, converging à la longue on the model of the fiscal-military state, is a surface illusion that hides very different social dynamics. Ultimately, it was these social dynamics that decided which states could survive the geopolitical game of competitive selection and which not. 28

However, we cannot simply extrapolate from the successful capitalist revolution the liberal and, possibly, Marxist idea of a ‘state lite’ – the ‘pristine culture of capitalism’. Because this could not be realised in an international context that forced the British state to spend between seventy-five and eighty-five per cent of annual expenditures between 1680 and 1780 on the army, navy and debt servicing related to war. 29 This also means that we should not conceive of the vectors of historical development in unidirectional terms as

26 Dickson 1967; Cain and Hopkins 1993, pp. 58–84.
28 In this respect, Balakrishnan misreads my argument. While all early-modern European polities were drawn into the vortex of military rivalry, facing similar pressures to render their political institutions functionally compliant with geopolitical imperatives, this did not lead to a cross-European institutional convergence of state forms. Specific institutional forms did not follow common functions, but functional compliance had to be generated within different state forms whose variations were ultimately determined by different domestic social-property relations. Eighteenth-century France and England were indeed dissimilar in all dimensions of society, economy and polity. Balakrishnan 2004, p. 153.
29 Brewer 1994, p. 57. See also Bonney 1995b.
simply radiating out from Britain. Rather, there was a two-way traffic – a geopolitical feedback loop that continued to massively shape the construction of the British state: the making of a military superpower.

But we also need to de-reify and uncover the social dynamics of Britain’s international environment. For this geopolitical forcefield was not any ‘natural anarchy’, as realists in the field of international relations would be quick to point out. Rather, eighteenth-century international politics was played out, as I argue in The Myth of 1648 and elsewhere, in a ‘mixed-actor system’, dominated by absolutist states, which had a systemic need to accumulate geopolitically on an ever-expanding scale due to their precapitalist property relations. Here, ruling-class re-investment in the means of coercion, for internal rent-extraction and external plunder, remained the normal strategy for expanded reproduction – leading to the phenomenon of the permanent-war-state. It institutionalised the social imperatives of geopolitical accumulation. It was this precapitalist complexion that gave the eighteenth-century continental system of states its over-militarised and bellicose character.

How, then, did post-revolutionary Britain adjust to this hostile international environment? And how did it ‘export’ capitalism to the Continent? The ‘Glorious Revolution’ not only rationalised the English state, it also occasioned a revolution in British foreign policy. This was characterised by a shift from dynastic to parliamentary foreign policy-making, defined no longer by the whims of dynasticism but by the ‘national interest’. As a result, Parliament adopted a very distinctive ‘dual foreign-policy strategy’, based, on the one hand, on active power-balancing versus its rivals on the continent (a policy driven first and foremost by British ‘security interests’), and, on the other hand, on unlimited commercial and colonial expansion overseas – the so-called ‘blue water policy’. Power-balancing: in fact, Britannia holding the scales in her hand implied the disengagement from the continental dynastic game of territorial geopolitics with its endless wars of succession, political marriages and dynastic unions. Britain largely withdrew from direct military commitments and territorial aspirations on the Continent (the Hanoverian stemlands in Germany were regarded by Parliament as a constant source of

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30 Orthodox international relations theory subscribes to a transhistorical, but blindingly reductionist, notion of power-balancing amongst states in international orders defined by anarchy. For a recent restatement of realism see Mearsheimer 2001. For a powerful critique of realism from a Marxist perspective see Rosenberg 1994.


irritation), yet started to regulate the states-system by means of rapidly changing alliances with and monetary subsidies to smaller powers – always to counter any emergent continental hegemony, usually, of course, French hegemony. The Seven Years’ War (1756–63) ideally exemplifies British blue-water strategy. While heavily subsidising Prussia in its struggle against Austria, France and Russia, Britain defeated France overseas and incorporated Canada, Florida, Louisiana and ex-French territories in India into her expanding colonial empire. In short, Britain started to drop out of the operative logic of the Westphalian states-system, while steering it by ‘remote control’.

Ironically, it may well be the core theorem of the realist theory of international relations, namely the balance of power, that needs to be re-interpreted – not as the timeless regulator of ‘grand strategy’ between great powers – but as the specific conduit for the unintended expansion of capitalism throughout the Continent during the nineteenth century. For it was through power-balancing, indeed through the adoption of the role of the balancer, that Britain was able to distribute military pressure on continental states. In response, continental states were forced to design political counter-strategies that would secure their military viability and fiscal-financial health to survive in the states-system. But these strategies always involved intense political conflict, both intra-ruling-class and inter-class, over the redefinition of the state and the re-arrangement of class relations as either old forms of tax extraction were intensified or new modes of taxation and property relations introduced, with regionally highly specific outcomes. In the French case, Britain’s naval superiority and power balancing finally cracked the shell of French ‘absolutism’ and its precapitalist reproductive logic and this is really the inner meaning of the Seven Years’ War and the War of American Independence, paving the way for 1789.33

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33 For revealing figures on Anglo-French divergences with regard to war expenditures, public debts, costs of debt-servicing, taxation rates, tax compliance, interest rates and revenue-debt ratios, see Bonney 1995b, pp. 336–45. Bonney attributes the inferior fiscal performance of pre-1789 France and its repeated failures in fiscal reform to ‘institutional obstacles’ as if Old Régime institutions were not direct manifestations of definite social interests that reflected the specific configuration of very resilient social-property relations, but unspecified presences that had no social rationale. See also Cain and Hopkins 1993, p. 64.
State formation and the role of the international: the case of France

How was this nexus between domestic dynamics and geopolitics played out in Old Régime France? Class relations had developed in France along a very different trajectory. Here, class conflict over the distribution of peasant surplus had replaced the feudal rent-régime between lords and peasants in favour of an ‘absolutist’ tax-régime. Peasant communities benefited from competition between the monarchy and local nobles for their surplus, gaining freedom in the process and establishing inheritable tenures that owed fixed dues that subsequently lost value with inflation. Agrarian capitalism did not develop in France, since neither peasants, who formed subsistence communities based on unmediated access to their means of reproduction, nor the upper classes (noble and bourgeois), which reproduced themselves through land-rents and the spoils of political offices, were subject to capitalist imperatives. With the waning of the old feudal powers of lordly domination and extraction, the monarchy became the central institution that could force income from the peasantry through taxation.

However, the relations of exploitation remained governed throughout the Ancien Régime (and even beyond) by political conflicts over the terms and the distribution of the means of appropriation, though now in the form of state-sanctioned rights and privileges. Taxation became the key arena of domestic political conflict. The logic of political accumulation continued to rest on personalised praxes of domination, revolving around the personalised sovereignty of the Crown: L’État, c’est moi! In the context of this social-property régime, a formal separation between the political and the economic that characterised post-1688 England could not be carried through. There was a structural Anglo-French divergence in their respective social relations of sovereignty.

Since the logic of political accumulation persisted internally, the logic of geopolitical accumulation, that is, the predatory accumulation of territories and control over trade routes, characterised foreign policy as well. The normal way to expand the tax base was to acquire territory and control over its taxable population. This territorial-demographic (extensive) view of taxation stood in sharp contrast to post-1688 British (intensive) forms of taxation. But, since ‘absolutist’ sovereignty came to be personalised in the figure of the king,

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the king also remained enmeshed in the ‘Westphalian logic’ of dynastic unions through royal marriage policies and its wars of succession. Warfare was endemic. Territorial redistributions were a constant of early modern international relations.

The old sword-carrying aristocracy \([\text{noblesse d’épée}]\), especially during and after the crisis of the seventeenth century, came to be increasingly domesticated, absorbed and integrated into the tax/office state through office venality and other channels of privilege, while a new office nobility \([\text{noblesse de robe}]\) was promoted by the Crown. These complex and ungovernable forms of inter-ruling-class co-operation created over time a very unstable and regionally differentiated \textit{modus vivendi} between the privileged classes and the Crown. Feudalism, based on the regionally and locally autonomous powers of the militarised lordly class, was replaced by the institutionalisation of aristocratic power in estates and other representative and corporative bodies, whose powers had to be continuously renegotiated in relation to the Crown.\footnote{Autonomous lordly powers\textsuperscript{36} of domination were replaced by state-sanctioned privileges. Feudalism was dead, yet absolutism never materialised (at least not in its orthodox meaning). To remain financially afloat and to pacify the office nobility, French monarchs sold and auctioned off public offices in ever-greater numbers. Over time, venal offices were held in perpetuity and heredity and became thus a privatised source of income. The Crown thus lost control over its fiscal and financial administration. It failed to establish a central bank or secure lines of credit, while being forced to borrow on short-term loans at high interest rates from a class of wealthy financiers, who were themselves tax-farmers.\textsuperscript{37}}

As a result, during every war, French kings were obliged to resort to the artificial creation and then the sale of more and more offices in order to raise money. They effectively mortgaged the extractive powers of the state to private financiers and tax-farmers. This led to the Byzantine and hopelessly bloated nature of the French semi-private/semi-public state apparatus. This ruled out any ‘progress’ towards a modern, rationalised and efficient bureaucracy that would administer a uniform and country-wide tax code. At the same time, the peasantry had to carry ever-higher rates of taxation, so that the agrarian

\footnote{31 Miller 2003 and 2004.}
\footnote{36 For an interpretation of feudal politics and geopolitics, see Teschke 1998.}
\footnote{37 In addition to the literature cited in footnotes 23 and 33, see Bonney 1999, pp. 123–76.}
economy – the tax base – remained mired in stagnation. While war thus increased the absolutist claims of French monarchs over their subjects, it simultaneously paralysed their long-term financial and administrative capacity to rule. Caught between spiralling military expenditures and the excessive and punitive taxation of the peasantry (nobles enjoyed tax exemption to secure their loyalty to the monarchy), precapitalist France underwent a series of fiscal crises. It was this downward spiral of warfare, royal debt-accumulation, office creation, over-taxation and inability to repay loans to an increasingly dissatisfied class of private financiers, both noble and bourgeois, that finally led to intense intra-ruling-class conflict over the form of the French state and the French Revolution.  

Conclusion: problematising the international  

Comparative approaches to the study of bourgeois revolutions and state formation tend to be restricted in their ability to connect social transformations inside polities with world historical trends. While Marxist historical sociology has historiographically acknowledged the significance of the international, it has generally failed to confront and theorise the problématique of world historical contexts by adopting a passive understanding of the geopolitical that neutralised its causal effectiveness. The perspective developed here and in The Myth of 1648 addresses this absence by combining the theory of social-property relations with the theorem of socially uneven and geopolitically combined development. It traces how the developmental potential of regionally differentiated sets of property régimes generates inter-regional unevenness, which translates into international pressures that spark sociopolitical crises in ‘backward’ polities. These crises activate and intensify the domestic fault lines in regionally pre-existing class constellations – processes that lead to power struggles within and between polities that renegotiate and transform class relations, territorial scales and state forms. These social conflicts result in highly specific combinations of the old and the new. The dynamics of domestic trajectories are thus accelerated, their sociological composition transformed, and their directionality deflected in unforeseen ways, while their results react back on the international scene. In each particular case, domestic property relations have a determinate effect on how different polities are inserted into the interstate-system, how they conduct their foreign policies and how they respond

38 Teschke 2003, p. 173 ff.
to external pressures. The international enters as an intervening moment in the determination of revolutionary origins, courses and outcomes – either in terms of revolutions triggered by wars, outside intervention, the export of revolution, multilateral attempts to contain or re-admit the revolutionary state into the society of states, or, indeed, by revolutionising the very principles upon which the international order operates. But this dialectical internal-external nexus cannot be reduced to the mechanical inter-societal interaction between social and political forces, but also has to integrate the growing sense of ‘system’s consciousness’ that pervaded public opinion and the minds of policy-makers into the analysis. A multilateral collective management of the European and, later, global system of states – Westphalia 1648, Utrecht 1713, Vienna 1815, Versailles 1919, San Francisco 1945 to name but a few foundational moments of world order – developed, enforced and adapted rules and norms for international relations. This adds yet another dimension to the geopolitics of domestic social change. The promise of combining the theory of social-property relations with the idea of uneven and combined development consists of avoiding both the fallacy of the comparative method, in which international events are ‘external’ and ‘contingent’ to the core explanation, and the fallacy of the geopolitical competition literature that largely abstracts from the social dynamics inside distinct societies. It is by retracing the logic of the historical processes through which different societies became drawn over time into the dual orbit of a system of states and a capitalist world market, while consciously reacting to it in specific ways, that we can start to historicise the development of capitalism across a territorially fragmented international field, to account for the institutional variations of capitalism in distinct national settings, and to understand the specific trajectory, position, scale and form of each state within the modern inter-state-system. But the research programme of ‘geopolitical Marxism’ is not the story of the expansion of the long defunct ‘Westphalian system’; it is the story of the geopolitically-mediated and territorially-refracted expansion of and resistance to capitalism on a worldwide scale.

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Jim Kincaid

Debating the Hegel-Marx Connection: A Symposium on Christopher J. Arthur’s The New Dialectic and Marx’s ‘Capital’.

Editorial Introduction

The past years have seen the publication of a number of innovative studies of the logical structure of Marx’s Capital and the role of Hegelian dialectic in Marx’s political economy. Among these, much attention has focussed on the work of a group of scholars who have evolved what has become known as the ‘new-dialectical’ reading of Capital. The Sussex philosopher Chris Arthur has played a major role in this research programme, and his latest book, The New Dialectic and Marx’s ‘Capital’, offers a timely opportunity to review the distinctive and controversial interpretation of Capital which he has constructed.¹ Along with some of the other ‘new-dialectical’ scholars, Arthur insists that what Marx learned from Hegel’s logic was a way of ordering the argument of Capital which allowed him to present a vision of capitalism as a self-sustaining system.²

¹ Arthur 2002.
² See, among others, Smith 1990, Murray 1988, Moseley (ed.) 1993, Moseley and Campbell (eds.) 1997, Arthur and Reuten (eds.) 1998, Campbell and Reuten (eds.) 2001. These four edited collections were the product of sustained discussions among the scholars involved. However, they insist, correctly, that they are not a school or tendency. What united them was no more than a belief that the role of Hegel’s Logic in Capital was of vital importance and in need of fundamental reappraisal. Historical Materialism has so far published more than a dozen articles on a wide range of topics by scholars in the new dialectic group.
But Arthur is, in addition, a virtuoso of the value-form interpretation of *Capital*. This argues that Hegel’s type of idealist logic is used by Marx, in a very direct way, to provide a dialectical explanation of how capitalism reproduces itself as a system. It was possible for Marx to do this, it is claimed, because there is a metaphysical dimension to the way capitalism works, and, therefore, a homology between the structure of Hegel’s *Logic* and the structure of capitalism. More than that, in his book, Arthur aims not just to explain the conceptual narrative of *Capital* but also to argue that, if Hegel’s dialectic is employed with greater precision and rigour than Marx achieved, then it is possible to produce a more coherent analysis of capitalism than can be found in *Capital*.

As is clear from the various contributions to this symposium, Arthur’s particular variant of value-form theory is immensely controversial. He does, however, mount a powerful case for his interpretation of *Capital*, and develops his argument with exceptional rigour and clarity. What is under discussion is a crucial and difficult dimension of Marx’s argument in *Capital*, and the debate about Arthur’s account offers a way into some of the deepest questions of interpretation posed by that work. It should be evident also that the questions under discussion are not just about what Marx wrote or ought to have written. At stake is how Marxist political economy can contribute scientifically and in a concrete way to the theory and practice of anticapitalism today. The value-form reading of Marx, which Arthur and others advocate, involves a root-and-branch repudiation of capitalism as an essentially inhuman totality and finds practical expression in a politics of uncompromising opposition to capitalism. But its account of capitalism tends to remain only at a high level of generality. Is it possible to derive from value-form theory more detailed Marxist accounts of the structural diversity and varying historical trajectories of the economic and political formations within which everyday struggles of opposition and transformation have to be waged? One of the merits of Arthur’s book is that he attempts to take on precisely this challenge in number of innovative ways.

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3 A lucid critique of Arthur’s homology thesis by Tony Smith has already been published in *Historical Materialism*. See, Smith 2003, and Arthur’s combative reply in the same issue.
System in Marx’s Capital

Familiarity with Marx’s great work can lead us to forget the strangeness of its argument. Its major topic is how capitalism works as a productive system, using nineteenth-century England as its prime example. But, in Volume I, it takes Marx a very long time before he get round to any sustained discussion of industrial capitalism and the productive system in England in his period. Instead, the first 100 pages of Volume I are mainly devoted, not to a discussion of industrial production, but to a quite abstract account of the exchange process. Marx writes at length about what a commodity is, and how it gets sold for money, and what money is but there is not much about how commodities get produced. Is this then, as Engels thought, a form of historical argument? Are we to see Marx as prefacing an analysis of the industrial capitalism of his period with a stripped down, general summary of earlier forms of capitalism? The trading of commodities by merchant capital and the use of money have existed for thousands of years and in many civilisations, before industrialisation in Western Europe. Was Engels right to see the dialectic in Capital as a way of explaining the historical evolution of capitalism? First, the long period in which capitalism was confined to the circuits of market exchange – the use of money to trade commodities originally produced in a variety of non-capitalist modes of production. Then, from the sixteenth century onwards, the creation of a system of capitalist production.

This view of Capital has been persistently challenged by Arthur and others among the ‘new-dialectical’ group of scholars. They argue that what is central in Capital is different type of dialectic, one which is concerned to analyse capitalism not as history, but as a system. They emphasise that, as Marx worked on the first draft of Capital, he explicitly acknowledges the help, not of Hegel’s philosophical discussions of history, but, rather, his two books on logic. Though historical elements are present in Capital – for example, the section at the end of Volume I on the primitive accumulation of capital – these are strictly subordinate to an account of capitalism as a self-sustaining system of interdependent elements. Hegel’s Logic (in its two versions) was a vital influence in Capital because Marx learned from it a method of developing an argument in which the essential mechanisms of capitalism as a system were explained in terms of dialectical necessity and interdependence.

4 In a letter to Engels, Marx writes, ‘[w]hat was of great use to me as regards method of treatment was Hegel’s Logic’. Marx and Engels 1983, p. 249. Marx at this time was using the longer version of the Logic (Hegel 1969).
Hegel's logical Spirit

The traditional, and most widely accepted reading of Hegel, is that he is essentially a theological writer, concerned to explain the activities of a cosmic superspirit called Geist. Such a reading of Hegel is explored, for example, in the fine book by Charles Taylor. In Hegel, ‘the reality which we perceive as finite subjects is the embodiment of Geist or infinite subject’. As Taylor stresses, Hegel’s view of Spirit is strongly influenced by neo-Platonic pantheism. His Spirit is not a Big Person who creates the universe from outside, but a creative force which infuses all of reality, and does so in a way which is weirdly rational. Hegel is a consistent idealist – the material world is secondary to and derivative from the higher reality of spiritual forces. But the material world is not some kind of by-product, still less an illusion. Rather the cosmos is created as an expression of the power of Geist, and as a way in which Geist actualises itself, makes itself real. It is crucial to appreciate that, though an idealist, Hegel is not a mystic. For him, Geist is the Spirit of rational thought, often referred to in his work as the Idea. The concept of a rationality which pervades the universe and human history is not too distant from the view of reality which underpins the modern natural sciences – namely, that everything that happens in the universe is, in principle, amenable to rational explanation. The development of the universe, and the course of human history, have a direction and meaning which can be clarified and explained by thought and science. But, for Hegel, the rationality which is at work here is one which operates dialectically. What is meant by this is complex, but it includes a view that the material and human world as it exists at any given time is constantly being undermined and negated by conflicts and forces of change. But, in and through historical change, there is a direction and pattern of development towards a rationally ordered and world in which material reality has become spiritualised and the conflicting forces of historical development assimilated into a higher order of organic and harmonious integration. But, for Hegel, the path to an understanding of life, the universe, and everything, is not to indulge in other worldly visions and spiritual experiences, but to get busy with hard thinking and solid scientific work. However, a dialectically developing universe can only be grasped by forms of thought and science which themselves work in a dialectical way. It is the task of a Logic to explore scientifically the categories and methods required.

5 Taylor 1975, p. 225.
Hegel’s logic, ‘is not a collection of metaphysical claims. It is a study of the categories that must be used in thinking’. It is the claim of Arthur and a number of the other new-dialectical scholars that, although Marx himself in his earlier work generally reads and criticises Hegel as an onto-theological philosopher, it was the categorial sequencing in Hegel’s _Logic_ which inspired the narrative structure of _Capital_.

**System in _Capital_**

_The capitalist system_ – how easily the phrase trips off the tongue or the computer keyboard! But how seriously are we to take the implied analogy with the way the concept of system is used, for example, in engineering or biology? And what is the most effective way of structuring a scientific account of a complex economic system whose elements are interdependent and which is self-sustaining? Both Hegel in his _Logic_ and Marx in _Capital_ are writing systematic works in which the object of investigation is a totality, a given whole, and their aim is ‘to demonstrate how it reproduces itself’. Hegel’s _Logic_ culminates in a discussion of what he calls the _Absolute Idea_ which is, roughly, the ensemble of concepts required to explain the most complex phenomena which scientific and philosophical thought has to deal with. For example, ‘life’, ‘individuality’, ‘truth’. This is the level of what Hegel refers to as ‘subjective logic’ – where thought operates with the self-consciousness of a subject. That is, the capacity of thought to think about thinking. It is this self-reflexivity that allows the Idea to be Absolute, a self-sustaining and systematically organised repertoire of concepts.

And this is just how Marx presents capitalism: as a self-sustaining system. And what Arthur and other new dialecticians have argued is that what Marx learned from Hegel’s _Logic_ was a non-linear method of deploying and sequencing the categories necessary to explain a system in motion.

Here is how it works. You start with a general characterisation of the system to be investigated, and summarise in a simple way the most elementary categories needed to describe that system as a totality. Hegel begins his account of systematic thinking with the simplest and most elementary concepts which are used in everyday life and in science: ‘is’, ‘is not’, ‘becoming’, ‘quantity’ (concepts of size and number), ‘quality’ (what things are like). For Marx, the

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6 Kolb 1986, p. 43.
7 Arthur 2002, p. 64.
basic and simplest element in capitalism is the commodity. What is essential about the commodity can be simply summarised: it has two sorts of value, use-value and exchange-value. From these starting points, in both Hegel and Marx, the argument is propelled forward by a variety of forces – for example, (i) by a search for increasing precision and clarity in the concepts used, and (ii) by attempts to escape from contradictions which arise in the development of the argument. For example, Hegel starts his logic by saying that the concept of pure Being, simple isness, cannot be distinguished from Nothing. Since this is obviously contradictory nonsense (how can existence be the same as non-existence?), thought is compelled to move on to create other categories which will clarify the differences between what is, and what is not – for example, by specifying that Being consists of things which exist, and that these things have size and number, and are qualitatively different from each other. These initial moves in Hegel register two features of his dialectic: (i) it attempts to establish dialectical necessity in the sequence of the argument, and (ii) the argument is moved forward by processes which involve negation. At every stage in the evolution of Hegel’s argument in the Logic, necessity and negation recur, and thus their possible role in Capital has to be carefully considered.

The middle section of Hegel’s Logic (the Book of Essence) explores an array of fundamental concepts which come in interlinked pairs: essence/appearance, abstract/concrete, form/matter; form/content; whole/parts; inner/outer. There is also a sequence which covers the series: contingency, possibility, necessity and actuality. All of these categories are used by Marx in various ways to structure the argument of Capital.

For both Hegel and Marx, the overall direction of movement of the argument is from abstract to increasingly concrete categories. And each attempts to establish some form of necessity in the way his argument moves from one set of categories to the next. As an example, consider Marx’s treatment of money. Arthur and the other new dialecticians stress that the category of money is introduced by Marx in a way which is quite different from the usual explanations in economics textbooks which start with the function of money as a convenient means of exchange. Marx’s argument deviates radically from the norms of bourgeois empiricism. His argument is that it is the contradiction between the use-value and exchange-value of the commodity, and indeed the very intelligibility of the category of value, which gives rise to money. As

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8 In the book under discussion, Arthur offers some lucid accounts of how the Hegelian dialectic works. But see also the valuable accounts in Finlay 1958, Taylor 1975, Pinkard 1985 and Kolb 1986.
Arthur puts it, ‘the whole argument is driven conceptually: for the concept of value to be meaningful money is required’.9 Use-value arises from the natural sensory qualities of the commodity, but value is a social property of commodities and can only appear in the relationship of commodities to each other. Money develops as a necessary form which allows the contradiction between the natural form of the individual commodities and their form as values to be overcome. (Though the contradictions are not got rid of, but merely displaced to other ontological levels.10) Readers sometimes wonder why Marx does not seem overly concerned at the start of Capital to prove the existence of value, and note how weak are the shreds of proof that seem to be there. But, as Arthur insists, Marx is not offering the usual sort of empiricist proof.

It is presupposed in his discussion that a commodity is to be a bearer of value . . . the presence of value is . . . adequately expressed . . . only in the money form.11

**Value-form Marxism**

Starting from a general account of systematic dialectic in Capital, very different accounts have been produced by the new-dialectical scholars. One of the crucial questions which divides them is this: what sort of links are being claimed to exist between Hegel’s idealist logic and capitalism as a material system? Is Hegel’s logic just a source of general ideas which can help explain capitalism, or does it in some way provide a literal description of capitalism? Here, a major line of difference separates Chris Arthur and Geert Reuten from the rest of the new dialecticians. Tony Smith, for example, sees Marx as using Hegel’s Logic only to provide analogies between logical and material processes.12

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10 ‘The further development of the commodity does not abolish these contradictions but rather gives them room to move’. Marx 1976, p. 198.
11 Arthur 2002, p. 71. See also the acutely argued discussion of money as a category in Marx by Martha Campbell in Moseley and Campbell 1997.
12 Smith 1990, pp. 40–2. The depth of the divergence between the value-form adepts and others in the new-dialectical group is especially apparent in their treatment of the third and final section of Hegel’s Logic which deals with syllogistic thinking, that is, the highly developed systems of categories required to comprehend complex realities such as ‘a living individual’ or ‘thought’. Such systems Hegel understands, in a variety of ways, as a blend of universal, particular and individual (that is, as syllogisms). Tony Smith believes we can use such syllogistic patterns, derived from Hegel, to think about what a democratic-socialist society might be like. For Arthur, the autonomous syllogistic movements of Hegel’s Idea exemplify only the reified way in which capitalism operates as a system.
But, along with Reuten, Arthur is an adherent of the value-form school of Marxist interpretation which takes what can seem, at first sight, a rather bizarre position, namely that capitalism works exactly in accordance with Hegel’s idealist logic. There is a direct homology between Hegel’s idealist dialectic and the structure of capitalism. Value-form Marxism as a tendency derives initially from work carried out in the 1920s by the Soviet scholar I.I. Rubin. His approach was revived and developed in the late 1960s notably by Hans-Georg Backhaus and, in different but related ways, by Helmut Reichelt. Later came an outstanding text by Michael Heinrich. Recent work by Arthur, Reuten and others offer independent variants of this major approach to the reading of Capital.

**Arthur’s value-form argument**

Marx starts by positing a deep opposition between the use-value and the exchange-value of a commodity. In the material practices of exchange, a real process of abstraction is going on in which the use-values of commodities are being treated as irrelevant, and the commodity reduced to quantities of value. Commodities are being turned into nothing more than forms. In Arthur’s account, Marx introduces use-value, only to immediately set it aside; the focus of the early chapters of *Capital* Volume I is exclusively on exchange-value, which is treated as a pure form.

> When heterogeneous material characteristics of commodities are absent from their identity as values what is so constituted is form as such... pure form of exchangeability.

And, Arthur argues, here is the decisive importance of Hegel’s logic for Marx’s project in *Capital*. Marx wants to trace a process whereby the empty value-
forms actualise themselves into a self-sustaining totality a functioning capitalist system. Hegel’s book deals with philosophical and scientific thinking as a system, a totality which is constructed through a chain of necessary arguments. It is a self-sufficient system of thought because it is circular. That is, the starting point of the whole argument is validated retrospectively by the later development of the argument. Value-form theory argues that logical movement of Hegel’s thought, just because it is idealist and deals with metaphysical processes, is just what is needed for explaining a system in which the pure forms of value take over and control material processes of production and ensure the reproduction of value as capital, and its increase via extraction of surplus-value.

Arthur sees in Capital the story of a massive reversal of fortune. At the start, value is presented as a mere empty form, one whose existence is like that of a spectre. Here, Arthur draws on Derrida’s study of ghosts in Marx. Value then starts a process of making itself real by taking possession of commodities in and through the exchange process, and by transforming itself, first into the form of money and then into money capital. As this money capital is used to purchase labour and means of production, value is able to grow by the extraction and accumulation of surplus-value.

Two key moves encapsulate the distinctiveness of Arthur’s approach.

• He resumes and develops a line of thinking initiated by Roy Bhaskar in which Hegel’s logical category of negation is redefined as absenting – a real social process in which what has been made absent is held to be a determinate nothing.16 As an example, consider the phrase, ‘Jane is no longer there’. What has replaced Jane is not nothing, but what Hegel calls a determinate nothing, that is, a Jane-shaped emptiness, an absence defined by the previous presence of Jane. Marx says that there is a process of abstracting from use-value when commodities exchange. Arthur rephrases this to say that value is constituted by the determinate negation which is supplied by use-value. In the exchange process, value is an empty form, with no more than a negative kind of existence, simply defined as an absence of the use-value.

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16 Bhaskar puts it beautifully: ‘Hegel was fond of saying that the essence of the dialectic was seeing the negative in the positive, and in his dialectic of reconciliation this is indeed so. For us it is more correct to see the negative in the positive, the absent in the present, the ground in the figure, the periphery in the centre, the content obscured by the form, the living masked by the dead’ (Bhaskar 1993, p. 241).
dimension of the commodity. Thus, what is constituted in the process of
exchange is pure form, the mere form of exchangeability.

- Despite this unpromising start, the pure empty form of exchangeability is
  the centre of a dynamic process by which value-form first finds an almost
  immaterial form of expression in money.\(^{17}\) A further stage enables value,
as money, to convert itself into capital. As money capital, it is able to
transform itself into full reality as means of production and labour and by
a vampire-like absorption of living labour, is able to grow and establish
social domination. Starting as pure form, value transforms itself into the
material reality of a self-perpetuating system, but one which remains
essentially determined by the initial emptiness of the value-form.

Hegel’s systemic dialectical development of categories is directed towards
articulating the structure of a totality, showing how it supports itself through
the interchange of its inner moments. I argue capital is just such a totality.\(^{18}\)

The impersonal abstractness of Hegel’s logic, and the patterns of necessity
which define its structure, can express and explain the domination of humanity
by a economic system which is driven by profitability and sheer accumulation.
Capitalism, in its essence, is a form-determined system. Here is how Arthur
interconnects the systematic dialectic with value-form theory. Value has made
itself real, actual, expanding. The real material world of production and
use-values has become dominated by capital operating like a powerful thing,
an automaton. Here, evidently, what Arthur is offering is a particular version
of a much large class of accounts of Capital – those which stress reification,
and commodity fetishism.\(^{19}\)

The six contributions to this symposium are wide-ranging and diverse in
their coverage. I note here only three of the themes that are given detailed
attention in the discussions which follow.

\(^{17}\) Money for Arthur, represents the presence of an emptiness, ‘the emptiness of
commodities as value-bodies’ (Arthur 2002, p. 159).
\(^{18}\) Arthur 2002, p. 11.
\(^{19}\) The classic foundations of the commodity fetishism reading of Capital were
established in Lukacs 1971. See also the remarkable commentary in Colletti 1975,
pp. 7–56. For a recent and innovative discussion of reification, see Postone 1996 and
the searching debate on this work in Historical Materialism 12.3.
Patrick Murray, while endorsing much in Arthur’s theorisation, offers a detailed rebuttal of two elements in Arthur’s reconstruction of Marx: (a) that Marx was mistaken and unrigorous when, at the start of Capital, he introduced labour as the source of value; (b) that Marx did not justify the fact that, in the early sections of Capital, he confines his discussion only to commodities produced by labour. Murray rejects Arthur’s treatment of exchange in isolation from production and his contention that value-form has no content when initially determined in the exchange process.

An even broader attack on Arthur’s exchange-determined value-form is mounted by Jacques Bidet. He challenges Arthur’s argument that commodity production is not (or at least should not be) examined by Marx until the category of capital is introduced in Part 3 of Volume I. On the contrary, and correctly, says Bidet, in the early sections of Capital, value is discussed in relation to a general account of the commodity form of production. Marx starts with commodity production and with market relations. The latter involve private property, the division of labour, production for exchange, concrete and abstract labour, and average socially necessary labour time as identified by the market. Bidet argues that it is vital to see that the market is not by necessity capitalist.

Arthur’s identification of market with value-form and capitalism is also challenged strongly by Ian Hunt who invokes debates about the work of Rawls and Nozick to suggest that non-competitive variants of market relationships are possible, and should not be excluded, as Arthur does, as a matter of definition. Neither Hunt or Bidet are defending the market as it operates in capitalism, but, in different but salutary ways, both of them are questioning the Arthur’s commodity-fetishist position – that is, that any system of market exchange must involve the ontological emptiness of the value-form.

‘System’ is a key concept in Arthur: but when is the dialectical account of it complete?

Arthur’s systematic dialectic requires the specification of a totality. Alex Callinicos argues that the circular method which Arthur adopts from Hegel depends crucially for its scientific coherence on clarity about when the totality has been defined in sufficient detail. The ‘reconstruction of reality’ which the
dialectic carries out must, Arthur writes, ‘take for granted that what it is headed for is logically complete’. On what basis, asks Callinicos, could we judge that ‘the whole system of categories is complete and internally self-sustaining’. In Callinicos’s view, Arthur has simply launched himself on a process without any logical point of conclusion, the inevitable consequence of a method which seeks knowledge through logical derivation and not by creative explanation of the historical realities of economic and social development. Callinicos is also troubled by Arthur’s endorsement of Enrique Dussel’s claim that living labour is ‘exterior’ to the capital-relation: ‘Living labour as the source of value lies outside this self-referring circle of value-forms’. By thus externalising exploitation, and by a corresponding neglect of competition, Arthur downplays the relationality of capital and thereby leaves the real structure of the world uncomprehended.

Bidet, though in a cautious way, resumes a number of Althusserian themes. He suggests that Arthur is led to a misleading concept of system by his use of a Hegelian systematic dialectic, with its uniform, univocal pattern of development the unfolding of an expressive totality. Bidet argues that it is crucial to make a distinction between ‘structure’ and ‘system’, and that Arthur’s totalising version of dialectical development make it impossible to explain tendencies which affect the structure.

Use-value marginalised

Robert Albritton and Jim Kincaid concur (though using a very different lines of argument) that Marx’s starting point is (and correctly so) the commodity as a contradictory unity of use-value and exchange-value. Arthur’s initial absenting of use-value and materiality in favour of value-form, and the re-introduction of use-value at a later point, have the effect of making contradiction secondary and external to the capitalist mode of production. Albritton also argues that there is incoherence in the way in which Arthur introduces class struggle into his value-form theory. It is not clear whether Arthur believes that the laws of motion of capital are determined by the law of value or by class struggle at the point of production. In Albritton’s view, the category of
class struggle should be treated at a more concrete level of analysis than that of value theory.

In his reply to these and other criticisms, Chris Arthur has clarified and strongly defended the arguments in his book. In leaving him with the last word in this particular symposium, the Editors express the hope that future issues of *Historical Materialism* will publish further discussions of the many important questions which have arisen in the current debate.

**References**


Rethinking the labour theory of value

The neo-Ricardian assault on the labour theory of value (LTV) had many negative consequences whose effects are still felt today. But it did have the benefit of forcing those theorists who resisted the enormous ideological pressures to supplant Marx with Sraffa (or, even worse, with neoclassical orthodoxy) to articulate a more sophisticated understanding of the theoretical structure of Capital. There were other impulses to do so, of course: it was not just the Althusserians, but all the different schools of Marxist theory who homed in on Capital, each developing a distinctive interpretation of Marx’s economic writings in order to formulate and legitimise more substantive explanatory and strategic claims. But, irrespective of their theoretical allegiances, defenders of the LTV tended to converge on a range of interpretations that have come to bear the name ‘value-form theory’. Negatively, these approaches had in common a rejection of the interpretation of the LTV common to the Sraffian and neoclassical critics (but, also, to many earlier Marxist interpretations of Capital) as an empirical and quantitative proposition asserting that commodities exchange (or, sometimes, that they
would exchange, were simple commodity production to prevail) in proportion to the amounts of socially necessary labour embodied in them. More positively, they conceived the LTV as a theory of abstract social labour: this, on the one hand, emphasised that Marx was seeking to theorise the specificity of the capitalist mode of production, and, more particularly, seeking to analyse the distinctive mechanisms for allocating social labour to different branches and units of production in an economy of interdependent but autonomous producers; on the other hand, thus highlighting the specificity of value as a social form tended to privilege the role of money. I.I. Rubin’s rediscovered classic, *Essays on Marx’s Theory of Value*, enjoyed an enormous influence on the defenders of the LTV precisely because it so powerfully thematised these issues.¹

But reformulating the LTV as a theory of abstract social labour posed an epistemological problem. For all its faults, the traditional interpretation of the theory offered an epistemic anchor. If the LTV was an empirical proposition, then the conditions under which it held true – for example, on the so-called ‘historical interpretation’, those of simple commodity production – could, in principle at least, be used to test the theory’s validity. The neo-Ricardian assault relied on this interpretation, deducing the LTV’s falsehood or irrelevance from proofs designed to show that it was not required to determine a consistent set of relative prices. One element in the defenders’ response was to argue that the LTV was not vulnerable to such attacks because, rather than being a directly testable empirical claim, it represented the starting point of a larger theoretical analysis of the capitalist mode of production. Althusser and his collaborators in *Reading ‘Capital’* had already offered one interpretation of Marx’s text as a complex theoretical structure, but other takes on the same idea were also available from theorists who did not share Althusser’s hostility to Hegel, notably Ilyenkov and Rosdolsky. In other words, one crucial dimension of the intellectual heritage common to those who reacted, broadly speaking, in the direction of value-form theory as a reaction to the Sraffian assault on Marxist economic theory was a focus on the construction and ordering of concepts in *Capital*. But this, then, poses a set of new problems.

¹ A good presentation of the differing interpretations of the LTV will be found in Chapter Two of Saad-Filho 2002. Value-form theory here is understood broadly so as to include writers who, while critical of particular arguments made, for example, by Rubin, nevertheless share the same overall understanding of the LTV: for a striking early instance, see the first two chapters of Weeks 1981.
Marx’s critique of capitalism was intended to provide scientific knowledge that could help to orient revolutionary political practice. But how can a particular ordering of concepts offer knowledge that can have a political payoff and also provide a basis for more contemporary research into the structures and functioning of the capitalist mode of production?

It seems to me that the development of what is called the ‘new dialectic’ or ‘systematic dialectics’ must be seen in the context of this problem. The central claim of this cluster of Marxist theorists (the differences among them suggest it would be a mistake to call them a school) is well stated by Tony Smith: ‘Capital is a systematic theory of economic categories according to a dialectical logic taken over from Hegel’.\(^2\) One might say that what is common to proponents of the ‘new dialectic’ is that they turn to Hegel’s Logic in order to answer the question posed at the end of the preceding paragraph: it is through seeing Capital as a case of dialectical logic that we can understand how Marx claims to offer knowledge through a particular construction and ordering of categories. Moreover, this is not merely an interpretative claim: the thought is that it is thanks to the Hegelian conceptual structure of Capital that Marx succeeds in offering knowledge of the capitalist mode of production. The essays brought together in Chris Arthur’s recent book The New Dialectic and Marx’s ‘Capital’ constitute the most detailed and ambitious attempt to state and defend this thought. The title of this paper indicates my basic (and indeed profound) disagreement, but I think it is important to stress that Arthur is grappling with a set of problems inherent in the more general attempt common to a wide range of theorists with very different philosophical allegiances to rethink the LTV as (some kind of) value-form theory. Despite the criticisms that follow, there is much that is of value in Arthur’s essays – either because they state essential features of any defensible version of the LTV (for example, the critique of the historical interpretation in Chapter 2) or because they grapple with unresolved conceptual issues (for example, Chapter 6 on the negation of negation in Capital). Beyond that, Arthur’s writings, both in this book and elsewhere, are an important vindication of the centrality of Marx’s economic writings to historical materialism as an intellectual and political position that can engage with the present – and the future. So my disagreements occur against the background of very significant areas of agreement.

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\(^2\) Smith 1990, p. ix.
The trouble with Hegel

The ‘new dialectic’ is not concerned with Hegel as a philosopher of history. As Arthur puts it, rather it is focused on Hegel’s Logic and how this fits the method of Marx’s Capital. The point is usually put by saying that the effort is to construct a systematic dialectic in order to articulate the relations of a given social system, namely capitalism, as opposed to a historical dialectic studying the rise and fall of social systems.3

The issue here is not so much whether or not Hegelian categories are present in Capital – just about everyone agrees that they are, even Althusser, who regards them as ‘survivals’ that have somehow been able to evade the epistemological break of the mid-1840s – but, rather, the conceptual problem posed by their presence. For proponents of the ‘new dialectic’, the persistence of Hegelian forms of thinking in Capital is not episodic but systematic: it represents the key to understanding Marx’s method in his economic writings and the source of its epistemological validity.4

The obvious difficulty with this claim is that Hegel is an absolute idealist whose own accounts of his method in the Phenomenology and the Greater and Lesser Logics connect it closely to the thesis that reality must be conceived as the process through which Absolute Spirit comes to self-consciousness. This is the constitutive problem of Marxist philosophy – how to think Marx’s debt to a dialectic whose author conceived it as imbricated in an extreme form of idealism. One way of finessing this problem is to deny its existence. Thus, Smith argues that the identity of thought and being in Hegel is merely the claim that reality is intelligible and that when Hegel writes that Absolute Spirit is self-acting and productive, creating the realm of nature and human spirit, he is indulging in picture thinking, in imaginative representations that on his own terms belong to a pre-philosophical level.5

Consequently, appropriating Hegel’s dialectical method as ‘an immanent progression of categories’, where ‘[o]ne category leads to another through

3 Arthur 2000a, pp. 2–3.
4 To simplify life, I use ‘Capital’ here as a metonym for all Marx’s economic writings from 1857 onwards.
5 Smith 1990, p. 10.
the positing and overcoming of dialectical contradictions', is not philosophically problematic.6

It would be tedious to line up the numerous quotations that refute this interpretation, and better to focus on the source of Smith’s error, which is well brought out when he writes that ‘for Hegel the realm of the logical refers to a systematic ordering of pure (formal) ontological structures’.7 Everything turns on how we understand ‘formal’ in this sentence. On the essentially Kantian view influential in contemporary Anglophone interpretation of Hegel, the formal necessarily lacks content: the categories of logic serve to organise experience, whose origin and nature are independent of them. But a rejection of this understanding of form is central to Hegel’s critique of Kant. For Hegel, the formal is not a set of empty shapes into which content is inserted from without: on the contrary, the form generates its own content from itself, or, as Hegel himself puts it, ‘the form is the indwelling process of the concrete content itself’.8 The development of the categories in the Logic is the process through which the most abstract concepts, starting with that of Being, acquire determinateness through purely immanent transitions and thereby (so Hegel claims) content as well. Logic, thus, is not just ‘a systematic ordering of pure (formal) ontological structures’: it is ontology. The abstract conceptual structure of the world is the process through which the world itself is generated from that structure. It is on this basis that Hegel asserts the unity between – to borrow Engels’s famous formulation of the problem – his dialectical method and his absolute idealist system.9

Arthur acknowledges the problem, and therefore pursues a significantly different approach to the ‘new dialectic’ from that propounded by Smith:

Speaking for myself, I believe it is patent that the movement of the Logic is indeed that of the self-acting Idea . . . . What we can see, however, is a striking homology between the structure of Hegel’s Logic and Marx’s Capital.10

This homology, however, exposes what is at fault with capitalism – that it is an autonomous process that imposes itself on the human actors who create and sustain it:

6 Smith 1990, p. 11 and p. 17. Other elaborations of this interpretation remain vulnerable to the criticism made here: for example, Smith 1999.
8 Hegel 1977 [1807], §56, p. 35 (translation modified).
9 For a detailed interpretation, see Rosen 1982.
for me the very fact that capital is homologous with the Idea is a reason for criticising it as an inverted reality in which self-moving abstractions have the upper hand over human beings.\footnote{Arthur 2002a, p. 8.}

Reliance on Hegel’s dialectic, in other words, allows Marx to articulate the structure of capitalism as what he sometimes denounces as a ‘topsy-turvy world’ in which the dynamic of capital accumulation overrides human priorities.

Arthur’s strategy has antecedents. Adorno, in particular, argues that Hegel’s dialectic in some sense mirrors the reduction of the qualitative to units of abstract labour and the dominance of commodity fetishism under capitalism:

> Even in the theory of the conceptual mediation of all being, Hegel envisaged something decisive in real terms. . . . The act of exchange implies the reduction of the products to be exchanged to their equivalents, to something abstract.\footnote{Adorno 1976 [1957], p. 80.}

But Adorno’s focus, particularly in *Negative Dialectics*, was on a relentless critique of Hegel, and of German classical idealism more generally, for subsuming the individual and particular under the conceptual and the universal and thereby effacing them. Arthur, by contrast, is concerned with developing, on the basis of the homology that, like Adorno, he posits between Hegel’s and Marx’s methods, a detailed account of the conceptual structure of *Capital*. In the rest of this paper, I concentrate on what seems to me to represent the fatal flaw in this account, which, once again, turns on the problem of form and content, before returning in conclusion to some issues posed by the presence of Hegelian categories in *Capital*.

**Totality and content**

Systematic dialectics is conceived (in Smith’s words) as an ‘immanent progression of categories’: as Arthur puts it,

> in a dialectical argument successive stages are introduced because they are demanded by the logic of the exposition, and they are so demanded because the exposition itself conceptualises the internal relations and contradictions of the totality.\footnote{Arthur 2002a, p. 26.}
Such a conception of method is endorsed by Marx, notably in the 1857 Introduction to the *Grundrisse*, where he famously espouses ‘the method of rising from the abstract to the concrete’ as essential to grasping the capitalist mode of production as ‘a rich totality of many determinations and relations’. This passage is widely seen as indicating the procedure that Marx himself follows in *Capital*, as he moves from the abstract determinations – the commodity and money – at the start of the first volume to the comprehension of the system as a whole developed in the course of Volume III. But such a heavily metaphorical account is sufficiently broad to be consistent with several different epistemologies, each with their own distinctive problems. What is peculiar to the version that Arthur attributes to Marx?

It is, in the first place, one where the progressive articulation of more complex concepts is driven by the internal contradictions that emerge at each successive stage of the process. Arthur writes, in a discussion of *Capital*, Volume I, Part 1:

> The method of advance in systematic dialectics is based on observing whether or not the characteristic provisionally identified, in this case value as a universal property of commodities, can be objectively grounded in the stage of development (here of exchange) under review. It may well turn out to be the case that the determination (here of value) imputed to such relations gives rise to a contradiction. This in turn gives rise to the immanent necessity to transcend the contradiction and thereby produce a more complex set of relations to which a more adequate actualisation may be imputed; thus in systematic dialectics the presentation develops itself by the transcendence of contradiction and through providing ever more concrete grounds – conditions of existence – of the earlier abstract determinations.

This conception of method is undoubtedly dialectical in the Hegelian sense. The ‘presentation develops itself’ – in other words, each move from one determination to another is driven by ‘the immanent necessity to transcend the contradiction’ that has emerged in the first of these determinations. One question that immediately poses itself is that of the criteria by means of which we can judge whether any given move is justified or not. Addressing this question is not straightforward: on the one hand, these criteria must somehow be internal to the developing system of concepts, since the move from one

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14 Marx 1973 [1939], pp. 100–1.
determination to another reflects an only ‘immanent necessity’ and not anything external to that system; but, on the other hand, the overall movement is supposed to provide us with knowledge of ‘the real subject’, the capitalist mode of production, which, as Marx reminds us in the 1857 Introduction, ‘retains its autonomous existence outside the head just as before’. Arthur tacitly addresses this question in the passage cited above, when he asserts that the progressive articulation of concepts offers ‘ever more concrete grounds – conditions of existence – of the earlier abstract determinations’. In other words, the unfolding of the exposition provides retrospective justification for the earlier stages of the argument by developing a comprehensive account of their ‘conditions of existence’. Arthur expands on this elsewhere:

> While each category depends on its antecedent for its constitutive moments, the problem of the beginning is resolved if the richness of the granted content presupposes analytically the simpler, more abstract, more antecedent categories... the progressive introduction of new categories cannot be deduction (for the beginning is not to be taken as an axiom), it can only be a reconstruction of reality which takes for granted that what it is headed for is logically complete. So the sequence of categories has to be read in both directions, as a disclosure, or exposition, progressively, and as a grounding movement retrospectively.17

Arthur makes three important points here. First, the movement from one level of determination to another one is not deductive: I return to this below. Second, the movement is ‘a reconstruction of reality’. Third, the ability of this reconstruction to provide retrospective support for the more abstract determinations at the start of the exposition depends on the assumption that its conclusion is ‘logically complete’. What does this last claim mean? Arthur’s most detailed gloss on this claim is worth quoting at length:

> All stages are deficient with respect to the final fulfilment of the dialectic in a systematically ordered totality.

> Indeed, the progressive/regressive sequencing depends upon the presupposition that there is a whole from which a violent abstraction has been made so as to constitute a simple beginning, which in virtue of this negation of its positioning in the whole, has ‘lost its footing’, so to speak; and thus there is a contradiction between the character of the element in isolation

17 Arthur 2002a, p. 66.
and its meaning as part of the whole. The treatment of this moment as inherently in contradiction with itself, on account of this, is given if it is assumed throughout the dialectical development that the whole remains immanent or implicit in it. This provides the basis for the transitions in the development of the categorical ordering. There is an impulse to provide a solution to a contradiction – a ‘push’ one might say – and there is the need to overcome the deficiency with respect to its fulfilment in the whole – a ‘pull’ one might say.\textsuperscript{18}

So, the motor of systematic dialectics is the contradiction inherent in abstraction – a contradiction that is itself a consequence of the presupposition that ‘the whole system of categories is complete and internally self-sustaining’.\textsuperscript{19} Arthur underlines the point:

I want to stress here the importance of the fact that the final goal is the fully comprehended whole and that any given stage \textit{en route} is always deficient with respect to it. The impulse to move from one category to the next is always the \textit{insufficiency} of the existing stage to comprehend its presuppositions.\textsuperscript{20}

But how is the presupposition that ‘the final goal is the fully comprehended whole’ itself to be justified? Arthur cannot appeal to the progressive unfolding of that whole as ‘a rich totality of determinations and relations’ through the exposition, because the contradictions that move the exposition on themselves reflect the incompleteness of each determination when isolated from the whole – in other words, not simply do the determinations presuppose the totality, but the movement from one to another depends on their relationship to that presupposition. Even if this problem were somehow solved, and we knew we were on the right track, on what basis could we judge that ‘the whole system of categories is complete and internally self-sustaining’? How could we tell, in other words, that we had actually reached ‘the final goal’?

These questions are less pressing for Hegel, because his dialectic is explicitly teleological. Not simply does its structure exhibit the movement from immediate unity through differentiation to the return to a now self-conscious and internally articulated unity, but the attainment of this unity, implicit in the process from the start retrospectively validates the individual moves that successively and

\textsuperscript{18} Arthur 2002a, p. 67.
\textsuperscript{19} Ibid.
\textsuperscript{20} Ibid.
collectively constitute its attainment. Though Arthur does use teleological language such as ‘the final goal’, it does not seem that Hegel’s solution is available to him. This is partly because he is offering an interpretation of *Capital*, which, despite the anti-empiricist epistemology that Marx avows, aspires to be a work of empirical science. Notoriously, *Capital* is incomplete, but even if Marx had somehow managed to finish his mammoth project, neither he nor anyone else could plausibly claim that he had arrived at ‘the fully comprehended whole’. Science is infinite, as Engels and Lenin liked to say – not simply because capitalism is a historically evolving system, but because, in the absence of the kind of intellectual intuition rightly banned by Kant, in principle no-one is in a position validly to claim that they have arrived at complete knowledge of ‘the real subject’.

Arthur might then be thinking of ‘the final fulfilment of the dialectic in a systematically ordered totality’ not as an attainable stage of knowledge but as a Kantian regulative idea that serves to orient research. But this is too vague a conception of the totality to offer of a solution to the problem posed earlier of the criterion according to which we judge whether a move from one determination to another is justified. Even if we could somehow be confident that knowledge culminates in ‘a systematic ordered totality’, how do we know whether we are on the right track for achieving this ‘final goal’?

There is a further uncertainty about the identity of ‘the real subject’ whose reconstruction as a totality is the *telos* of Marx’s enquiry. I have been proceeding on the basis that it is the capitalist mode of production. Arthur seems largely to share this assumption, but, then, at one point, he writes:

> One can use the notion of a drive to overcome contradictions in order to motivate transitions from one category to another, whether one assumes, with Hegel, that a final resolution within the terms of capitalism is available, or whether, with Marx, that capital cannot overcome its contradictions.21

So is ‘the fully comprehended whole’ meant to be communism now? I am very happy to defend a robust conception of communism as the alternative to capitalism, but to make this the presupposition legitimising moves within the dialectic is to heap vagueness upon vagueness.

A further difficulty for Arthur’s account of Marx’s method arises from the fact, noted above, that the moves between determinations are not deductive ones. A valid deductive proof simply transfers the content of the premisses

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21 Arthur 2002a, p. 77.
of the argument to its conclusion: in other words, the proof introduces no new content, but merely makes explicit connections that may hitherto not have been noticed. Arthur explains why systematic dialectics cannot be deductive:

It is the logical development of a system of categories, or forms of being, from the most elementary and indeterminate to the richest and most concrete; it is self-evident that the result cannot be ‘contained’ in the premiss, for the latter is poorer in content than the former.22

In other words, Marx does not proceed by deducing more concrete from more abstract determinations, because the introduction of new determinations adds content to his theoretical construction, which a deductive argument cannot do. Arthur nevertheless insists that the move between levels of determination is, as he puts it with respect the transition from the commodity to money, ‘driven conceptually’,23 but no satisfactory account is given of how concepts are supposed to be derived from one another non-deductively. He says, at one point, that

transitions [between categories are motivated] according to the criterion of the relative insufficiency of the currently established framework to guarantee on its own basis the self-reproduction of the system.24

But this ‘criterion’ returns us to the difficulties with the presupposition of ‘the final fulfilment of the dialectic’ surveyed above.

But the problem of content in Arthur’s interpretation of Capital runs deeper than that of epistemology. For he tends to conceive the entire system of concepts that Marx’s uses to comprehend the capitalist mode of production as ghostly forms that acquire content by conquering the social world and subordinating it to them. Thus, he writes:

there is a strong parallel between Hegel’s ‘pure thoughts’, i.e. the evacuation of contingent empirical instantiations to leave the category as such, and the same process in practical terms when a commodity acquires a value form which disregards its natural shape. In the value form there is not only a split between form and content, but the former becomes autonomous and the dialectical development of the structure is indeed form-determined. The

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22 Arthur 2002a, p. 83.
23 Ibid.
value-forms, ‘commodity’, ‘money’, and ‘capital’, initially are pure forms which subsequently gain a footing in material production. There is a sense in which the forms apply themselves to the material to be formed, rather than the form naturally being taken on by the content. However, this means that form and content are not fully unified but retain a structure of abstract contraposition: the content is inscribed in the form while retaining much that cannot be grasped in it. Because of this, I argue that capital is both real and ideal.25

The Absolute Idea (here interpreted, pace Hegel, as a contentless form) is thus homologous with the value-concepts constructed by Marx, with the difference that the latter represent forms that are somehow programmed to reshape the social world in their image. This gives yet another answer to the question of the nature of the ‘conditions of existence’ presupposed in the progressive articulation of these concepts:

The ontological presupposition of my argument is that commodity exchange creates an ‘inverted reality’, in which, instead of abstractions being the pale efflorescence of matter, they take possession of it. With the ever-extending commodification of all material things, and inscribing of all relations within the value-form, then mere abstraction is loosed upon the world. Pure forms which develop themselves, and enter into relations with each other, are objectively present in a realm other than thought. But their conditions of existence are material; hence capital drives to shape matter into a content, penetrated through and through by the value-form.26

The last sentence cited implies that there is a difference between matter and content arising from the fact that the latter is ‘penetrated through and through by the value-form’. Is matter, as Hegel (following ancient Greek thought) argues in the Greater Logic, structureless chaos, dependent on form to give it shape and thus to make it into a determinate content? This is inconsistent with the idea that the conditions of existence of capital are material. We have already seen that the progressive exposition of the categories is driven by their incompleteness relative to the totality formed by these conditions of existence and, in doing so, conceptually reconstructs this totality. But these categories are developments of the value-form: so, how can matter = the

conditions of existence of capital be counterposed, as it is in the passages just cited, to the value-form?

Arthur, in any case, holds that matter does not depend for its structure on its shaping by the value-form: ‘the content is inscribed in the form while retaining much that cannot be grasped in it’. This structure is not merely that of the physical world. Thus Arthur endorses Enrique Dussel’s claim that living labour is ‘exterior’ to the capital-relation: ‘Living labour as the source of value lies outside this self-referring circle of value-forms’. This seems to me a very dubious interpretation of Capital, but the strategic problem with Arthur’s claim that ‘the [value-] forms apply themselves to the material to be formed’ is much more straightforward. Exactly how do they ‘apply themselves’? At one level, the answer seems to be that they are impelled to do so by conceptual necessity:

- It is inherent in the concept of capital that it must reproduce and accumulate, and in this it seeks to overcome all obstacles and to make the material reality it engages conform as perfectly as possible to its requirements.28

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27 Arthur 2002a, p. 99. See also Dussel 2001 [1988], especially Chapter One, and Arthur 2003, for a qualified endorsement of this interpretation, and also Arthur 2002a, Chapter Three. According to Dussel 2001, p. 8: ‘[t]he “exteriority” of living labour with respect to the “totality” of capital is the conditio sine qua non for the total comprehension of Marx’s discourse’. He cites in support of this interpretation a striking passage that, having first been written in the Grundrisse, Marx repeats in modified form in the 1861–63 Manuscript, where labour capacity (Arbeitsvermögen, a different concept, Dussel asserts, from labour-power, Arbeitskraft), is presented as ‘non-capital, non-objectified labour’, simultaneously ‘absolute poverty, i.e. the complete exclusion of objective wealth’, and ‘activity, . . . living source of value, ‘the general possibility of wealth’ (Marx and Engels 1988, pp. 170–1; compare Marx 1973 [1939], pp. 295–6). Dussel argues that ‘the labourer as corporeality (poor, bodily existence of the nude body), as person, as not-being of capital’ is ‘exteriority, the alterity of the Other than capital’ (Dussel 2001, p. 8). But, for labour to be other than capital is not the same as being outside the capital-relation. This is indicated slightly later on in the passage cited by Dussel, where Marx, having summarised the duality of labour-capacity, concludes: ‘This is labour, such as it is presupposed by capital as antithesis, as the objective existence of capital, and as such for it part it in turn presupposes capital’ (Marx and Engels 1988, p. 171). Labour-capacity and capital thus mutually presuppose one another. The self-expansion of capital can only become an autonomous process when it succeeds in separating the direct producers from the means of production, a historical transition that is constantly reproduced through the process of exploitation (to put it in Hegelian terms, capital tends to posit its presupposition); for its part, labour-capacity is not merely a poor, bare, forked animal outside capital, but a historical result that presupposes capital’s continually renewed success in denying it direct access to the means of production (therefore labour-power and labour-capacity represent a distinction without a difference). Dussel’s construction of living labour as the ‘exterior’ Other of capital seems to reflect the influence of Schelling and Heidegger rather than the close reading of Marx’s economic writings for which he is justly renowned.

28 Arthur 2002a, p. 73.
This appeal to conceptual necessity is of no help since, as we have seen, Arthur offers no satisfactory account of how concepts are derived from one another. But, that aside, through what agency do these concepts ‘apply themselves’ and make ‘material reality . . . conform’? The answer seems to be capital itself. ‘With capital,’ we are told, ‘value becomes subject,’ indeed ‘an individual subject’. This is a hypostatisation of capital in some ways more extreme than anything we find in Hegel. The sense in which the Absolute is, for Hegel, a subject is precisely not that it is anything resembling a person, whether individual or collective, but, rather, that it is identical to the teleological structure of the process of its own self-realisation: as Hegel puts,

the living Substance is being which is in truth Subject, or, what is the same,

it is the truth actual only in so far as it is the movement of positing itself,

or is the mediation of its self-othering with itself.

Moreover, Hegel’s philosophy of history, unlike Arthur’s systematic dialectics, has some account of agency: through the cunning of reason, individual subjects, in pursuing their own personal goals, unintentionally contribute to the self-fulfilment of Absolute Spirit.

Although Marx seeks to liberate himself from this teleological dialectic, he does rely in Capital on a somewhat analogous mechanism, since the various tendencies he ascribes to the capitalist mode of production typically depend on competition between capitals to be operative: ‘The influence of capitals on one another has the effect precisely that they must conduct themselves as capital’. It is through the mechanism of competition that Marx meets the requirement demanded by his rational-choice critics for micro-foundations – that is, for an account of how individual actors are motivated to help realise the macro-tendencies of the system. Some exponents of the ‘new dialectic’ acknowledge the importance of this requirement. Thus, Smith writes:

Dialectical transitions in categorial social theories are justified only when it can be shown that the structure defined by a given category necessarily has certain structural tendencies. In order to establish such tendencies one must show that within the structural parameters defined by a given category, individual agents would choose courses of action that form a certain pattern.

30 Hegel 1977 [1807], §18, p. 10.
31 For more on the disanalogies between capital and the Absolute, see Smith 2003a.
And this, of course, means that micro-foundations must be provided for a dialectical transition.\textsuperscript{33}

Arthur, by contrast, effectively dismisses the demand for micro-foundations, deriving macro-tendencies by conceptual necessity. Thus, he declares that ‘a particular capital never measures up to its concept and is compelled to throw itself into ever more twists of the spiral of accumulation’,\textsuperscript{34} adding in a footnote:

Incidentally, this means that for Marx accumulation is not explained by the pressure of competition; this merely ensures that capitalists are forced to conform to the concept of capital in effect to be capital personified.\textsuperscript{35}

He qualifies what seems like an extreme hypostatisation of capital by arguing that value, in contrast to the ‘non-value’ of living labour, is ‘Nothing’, ‘a sheer void’, that ‘gains its determinacy’ through capital, ‘a spectre’ that ‘confronts production and consumption as alien domains that it must subdue and actively to inform with its shapes’.\textsuperscript{36} It is not that these metaphors – inspired in part by Derrida’s \textit{Specters of Marx} but influenced also, no doubt, by Dussel – are meaningless: on the contrary, in the era of neoliberalism, they retain a real critical charge. But \textit{Capital} is an essay in social theory that seeks to be explanatory as well as critical. From this perspective, Arthur’s assimilation of capital to a hypostatised version of Hegel’s Absolute is an epistemological

\textsuperscript{33} Smith 1990, p. 229 n. 30. See Smith 2003b for a model example of such analysis.
\textsuperscript{34} Arthur 2002a, p. 149.
\textsuperscript{35} Arthur 2002a, p. 152 note 51. It is true that Marx occasionally uses analogous formulations in the \textit{Grundrisse}. For example: ‘Free competition is the real development of capital. By its means, what corresponds to the nature of capital is posited as external necessity for the individual capital; what corresponds to the concept of capital, is posited as external necessity for the mode of production founded on capital’ (Marx 1973 [1939], pp. 650–1). But the – undeniably Hegelian – idea that competition makes capitals conform to their concept surely requires interrogation from a materialist perspective, not uncritical repetition. Elsewhere, Arthur adopts what seems like a completely different position from that taken in his book. In an interesting discussion of competition in \textit{Capital}, he argues that conceiving ‘total social capital’ as, ‘not merely a system, but as a single aggregate’ involves ‘a clear danger of falling into a fallacy of composition in that the features common to single capitals are transferred illogically to the aggregate’ (Arthur 2002b, pp. 147–8). Furthermore, ‘the definition of capital in general as “total social capital” – specified in opposition to labour, is merely a partial definition because the notion of capital in general includes the conception of capital as necessarily appearing as many capitals imposing the inner determinations of capital upon each other through competition’ (Arthur 2002b, p. 147). The last clause cited would serve well as a statement of the rational kernel of the passage from the \textit{Grundrisse} quoted at the beginning of this note: it is, in any case, hard to square with the idea that competition plays no role in explaining the macro-tendencies of the capitalist mode of production.
\textsuperscript{36} Arthur 2002a, pp. 162, 172 and 167 respectively.
obstacle, above all because what becomes lost in it is surely one of Marx’s central themes – the relationality of capital. In other words, capital is constituted by two antagonistic relationships – the exploitation of wage-labour and the competitive struggle between capitals. To exclude both of these out of capital is not simply to leave us with a spectre: it is to leave the real structure of the social world uncomprehended.

**Conclusion**

The upshot of all this is that Arthur’s ‘new dialectic’ must be accounted a failure, both because the method he imputes to Marx is incoherent, and because, as we have just seen, it effaces the two main dimensions of Marx’s analysis of the capital-relation. These failings are fatal to Arthur’s particular reconstruction of Marx’s method; arguably, they also cast doubt on other attempts to make Hegel’s *Logic* the model for such reconstructions. Aside from the philosophical difficulties on which I have concentrated, detailed attempts to build up correspondences between Hegelian categories and Marxian concepts tend to consist either in rather banal redescriptions in Hegelese of concepts and arguments whose content is specified by Marx in terms that do not depend on this theoretical language or in efforts to prod and pummel Marx’s discourse to make it fit onto the Procrustean bed of ‘dialectical logic’.37

This scepticism about the ‘new dialectic’ does not represent a rejection of the very idea of dialectical social theory: the tenability of this idea depends on whether it is scientifically acceptable to ascribe structural contradictions to social reality (as I believe it is), a topic that Arthur does not discuss. Moreover, even though the ‘new dialectic’ is unsuccessful, it represents, as I have already noted, an attempt to grapple with real problems – in particular, that of how to understand Marx’s theoretical discourse in the light of the reinterpretation of *Capital* offered by value-form theory and of the presence in that discourse of Hegelian categories. The fact that the solution Arthur

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37 Arthur 2002a, Chapter Five, is an example of the first alternative; Smith 1990, despite the lucidity with which Marx’s economic theory is generally presented, unhappily provides instances of the second in its treatment of *Capital*, Volume I: thus perhaps the most important function of money for Marx’s overall analysis of capitalism – means of payment – disappears so that the other functions can be fitted into a Hegelian triad (Chapter Five), while Smith’s discussion of the production process (Chapter Seven) skips over Marx’s crucial analysis of the labour and valorisation processes.
offers is a failure does not mean that these problems go away. Given that the thrust of this paper has been mainly negative, it is only fair that I should conclude with some indication of how they might be better addressed.

In the first place, it is, as I have already noted, evident that the whole corpus of Marx’s economic writings is impregnated with Hegelian motifs and categories. Two mistaken responses are either to explain these away as inessential ‘survivals’ or to treat them as proof that Marx’s discourse is Hegelian in its structure and therefore (depending on one’s philosophical predilections) either vindicated or refuted. Marx’s resorts to Hegel are, in fact, complex and diverse, but one strand running through them is the use of the Logic to articulate a non-empiricist model of science proceeding from theoretical abstractions through a series of elaborations and concretisations – a model radically different from those used either by the classical political economists or by the precursors of neoclassical economics (dismissed by Marx as vulgar political economists). It is, however, possible to trace across the succession of drafts that culminate in the three volumes of Capital a process of theoretical reconstruction in which Marx liberates himself from some of the most striking Hegelian arguments deployed in earlier manuscripts (notably the Grundrisse, which does, at points, deploy a conceptual dialectic resembling Arthur’s proposed reconstruction). Hegel’s logic at once plays a constitutive role in the formation of Marx’s method but comes to form an obstacle that had to be (at least partially overcome) in the composition of Capital.38

To the extent that Marx does go beyond Hegel, where does that leave his method? One way of addressing this question is to return to the relationship between the determinations articulated in Capital. If the move from one determination to another does not take the form of a conceptual derivation – whether in the form of a deductive proof or that of the kind of ‘dialectical’ derivation of the concept of capital from that of money that Marx attempts in the Grundrisse – what is it?39 Here, Arthur makes an interesting remark:

because the development is from the poorer to the richer form, a transition cannot be so formally necessary that a computer could predict it. Rather a

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38 I offered my own account of Marx’s employment of Hegelian logic in Callinicos 1978. The best treatment of Marx’s successive recastings of his economic discourse is provided in Bidet 2000 [1985]: perhaps this important book’s forthcoming English translation in the Historical Materialism Book Series will end its regrettable neglect in Anglophone discussion of Capital. Bidet’s idea of Hegel as an ‘epistemological support/obstacle’ for Marx exactly captures the complexity that I am trying to convey.

certain openness and creativity is present. Hegel speaks here of ‘an upward spring of the mind’.  

Arthur does not develop this promising idea. One way of doing so would be to think of each successive determination in *Capital* as posing a problem whose resolution requires the formulation of a new determination that, in resolving one problem, gives rise to a new one, and so on.  

Seeing the discourse of *Capital* as a series of problematisations has two advantages over the interpretation of the text as a succession of contradictions common to proponents of the ‘new dialectic’. First, it avoids the game of ‘Hunt the Contradiction’ at every stage of the process that encourages the kind of prodding and pummelling of Marx’s analyses that I criticised earlier. Secondly, conceiving each conceptual level as a source of problems that requires the articulation of further levels helps to specify the thought expressed by Arthur that the move between levels is a creative process. Any given theoretical problem is likely to have more than one solution. The intense intellectual struggle that makes each draft of *Capital* a conceptual ‘laboratory’ (as Dussel puts it) represents Marx’s effort to find the right concepts not merely to resolve the problems he inherited from the classical economists but also those created by his own redefinition of the theoretical terrain and attempt to map it in detail. Of course, thinking of Marx’s discourse in these terms poses as many questions as it answers. One concerns the relationship between the successive problematisations pursued by Marx in *Capital* and the broadly realist epistemology that his discourse implies, as the 1857 Introduction makes clear. To return to an earlier question: how can we tell whether the presentation of a new determination in response to a problem posed by a previous determination represents the right step in the larger conceptual reconstruction of the capitalist ‘real subject’ existing outside and independently of ‘the thinking head’? The best answer that both Marx’s own approach and contemporary philosophy of science suggest is that the rightness of the successive moves can be established, not piecemeal but globally, through the empirical corroboration of his research programme. Here, again, all sorts of

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40 Arthur 2002a, p. 84.
41 See Bidet 2000 [1985], Callinicos 2001 and Callinicos 2006, Section 3.2. Duménil 1978 offers a complex and suggestive account of how Marx proceeds by what Duménil calls ‘dosed abstraction . . . a concretisation constructed element by element’ (p. 89), although (ironically, given the Althusserian provenance of this text) he counterposes form and matter in terms as extreme as anything found in Arthur.
difficulties present themselves, but, in my view, realist epistemology constitutes a better terrain on which to grapple with them than that offered by the ‘new dialectic’.

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Ilyenkov, Evald Vasilevich 1982 [1960], The Dialectics of the Abstract and the Concrete in Marx’s ‘Capital’, Moscow: Progress.


Patrick Murray

**The New Giant’s Staircase**

As Christopher Arthur’s investigation of capital culminates in Chapter Eight, ‘The Spectre of Capital’, he introduces two chilling images. First, Arthur writes, ‘there is a void at the heart of capitalism’.¹ The second image draws in Cynthia Willett’s idea that Hegel’s logic holds the possibility of a ‘hellish dialectic’, an inverted, downward spiral into falsity and nothingness, the shadow of the upward pointed spiral of being’s movement toward truth and fullness of being.² For Arthur, value is

> a form without content, which yet takes possession of our world in the only way it can, through draining it of reality, an ontological vampire that bloats his hollow frame at our expense.³

In money, value appears as one more thing alongside wealth in the particular; it is as if ‘the Fruit’ lay next to an apple and a pear.

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² In imitation of Dante’s warning to those who enter the inferno, Marx hangs a warning over the threshold from the sphere of simple commodity circulation into ‘the hidden abode of production’, where ‘we shall see not only how capital produces, but how capital itself is produced’ (Marx 1977 [1867], p. 280).
If we treat value as the spiritual essence of the capitalist economy, its range of incarnations all centre on a single origin, namely money, the transubstantiated Eucharist of value.\(^4\)

Marx calls money ‘a born leveller and cynic’,\(^5\) and Georg Simmel vividly elaborates on money’s capacity to drain reality from things: money

hollows out the core of things, their peculiarities, their specific values and their uniqueness and incomparability in a way which is beyond repair. They all rest on the same level and are distinguished only by their amounts.\(^6\)

If value is wealth whose particularity has been boiled off, gelatinous stuff that hardens into money, then capital is value juiced up from substance to money-mad subject: active, self-relating, enlarging.\(^7\) Capital is a spectre whom our practices have summoned into being but who now lords over us. Relentless moneymaking – capital’s only unqualified ‘good’ – plunges in a downward spiral.

Charles Dickens shared Arthur’s idea that the most disturbing aspect of capitalism is satanic indifference toward the world of particulars. His novel *Hard Times* only secondarily concerns the inequities of capitalism, the plight of factory ‘hands’, and the ecological and aesthetic blight brought on by capitalism’s ‘Coketowns’. Primarily, it exposes the nihilism of capitalism and its chief ideologies, political economy and utilitarianism. *Hard Times* examines the effects of the Gradgrind educational philosophy, which insists on the facts, allows nothing to the imagination, trusts only in self-interest, and treats political economy and utilitarianism as gospel truth.

| It was a fundamental principle of the Gradgrind philosophy that everything was to be paid for. Nobody was ever on any account to give anybody anything, or render anybody help without purchase. Gratitude was to be abolished, and the virtues springing from it were not to be. Every inch of the existence of mankind, from birth to death, was to be a bargain across a counter. And if we didn’t get to Heaven that way, it was not a politico-economical place, and we had no business there.\(^8\) |

\(^4\) Ibid.
\(^5\) Marx 1977 [1867], p. 179.
\(^8\) Dickens 1990 [1854], p. 212.
In Book II of *Hard Times*, Dickens introduces Mr. James Harthouse, a ‘fine gentleman’ whose boredom with everything else left him ‘going in’ for the ‘hard Fact fellows’ of the Gradgrind party. ‘He was a thorough gentleman, made to the model of the time: weary of everything and putting no more faith in anything than Lucifer’.

Arriving in Coketown, he drifts into seducing Thomas Gradgrind’s eldest daughter, Louisa, who is married to the town’s leading capitalist, the blustery Mr. Josiah Bounderby. With Harthouse enter Arthur’s two images. Harthouse’s name invokes the first; he’s a mere housing for a heart: ‘He was touched in the cavity where his heart should have been’. The second appears as Mr. Bounderby’s bitter housekeeper, Mrs. Sparsit, imagines Louisa’s seduction by Harthouse as her twisting down ‘the new Giants’ staircase’ into the abyss.

Louisa’s education in the Gradgrind philosophy had already thrust her into a tailspin:

> Upon a nature long accustomed to self-suppression, thus torn and divided, the Harthouse philosophy came as a relief and justification. Everything being hollow and worthless, she had missed nothing and sacrificed nothing. What did it matter, she had said to her father, when he proposed her husband. What did it matter, she said still. With a scornful self-reliance, she asked herself, What did anything matter – and went on.

What is demonic about Harthouse is the indifference that creates the funnel in the cavity where his heart belonged:

> And yet he had not, even now, any earnest wickedness of purpose in him. Publicly and privately, it were much better for the age in which he lived, that he and the legion of whom he was one were designedly bad, than indifferent and purposeless. It is the drifting icebergs setting with any current anywhere, that wreck the ships.

Indifference, what Simmel called ‘the blasé attitude’, accompanies capital’s draining our world of its reality. Capital is the new, spectral giant, and the descending new giant’s staircase threatens our humanity.

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9 Dickens 1990 [1854], pp. 91–2.
10 Dickens 1990 [1854], p. 172.
11 See Dickens 1990 [1854], p. 153, n. 5.
12 Dickens 1990 [1854], p. 125.
13 Dickens 1990 [1854], p. 135. At the bottom of the giant-ringed ninth circle of Dante’s inferno is ice created by the flapping of Satan’s wings. I take it that Marx had this in mind in describing commodities in so far as they are values as ‘merely congealed quantities of homogeneous human labour’ and ‘crystals of this social substance’ (Marx 1977 [1867], p. 128).
The void at the heart of bourgeois life results in the most accomplished irony: accumulation as an infinite increase in emptiness is mistaken for a plenitude of wealth.\textsuperscript{14}

Since value is parasitical on concrete wealth and labour, the ontology of capital is more complex than this downward spiral; indeed, the competitive dynamics of capital accumulation unleash an explosion of growth. Marx identifies two chief consequences of capitalist accumulation as (i) ‘the development of the social productive forces of labour’\textsuperscript{15} and (ii) ‘to raise the quantity of production and multiply and diversify the spheres of production and their sub-spheres’.\textsuperscript{16}

But this upward spiral of expanding wealth, new types of wealth, and ever-higher levels of productivity is haunted by the vacuity of its aim and its unquenchable demand for surplus labour. These contrary spirals define our historical situation, its possibilities and its impoverishments.\textsuperscript{17}

\textbf{Capital as social form}

What opens the space for Arthur’s inquiry into the twisted ontology of capital is how he answers the question: What is capital? The textbook response that capital is wealth that can be used to produce new wealth is too generic. Arthur’s answer is that capital is a peculiar social form, self-valorising value, with extraordinary powers and consequences.\textsuperscript{18} Arthur describes social form as ‘one of the central concepts of the book’.\textsuperscript{19} I would call it the central concept not only of Arthur’s book but also of \textit{Capital} and historical materialism.\textsuperscript{20} The idea that social form reaches all the way down into a mode of production and, therefore, must be an element in the fundamental concepts of a mode of production, is Marx’s watershed idea.\textsuperscript{21} Marx succinctly makes the point

\textsuperscript{14} Simmel 1997, p. 177.
\textsuperscript{15} Marx, Karl 1976 [1861–3], p. 1037.
\textsuperscript{16} Ibid.
\textsuperscript{17} See Postone 1993 on the ‘shearing pressures’ these contrary spirals create.
\textsuperscript{18} ‘The form-determination of capital as inherently self-expanding makes capital utterly different from any other mode of production’ (Arthur 2002, p. 146).
\textsuperscript{19} Arthur 2002, p. 15.
\textsuperscript{20} Since Arthur writes, ‘[t]he question of social form is central to the Marxian understanding of economic systems’ (Arthur 2002, p. 86); any difference between us may be one of emphasis.
\textsuperscript{21} The idea that social form reaches all the way down contradicts the typical, ‘technological’ conception of historical materialism, according to which the ‘forces of production’ are not social-form-determined but, on the contrary, are the ultimate determinant of the ‘relations of production’.
in the *Grundrisse*, ‘all production is appropriation of nature on the part of an individual within and through a specific form of society’. 22 Marx’s deepest criticism of political economy (or economics, as we call it today) is that it is oblivious to the inescapable reality of specific social forms and purposes. Economics goes on as if its topic were the economy in general; Marx’s point is that there is no such thing. 23 Production always has a specific social form and purpose, from which scientific inquiry dare not abstract.

Arthur calls his work ‘new dialectic’ (a term he coined previously); more particularly, he writes, ‘[t]his book combines two mutually supportive new trends in Marxist theory, that of systematic dialectic and that of value-form theory’. 24 These are helpful terms for classifying work in Marxian theory and Arthur’s in particular. Fundamental is the divide between those who see Marxian theory as centrally about specific social forms and those who do not. Value-form theory is a theory of the specific social forms of capitalism, the value-forms, that insists – against Ricardian theory, for which value is determined solely in production – on incorporating commodity exchange and money into any adequate Marxian theory of value. And systematic dialectic, as it bears on Marxian theory, aims at the most satisfactory presentation of the specific social forms of the capitalist mode of production. One gets to systematic dialectic only after first recognising that the focus of the Marxian investigation is the totality of specific social forms that constitute the capitalist mode of production and then discovering that this totality defies a linear presentation. What a Marxian systematic dialectical presentation organises is a system of categories describing specific social forms. 25 Value-form theory and systematic dialectic are ‘mutually supportive’; both belong to the social-form approach.

**Arthur’s contributions**

Arthur’s contributions turn on his recognition of the centrality for Marxian theory of the specific social forms of needs, labour, wealth, and so forth. It is an understatement to say that Arthur reaches his goal of vindicating the fruitfulness of his general approach. The renewal of Marxian theory to which

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22 Marx 1973 [1857–8], p. 87.
23 ‘It is only in virtue of differences in social form that Marx can insist that there is no such thing as “economics” in general’ (Arthur 2002, p. 86).
25 ‘Essentially, then, the presentation is of a system of categories’ (Arthur 2002, p. 85).
Arthur contributes has far-reaching consequences not only for Marxism but
more broadly for social and political theory, the philosophy of social science,
and moral philosophy.26 I will identify several of Arthur’s main contributions
before evaluating two initiatives at reconstruction.

(i) It has become commonplace not only among mainstream authors but
also among Marxists or authors sympathetic to Marx either to ignore his
theory of value or to dismiss it off-handedly. Such authors usually assume
that Marx adopted the untenable Ricardian labour theory of value.27 By
showing that value is all about specific social forms, Arthur makes
untenable the assumption on which Marx’s value theory is discarded.
Marx’s value theory is a world apart from Ricardo’s. Because value has
been misunderstood, even within Marxism, so, too, has capital, self-
valorising value. Capital is not simply wealth that capitalists own and
use to make more wealth. Capital is a unique and powerful social form
of wealth; it has such a mind of its own that it reduces capitalists to its
‘personifications’. Overthrowing capital, then, is not simply a matter of
redistributing ‘wealth’; it requires discovering a new social form and
purpose of wealth.28

(ii) Arthur makes a compelling case for reading Capital as a systematic
dialectical presentation. What is more, he shows that systematic dialectical
presentation is required by the nature of the object under investigation.
The defining social forms of capitalism form a totality; they are inseparable,
which explains why they cannot be properly presented in linear fashion.

(iii) Systematic dialectic and value-form theory are ‘mutually supportive’,29
just as linear presentation and Ricardian theory reinforce one another.
Arthur shows why we cannot separate issues of method and presentation
from substantive issues, for example, Marx’s theory of money.

(iv) What is new about the ‘new dialectic’ is that it rejects the forced, ‘Diamat’
conception of dialectics as a universally applicable formalism. ‘New

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26 Arthur begins to explore the consequences for moral philosophy in Chapter Ten,
27 Some authors who accept Marx’s value theory identify it with Ricardo’s: ‘Marx
constructed his argument using “classical” value theory, the standard theory of his
day, which had developed from Adam Smith through David Ricardo – the “labor
theory” of value’ (Schweickart 2002, p. 25).
28 In Chapter Ten, ‘A Clock without a Spring: Epitaph for the USSR’, Arthur explains
the collapse of the Soviet Union as a failure to discover such a new social form and
purpose.
diaspotic' adheres to the Aristotelian insistence that method follow the object under study. Though Arthur holds that there is no general dialectical logic, he has much to say in general about systematic-dialectical presentations. (a) The object of a systematic-dialectical presentation – from start to finish – is a totality.30 (b) It is imperative in such a presentation to get the right starting point. It should be sufficiently simple to be grasped immediately by thought and yet sufficiently historically determinate to lead to the other categories that structure this specific society.31

The commodity serves Marx’s purposes because he shows that only with capitalist mode of production does wealth generally take the commodity form. (c) Systematic-dialectical presentation moves from the conceptually more abstract to the more concrete.32 (d) Arthur describes the method of advance:

systematic dialectic is based on observing whether or not the characteristic provisionally identified, in this case value as a universal property of commodities, can be objectively grounded in the stage of development (here of exchange) under review.33

(e) In advancing the way it does, a systematic-dialectical presentation posits the later categories as presuppositions of the earlier categories, which are themselves presuppositions of the later: it articulates ‘a logic of mutual presupposition’.34 (f) Placeholders, or ‘markers’,35 such as the qualification ‘socially necessary’, allow for the development of concepts.36

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30 On capital as an organic totality, see Meaney 2002.
31 Arthur 2002, p. 27.
32 ‘From the start the object of investigation is the capitalist totality, and this is grasped first of all abstractly and then more and more concretely’ (Arthur 2002, p. 40).
34 Arthur 2002, p. 64. Marx rejects as idealistic the Hegelian demand that a systematic-dialectical presentation be altogether presuppositionless. I am not sure where Arthur stands on this. He quotes Marx from the *Urtext*, ‘the dialectical form of presentation is right only when it knows its own limits’ (Arthur 2002, p. 74). Then, he cites a *Grundrisse* passage that combines the points about mutual presupposition and the limits to presuppositionlessness: ‘In the completed bourgeois system every economic relation presupposes every other in its bourgeois economic form, and every thing posited is thus also a presupposition. . . . This organic system itself, as a totality, has its presuppositions’ (Ibid.). But Arthur wants to dissociate those presuppositions from the systematic-dialectical presentation: ‘This logic does not depend in any way upon the historical development that first threw up the elementary preconditions of the
(v) Since the object of a systematic-dialectical presentation is a totality, the order of Marx’s presentation is not that of a sequence of models of more and more complex objects, but that of a progressive development of the forms of the same object, namely capitalism, from a highly abstract initial concept of it to more and more concrete levels of its comprehension.37

By showing that Capital is about capital from the beginning, Arthur demolishes the myth that Part I is about ‘simple commodity production’, adding the revelation that Engels was the source of the one mention of ‘simple commodity production’ in Capital. Arthur pursues the issue further, arguing that, even if we imagine a precapitalist society of commodity producers, there would be no value because no mechanisms would exist to enforce the law of value.38 He closes the book on ‘simple commodity production’ with a quote from Marx that confirms his reading of Capital as a systematic dialectical presentation:

the concept of value wholly belongs to the latest political economy, because that concept is the most abstract expression of capital itself and of the production based upon it.39

Consider what this means for the bourgeois conception of (commutative) justice as equal value for equal value. If there is no value without capital, there is no value without surplus-value, so the exploitation of wageworkers becomes the condition of bourgeois justice.

(vi) Lenin made famous the idea that not only Hegel’s conception of systematic dialectic but his logic is vital to the construction of Capital. Several of Arthur’s most distinctive contributions concern how to think about the relation between Capital and Hegel’s logic.
It is a running theme of this book that interesting, and illuminating, connections may be drawn between Marx’s *Capital* and aspects of Hegel’s idealist philosophy, because capital itself is a very peculiar object, requiring conceptualisation in forms analogous to those of Hegel’s ‘Idea’.40

It is not simply that capital is peculiar in being a totality; that is enough to require a systematic-dialectical approach. The abstract quality of the value-forms, their self-movement, and their power to subsume concrete wealth and labour resemble Hegel’s logical categories.

The logic of the value forms in their self-relating abstraction is an incarnation in social terms of the self-movement of thought in Hegel’s logic.41

For Arthur, this is so much the worse for capital:

The very fact that capital is homologous with the Idea is a reason for criticising it as an inverted reality in which self-moving abstractions have the upper hand over human beings.42

Still, the homology is not complete: capital only mimics the Idea; it cannot succeed in encompassing all its presuppositions. The recalcitrance of nature and wageworkers to capital’s designs may be managed but not eliminated, no genuine unity in difference is achieved, and . . . the material and ideal sides of the economy remain estranged from one another no matter how much mediating complexes attempt to secure ‘room to move’ for the contradictions.43

**Evaluating two reconstructive initiatives**

Though the ‘new dialectic’ is characterised by a return to sources, primarily Hegel and Marx, and though Arthur describes *Capital* as ‘a veritable treasure of dialectic’,44 he, like others pursuing a systematic-dialectical approach to capital, finds reasons to reconstruct Marxian value theory. First, Arthur fixes the meanings of value and capital as ‘pure forms’ before introducing labour. Second, drastically altering Claudio Napoleoni’s idea, he proposes a twofold concept of exploitation that situates it primarily in production rather than...
exchange. I do not find either reconstruction necessary. Neither do I share the lingering suspicion that I think motivates them, namely, that Capital falls short of being a thoroughgoing rejection of Ricardian value theory’s obliviousness to the value-forms. I will explain my reasons, beginning with the first initiative; it requires a complicated response.

**Deferring the introduction of labour: value and capital as ‘pure forms’**

Arthur sketches his first reconstruction:

> Now as to my own work presented here. One thing which I see as consequent on value-form theory is that, if it is predicated on analysis of exchange-forms in the first place, it should not be in too much of a hurry to address the content. It is notorious that Marx dives down from the phenomena of exchange-value to labour as the substance of value in the first three pages of Capital and people rightly complain they do not find any proof there. So I argue in several places here that we must first study the development of the value-form and only address the labour content when the dialectic of the forms itself requires us to do so.

Several points can be sorted here. (i) Arthur thinks that he can, indeed he must, determine what the value-form is independently of any content. (This is problematic for the usual Aristotelian reasons: as pure as they are, even Hegel’s logical forms are forms of thought.) Likewise, Arthur thinks that he can, and must, determine what the value-form is in terms of the sphere of exchange independently of production. (This is problematic in light of Marx’s insistence on the inseparability of production and exchange.) (ii) The charge that Marx is ‘in too much of a hurry’ to get to the labour content is, as its stands, a gripe, not an argument. Its source, I think, is Arthur’s suspicion that Capital is tainted by Ricardian value theory and a Ricardian-Marxist pre-occupation with exploitation, understood simply as unjust distribution. (iii) In the

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45 See Arthur 2002, p. 85, for a passage in which Arthur is quick to blend Marx into the Marxist tradition, much of which is Ricardian-Marxist.

46 Arthur 2002, p. 12. ‘I refuse to find it necessary to come to labour until after the conceptualisation of capital as a form-determination’ (Arthur 2002, p. 85). Refuse to find it necessary?

47 Consider these two passages. ‘Marx moves so quickly to his “substance” of value that we lose sight of the fact that value is actual only in the fully developed concept (namely capital). Hence sometimes the impression is given in his discussion that a prior content, labour, reduces the value-form to its mere phenomenal expression’ (Arthur 2002, p. 105). ‘He [Marx] has a critique of form (fetishism) as well as a critique
background lies the charge, made explicitly elsewhere, that, in order to introduce labour in the opening pages of *Capital*, Marx must make either the false assumption that all commodities are products of labour or the gratuitous one that only such commodities matter. (iv) Arthur argues that, because of the provisional nature of the early stages in a systematic-dialectical presentation, Marx cannot prove, at the conceptual level of commodity circulation, even the necessity that there be value as distinct from exchange-value.

I evaluate this initiative in three steps. First, I consider why Arthur stresses commodity exchange and money.48 Second, I spell out what Arthur believes is ill-conceived in Marx’s presentation and follow up with a defence of Marx. Third, I consider Arthur’s reconstruction itself.

‘Material abstraction’ is Arthur’s term for describing what happens in commodity exchange and for thinking about the nihilistic twist that value gives capitalist society.49

This ‘material abstraction’... produces an ‘inverted reality’ in which commodities simply instantiate their abstract essence as values; and concrete labours count only as lumps of abstract labour.50

The crucible of ‘material abstraction’ is commodity exchange, where concrete use-value is transubstantiated into abstract value incarnate in money. Money makes value possible. Measuring value in money works just the opposite of the Heisenberg Principle; instead of measurement introducing uncertainty, the determination of merely ‘latent’ value is impossible without measurement.51
In his zeal to avoid Ricardian insensitivity to social form, Arthur, I believe, overshoots his goal and arrives at a position in-between Marx’s and the one-sided type of value-form position associated with Michael Eldred and the Konstanz-Sydney group.62 To explain, let me sketch four positions on value and money; the first altogether overlooks the topic of the value-form; the last three represent different versions of value-form theory.

(i) The Ricardian position is that value is embodied labour; value is fully determined qualitatively and quantitatively in the sphere of production. Value is independent of money (indeed, it is the independent variable that explains price, the dependent variable); money serves merely as a label for value and a convenient instrument for exchange. (ii) Eldred’s type of value-form theory is the polar opposite of the Ricardian. It confines the qualitative and quantitative determination of value to the sphere of commodity exchange. Any mention of value prior to exchange is out, and any talk about value in terms other than monetary ones stops making sense. As Arthur says of it, ‘the labour theory of value as a (causal) theory of price determination is dispensed with’.63 (iii) Marx’s theory insists on the inseparability of value, whose substance is congealed abstract labour of a particular social type, ‘practically abstract’ labour (labour that is socially validated – in commodity exchange – as abstract), from money, which is value’s necessary form of appearance. (Consequently, though time is the ‘inner’ measure of abstract labour, value can be observed only in the movements of price.) According to Marx’s theory, the qualitative and quantitative determination of value overlaps production and exchange (in keeping with the inseparability of production and exchange), so that value is ‘latent’ in the sphere of production; it can be actualised only by being sold.64

62 Overreaction to Ricardian neglect of social form is detectable in this passage, ‘the question of form is so crucial that the presentation starts with the form of exchange, bracketing entirely the question of the mode of production, if any, of the objects of exchange’ (Arthur 2002, p. 86). Why assume that proper attention to social form requires bracketing production? Is not production form-determined by value? Is there a Ricardian slip in Arthur’s reasoning? And what happens to the inseparability of production and exchange? Something is fishy about the ‘if any’ too. Are we seriously to entertain the hypothesis that a society’s ‘heap’ of commodities can be renewed with no mode of production, no labour? If we are, then why not entertain the same hypothesis when we get to capital, where, in order to bring labour into his presentation, Arthur has to reject that very hypothesis: ‘The activity of production is an activity of labour’ (Arthur 2002, p. 105). Labour is just as necessary for renewing the ‘heap’ of commodities as it is for accumulating capital. When Marx brings labour into the presentation near the beginning, he is not lacking justification.


64 Marx 1970 [1859], p. 45. Marx expresses the overlapping as follows, ‘on the one hand, commodities must enter the exchange process as materialized universal
Value and price, though bound in a causal nexus, are not related as independent to dependent variable, respectively. (iv) Arthur’s position is close to Marx’s in that, in the end, he attributes the quantitative determination of value – still necessarily actualised by money and exchange – to (socially necessary) abstract labour. Closer to the Eldred position is Arthur’s insistence that the value-form itself is determined exclusively in exchange, independently of labour and the sphere of production. For Arthur, value is a pure, contentless form, which necessarily subsumes labour, whereas, for Marx, we cannot abstract the value-form from a peculiar social type of labour.

I differ from Marx in that I believe it is possible, through the power of abstraction, to push back the beginning beyond ‘the commodity form of the product’ to the world of commodity exchange as such.55

For Marx, positing a ‘world of commodity exchange as such’ involves bad abstraction; the real world of generalised commodity exchange is inseparable from the capitalist mode of production.56 The parallel to Hegel for Marx is not between contentless logical forms and contentless value-forms but between forms of pure thought and forms of pure labour.

Arthur emphasises the similarities between ‘material abstraction’ and abstract thinking,

I lay great stress on the way exchange abstracts from the heterogeneity of commodities and treats them as instances of a universal, namely value. This parallels the way the abstractive power of thought operates; and it gives rise to a homologous structure to logical forms, namely the value-forms.57

Worry over abstractions in modern thought animated the philosopher George Berkeley. He cautioned philosophers, scientists (political economists included), and mathematicians against ‘abstract ideas’ and what he saw as their primary ill consequences: scepticism, materialism, and atheism (and, in the economic sphere, mercantilism and prejudice against paper money). Because we can separate in words what we cannot separate in reality, our language can trick

labour-time, on the other hand, the labour-time of individuals becomes materialised universal labour-time only as the result of the exchange process’ (Marx 1970 [1859], p. 45).


56 ‘The production and circulation of commodities . . . by no means require capitalist production for their existence, on the other hand it is only on the basis of capitalist production that the commodity first becomes the general form of the product’ (Marx 1988 [1861–3], pp. 312–13).

us into treating as actual, what are only ‘abstract ideas’. Berkeley arrived at his immaterialism by arguing that material substance, understood as pure extension, is not actual because we have no perceptions of pure extension; perceptions involving extension always include at least tactile feelings or sensations of colour. Material substance and other ‘abstract ideas’ haunted the modern mind, warned Berkeley.58

If ‘abstract ideas’ were on Berkeley’s mind, Arthur’s is engulfed by ‘material abstraction’: it is our lives and world, not simply our minds and theories, that are under the spell of false abstractions.

With the ever-extending commodification of all material things and persons, and the inscribing of all relations within the value-form, mere abstraction is loosed upon the world. Pure forms . . . are objectively present in a realm other than pure thought.59

The ‘material abstraction’ that occurs in commodity exchange is the forge from which emerges the metallic giant, capital – ‘[t]he spirit is made metal and stalks among us’60 – an abstraction not only incarnate but gyrating along its course of relentless self-expansion.61 We inhabit an inverted world where ‘individuals are now ruled by abstractions’.62 It is a world chronically wasting away as we descend the new giant’s staircase, for, as Hegel said, ‘[t]o make abstractions hold good in actuality means to destroy actuality’.63

Now we turn to consider two of Arthur’s objections to Marx. The foremost, and familiar, complaint goes back to Böhm-Bawerk. In order to arrive at labour as the one and only thing that all commodities have in common, Marx must make either the false assumption that all commodities are products of labour or the gratuitous one that only they deserve consideration. Marx barely

58 On the parallel between Marx’s argument in Chapter One for abstract labour as the ‘substance’ of value and Descartes’ famous analysis, in the second of his Meditations, of material substance in the bit turned blob of wax, see Murray 1988, p. 132 and Postone 1993, p. 142.
61 Dickens depicts Bounderby as a giant with a metallic laugh.
62 Marx 1973 [1856–8], p. 164. Marx highlights the perversity of this situation, ‘What chiefly distinguishes a commodity from its owner is the fact that every other commodity counts for it only as the form of appearance of its own value. A born leveller and cynic, it is always ready to exchange not only soul, but body, with each and every other commodity, be it more repulsive than Maritornes herself. The owner makes up for this lack in the commodity of a sense of the concrete, physical body of the other commodity, by his own five and more senses’ (Marx 1977 [1867], p. 179).
starts his masterwork and already he has flubbed it – so the story goes. Arthur appears to accept this, writing, ‘this commodity form attaches to things that are not even products of labour . . . even if these are excluded by fiat’. 64 But Marx neither assumes, falsely, that all commodities are products of labour nor assumes, gratuitously, that only such commodities deserve consideration. As for the former, not only is there something unlikely about Marx missing a point obvious to the casual observer, there is the glaring fact that, in his 1859 Critique, Marx writes,

> the last, and apparently decisive objection [to any labour theory of value, P.M.] . . . is this: if exchange-value is nothing but the labour-time contained in a commodity, how does it come about that commodities which contain no labour possess exchange-value . . . 65

Marx goes on to say that his answer to the objection lies in his theory of rent (which he developed – unbeknownst to Böhm-Bawerk – before the publication of the first volume). So, Marx’s plan is to incorporate non-products into his value theory.

A second striking fact shows that Marx does not exclude non-products. In Chapter Three, ‘Money or the Circulation of Commodities’, Marx calls attention to the fact that the price-form applies to products and non-products alike:

> The price-form . . . may also harbour a qualitative contradiction, with the result that price ceases altogether to express value, despite the fact that money is nothing but the value-form of commodities . . . Hence a thing can, formally speaking, have a price without having a value. 66

What Marx holds to be compatible, indeed unavoidable, Arthur takes as compelling evidence against Marx’s position:

> the argument that there is indeed a content to the value-form in labour cannot be correct as far as the pure form of exchange is concerned because many non-products are coherently inscribed within the form. 67

Marx’s two-step argument counters the prima facie plausibility of Arthur’s objection. First, wealth generally takes the form of a commodity, that is, has

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65 Marx 1970 [1859], p. 63.
66 Marx 1867, p. 197.
a price, only because of the specific social form of labour, so the price-form is not a ‘pure form’ independent of production. Second, it belongs to the nature of the price-form (due to the independence of money from a commodity) that non-products can have prices.

This response throws into question Arthur’s assertions:

Marx failed to grasp that this implies a method of exposition which engages the value-form first, and then provides reasons to narrow the focus of the enquiry to products, rather than one that starts from production, i.e. ‘value’, and then inexplicably allows the scope of the commodity-form to include non-values.68

But Marx does not ‘narrow the focus of the enquiry to products’, and he does not start Capital with ‘production’; he starts simultaneously with exchange and production, in keeping with his insistence on the inseparability of production and exchange.69 Arthur tries to give Marx a Ricardian collar here by referring to ‘production’ and ‘value’ in a one-sided way that ignores the context in which Marx brings in labour and value, namely, the context of wealth in the commodity-form. Arthur charges that Marx ‘inexplicably’ expands the scope of the commodity-form to include non-commodities. But Marx never excludes the non-products, so there is no need to expand the scope. As for their inclusion being ‘inexplicable’, Marx’s account of the price-form provides an explanation. Arthur writes as if Marx stumbles into an embarrassing admission about non-products when, in fact, he knows exactly where he is going and why. To summarise, neither the charge of leading with a falsehood nor that of theorising ‘by fiat’ will stick. What, then, is Marx doing?

At the beginning of Capital, Marx indicates that he will examine the commodity as the ‘economic cell-form’ of capitalist society, while, in his plan for Capital, Marx intends to consider capital in general first. Interpretative charity, along with these and other systematic considerations, suggests the following answer: where the ‘heap’ of commodities and capital in general

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68 Ibid.
69 By starting with wealth in the commodity form, Marx begins with exchange. He begins with production inasmuch as he assumes that, though some commodities will not be products, production is required to keep the ‘heap’ of commodities streaming into the market. Moreover, production will be value-form-determined. Insofar as Marx starts with production, then, he does not start with production in general or production independent of exchange; by the same token, the labour that produces value is not some generic labour. Marx’s beginning is not presuppositionless.
are concerned, Marx’s claims about commodities and capitals do not hold for each commodity or capital taken individually but to commodities and capitals as representative parts of the sum of commodities and capitals, respectively. The ‘heap’ of commodities will include both produced and non-produced commodities, while the total social capital will include industrial, merchant, and interest-bearing capitals. The only way that a representative part of the ‘heap’ would not be a product of labour would be if no commodities were products of labour. Since we are assuming that wealth generally takes the commodity form, this amounts to saying that a society’s wealth could be renewed with no labour. Likewise, the only way that a representative part of the total social capital would not involve labour would be if no capital employed labour. Since Marx assumes that labour is required to meet human needs, he assumes that a representative commodity will be a product of labour and that a representative capital will employ labour. Understood in this way, Marx’s claims are neither false nor gratuitous.

This heuristic, representative-part strategy serves Marx’s systematic-dialectical purposes well. It allows Marx to establish truths about the ‘heap’ of commodities that do not hold for each commodity in it and truths about capital in general that do not hold for each capital. Consider what this strategy implies in two other cases. First, take the apparent contradiction between the Volume I theory that commodities sell at their values and the Volume III theory that they sell at their prices of production. The conventional notion is that the theory of prices of production that Marx introduces in Volume III in order to solve the problem of the different organic compositions of capital supersedes – in the sense of falsifying – what he claims about the value of commodities in Volume I. But, if the Volume I theory applies not to all commodities taken individually but, rather, to a heuristic, representative commodity, then the claims of Volume I, though superseded by more complex truths, are not falsified. Second, the representative-part strategy forces us to reconsider the assumptions of the traditional ‘transformation problem’. This supposed problem assumes that, in Volume III, Marx retracts the earlier assertion that all individual commodities sell at their values for the new claim that they do not; rather, they sell at their prices of production. I do not think that Marx ever asserts that individual commodities sell at their values, which he knows to be false (Marx developed his theory of prices of production before Volume I was published). Marx did not organise Capital by deliberately making false claims (for example, that all commodities are products of labour,
that only such commodities matter, or that individual commodities sell at their values) that he knew his own theory would force him to retract. The representative-part strategy saves Marx from such embarrassments. Marx develops his concepts and theory as he goes along in Capital – so we rightly think of the earlier stages as being superseded by the latter – but not at the price of retracting what he established earlier.70

In a second objection to Marx, Arthur argues that the provisional nature of the early stages in a systematic-dialectical presentation keeps Marx from proving, at the conceptual level of commodity circulation, that value must exist as distinct from exchange-value. I believe that Arthur wrongly makes proving something at an earlier stage depend on grounding it at later stage. Arthur seems to think that, because the reality of value can be grounded only once the concept of capital has been introduced (a point I accept), no proof of value can be offered at the level of commodity circulation.71 But we can accept the early proofs and still grant, in the context of the full presentation, that they are provisional. They may be provisional in the manner discussed above: truths about heuristic representative parts are superseded by more differentiated truths (as prices of production supersede values). Or, they may be provisional in the sense that the earlier truths incorporate terms that function as placeholders – as ‘socially necessary’ functions in the definition of value-producing labour – whose meanings are specified in the course of the presentation. Systematic dialectic builds truth on truth, not on a scaffold of ‘maybes’.72

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70 In discussing Hegel’s Philosophy of Right, Arthur concludes with an observation along the lines of what I am arguing here: ‘This illustrates … a general point about systematic dialectic: that nothing is lost, that every “refuted” position is yet preserved within a more comprehensive form of realisation of the concept in question, here that of “right”’ (Arthur 2002, p. 70). I present Marx’s representative-part strategy as one way in which truth is preserved.

71 Arthur writes: ‘The existence of value is a condition of market exchange being more than an aggregation of accidental transactions, but a systematically unified and ordered process, with some stability, permanence and continuity’. This looks like a proof of value, yet he discounts it: ‘But at this stage of the presentation this is by no means secured’ (Arthur 2002, p. 94). However, Marx assumes market exchange that is ‘a systematically unified and ordered process, with some stability, permanence and continuity’. So we do have a proof, though we have not yet shown that this market system presupposes the capitalist mode of production. We can know that value exists without full knowledge of why.

72 By contrast, Arthur writes: ‘Thus every move in my argument was not one from an established truth to a valid implication but, contrariwise, a movement towards truth from a hopelessly provisional starting point’ (Arthur 2002, p. 107).
Arthur’s criticisms of Marx largely supply his reasons for deferring the introduction of labour. We may note two disadvantages that Arthur’s deferred introduction of labour has in comparison to Marx’s presentation. The commodity raises questions of quality and quantity. We want to know not only how it is that diverse commodities exchange for one another but also why each has the specific exchange-value it does. Because he insists that the value-form is contentless, Arthur’s answer to the first question teeters on tautology: commodities are mutually exchangeable because they have the ‘quality of being exchangeable’.73 As for the quantitative question, Arthur refuses any answer other than ‘exchangeability is measured by exchangeability’74 until much later. Second, when Arthur introduces the formula for capital, M–C–M’, he can offer no explanation for the monetary increment in M’.

I may not fully understand Arthur’s way of bringing labour back into the theory of value. When, after describing wageworkers as uniquely recalcitrant toward capital’s objectives, he writes, ‘[t]his is why, for a theory grounded on the social form of the economy, labour is to be correlated with value’,75 I do not see the argument. In any case, Arthur does not introduce labour as the content of the value-form — according to Arthur, it has none — but, as a content subsumed, though necessarily so, under it. I see why, on Arthur’s way of developing the systematic dialectic, labour must be subsumed (formally and really) and thereby form-determined by value, but I do not see why that makes labour the sole source of value and labour time the magnitude of value. A simpler point eludes me. How could value have any magnitude at all if it is pure, contentless form? Arthur wants to keep the value-form contentless and yet have labour determine the magnitude of value; I do not see how he can have it both ways.76

74 Ibid.
76 Arthur appears to recognise the problem when he writes: ‘But in so far as value is – as yet – determined as pure form, there is nothing substantial (analogous to mass or extension) to measure’ (Arthur 2002, p. 100). This ‘as yet’ suggests that his plan is to conceive of value as pure form only provisionally, but I do not grasp the strategy for reconceiving value once he introduces labour. See also Arthur 2002, pp. 105–6, where he writes of the value-form sinking into the matter and ‘then’ developing it ‘as its own content’ and of the value-form seeking ‘to stabilise itself through subsuming the matter and turning it into a bearer of self-valorisation’. These depictions of the value-form seem to posit it as already existing before sinking into or subsuming content.
A new concept of exploitation

In a second reconstructive initiative, Arthur advances a new concept of exploitation that eliminates the extremes of Claudio Napoleoní’s proposal. Reacting to Ricardian-Marxist disregard of social form, in particular of the formal and real subsumption of production and labour under capital, Napoleoní went so far in stressing capital’s grip on production as to claim that labour is reduced to a mere instrument of production. He therefore attributed all ‘productive power’ to capital. With capital, not labour, as the source of all value and surplus-value, the usual conception of exploitation as the expropriation of surplus-value produced by workers must be abandoned. Napoleoní’s new concept of exploitation concerns production alone; it amounts to renaming the phenomena of alienation, inversion, and domination by capital.77 Arthur rejects Napoleoní’s extreme assertions:

Albeit that the production process is really subsumed by capital, the problem for capital is that it needs the agency of labour. It is not really a matter of reducing the worker to the status of a mere instrument of production, like a machine, or like an animal whose will has to be broken. It is a matter of bending the will to alien purposes. . . . They act for capital, indeed as capital, but still in some sense act.78

Arthur calls the labour of wageworkers ‘counterproductive’, to emphasise their resistance to capital, which he describes as ‘ontologically constitutive’79 of capital. Still, he grants that they do produce value: ‘I do not follow Napoleoní in abandoning entirely the labour theory of value, or the possibility of a measure of exploitation in surplus-value’.80 Arthur does affirm Napoleoní’s shift to production as the primary site of exploitation. So, Arthur ends up with a twofold notion of exploitation:

Exploitation in production is in effect not dissimilar to alienation in that it involves the subjection of workers to alien purposes; it goes on throughout the day. Exploitation in distribution arises from the discrepancy between the new wealth created and the return to those exploited in production.81

77 ‘By a neat twist Napoleoní reintroduced the term “exploitation” as the appropriate characterisation of the very alienating relationship that makes nonsense of the old definition!’ (Arthur 2002, p. 50).
Arthur’s first notion, like Napoleon’s original proposal, just renames alienation, while the second doubles back to the traditional conception. Arthur’s twofold conception of exploitation has the awkward consequence that exploitation goes on all day in one sense and does not in another. Though the substance of Arthur’s view is right, the renaming device seems unnecessary and confusing. Arthur might do better to stick with his point – against Ricardian Marxism – that Marx’s theory of value is already a theory of alienation, inversion, and domination and then let exploitation come in, as Marx does, with the concept of surplus-value.82

Conclusion: ‘the void at the heart of bourgeois society’

Above all, Arthur is the ontologist of value and capital, which is self-valorising value. Since value, money, and capital are peculiar social forms involving peculiar social purposes, it is his attention to social form that makes Arthur’s ontological project possible.83 By contrast, the obliviousness of economics to social form is responsible for its barren concept of capital as wealth-producing wealth and closes off the ontological investigation. This is not surprising, since the capitalist mode of production presents itself as if it were ‘production in general’, a point to which Marx returns throughout Capital. Because ‘new dialectic’ holds to the Aristotelian demand that method follow the nature of the object of investigation, ontology must take the lead: it is the self-reflexive and totalising character of capital that requires a systematic-dialectical approach.

Adam Smith described the marketplace as ‘the great scramble’. It is an image well suited to reinforce the idea that the market is a clearinghouse for the satisfaction of individual preferences. As a value-form theorist, Arthur takes an intense interest in commodities, money, and the market, since – here is the point Ricardian value theory misses – they belong to the spectral ontology

82 ‘I argued that the critical edge of his [Marx’s] work does not merely lie in substantive demonstrations of just how exploitation is possible in a system founded on equal exchanges but penetrates to the very structures of the value form, whose logic is a manifestation of the fact that capital is a structure of estrangement founded on the inversion of form and content, universal and particular etc. insofar as exchange-value dominates use-value’ (Arthur 2002, p. 106).

83 Though they got it better than anyone else, neither Hegel nor Marx, writes Arthur, ‘understood just how “peculiar” a money economy is’ (Arthur 2002, p. 9). I believe that Arthur underestimates Marx; it is one more expression of his suspicion of residual Ricardianism in Marx.
of value and capital. Combining systematic dialectic with value-form theory, Arthur shows that money and the market are not mere commercial instruments for the ‘efficient’ distribution of ‘wealth’ produced by ‘industry’ (‘production in general’); they are necessary to a form of production gripped by the ‘false infinite’ of endless moneymaking. The liberal idea that the market establishes a place free of any commanding social purpose is exposed as an illusion. On the contrary, what Arthur shows is that ‘the great scramble’ of the market has a purpose; it is capital’s purpose, and it sucks us dry.\textsuperscript{84}

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Jim Kincaid

A Critique of Value-Form Marxism

Since I am going to argue that there are fundamental weaknesses in the Chris Arthur’s value-form reading of Marx, I want first to insist on its merits. Arthur is an outstanding exponent of both Hegel and Marx – not only a naggingly accurate scholar, but someone who in his own thinking is capable of rigorous dialectic argumentation of the highest order. His book, The New Dialectic and Marx’s ‘Capital’, is only partly a reading of Marx: Arthur also presents an original theoretical narrative about capitalism.¹ I believe that the value-form story which Arthur and others have evolved shows deep perceptiveness about dimensions of Marx’s account of capitalism which are missed, or marginalised, in many straightforward political-economy accounts. Marx does, at times, make use of metaphysical language to suggest how capitalism operates as a reified system, and how capital is a thing-like automaton whose domination creates inverted forms of society. It is correct that a creative use of Hegel’s logic can help us to grasp and explicate the laws of motion of such a dehumanised system. Value-form theory compels us to study with close

¹ Arthur 2002.
attention the ways in which Marx’s concepts of value and money organise a political economy which explains the dynamics of a system driven by blind accumulation.

But something quite different is also going on in Marx’s text. What is missed by Arthur and the other adepts of value-form is that Marx is also fighting hard and continuously against his own vision of a system driven by value imperatives – and he is doing this for scientific as well as political reasons. From the very start of Capital, Marx subjects his value analysis to challenge and qualification in a counter-text which unfolds in two dimensions.²

(1) An explicit set of arguments about the omnipresence of use-values, at work at the heart of the value-form system and its sequence of transformations. We can agree with Arthur that Capital is centrally concerned with social forms. But, in Arthur’s account, only exchange-value has form; use-value is defined solely in qualitative terms. Something of fundamental importance is being overlooked. Embedded in Marx’s story is an account of the forms assumed by use-values, and the ways in which they disrupt the regular rhythms of capitalist reproduction.

(2) The text of Capital is rich in poetry: an astounding array of metaphors and rhetorical strategies are deployed. These function to qualify and subvert the abstractness of the political economy discourse of Capital. The counterforces which surge through Marx’s text register that his concern is not just to explain capitalism but, in every way, to contest it. That challenge is enacted within his own text. There is a performative dimension in Capital. It does not just talk about the need to oppose capitalist abstraction. Disruptive and subversive forces are released within the text itself to undermine abstraction. Marx does use Hegel’s idealist logic in ways which Arthur’s discussion helps to clarify. But Marx also, in his own phrase, ‘coquets’ with Hegel, and refuses to play along with the strict rules of Hegelian dialectic, which include a ban on metaphors and images.³ Arthur is alert to some of the major metaphorical figures which Marx uses. He writes as someone haunted, as Marx was, by an image of capital as vampire – he refers to value as, ‘an ontological vampire bloating itself at

² My reading owes much to two magnificent works of Marxist scholarship, Prawer 1976 and Rosdolsky 1977; also to the new paths opened by Derrida 1994 and Bensaïd 2002. My thanks to Pete Green for much helpful discussion.

³ Marx 1976, 103. In strict Hegelian logic, ‘Vorstellung’ (conceptualisation involving forms of representation such as images) is supposedly not allowed. See Smith 1990, pp. 10–13; Inwood 1992, pp. 242–4, 25–79.
our expense’ and as ‘an unnatural form that clings vampire-like to labour and feeds off it’. But he is too selective in the metaphors which he examines, and errs in seeing the poetics of *Capital* as confirming, rather than subverting Hegelian forms of dialectic in the text.

Weaknesses in the treatment of use-value, and neglect of some crucial metaphors are linked to other damaging limitations in Arthur’s reconstruction of Marx’s political economy. A particular variant of Hegel’s idealist logic is exclusively employed by Arthur, and he gives insufficient attention to other ways in which Marx both uses and misuses Hegelian moves and strategies. In any case, the history of dialectics is long and rich, and Marx draws on types of dialectic other than that of Hegel. Idealist logic is especially unsatisfactory in the construction of an adequate concept of *system*, the central category in Arthur’s argument for a close similarity (a homology) between Hegel’s Idea and capitalism. Arthur treats the mechanisms of surplus-value extraction and capital accumulation as if they were, on their own, sufficient to define and constitute a self-sustaining economic system. But, though these are indeed the crucial mechanisms which drive capitalism, they cannot be used to delineate or explain a concrete capitalist economy without the development of a great many other complex mediations. This becomes especially clear in Arthur’s discussion of the USSR, whose character he finds essentially impossible to explain on the basis of his own definitions of a capitalist system. Arthur’s too restrictive conception of system would pose huge difficulties if his value-form theorisation were extended (as it ought to be) to develop accounts of the state, the financial system and the world market. Finally, Arthur is insistent that a clear line of separation must be drawn between the type of dialectic used to explain systems, and dialectical explanations of historical change. What is underplayed in his discussion is that systems themselves are subject to historical development, processes of formation and disintegration. Capitalism as a mode of production has gone through a number of fundamental structural mutations. I argue that, in explaining capitalism historically, what is essential in Marxist political economy is not value-form theory, but Marx’s dynamic theorisation of capitalist competition, summarised in the shorthand term *law of value*.

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5 I have been unable in this article to discuss the German tradition of value-form readings of Marx, as exemplified in Hans-Georg Backhaus 1969 and Helmut Reichelt 1970. Within this tradition, more recent work by Michael Heinrich has stressed the
Value – from empty form to world domination

In a striking phrase, Arthur suggests that the value-form ‘expresses an ontological emptiness which lies at the heart of capitalism’. For Arthur, value in Marx is initially constituted as a pure form, one that lacks not only any dimension of use-value, but, more than that, lacks any type of substantiality whatsoever. In exchange the value-form ‘becomes autonomous . . . of such abstract purity as to constitute a real incarnation of the ideas of Hegel’s logic’. The narrative of Capital, as reconstructed in Arthur’s vision, is the ultimate rags to riches story. Value starts its existence in the sphere of market exchange as a pure form, no more than the mere form of exchangeability. But, in and through the process of exchange, value finds a means of expression in money. And, as money accumulates in the hands of capitalists, value is able to acquire social power. Money capital is used to take possession of the production process, and, in this way, value is able to secure direct control of the surplus-value which labour creates in production. Value, in the form of productive capital, is then able to move on to world domination by clinging vampire-like to labour and feeding off the nourishment and growth provided by surplus-value.

How the story will ultimately end is still unknown, for, as Arthur explains, the evil empire of capital is threatened by two sorts of vulnerability: labour may not forever be willing to provide the living labour and surplus-value on which capital depends; and capitalism is destroying the capacity of the environment to supply the raw materials and energy inputs it requires.

Arthur argues for a homology between capital and Hegel’s Idea. Hegel uses the term ‘Idea’ to refer to the whole system of interrelated categories required to grasp and comprehend both the external world and processes of thinking. Hegel’s Idea also has a rags to riches history. It starts life as a shadowy concept – hardly more than a vague and indefinite word – Being – mere abstract is-ness. From this humble beginning, the Idea moves on to make itself more and more concrete and complex, contending with and triumphing over the forces of negation at every stage. At its most abstract, Being cannot be distinguished from the equally abstract Nothing. This is obvious nonsense – existence has to be different from non-existence. So to avoid nonsense, thinking is compelled to specify the category of Being in more detail, that is,
move on to categories about how big things are, or what qualities they possess. But, in this first move of Hegel’s Logic, we see three ways in which the type of dialectic he is using is distinctive. (a) The direction of the argument is to start with the most abstract concepts possible, and to move, stage by stage, to construct more concrete categories; (b) at each stage, the new categories which emerge have, in turn, to be further clarified because they are threatened by negativity and obscurity; (c) the transitions are dictated by dialectical necessity – the need to avoid or overcome contradictions. Hegel’s story ends when thought achieves a level of precision, organisation and detail in its conceptualisations which enable it to grasp the nature of the whole world, the most complex entities in it, and the thought processes which understand that world.

The homology which Arthur sees between value and Hegel’s Idea involves the following moves. What is to be explained is assumed at the start in the most abstract and general way. For Hegel – Being: for Marx – the capitalist system. There is then a stage-by-stage advance of the argument towards increasing detail and concreteness. But this argument is circular, in the sense that it only develops and explains in more detail what was presupposed at the start. It is also important that the argument is impelled by necessity as it advances. That is, capitalism has to work the way it does because of the dynamics which derive from its essential nature.

**Value-form not empty in Marx**

The correct starting-point must be chosen if we are to secure the correct pattern of abstract to concrete argument, that is, one whose direction is driven by necessary transitions in which, stage by stage, negation is overcome, and a richer, more coherent and more detailed account is produced. For Arthur, it is vital to begin with the empty *form of value* which he sees as created in the process of market exchange. And, certainly, one of the admirable features of Arthur is his stress on the importance of *form* in Marx’s value theory. Correctly, he takes seriously Marx’s fundamental critique of classical political economy.

Even its best representatives, Adam Smith and Ricardo, treat the form of value as something of indifference, something external to the nature of the commodity itself.\(^7\)

\(^7\) Marx 1976, p. 174.
My argument will be that Marx’s starting-point is more scientifically productive than the one selected by Arthur as the foundations of his reconstruction of value theory. Arthur’s starting point involves three interconnected aspects, all of which are mistaken. He argues that:

(i) the value-form is constituted in the exchange process, considered as autonomous and isolated from production and the labour process;
(ii) that value-form is constituted by an active, materialist process from which use-value is, initially at least, completely excluded;
(iii) the value-form so constituted is empty.

In contrast, I will argue that the power and clarity of Marx’s political economy validate as necessary a starting-point in which labour and production are integrated with the process of exchange, that use-value has a necessary presence at the heart of the value-form, and that, correctly, value-forms in Marx are never empty but consist rather of what he calls social substances, such as abstract labour or money.

(i) Bringing labour in

Marx has a long section in the first chapter of Capital, Volume 1, which is called The Value-Form or Exchange-Value. We might expect that this would be a founding text in the value-form reading of Marx. Surprisingly, Arthur and the other adepts of value-form, have little to say about most of Marx’s explicit discussion of value-form. I suggest that we have here what Althusser, following Lacan, would call a symptomatic silence – an external sign of deeper theoretical disarray in the value-form reading of Marx. What difficulties does this section pose for their account?

One of the key threads which runs through Marx’s chapter about the value-form is that the equivalence between two commodities which exchange is based on their being the products of quantities of labour. ‘As values, commodities are simple congealed quantities of human labour . . . abstract labour’. Abstract labour has been defined earlier as ‘the value-forming substance’, measured as quantities of socially necessary labour time. Thus Marx even in this early part of his argument is talking about how value is produced by labour, and quantities of value explained by the average labour-

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8 Marx 1976, p. 141.
9 Marx 1976, p. 129.
time taken to make commodities. In contrast, in value-form theory it is crucial that value should initially be explained as a phenomenon purely of the exchange / market dimension of capitalism. Arthur argues that the question of the production of value by labour should be postponed until much later on in the conceptual narrative. Only after capital has made its appearance in the unfolding story should the category of labour be introduced. One of the virtues of Arthur is that he does not try in any way to fudge this point. On this, he insists that Marx got it wrong – and spectacularly so. At the very start of Capital, Marx simply announces that the exchangeability of commodities is based on their being the product of abstract labour. This is just a dogmatic assertion. It contravenes the laws of Hegelian dialectic, which says that the argument should start without presuppositions – except of a very general and abstract character (for example, Being or capitalism). What possible justification is there, Arthur asks, for starting an investigation into commodity exchange by confining the discussion – and without any explanation for this – to those commodities which are products of labour? There are plenty of things that are exchanged, have a price, get sold, which are not produced by labour. Land is an obvious example. Marx himself points out that a person can offer to sell conscience, honour, and so forth, for money.  

Arthur writes,

[i]n dialectical terms, Marx has a dogmatic beginning insofar as he initially presupposes the items exchanged are labour products. . . . For any attempt to follow the model of Hegel’s dialectic, an absolute beginning without imposed conditions is needed. Only after developing the forms of circulation can one give grounds for picking out as systematically important those commodities which are products of labour.

Yet there it is – Marx has hardly launched on Capital when, right on page 4, he brings in labour as the source of both the use-value and the exchange-value of commodities.

What Marx should have done, Arthur suggests, was to concentrate purely on the circulation / market exchange processes of capitalism in developing his account of the value-form and money. There should have been no mention of labour until the completion of the following sequence: commodity-form → value-form → money-form → capital-form as self-expanding value. At which point, the question arises: given that capital expands in value, what

10 Marx 1976, p. 197.
is the source of the surplus-value which allows it to do so? Since no extra value is created in the circulation process, labour is then produced out of the hat as the only logical and possible solution to the otherwise inexplicable puzzle of where surplus-value comes from.

What value-form theory discounts is that the whole tenor of Marx’s subsequent argument serves to validate and justify the introduction of labour as a foundational category at the start of Capital. Yet Arthur himself explains with great clarity that a Hegelian dialectic is not only progressive, as it advances from initial abstraction to a concrete account,12 it also, and simultaneously, has a retrogressive dimension of movement, in that the more concrete formulations, and the chains of necessary by which they are derived, if convincing, also have the effect of confirming retrospectively that the initial abstractions were correctly selected. Arthur uses this argument to explain the necessity of money in a Marxist political economy.13 He refuses however to consider a similar retrospective justification for Marx’s introduction of labour at the start of Capital. Why not a necessity of labour?

Arthur also produces no satisfactory defence against one of the obvious difficulties of value-form theory. It insists that the ontological emptiness which haunts capitalism has its origin in the value-form as constituted within the sphere of market exchange and money, treated in isolation from labour and the productive system. Yet markets and money have operated for thousands of years, in societies across the globe, and on a scale which current research is revealing to be far more extensive than assumed in earlier Eurocentric versions of the history of capitalism. Were the markets and monetary mechanisms of the pre-sixteenth-century European and non-European societies haunted by ontological emptiness? If not, then when and where did the emptiness start on an extensive scale? The radical line of distinction drawn by value-form theorists between systemic and historical dialectics allows an evasion of such questions.

(ii) Use-value and the sequence of value-forms

In Section 3 of chapter 1 of Capital, Volume 1 (a section dealing with the Value-Form) Marx begins by looking with great care at what he calls the ‘Simple Form of Value’ : \(x\) of commodity A = \(y\) of commodity B. The whole

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mystery of the form of value lies hidden in this simple form’.14 Marx stresses that this is not a straightforward arithmetical equation. Rather, there is here a polar relation between A and B. In other words, something quite different from an immediately reversible relation of equivalence is being asserted.15 This is indicated by Marx’s terminology – two different forms are involved. A is the relative form, B the equivalent form. What Marx insists upon is that it is the use-value of B which expresses the value of A. Thus Marx brings use-value into the heart of the value-form. B is a use-value-form.16

This is rejected by Arthur and his value-form colleagues. They see the value-form relation as one involving equivalence and exchangeability of empty abstract forms, pure quantity, equally abstract items being exchanged for each other. The use-values of the commodities involved are completely absent in the moment of exchange. It is true, and Arthur repeats the quotation, that Marx writes,

not an atom of matter enters into the objectivity of commodities as values; in this it is the direct opposite of the coarsely sensuous objectivity of commodities as physical objects... commodities possess an objective character only in so far as they are all expressions of an identical social substance, human labour.17

But, here, Marx is referring to the individual commodity – ‘we may twist and turn a single commodity as we wish, it remains impossible to grasp it as a thing possessing value’.18 On the same page, Marx says that commodities have an objective character as values only in relation to each other, and only in so far as they are expressions of an identical social substance, human labour.

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14 Marx 1976, p. 139.
15 In the notation used by Marx, the ‘=’ sign is misleading. His discussion suggests that he is not talking about an equation, but some form of transposition: thus a more accurate notation would be, x of A → y of B (i.e. x of A transforms into y of B). There is no suggestion that B would be necessarily be quantitatively identical to A: also, in the notation ‘→’ there is an implied temporal process. The ‘=’ sign, implying equivalence, has caused great confusion in the later literature, since it has been taken to mean that Marx endorses equal exchange. His overall argument makes it clear that he assumes exchange will generally be unequal. Even in the most fundamental categories of his political economy, Marx is beginning to suggest the imbalances of capitalism, the deep roots of disequilibrium, and tendencies to crisis. See Freeman and Carchedi 1996 for the broader argument that a non-equilibrium, arrow-of-time paradigm, is central in Marx’s political economy.
16 This is one of the many important arguments advanced in by Roman Rosdolsky. See, for example, Rosdolsky 1977, pp. 73–97.
18 Ibid.
Marx drives the point home – using a whole range of metaphors to express the way in which the use-value of commodity B is what is directly involved in the value-form transposition. And, here, as elsewhere, metaphors are integral to the development of Marx’s argument – not some kind of decorative addition. In the value-form, Marx writes, the commodities speak a language, they convey meaning. When 20 yards of A (linen) = B (a coat),

within its value-relation to the linen, the coat signifies more than it does outside it, just as some men count for more when inside a gold-braided uniform than they do otherwise.\(^\text{19}\)

As B, in the value-form polarity, the linen A,

acquires a value-form different from its natural form. Its existence as value is manifested in its equality with the coat, just as the sheep-like nature of the Christian is shown in his resemblance to the Lamb of God.\(^\text{20}\)

When the linen enters into an association with another commodity, the coat, it reveals its thoughts in a language with which it alone is familiar, the language of commodities... in order to inform us that its sublime objectivity as a value differs from its stiff and starchy existence as a body.\(^\text{21}\)

Again, ‘the physical body of B becomes a mirror for the value of commodity A.’\(^\text{22}\) Notice the down-to-earth concreteness of most of these metaphors – there is here a density of material reference which is clearly intended to play a part in the demystifying of ‘the whole mystery of the value-form’. Marx does not discuss the value-form in the abstract lofty way practised by Arthur and other value-form theorists. Marx draws his examples from the domestic economy, a homely everyday of coats and sugar loaf, tea and coffee. The crucial point which Marx is insisting on in this section, obsessively, for page after page, is that although in exchange, the natural body of the individual commodity is set aside, nevertheless, in the relation between two commodities, it is the use-value of B which acts as the form of expression for the value in A. For Marx, use-value is an element in the essential inner structure of the value-form. Contradiction is inherent in the value-form equation, even in its most elementary variant. Contradiction is not external to a value-form defined, in the Arthur

\(^{19}\) Marx 1976, p. 143.
\(^{20}\) Ibid.
\(^{21}\) Marx 1976, p. 144.
\(^{22}\) Ibid.
formulation, as empty, and having the sublimated abstractness of a purely logical relation. The abstract nature of Marx’s starting point in *Capital* is immediately challenged and subverted by a materiality of textual reference. The contrast with Hegel could not be more dramatic. Boot polish is mentioned three times in the first 800 words of *Capital*. Yet readers of Hegel’s *Science of Logic* will recollect that, for hundreds of pages, there is scarcely any reference in that text to objects in the world that could be seen or touched. So, when, on page 682, Hegel suddenly begins talking about parrots – the effect is startling. But the parrots vanish as quickly as they appeared, and thereafter, unrelenting abstraction rules once more . . . on and on, to the culminating and final sentence about the ‘self-comprehending pure Idea’ on page 844.

The use-value of money

In Arthur’s account, money is as close as it is possible to get to being a pure form. He suggests that the very variety of types in money in capitalism, indicates that money is essentially immaterial. In Marx’s period, gold or silver or printed bank notes. In our time, cheques, plastic cards and electronic traces. What is crucial, in Arthur’s view, is that money represents the presence of an emptiness ‘the emptiness of commodities as value-bodies’. The effect is that money ‘need hardly have any “natural body” at all, an electronic charge will do’. Thus Arthur ascribes little importance to Marx’s insistence that money has a use-value. I shall argue that Arthur’s reluctance to use the term ‘use-value’ in relation to money is linked to a much deeper flaw in his whole argument, namely his tendency to assume that capital is able to come up
with the actual conditions of its own stability, these being specified as necessary in ways identified by Hegelian dialectical logic.

Arthur has a possible defence to my discussion above about Marx’s account of the role of use-value at the heart of the value-form. The metaphors about mirrors, Christian sheep and so on which I have reviewed appear in a discussion of the simple value-form – $x$ of $A = y$ of $B$. But Marx then works through a series of more complex variants of the value-form, and ends with a value-form in which any and every commodity equals a sum of money. So money becomes the universal measure of value. Here is the value-form incarnate – here is the ghostly metaphysical presence which haunts capitalism. In commodities ‘there is no common essence (other than their relation to money) money represents the presence of this absence’.26

But Marx stresses the materiality of money. Is this a relic of the period before gold and silver were demonetised? Not at all, as Martha Campbell has rigorously argued in one of the finest contributions of the new-dialectical approach.27 The use-value of money is vital because it must represent quantity, act as a quantitative measure. Thus it must be a homogeneous substance allowing stable units of calibration. But capitalism creates a proliferation of different forms of money. Silver as well as gold. A variety of banks, each issuing its own form of credit money. Different national forms of money created by states. Arthur is so focussed on money as a general form of value that he does not see the implications of the existence of a variety of forms of money, namely that inter-convertibility between forms of money has to be organised. And that such inter-convertibility cannot be taken for granted. In Marx’s account of money, its function as inexpensive means of exchange is potentially in conflict with its functions as measure of value, and medium for the preservation of value, and the transmission of value over time and space, and through change of ownership.

All that idealist logic can specify is the nature of the money which capitalism ideally needs; a substance which – in order to act in a stable way, over time and geographical space, as measure of value and store of value – must be a uniform and unchanging substance, internationally acceptable as means of payment, or at least convertible into other national currencies at a stable rate of exchange. But the reality of the system is very different. In earlier periods, a metallic money which holds its value because that depends on the

26 Arthur 2001, p. 35.
27 Campbell 1997.
commitment of labour-power to finding ore, digging it up, refining it into a coinage and protecting it against thieves and bandits. But, because of the costs of the labour-power involved, such a coinage is expensive to operate. Therefore, it is profitable for banks to invent substitutes, and governments can save on taxes by encouraging the banking system to develop cheap substitutes – paper money, forms of credit money such as bank cheques, and, more recently, electronic money. The banking system can offload some of the costs of producing paper and credit money, and of defending its value, on to the state. But, with cheapness of money comes monetary instability – wildly differing rates of inflation, and gyrating international exchange rates. As David Harvey has explained in a notable section of one of his finest books, stable money and cheap money are both ‘needs’ of the system, and are essentially in conflict with each other.28 By defining a stable monetary substance as one of the actualities of capitalism, Arthur has eliminated by definition, a major source of the inherent instability of the system. Again, the problem with Arthur’s argument has to do with use-value – he assumes that the use-value which Marx identifies in money, to act as a stable measure of the labour time, is possessed by whatever form of money is available. In Marx, the story is different: he shows that capitalism may ‘need’ a stable monetary substance, but explains that the pressures of profitability are an obstacle to the creation of stable forms of money: for example, companies can increase profits by lowering the overhead costs of the form of money they use, and banks can profit by creating cheaper but less stable forms of money.

Any discussion of money is incomplete without an account of the role of the state – subject to conflicting pressures – on the one hand, to preserve the value of the monetary wealth of rich and politically powerful citizens and companies; on the other, to issue its own forms of money as a way of allowing it to spend more and tax less. The combined pressures of profitability, and fiscal economies by the state, tend over time to lead to the introduction of monetary forms which are not just unstable, but variable across different national spaces. The inflationary undermining of money as a measure of value has the effect that risk and uncertainty are embedded deep within the competitive dynamics of the system. To describe a stable system, then move

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28 Harvey 1982, Chapter 9. Note that Arthur discusses money primarily in its role as means of exchange, therefore avoids the question of whether this might conflict with other roles, such as value conservation, and with one of the fundamental functions of money, namely to act as stable measure of value.
to a discussion of how it might become unstable, is exactly what Marx does not do (or at least only in a very limited way). The monetary instability associated with the rise of non-metallic forms of money is not just a real-world, historical, story to be tacked on at the end of a value-form analysis. Risk, contradiction and crisis, are inherent in capitalism as a decentralised system of capitals in competition with each other.

In Marx, a use-value dimension is central in his analysis of the monetary form. This fact is deeply damaging to any account of *Capital* which underplays the challenge to value-form which is also a crucial strand in Marx’s overall argument. For Arthur and the other *value-formistas*, the abstractness of money is at the heart of the metaphysics which pervades capitalist reality. Certainly, Marx has a *quantity* theory of money – essentially linked to its role as *measure* of labour time. But equally essential in his theory is a *qualitative* concept of money – the extent to which money is acceptable over time and space, and the risks and uncertainties which arise from its use as a measure of value, or store of value, over time and across different national spaces. Money is a social relation, and as such involves social power. As a social relation, it expresses the linkage between the labour-power, employed by a particular firm, and social labour-power. For example, the relative productivity of labour employed by different capitals in the same branch of production. At another level, money allows the valuation of one firm’s capital and profits to be assessed against those of other firms, and hence regulates the allocation of capital as between firms. And, internationally, changes in exchange rates effect transfers of value between holders of the currencies involved, and devalue the capital and the product of labour in the country whose currency has depreciated. To be adequate, a political economy account of the fundamentals of money, has to leave an implicit space for instabilities and unequal exchanges to be identified and explained as inherent in the system. Models based on an essential equilibrium should be rejected.

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29 Arthur assumes uniformity of profit rates as between firms – namely, that processes of capital allocation lead to an equilibrium situation. Thus the arrow of time and uncertainty are eliminated by attributing to Marx a thesis of instantaneous adjustment as a result of capital movements. See Green 2004, pp. 255–6 for cogent criticism of Arthur on this point.
Use-value and the realisation of value

Marx says that, ‘commodities are in love with money ... prices are the wooing glances which commodities make to money.’\(^{30}\) However, in a quotation drawn from *Romeo and Juliet*, Marx continues: ‘but the course of true never did run smooth’,\(^{31}\) a rather mild reference to the disastrous fate of these star-crossed lovers. Value is not realised, made real, until the commodity has been sold for money – and that depends on its use-value finding a matching demand on the market. If no one wants to buy the commodity, or if those who want or need it lack the necessary cash to buy it, then some or all the labour that went into making that commodity is negated, wasted, annulled, does not achieve real existence. Value exists only potentially until the sale is made, and the final metamorphosis of commodity into money has been effected. In expressing the riskiness, and uncertainty of this process as it takes place in real time, Marx invokes not just the fate of Romeo and Juliet, but a range of other allusions. As he frequently does when discussing money, Marx uses metaphors drawn from religion. The change of commodity into money he refers to as ‘trans-substantiation’, the term used of the conversion of bread and wine into body and blood of Christ in the Christian Mass.\(^{32}\) The change of one substance into another in the sale of a commodity is portrayed as one which is,

more troublesome than the transition from necessity into freedom of the Hegelian ‘concept’, the casting of his shell for a lobster, or the putting-off of the old Adam for St Jerome.\(^{33}\)

A footnote reminds us that St Jerome was famed as the extremely holy person who, when on a spiritual retreat in the desert, could not stop himself from being visited by lustful images of beautiful women. Sensuous use-value intruding on spiritualised value, so to speak. Marx takes the example of iron as commodity, seeking to transform itself into gold in the form of money. But, until it is actually sold, the price of the iron is purely notional – as when Dante in the *Divine Comedy* pleads for entry into Paradise and repeats the Creed to prove he is worthy of admission. Marx notes that, in the poem, St Peter invokes a monetary metaphor in his answer to Dante – in your words

\(^{31}\) Ibid.  
\(^{32}\) The examples in the rest of this paragraph are drawn from Marx 1976, pp. 197–8.  
\(^{33}\) Marx 1976, p. 197.
you claim sufficient virtue to be allowed into heaven, but have you got the actual *money* in your purse – or, do your deeds really substantiate your claim? And Marx sums up his whole discussion in a single lapidary phrase: ‘hard cash lurks within the ideal measure of value’.34 In the risky transition from commodity to money, lies the possibility of capitalist crisis, and, in later sections of *Capital*, Marx develops detailed accounts of the concrete ways in which disproportionality between supply and demand (in the market for means of production, as well as for consumer goods) finds expression in crises of over-investment, inadequate levels of consumption, and falling rates of profit.35 The use-value category is decisive here. If the commodity does not make the grade as a use-value needed by a buyer on the market – then the value of that commodity remains only virtual, not realised . . . not yet real. It is crucial to see the flow of production, circulation and the sale of commodities – as taking place in real time, that is, as transactions conducted by actors who make their decisions at a particular point in time, and faced with an inherently uncertain future.

(iii) Abstract labour and money as social substances

Arthur argues for an ontological emptiness at the heart of capitalism. It is certainly at the heart of the value-form way of treating *form* as capable of being autonomous and independent of any kind of content or substance. In this approach, value appears initially in the exchange process as pure form, the mere *form* of exchangeability, brought into existence by an absenting of use values. Arthur explains that,

> there is a void at the heart of capitalism. It arises because of the nature of commodity exchange, which abstracts from, or absents, the entire substance of use value . . . an ‘ontological inversion’ occurs whereby (exchange) ‘value’, immediately just the negation of use value, gains self-presence, real ‘Being’, albeit that of an empty ‘Presence’. Thus value emerges from the void as a

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34 Marx 1976, p. 198.
35 Inadequate demand in the market for consumer goods as a cause of crisis is usually treated by Marx as secondary to the overproduction of means of production and a high rate of organic composition of capital (ratio of dead to living labour) relative to available demand. See Kincaid 2003 for a critique of underconsumptionist Marxism. Shaikh 1978 has a lucid discussion of Marx on crisis. For an interesting account of Marx’s use of categories of possibility, necessity and actuality in his analyses of capitalist crises, see Kenway 1980.
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38 ‘I do not by any means depict the capitalist and the landowner in rosy colours. But individuals are dealt with here only insofar as they are the personifications of economic categories, the bearers [Träger] of particular class relationships and interests’ (Marx 1976, p. 92). But it is individuals who are excluded here, not categories of social actors.

‘spectre’ that *haunts* the ‘real world’ of capitalist commodity production. This original *displacement* of the material process of production and circulation by the ghostly objectivity of value is supplemented when the spectre (in the shape of self-positing capital takes *possession* of it.\(^{36}\)

From the start of its existence in exchange, value, according to Arthur, has agency. It is able to move itself from its initial shadowy existence, as a form with no content, into to a somewhat less insubstantial existence as money. Then, as money capital emerges, value is able to convert itself into the form of means of production, and, as such, develops into a powerful and dominant economic force. But, however powerful it becomes, value retains the emptiness of its origins. It never attains true reality. Rather, it imposes its own essential nothingness on the human social world which as capital it dominates. Value is not, some mundane material property or stuff. [Rather] it is a shape opposed to all materiality, a form without content, which yet takes possession of our world in the only way it can, through draining it of reality, an ontological vampire that bloats its hollow frame at our expense.\(^{37}\)

Here, evidently, there are difficulties about agency. Value, as portrayed by Arthur has an astonishing capacity for independent action. It is not being suggested, by Arthur, that this kind of discourse is a convenient shorthand, a way of summarising the pressures operative in capitalism, and which must be fully spelled out in a materialist account which explains how the actions of economic agents are shaped and outcomes determined. The line of argument is that the logic of capitalist exchange creates the value-form – and value takes it from there. Arthur accepts very literally Marx’s suggestion that economic agents in his political economy are no more than bearers [Träger] of social relationships.\(^{38}\)

Here, there is a sharp contrast with the approach of Tony Smith. As compared with Arthur, Smith is, in one sense, a more thoroughgoing Hegelian. Arthur insists that even the most complex sets of interrelated categories which Hegel
develops are capable of grasping only the reified operations of capital. For Smith, Hegel’s logic, in its most complex variants, offers us indispensable ways of thinking about the possibility of a just and unrepresive social order.\textsuperscript{39} Or of clarifying the way capitalism works. But, in Smith, the operative logics of capitalism, even at its most reified, are always specified as taking effect in and through the actions of human economic agents.\textsuperscript{40}

In trying to explain how it can come about that an empty form can develop social power and effectivity, Arthur relies heavily on the figure of the spectre, and quotes approvingly from Derrida’s remarkable study of ghosts and haunting in Marx.\textsuperscript{41} Certainly, Marx drew on range of spiritual references to help explain the mysteries of the commodity – though notice in the following the materiality of Marx’s German, even when he is making a point precisely about the otherworldly dimension of the commodity, a metaphorical resonance which gets quite lost in the widely used Penguin translation into English.

A commodity appears at first sight an extremely obvious, trivial thing. But its analysis brings out that it is a very strange thing \textit{[vertrachtes Ding]}, abounding in metaphysical subtleties and theological niceties \textit{[metaphysischer Spitzfindigkeit] (lit. fingertipness) and theologischer Mucken} (small biting insects, e.g. mosquitoes, midges). A table is made of wood, an ordinary sensuous thing – but as soon as it emerges as a commodity, it changes into a thing which transcends sensuousness \textit{[verwandelt er sich in ein sinnliches übersinnliches Ding]}... The mystical \textit{[geheimnisvolle]} character of the commodity does not therefore arise from its use-value... the enigmatic \textit{[rätselhafte]} character of the product of labour arises as soon as it assumes the form of a commodity.\textsuperscript{42}

As I discussed earlier, Arthur wants, at this early stage of the argument, to deal with the commodity only as something exchanged, not as a product of labour. But note that he quotes in support of his own position Marx’s phrase about the commodity being a thing that is both sensuous, and also above sense experience. Yet Marx is not saying that an ‘empty form’ is generated in the exchange process. The commodity, for Marx, is simultaneously an object

\textsuperscript{39} For example, Smith makes virtuoso use of Hegel’s logical construction of syllogistic patterns in which universal, particular and individual are blended in different ways. But the logics are used to explore the consequences of social actions: explanation is not left at the level of supra-historical impersonal forces.
\textsuperscript{40} See Smith, 1990, p. 41.
\textsuperscript{41} Derrida 1994.
\textsuperscript{42} Marx, 1976, p. 163.
of sense experience, which also has a dimension of mystery which he characterises as metaphysical. Arthur would claim that it is the empty value-form which haunts the world of commodities, and later, in the guise of capital, takes possession of them.

We can certainly agree that the idea of a haunted system is powerfully articulated by Marx – but, for Marx, a ‘Gespenst’ is rather a substantial entity, not at all like a Hegelian ‘Geist’. Arthur, the accurate scholar, does note\(^43\) that elsewhere Marx refers to what the English translator has called ‘the phantom-like objectivity’ of the commodity – in Marx’s German, the ‘gespenstige Gegenständlichkeit’\(^44\). Famously, the Communist Manifesto begins with a ‘Gespenst’.

A spectre is haunting Europe – the spectre of Communism. All the powers of old Europe have entered into an alliance to exorcise this spectre: Pope and Tzar, Metternich and Guizot, French Radicals and German police spies.\(^45\)

Here, Marx’s ‘Gespenst’ is no empty form, but the very material reality of the communist movement. The old powers of Europe have invented fairy tales [\textit{Märchen}] about communism – but there is a real substance to their fantasies, which it is precisely the aim of the Communist Manifesto to spell out. Yet, despite this example, Arthur still wants to suggest that the ‘Gespenst’ which haunts Capital is an insubstantial value-form.

The category of ‘pure empty form’ has no effective presence in Capital. It is a Platonic imposition, quite alien to Marx’s deep Aristotelianism. In Aristotle’s works there is much tortuous and intense discussion of the interrelation of the categories of substance and form. What is consistently rejected is any idea that form could meaningfully be treated in isolation from substance.\(^46\) In Marx, it is the concept of a social substance which is mysterious and metaphysical. He speaks, for example, of commodities as having a ‘supra-natural property

\(^44\) Marx 1976, p. 128.
\(^45\) Marx and Engels 1976, p. 482.
\(^46\) See Aristotle 1984, Gill 1989, Suppes 1974. Marx engaged closely with Aristotle during the 1839–41 period of work on his doctoral dissertation which dealt with two major figures in post-Aristotelian philosophy, democritus and Epicurus. See Fenves 1986, Stanley 1995 and 1997–8. In general the new-dialectical group of scholars have given little attention to the role of Aristotle in Marx’s thought. See, for a corrective, what might be called the strong Glasgow programme in Marxist studies – especially Meikle 1985 and Pike 1999. The new-dialectical scholars, in general, focus strongly on Hegel’s idealist Logic and neglect his philosophy of nature, studied closely by Marx as part of his dissertation work.
[übernatürliche Eigenschaft], their value, which is something purely social'.

In turn, abstract labour is ‘the value-forming substance’.

Commodities are congealed quantities of homogeneous human labour-power... as crystals of this social substance, which is common to them all, they are values – commodity values.

This kind of statement has often been taken to imply that Marx held an embodied labour theory of value, along the lines of that of Ricardo. Not so.

Not an atom of matter enters into the objectivity of commodities as values... commodities possess an objective character as values only in so far as they are all expressions of an identical social substance, human labour, that their objective character as values is therefore purely social.

**The fantastic writing of the commodity**

Derrida’s argument is that Marx is highly ambivalent about ghosts. The analysis of Marx he presents is complex, but one of its main themes can be roughly summarised as follows. There are two Marxs. One is a Enlightenment figure who wages war on superstition and wants to banish ghosts as ideological mystifications. This Marx stands for an ontology of straightforward rational explanation, and is untroubled about whether thought and language are capable of the necessary clarity in the means of representation. Enlightenment Marx is not fundamentally unlike Feuerbach – faced with an inverted world, then all you need do is produce a discourse which clarifies how it is inverted and how it would look if put right way up.

The other Marx is acutely aware of the limitations of rationalist Enlightenment discourse in representing a capitalist world which is really inverted not just appearing that way. Instead of falling prey to the metaphysics of presence, this second Marx is a proto-deconstructionist, struggling to find ways of overcoming and subverting the limits of Enlightenment discourse. This Marx is not concerned with banishing ghosts and other scary figures, but rather...
with evolving a discourse in which they play a role in the dismantling of an inverted social world which defies direct representation.

Here Derrida is right. Marx is not consistent about whether and how it is possible for political economy to depict the inverted topsy-turvy world which he holds that capitalism creates. At one point he suggests that political economy has demystified

the bewitched, distorted and upsidedown world haunted by Monsieur le Capital and Madame la Terre who are at the same time social characters and mere things . . . [Rather substantial haunting presences, we note, not just empty spectres flitting about in some diaphanous way – JK] This personification of things and reification of the relations of production, this religion of everyday life.

Marx says, had been rationally unveiled and explained by a political economy which identified the source of profit, interest and rent in the surplus-value extracted from productive workers.

Elsewhere, Marx is evidently struggling to find modes of representing the inverted world of capitalism. Derrida is not the only scholar to suggest that here Marx is contending with the representational limits of Enlightenment discourse. The term used by Marx himself is ‘Darstellung’- ‘representation’, as, for example, in the staging of a theatrical production, or in a written description. ‘Darstellung’ is central to the project of Capital in two senses: capitalism creates a surface set of appearances which conceal its essential and underlying mechanisms of exploitation. But these appearances are not necessarily just illusions (though they may be). Prices, for example, are a

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51 Derrida’s broader argument is that anticapitalism today needs a Marx who recognises the spectrality of capitalism. The ontology/hauntology of a spooky Marx who rejects empiricist and Newtonian paradigms of time. Rather, the present is to be seen not just as haunted by the ghosts of the past, but also by the possibility of a revolution which would draw its poetry from the future not the past. Here, Derrida invokes the non-teleological messianism of Walter Benjamin. Ideology mystifies the operation of capitalism in ways which Marx tries to suggest by figures of fetish and phantasmagoria. Marxist thought, Derrida argues, is a repressed other in the triumph of the neoliberal paradigm, yet, politically, Marx himself is an ever threatening spectre at the feast. The socialist project itself needs to be haunted by a possibility of justice and of democracy, and, crucially in the present time by an ethic of hospitality to immigrants, and especially to refugees. Derrida calls for the creation of a new form of International, visionary, haunted by the presently unthinkable, but fighting for these values. See Derrida 1994, pp. 147–72. The politics here may, in the end, be reformist, but the direction of the project is unmistakeably transformative.

52 Marx 1981, p. 969.
phenomenon of the surface of the economy, and have to be decoded to show that they are indirectly determined by underlying laws of value. But there is nothing illusory about prices – the price at which a commodity sells is just as much part of its reality as the labour which went into making it. Capitalism is an inverted system, and its scientific explanation is faced with a difficult challenge. How can you explain the reality of an inverted topsy-turvy system, in ways which suggest a deeper and contrary reality, but without reducing your account of capitalism to one of unmasking illusions – but an account which also includes the unmasking of illusions as well? Marx in Capital, has to find a ‘Darstellung’, a mode of representation, in which the real appearances of capitalism can be explained in a non-reductionist way.

Arthur’s argument, in effect, is that Hegelian logic provides a way of organising an adequate ‘Darstellung’. And, indeed, this is one of the ways in which Marx tries to do it. But only one. For Arthur, Hegel’s logic, used straight, delivers an definitive account of the mystical dimension of capitalism. No need to seek further. However, there were many other ways in which Marx strove to express the idea of an economic system in which materialist mechanisms created a mystical dimension which in some way has a material existence. Marx takes on the challenge of articulating a dimension of capitalism, that is vital to both the system as a ‘Darstellung’, and to the secondary ‘Darstellung’ which is Capital itself.53

It is important to emphasise, as does Derrida, that Marx is often battling resourcefully but not always successfully, against the limits of the language and categories available to him.54 In his classic discussion of the fantastic, Tzvetan Todorov argues for its role as a zone of marginality in which patterns of uncertainty, conflict, ambivalence and indecision are expressed.55 This type of approach is being explored in a growing literature. I have space here only to give a brief indication of some relevant approaches. Marx intensely admired

53 These questions have been explored in an outstanding account by Patrick Murray, one of the ‘new dialectical’ group. For Murray, the Essence/Appearance dialectic which Hegel develops as a major theme in the middle section of the Logic is of decisive importance for Marx’s project in Capital. See Murray 1988.

54 Except on the specific point about the role of ghosts in Marx’s account of capitalism, Arthur is ill-advised to invoke the support of Derrida. From his early work on Husserl onwards, Derrida has been an unrelenting critic of the Western philosophical quest for a pure uncontaminated point of origin such as, for example, the empty value-form with which Arthur starts. Derrida also rejects the assumption that language is a transparent medium firmly under the control of the writer. On both questions, Arthur needs a longer spoon than he uses to sup with Derrida.

55 Todorov 1995.
a number of deviant and oppositional writers of the Enlightenment period who produced brilliant deconstructive texts. He nominated Diderot as his favourite prose writer, and in his youth had written part of a novel modelled on the work of Sterne and Heine. In a fascinating account of Paris as a source of phantasmagoric imagery in Marx and Benjamin, Margaret Cohen has suggested that Marx turned to the underworld of popular culture and literature to register in his text,

the demonic powers which are at work in capitalism, and the fears and desires which they evoke . . . . Marx has concepts to articulate, but which he cannot produce from his Enlightenment horizon.

She suggests that what she calls ‘Gothic Marxism’,

attends to the way in which the irrational pervades capitalist society and dreams of finding ways of enlisting it as part of a project of social transformation.

Franco Moretti has a remarkable account which combines Marxist and psychoanalytical perspectives in an exploration of two of the figures which have a haunting presence in Capital: the vampire, and the dead body galvanised into life as a monster, as in the animation of deal capital by living labour.

In a scintillating but neglected paper, Jacques Rancière argues that the thesis of commodity fetishism in Marx is not at all a theory of ideology, but registers in Capital the consequences of the effect on Marx of both the politics of the post-1848 period in France, and his struggle to find ways of representing it in the Eighteenth Brumaire and the other commentaries he wrote on French politics in the 1850s. What emerges is the view of French political scene as a theatrical performance:

the extraordinary pantomime of 1848 – when by the mirage of representation each class found itself the immediate concern of its neighbour, when men of power wore the costumes of a different political play in order to represent interests directly opposed to those they were supposed to represent . . . the

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56 See Prawer 1976, pp. 15 and 390.
58 Cohen 1993, p. 3.
59 Moretti 1983, pp. 83–108. See also the chapter on Marx in Baldick 1983, pp. 121–40. Vampires in Marx have been receiving much scholarly attention of late: for incisive discussion about how capital sucks, and an intriguing linkage of the vampire metaphor to the dead/living tropes so pervasive in Marx, see Neocleous 2003.
divergence is no longer between reality and the illusions of ideologues, but between a scene whose reality in that of representation and the device which sustains it.  

It is Rancière’s argument that the literary devices which Marx struggled to devise in order to represent this crises of political representation had a profound effect both on the theory of capitalism as ‘Darstellung’ and on the metaphorical devices of representation we find in *Capital*. For example, *Capital* registers the effect of a new way of reading classical political economy, one in which the latter is no longer a darkened mirror to be made clear by a critical operation which makes it declare all there is to say, but a rewriting (in the space of a specific rationality) of the fantastic writing of the commodity.

And, certainly, *Capital* is pervaded by images of theatrical staging, and narrative plots involving reversals – for example, the mini-drama about how the Bible got transformed into brandy when its owner sold it and used the money to buy the liquor.

*Interest-bearing capital as automatic fetish*

I have argued against Arthur that value-forms as they emerge from exchange and find incarnation in money are not empty. Value takes the form of an abstract ‘social substance’ – that is, a material substance which has been subjected to a social process of homogenisation. A sequence of substances are identified: (a) abstract labour, (b) the value expressed (not embodied) in the value-form equation, and (c) money.

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60 Rancière 1976b, p. 381.

61 Ibid. On fetishism, see the papers in Apter and Pietz 1993, and also the important article by Geras 1971, which stresses that Marx’s fetish figure is about social domination as well as mystifying representation. In *Capital*, there are many instances of imagery involving theatrical performances, and dramatic plots involving reversals and denouements. In Marx, commodities, when bought and sold, are said to be transformed into and out of money – that is, value is a substance subject to laws of conservation. For a remarkable discussion of metaphors in Marx drawn from contemporary developments in physics, and especially thermodynamics, see Mirowski 1989, pp. 174–92. This account by Mirowski is, however, vitiated by his neo-Ricardian reading of Marx, and he fails to see that Marx has advanced a social theory of value of the sort which Mirowski calls for in the final section of his book.

62 See Stallybrass 1990, a paper which brilliantly explores figures of inversion, heterogeneity and theatricality in Marx’s writings on France in the 1850s.
It is only much later in *Capital* that Marx comes close to a concept of empty form and this is in the long discussion of interest-bearing capital and banks in Volume III of *Capital*. Stocks of money capital accumulate and are held as savings outside of the productive system, usually in banks or other financial institutions. Sums of money capital are lent to companies operating in the productive sector, in return for a share of surplus-value which these companies extract from workers. This takes the form of interest paid on a contractual basis by the industrial capitalist to the banks which provided the loans. In turn, interest is paid by the banks to the owners of stocks of money capital. Interest-bearing capital overlaps with another category to which Marx gives great deal of attention, namely fictitious capital. This is basically a legal document which records the promise given by a capitalist to whoever has lent her money to repay that money, and, in the meantime, to pay interest to the lender. Bonds are a major form of fictitious capital. Another is share capital – but shares are distinctive in that, often, the money has been lent permanently to the company, and shares are thus a title of part ownership of the company, as well as giving entitlement to a flow of surplus-value in the form of dividends.

Marx points out that powerful ideological effects derive from the indirectness and distance between the interest and dividends paid to the owners of money capital via the banking and financial systems, and the ultimate source of such interest in the unpaid labour of the workers. A sum of money capital is lodged in a bank: a year later, it has grown by the amount of interest paid on it. It becomes easy to forget what has happened in the interim – that, in the paradigm case, the bank has lent the money to a functioning capitalist, and that the interest paid to the bank on this loan is a share of the profits made by the active use of the money as productive capital. But, in the calculations of the rentier who has lent money to the bank, its active use as capital is readily obscured. It becomes easy for the rentier to think of the growth of money capital via interest payments as an automatic process. In interest-bearing capital, Marx writes, the relationship between capital and labour, ‘reaches its most superficial and fetishized form’.63 Money capital appears as a mysterious and self-creating source of interest, and so to generate its own increase.

Interest-bearing capital is the consummate automatic fetish, the self-expanding value, the money-making money, and in this form it no longer bears any

trace of its origin. The social relation is consummated as a relation of things (money, commodities) to themselves.\textsuperscript{64}

Interest-bearing capital is, 'form without content'; in it, 'the capitalist relationship reaches its most superficial and fetishized form'.\textsuperscript{65}

Interest-bearing capital always being the mother of every insane form so that debts, for example, can appear as commodities in the mind of the banker.\textsuperscript{66}

Surely, here, if nowhere else in Capital, we would expect Marx to conform to the kind of Hegelian metaphysical abstraction of concept and argumentation which Arthur wants to see as necessary and appropriate in any account of value-form? Far from it. Even here, where Marx comes closest to the empty form concept, he finds ways of expressing his argument with vivid materiality. As interest-bearing capital, money has acquired, what he calls, the occult ability to add value to itself. It 'brings forth the living offspring, or at least lays golden eggs',\textsuperscript{67} like the goose in one of Grimm’s folk tales.

\begin{quote}
Capital as a self-acting automaton . . . the capital fetish in its consummate form . . . producing – surplus-value . . . by way of an inherent secret quality, as a pure automaton.\textsuperscript{68}
\end{quote}

‘Money which begets money’.\textsuperscript{69} It comes to seem, ‘as completely the property of money to create value, to yield interest, as it is the property of a pear tree to bear pears’.\textsuperscript{70} Marx refers to capital as \textit{Moloch} – that is, the mythical Middle-

\textsuperscript{64} Marx 1972, p. 455. Money may also be lent to the state or to finance personal consumption. Marx gives little attention to these forms of debt in his discussion in \textit{Capital}. But he suggests that the fact that interest can be obtained by forms of lending other that to functioning capitals helps add to the mystification which surrounds the lending process. Marx notes the fantasies which develop. In 1772, Richard Price advocated the setting up of a sinking fund to get rid of the national debt, with the following argument: ‘one penny, put out at our Savour’s birth to 5 per cent compound interest, would, before this time, have increased to a greater sum than would be contained in a hundred and fifty millions of earths all solid gold’. Persuaded by what Marx calls, ‘this charming theoretical introduction to the English national debt’, William Pitt, then Prime Minister, set up a sinking fund in 1786 – the hope being to save up enough to pay off the national debt out of accumulated interest. Marx 1981, pp. 519–24.

\textsuperscript{65} Marx 1981, pp. 515–16.

\textsuperscript{66} Marx 1981, p. 596.

\textsuperscript{67} Marx 1976, p. 255.

\textsuperscript{68} Marx 1981, pp. 520–3.

\textsuperscript{69} Marx 1976, p. 256.

\textsuperscript{70} Marx 1981, p. 516.
Eastern deity whose cult demanded that parents give up their children to be burned to death. In the same section of Marx’s notes (as edited by Engels), there is a long quotation from a diatribe against usury from a sermon by Martin Luther, a writer whom Marx deeply admired.\footnote{Marx 1981, p. 517.} Marx also draws on Goethe’s \textit{Faust}:

\begin{quote}
in interest-bearing capital money capital the movement of capital is abbreviated. The mediating process is omitted, and a capital of 1,000 [sic] is characterized as a thing that in itself is 1,000 and in a certain period is transformed into 1,100, just as wine in a cellar improves its use-value after a given period of time. Capital is now a thing, but the thing is capital. The money’s body is now by love possessed [\textit{Als Hätte sie Lieb’ im Leibe}].\footnote{Marx 1981, p. 735 for acute comments on the differences and similarities between usury and interest-bearing capital.}
\end{quote}

At this point in \textit{Faust}, one of the characters is singing a song about a rat which lived in a cellar on lard and butter and looked like Martin Luther. The cook set out poison which the rat ate – and it was in the frenzy of its death agony that the rat looked as if it was copulating, that is, was possessed by the pangs of what is sarcastically referred to as ‘love’.\footnote{Faust, Part 1, line 2141. Compare Marx 1976, p. 1007: ‘By incorporating living labour into the material constituents of capital, the latter becomes an animated monster and it starts to act “as if consumed by love”’.} The condensation of imagery in Marx’s text is astonishing. ‘Capital is now a thing, but the thing is capital’. So much said in a few words! Money as an almost dead body, galvanised and spasming as if in a hideous parody of sex – and even an allusion to Luther, whose savage denunciations of usury are quoted a number of times in Marx’s various \textit{Capital} manuscripts.

\section*{Systems need regulative mechanisms}

When do we know that a dialectical category argument is complete? Arthur answers: when our account is sufficiently developed so that it can explain how the system is self-sustaining. In studying the vampiric system which is capital, Arthur thinks we need only to have identified its source of fuel (living labour), its reproductive mechanism (the sequence of production $\rightarrow$ circulation $\rightarrow$ production $\rightarrow$ and so forth) and its source of growth (surplus-value). But,
if the analogy with biological organism is to be taken seriously (as it should be), no such system even begins to be viable. As a minimum, we have to identify a number of regulative mechanisms. A system is not self-sustaining unless it has sub-systems of regulation to ensure efficient use of energy, temperature control, waste disposal and so on. There have also to be elements in the system which protect it from internal or external attack, allow it to react and re-organise when its survival is threatened. In Marx’s account, there are a number of crucial regulative mechanisms, and they all involve, in various ways, competition between capitals.

It is here that Arthur’s stress throughout much of his book on capital-in-general seriously confuses his analysis. He insists that such regulative mechanisms are subordinate to the vampiric essence of capitalism. He refers us to a passage in which Marx writes that:

Free competition is the real development of capital. By its means, what corresponds to the nature of capital is posited as external necessity for the individual capital; what corresponds to the concept of capital, is posited as external necessity for the mode of production founded on capital. . . .

Competition merely expresses as real, posits as an external necessity, that which lies within the nature of capital.\(^\text{74}\)

Despite the reference here to competition as the real development of capital, Arthur reads this as justifying the focus of most of his book on capital as vampire-in-general, giving little attention to the competition between the many vampires. It is true that much of Volumes 1 and 2 of Capital focus on capital-in-general, the extraction of surplus-value for labour, and the production → circulation sequence. But, if Arthur, or anyone else, takes priority in order of argument as the basis for a judgement about what is more or less essential in Marx’s account of how capitalism operates as a viable system – then this is a crucial mistake. It takes no account of the inversion processes whereby what is treated later in the sequence of Marx’s argument may nevertheless emerge as dominant in the concrete operation of the capitalist economy. Arthur wants to argue that the essence of capital is blind pressure to sheer accumulative growth based on surplus-value. But, for Marx, exploitation and accumulation are processes driven by the pressures of competition. This is not secondary, but part of the essential structure of capital:

\(^{74}\) Marx 1973, p. 651.
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 mutual interaction with each other.  

Attention to the historically varying forms taken by competition and the operation of the law of value is crucial. For example, in the world capitalist economy over the past thirty years, the financial markets have become increasingly central in processes of capital allocation. One effect is intensification of competition among capitals in the productive sectors to secure capital from the financial markets, which are organised and controlled by banks and other types of finance capital. Thus, in the final decades of the twentieth century, finance capital has re-emerged (as in the period before 1929) into a position of immediate dominance over the productive sectors of the economy – though, ultimately, of course, dependent on the flow of surplus-value extracted within the productive sectors. Here is an example of a historical dialectic at work – a reversal whereby a secondary and derivative form of capital can become dominant in the operation of the system. But Arthur says little about historical dialectic, and seems to see this lack of interest as a condition of the rigorous deployment of systemic dialectic.

Yet, if the metaphor of system is to be treated with rigour, then mechanisms of regulation have to be seen as essential. The difficulties which arise from too limited a concept of system are clearly evident in Arthur’s Chapter 10, where he poses the question of whether or not the USSR and the other pre-1989 Soviet economies were capitalist. Obviously, on his minimum definition of a capitalist system, they could be nothing else. The means of production were owned and controlled by a large vampire – the state. Commodities were produced and sold; surplus labour was realised in monetary form and re-invested in means of production, or syphoned off to make the ruling élite wealthy. What was unvampirelike about this system? But Arthur wants to argue that the Soviet economies were really neither socialist or capitalist, but undefinable. There was what he calls ‘materialised capital’ in the factories of the USSR, but,

    without the capitalist economic form to direct it, there was nothing to motivate efficiency; voluntarism, coercion, incentives, all failed. Hence the

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75 Marx 1973, p. 414.
chronic crisis of underutilisation of resources, massive waste, defective products, and final collapse. Certainly if the factory system in which capital materialised itself remains, then one cannot speak of socialism; but conversely, if the law of value, enforced though capitalist competition is no longer operative we have a clock without a spring.76

Thus, to clarify the non-capitalist character of the USSR, he has to introduce regulative mechanisms of competition as essential to the operation of a capitalist system. Suddenly, we are no longer talking about value as a single dominative form. Instead, there is a turn to the law of value – the disciplines of productivity, minimisation of costs of production, quality control, monitoring of capital allocation and so forth. Arthur begins to recognise the crucial nature of capitalist competition, so confidently marginalised for the first three quarters of his book. Better late than never. However, the effect of the USSR discussion in Chapter 10 is that competition and the law of value are introduced like rabbits from hats, without any form of dialectical necessity. They are invoked, without mediations, to account for an historical contingency – the difficulty of defining the social character of the Soviet economy. It is just this sort of ad hocery which strict Hegelians are not supposed to engage in. If regulative mechanisms are part of the essence of any system, then this requirement should be asserted at an early stage, if only in general terms. Marx recognises this, and early in Capital, Volume I, he points, in a preliminary way, to the regulative role of money – that is, as measure of value. Commodities only have value to the extent that they can be converted into money of an adequate quality. Later in Capital, the regulative operations of the law of value are explored more fully – for example, the many ways in which competitive processes select some capitals for growth, and others for extinction; the tendencies towards the concentration and centralisation of capital. Arthur, as I have argued, in line with his intense focus on exchange, is interested primarily in money as means of exchange – less in its function as measure of value, and thus as medium of assessment of the relative productivity and efficient use of labour by capitals in competition.

World market – part of the concept of capital

Arthur leaves capital at a level of abstraction in which, as a system, it has no apparent spatial dimension. He is prepared to allow capitalism a physical environment and allows it dependence on raw material sources. But, otherwise, the spatial character of the system is given no presence in the argument. In Marx, it is quite different. ‘The tendency to create the world market is directly given in the concept of capital itself. Every limit appears as a barrier to be overcome’.77 ‘World market... the very basis and living atmosphere of the capitalist mode of production’.78 For a Hegelian, to say that something is given in the concept of something else is a very weighty statement – part of its essence which must necessarily emerge as the concept is explored and developed in historical time or in logical space. In a related way, the inherently international character of the capitalist economy is alluded to at an early point in Capital, when Marx lists as one of the basic functions of money is that it acts as world money – namely, as international measure of value, and as transmitting and conserving value across international spaces.79

And, again, in Chapter 10 on the USSR, we find further evidence of the difficulties Arthur creates for himself by an inadequate attention to the spatiality of the capitalist system. Arthur cannot find the spring that drove the USSR because the primary competitive pressures involved derived from the international economy. The imperatives which structured development in Soviet Russia involved military and technological competition with the European and American economies, as well as the conditions required by the bureaucracy to ensure its survival in power. Arthur moves straight from a highly abstract conceptualisation of system, to the USSR as a national economy, without mediations, and especially without the crucial mediation of the world economy. Marx comments only in a limited way on the internally differentiated character of the international economy in his period. It is clear, however, that he rejected any idea of individual national economies as passing through a fixed series of stages. And Trotsky, in opposition to both Second-International historical evolutionism and the Third-International theory of stages, developed

77 Marx 1973, p. 408.
79 There has been too little comment in the literature on Marx’s concept of world money, and of the implications of its introduction at such an early point in Capital.
an important set of theses about combined and uneven development. A number of ideas are compressed into this formula. Its basis is the priority of the world economy in the explanation of national development:

Marxism takes its starting point from world economy, not as a sum of national parts but as a mighty and independent reality which has been created by the international division of labour and the world market, and which in our epoch imperiously dominates the national markets.80

The term ‘combined’ refers to the complex differential economic, political and cultural structures which are created as societies which still contain large traditional elements are brought into direct contact with the advanced technology and modes of organisation of the highly industrialised countries. Globalisation does not create homogeneity, but, instead, the unevenness of an endless variety of local, and often unstable, amalgams between old and new. The analysis of economic structures and processes needs to register difference and instability. This cannot be adequately done by on the basis of a reductionist concept of ‘system’ in which surplus-value extraction mechanisms are treated as fully constitutive of a self-subsistent, self-replicating capitalist economy.

**Conclusion**

Like all good Marxists, Arthur understands value as a social relationship. But, because his Hegelian mode of argument requires an abstract start, he begins with the category of value-form, as a mere empty form of exchangeability of commodities. An empty form is incapable, in itself, of contradiction. The contradictions are added in later, as value-form sets off in its quest for world domination. Marx’s starting point in *Capital* is the commodity as involving an inherently contradictory essence, an *internal* opposition of value-form and use-value. Arthur’s book is outstanding in the way that it clarifies just how important differences are, in these elementary first moves in political economy, for the later, more concrete, stages of analysis. This is an effect of the chains of dialectical necessity which characterise the theoretical narrative as it develops from any given starting point. But, as against Arthur, it is the inclusion of labour as one of the initiating categories of *Capital* which helps Marx to

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80 Trotsky 1970, p. 146.
develop a complex and powerful account of patterns of competition between capitals. The selective logics of competition – summarised as the law of value – are a vital element in Marxist explanations of the dynamics of capitalist development and the complex and crisis-ridden systems which emerge historically. It is a law-of-value paradigm, rather than one centring on value-form, which makes possible the development of coherent accounts of system formation and system disintegration. In this way, the opposition of systematic and historical dialectics can be overcome.

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Jacques Bidet

The Dialectician’s Interpretation of Capital

Chris Arthur offers a dialectical interpretation of Capital that marks the culmination of several decades work. My first encounter with his approach dates from the time when I was working on a thesis on Marx’s great work, though in a very different spirit, extending the efforts of Althusser and his disciples. Since that time, by way of several books dealing with this subject, I have embarked on a new line of research combining structuralism and dialectics, and I am currently finishing a work to be titled Explication et reconstruction du ’Capital’. This indicates the interest and attention with which I have read Arthur’s work. I shall say very little here as to my own interpretation, still less of the reconstruction I now propose. But this clearly underlies my reading of Arthur’s book and the questions I raise about it.

1 Arthur 1979 already presented the same orientation and the principal themes of the present work.
2 Bidet 2000. This book has been translated into several languages, though not English.
3 I developed this problematic in Bidet 1999; a first sketch was already made in Bidet 1990.
I. An interpretation appealing to Hegel’s Logic

Marx’s ‘Capital’ and Hegel’s ‘Logic’

Arthur’s interpretation falls within a current of thought described as the ‘New Hegelian Marxism’. This no longer seeks in Hegel the basis for a dialectical grand narrative in the service of historical materialism, but bases itself on his ‘systematic dialectic’, that of the Logic, in order to interpret Capital, understood as a theory of the capitalist ‘system’. I would like to begin by noting a remarkable feature of this current, its ecumenical character. Arthur displays this on page 109, at the climax of his exposition, when he makes a direct parallel between Hegel’s Logic and Marx’s Capital. To bring out the originality of his claim, I shall simply add here a third column, corresponding to a different logical Hegelian interpretation of Capital, as offered by another dialectician of this school, and a very notable one, Thomas Sekine, who has argued it in voluminous works.4

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4 The problematic that Sekine has developed with great refinement is that put forward by Kozo Uno, the most celebrated Japanese Marxist. I have provided a detailed critique of this approach in Bidet 2001.
What is particularly striking in such a table, the mere fragment of a family portrait, is that not only do these two interpretations of *Capital* ‘in the light of Hegel’s *Logic*’ lack any rigorous connection, but the correspondences they respectively assume are strictly incompatible. And there are others of the kind as well. Tony Smith, for example, another representative of this current, sees essence as corresponding with capitalism and the concept with communism. For others, quality – or the being/nothingness/becoming relationship – gives the ‘analogical’ key to the figure commodity/money/circulation, which finds its resolution in quantity, figured by capital. I leave aside here readings, such as that of Helmut Reichelt, that correctly relate *Capital* to Hegel’s *Philosophy of Right*.

How can such varied readings peacefully co-exist in a supposed ‘scientific community’? It would be wrong, I believe, to see in these diverse couplings no more than mere party games. For, if it is possible to produce such quasi-musical variations on the basic Hegelian theme, this is for the reason given by Arthur right at the start of his book, on page 9: it is very hard to say anything about social things without using such concepts as quality and quantity, subject and object, essence and phenomenon, and so on. And we may recall that Marx himself, in his early drafts, used similar articulations, in particular the tripartite Universal (Volume I), Particular (Volume II), Singular (Volume III), while the Soviet Academy of Sciences proposed, in 1971, the reverse order: Singular for Volume I, Particular for Volume II, and Universal for Volume III. This should evidently suggest a certain caution, and a respectful consideration towards the ‘special logic of the special object’. Chris Arthur puts forward the view that Hegelian logic, supposedly universal, offers a deep affinity with that of capitalism, despite this being such a singular form of society. I believe it is possible to defend such an idea. But debate on the interpretation of *Capital* bears on what relevance Marx’s theory has for the understanding of modern and contemporary society. And it remains to be seen whether the Hegelian thematic of ‘totality’ and ‘system’, that of the presence of Spirit to itself, can be mobilised in such an immediate fashion for the construction of supposed concepts of actual history.

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5 See Cesarale 2003. This writer champions an approach that is similar to Arthur’s.
A philological remark

It is remarkable that this interpretation of Capital leans chiefly on the Grundrisse and other preparatory texts for the work Marx which eventually published in 1867, and which underwent a far-reaching refashioning in its second edition, and again in the French translation corrected by Marx himself.

This procedure is that of a fairly large number of writers: German, Italian, French, Japanese, Spanish, Portuguese, and so forth. I call it the dialectician’s approach. What these writers have in common is that they seek the truth of Capital in the texts that precede it, these being characterised by a far more intensive use of concepts drawn from the Hegelian tradition in Marx’s elaboration of the theory of capitalism. For my part, without rejecting the idea that legitimate use might be made of such concepts, I see Marx as having worked like any other scholar: between one version and the next, he constantly corrected and suppressed what he saw as inadequate. My hypothesis is that he had reasons, good ones at least to his eyes, for modifying his analysis. It is certainly necessary to check on each occasion if there was not, on the contrary, some loss of meaning or step back. But Arthur seems to me to base himself in a systematic way on analyses which Marx had developed in a so-to-speak spontaneous fashion from his philosophical tool-box (that of his culture), and which he subsequently discarded as inappropriate, as witness the fact that he replaced them with new theorisations of a different kind.

Arthur’s double thesis

As we know, Marx presents at the start of Capital a theory of the logic of commodity production in general, based on a relation of exchange of equivalents, before going on to show that it is not possible to understand capitalism in this way, which is, on the contrary, based on exploitation. Yet this exploitation presupposes the context of commodity production, which is simply, Marx says, the ‘most abstract moment’ of the capitalist form of society, the moment at which only relations between individuals are recognised, not social classes. The problem that Marx has in mind here is that of the relationship between the market and capitalism, and this raises crucial questions that we are still faced with today. Arthur finds the explanation unconvincing: ‘people rightly complain they do not find any proof there’. It seems to him that Marx’s

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The beginning does not give a proof of the existence of value: ‘the key point is that no proof of the existence of value is established at the first stage of simple commodity relations’, no more than the context in which this concept could be developed.

Arthur starts his analysis by presenting two types of interpretation, against which he constructs his own. On the one hand, the logico-historical reading, derived from Engels, that would have the theoretical exposition of Capital broadly following an historical order: Part One of Volume I would thus represent a precapitalist stage, that of simple commodity production. On the other hand, there is a reading that Arthur attributes variously to Meek, Grossman and Sweezy, according to which the exposition is developed from the more simple to the more complex.

By taking his distance from both these approaches, Arthur puts forward two essential themes, strongly interconnected: a theory of the ‘value-form’ and a ‘systematic dialectic’ of exposition.

He claims that the ‘theory of value’ developed at the beginning of Capital takes ‘socially necessary labour time’ in a ‘technical sense’. And he opposes to this a ‘dialectical theory of the value-form’, that is, of the ‘social form’. Such a theory has often been sought in Section 3 of the first chapter, which is precisely titled ‘The Value-Form’. Arthur, for his part, proposes that such a theory cannot be developed until the exposition of the concept of capital has been reached. It is, in fact, only in the conditions of capitalism that abstract labour can be understood in the sense of ‘real abstraction’. And he adds that the full concept of value can only be provided by the exposition as a whole. The notion of value given at the start is ‘the overly simple, utterly abstract, appearance of the concept’, its validity deriving only from the results of the exposition as a whole.

In this light, Arthur proposes a dialectical mode of exposition, moving simultaneously forward and backward. Capital can, in fact, only be understood as the totality of relations that mutually define one another as moments of

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8 Arthur’s critique strikes me as denigrating the second reading unduly. The authors he criticises do aim at a ‘theoretical’ construction of the concept of capital, even if it is true that the categories of simple and complex are completely inadequate for this purpose.
the ensemble that it forms. Any element taken in isolation can be defined only in a provisional and under-determined sense. Capital as self-valorisation is too complex,12 the starting-point has to be value. But a full definition of value cannot be given right away. Since capital is a totality, a ‘linear’ logic claiming to present it step by step is inappropriate, or so Arthur claims. The exposition can thus commence only by extracting ‘violently’ (a recurrent expression) from the whole a concept that has no significance outside of the totality. Only the end defines the beginning.

2. The dialectician’s interpretation of the ‘value-form’

Forgetting commodity production

Arthur is forced to admit that there is here a ‘textual’ question,13 in as much as Capital deals with the question of value only in Part One of Volume I. As we shall see, this is in no way a question of philology but a major theoretical problem concerning the interpretation of the capitalist form of society.

In his undertaking, Arthur claims to base himself on Rubin, who effectively brought to light this category of ‘form’, recalling Marx’s leitmotiv that economists had been interested only in the magnitude of value, but neglected its ‘form’.14 Arthur reproaches Rubin however for staying with the forms of the exchange relation, whereas the ‘form’ to be considered is rather the capitalist relationship. However, it is Rubin who is right here. When Marx in effect complained, in a certain context, that economists had failed to take an interest in the form, what he had in mind above all was indeed the commodity-form as such. It is actually at this ‘abstract’ level of exposition that he voices his criticisms.15 Ricardo, says Marx, ‘neatly sets forth the determination of the value of commodities by labour-time’,16 but is ‘concerned exclusively with the magnitude of value’. He did indeed suspect, Marx continues, that this assumed definite historical conditions, that is, large-scale industry and unrestricted competition. But, he adds,
Thus, in order for the law of value to prevail – that is, the law of the determination of value by socially necessary labour time – it is necessary to have reached the full development of capitalism, large-scale competitive industry. Arthur believes he can conclude from this that the concepts of commodity or value cannot be expounded before the concept of capital. We might believe Arthur is guilty of the same confusion as that for which he reproaches the logico-historical procedure, but in the opposite sense. This is not exactly correct, as he constructs a form that is purely synchronic. But he still appears to put forward a historical consideration to argue a theoretical order, more precisely to support the idea that the starting-point of the exposition cannot be an adequate representation of the social ‘form’ which is that of value. We know, however, that Marx, on the contrary, in treating capital in its historically developed form, began all the same with an exposition of the value-form (that is, the commodity form of production in general), which he considered as theoretically complete, and that he saw in this an indispensable theoretical constraint.

It is not therefore just a matter of philology, but a central and decisive point, determinant for the understanding of Marx’s theory, its object, and the use that can be made of it. Marx not only believed that one could and should start from the value-form, he actually gave a full exposition of this in the first part of Capital. And, when he returned to this question, as he did at many points in the course of this work, the adjustments he added owed nothing to the concept of capital, nor to the determinations that bear on it. (For instance, when Marx comes to the ‘transformation of value into price of production’, he introduces a new category of price, not of value.)

Arthur, whose critique is directed against two interpretations, of which one is erroneous and the other defective, ignores, in fact, a third interpretation, the reading that I shall term ‘theoretical’, but which seems to me both the most obvious and the most common; this is, in reality, the only truly acceptable interpretation, despite the fact that it opens up problems that are extremely hard to resolve. But these are real problems that we have to confront, not just in theory, but in real history and practice. What Arthur somehow fails to
appreciate is that the first chapter of *Capital* presents the concept of commodity production in its pure abstraction, in as much as it differs from specifically capitalist production, according to a distinction which is, however, made very clearly in *Capital* itself. And this has nothing to do with the idea of precapitalist commodity production, no more than with a simple model as opposed to a more complex model.

Arthur makes his ‘dialectical’ task singularly more easy by presenting this initial moment as that of simple circulation, not of production for commodity circulation. He takes the commodity as it is supposedly already in place: in commodities brought to market.\(^{18}\) His ‘presentation starts with the form of exchange, bracketing entirely the question of the mode of production, if any, of the objects of exchange’.\(^{19}\) He also confuses, a few lines earlier, the ‘general categories of production’ with those of commodity production in general. He does not seem to understand the reason why Marx starts his theoretical construction with the social conditions in which (and because of which) wealth is produced for a market, produced as commodities.

Arthur seems unaware, in fact, that the abstract context in which Marx circumscribes a ‘simple circulation’ is constructed only by way of the conceptual determinations of commodity production in general: ‘private property’, ‘production for exchange’, ‘commodity division of labour’, concrete ‘labour’ and abstract ‘labour’, ‘productivity’ as a relationship between use-value produced and value, and the ‘socially necessary labour’ that the market identifies within a particular branch as the labour required on average, and between branches as abstract labour. All these categories of the market as a relation of production in their differences from specifically capitalist categories – and these are repeated and explained in a rather more technical fashion in Chapter 10 of Volume III for the analysis of the ‘transformation of value into price of production’ – are already those forming the framework of the formulations and arguments of Volume I, Chapter One. The commodity that is discussed in Chapter One is characterised by the ‘social relation of production’ specific to it. The characteristic chiasmus of the value-form is that of production for exchange.

In short, for Arthur, all the categories forming the dense tissue of Chapter One disappear into the neutralising category of ‘simple circulation’ – that is, commodity exchange – which, however, as distinct from production, precisely

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\(^{19}\) Arthur 2002, p. 86.
forms the object of Chapter Two and especially Chapter Three – these presupposing and completing the theorisation of Chapter One.

It is pertinent here to make clear once more, against certain dialectician’s readings, that the ‘value-form’ expounded in Section 3 of Chapter One bears on the commodity logic of production expounded in the first two sections, as Marx constantly emphasises. Still more precisely, as he says here in his famous reference to Aristotle, it bears on ‘the relationship of men among themselves as producers and exchangers of commodities’.20 And this has so little in common with a purely ‘technical’ relationship that, he makes clear, its secret ‘could not be deciphered until the concept of human equality had already acquired the permanence of a fixed popular opinion’. This is, indeed, the root of the question.

**The logico-historical analogy in Chris Arthur**

Arthur seems, I have said, to develop throughout his book a subtle version of the logico-historical approach. We see this,21 when he says that, because only capitalism produces the value-form in its full development, this could not be fully formulated conceptually at the start of the exposition. Now, Marx certainly says that only the capitalist mode of production as historically developed produces value in the pure sense of the concept, but it is precisely value that forms the beginning of the theoretical exposition. For the very object of Chapter One, in its different moments, is the exposition of the commodity-form as a social relation of production and exchange, in the very purity of its concept, as an abstract moment of the capitalist social form. Marx thus raises abruptly the problem to be faced: the market is not capitalism. And this is indispensable to his next thesis: capitalism is not the market (contrary to what liberalism says). The market, however, does give rise [donne lieu] to capitalism. It is the broader space, the more abstract moment, ‘from which’ (in the theoretical, not the historical sense) capitalism comes into being.

This is the structural-theoretical problem that Arthur retranscribes into terms analogous, in a certain way, to those of the logico-historical approach:

If value depends for its reality on the full development of capitalist production, then the concepts of Marx’s first chapter can only have an abstract character,

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and the argument as it advances develops the meanings of these concepts, through grounding them adequately in the comprehended whole.22

Arthur, here, seems to confuse two questions. The first is an historical question: it is only when capitalism is fully developed that value actually becomes a category that universally governs production. The second is a theoretical question: he concludes that, in the course of the exposition, the concept of value cannot be fully developed before the specifically capitalist form.

Now, it is clear that what Marx successively presents are two social ‘forms’. On the one hand, the value-form, that is, the ensemble formed by the relations of commodity production-circulation as such, with all the categories that specifically belong to it: private property, production for exchange, value, money, exchange, commodity competition, market value and market price. These categories could pass for purely ‘technical’ ones, or in that sense ‘economic’ ones, if they were not interwoven with juridico-political categories (property, the freedom and equality of producer-exchangers – I say this without wishing to conceal the difficulties inherent to all these notions, discussion of which would involve long development – but those are other difficulties) that Marx expounds precisely in the first part of Volume I, including the ‘state’ categories that pepper Chapter Three.

On the other hand, there is what he denotes as the capital form as such, exposition of which begins in Part Three, with Part Two forming the problematic ‘transition’ from one to the other. It results from this that commodity logic as such, though it effectively dominates capitalism, is not an adequate basis for understanding it. For this (abstract) commodity context is the social form within which a non-commodity relationship is determined, which is no longer a relation between individuals but between social classes (at the end of which, as we know, commodities are exchanged in the last instance not at their value but at prices that differ from this), without, however, the commodity logic ever being jettisoned. It is at this point that difficult theoretical problems begin. But these are genuine problems of capitalism.

The same slippage can be found on page 45. Arthur says here that it is only with modern industry that capitalism aims at valorisation and the policing of labour: previously, all that was involved was the value-form. And he draws the conclusion that an exposition of the latter is not possible before one of the social form of capital.

Since generalised commodity circulation exists only on the basis of capitalist production, value becomes determinate only with capitalistically produced commodities.\(^2\)

Indeed, but it does not follow from this that the value-form cannot be expounded before the capital-form. On the contrary, the problem that Marx confronts is that commodity production as such is something other than capitalist production: the market is not capital. And the first major challenge in the exposition of the theory is precisely that of thinking the transition \([Übergang]\) and transformation \([Verwandlung]\) from one to the other.

The same slippage again on page 72, where Arthur claims that the (theoretical) introduction of the commodity labour-power does not presuppose a labour market. But, here again, I believe he confuses the historical conditions necessary for the existence of the labour market, which, in the strict sense, derive from capitalism, with the conceptual presuppositions of the commodity-form of labour-power. The concept of the labour-power commodity quite simply has no meaning outside of that of the labour market.

In sum, the author seems constantly to confuse the idea that only capitalism establishes the generalised market with the fact that this latter constitutes the system of constraints denoted as the ‘law of value’ (it is significant that, on page 28, he expresses the idea that capital promotes the market by saying that it produces the commodity). It is, however, because these two facts (and these two ideas) must not be confused that Marx can exhaustively define the market as ‘relation of production’ before saying a single word on the specifically capitalist relation (nor on the market as a determinant of the latter).

**Capitalism viewed as a system**

This procedure, however, is not reducible to an inverted logico-historical approach. It exhibits a coherence that is specifically systemic in kind. Arthur is even, in a certain sense, justified to say that the discourse on abstract labour and value is not completed in Part One, continuing and culminating in the exposition of what is specifically capitalist. His formal error, to my mind, is to devalue (so to speak) the theory of value presented in the first part, to reduce it to a ‘technical’ discourse leading to a figure of ‘circulation’. According to him, it is not possible to speak of value without considering the ‘moment

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of capital’ – a moment that would be ‘negated’ in the sense of the Hegelian dialectic by consideration of the status of value and abstract labour under capital. This thesis might seem to pertain just to the realm of philology, if it did not point to more fundamental problems in the interpretation of *Capital*, involving the very meaning of ‘Marxism’ today. The mistake, to my mind, lies in the attempt to represent capitalism as a ‘system’, whereas it can only be conceived in fact as a ‘structure’, a ‘structural’ form. I cannot, of course, explain this conception in a few pages, but shall confine myself to suggesting it via the present critique of Chris Arthur. If capital is conceived as a systemic totality, all the terms of the system mutually imply one another. The first term with which the argument starts is only justified at the end. Now, the more fundamental problem raised by Marx is indicated by the fact that there is, in *Capital*, a genuine beginning, and a genuine first ‘abstract’ moment, not in the standard sense in which ‘abstract’ means ‘separated from the conceptual whole’, but rather as a moment possessing its own coherence and completion, to which it is necessary to return as to the first moment, which is not modified by the capitalist order, that, on the contrary, refers constantly to it. And this is incompatible with the Hegelian concept of system. It is this idea I would like to introduce in examining the idea of systematic dialectic proposed by Arthur.

**III. The limits of the ‘systematic dialectic’**

*The concepts of the fluid are not fluid*

I shall start with a general remark concerning Arthur’s project of developing the ‘value-form’ by way of a systematic dialectic and the idea of dialectical determination. In the beginning, as immediacy, Arthur says that value is only an abstraction, thus is not adequately known. It is not possible to keep to the ‘fixed definition of terms’, that is, a fixed definition of value, since this acquires new determinations at each stage. Its concept is complete only when we understand that it is reproduced by the dynamic production process of capital.

I agree that the continuation of *Capital* can indeed be viewed as a sequence of determinations of the social form presented in Part One. *Capital* elaborates

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24 Arthur 2002, p. 34.
the concept of capitalist society, of which the commodity-form (value, in Arthur’s approach) does not give an adequate idea. But this means that we move on to other concepts, and the (difficult) question is to know how this takes place. It is clear that it is not because the concepts are ‘fluid’ or flexible, rather than ‘fixed’. What is involved, in my view, is a suspect metaphor: it is not the concept that changes; rather, there is a change of concept, through conceptual determinations. The concepts are concepts of fluid and dialectical relations. But the concept of movement is not itself in motion, nor is the concept of contradiction itself contradictory, any more than the concept of red is red. Marx presents a transformation ‘from money to capital’ – it would be better to say, as we have seen, ‘from the market to capital’, that is, from the moment of value to the moment of surplus-value. But the ‘theory of value’ is in no way transformed by the theory of surplus-value, which, on the contrary, expressly presupposes it, unchanged, in the pure and perfect form that Marx has given it in his exposition in Part One. It is, thus, in no way ‘flexible’. And this term operates as an epistemological obstacle which in the unity of the category of ‘determination’, understood as expression of a ‘dialectical movement’, confuses various kind of heterogeneous conceptual relations, as we shall come on to see.

The exposition of ‘Capital’ does not begin with the immediate or the simple

Let us begin at the ‘beginning’. Arthur starts, ‘from everyday experience’, from the exchange of commodities.25 True, Marx does not start with the ‘capitalist mode of production’. But he starts, for good reason, with its most abstract moment as a ‘relation of production’ (or, again, see the start of Chapter Two, as an ‘economic relation’): the ‘commodity division of labour’ and the social form of production it defines. In Chapter One, however, it is only a question of ‘production’.

It is necessary, therefore, to reject this notion of immediacy, the supposed immediacy of the value-form, taken as an ‘immediacy in our experience’,26 which would justify its position at the start of the exposition.27 Marx nowhere starts with an immediacy that is supposed to be that of spontaneous consciousness, of everyday experience. He starts with a beginning which is the exposition of the theory of value, that is, of the commodity form of

production, and what distinguishes this from production in general. Such is the effective object of the first two sections of the first chapter of Volume I: the specificity of a commodity form of production, and a society in which this commodity-form prevails (that is, private property, production for exchange), with the categories of proclaimed (supposed) ‘freedom’ and ‘equality’ that attach to it. It is true that Marx presents the question only in a rather oblique fashion, in the form of an ‘analysis of the commodity’. But he produces this analysis only by deploying the concept of commodity production in general, which is something quite other than a postulation of immediacy. He does indeed start by evoking the immediate (trivial) notion of exchange-value, but his theoretical work immediately begins with the deconstruction of this triviality (shown as a contradiction in terms, following a form of argument common in the social-scientific field), and the construction of the concept of commodity production, thus of value, a construction which, to his mind, is complete at the end of Part One.

It is hard to see, therefore, what enables Arthur to say that the beginning has to be simple, ‘to be grasped immediately by thought’, which he deems incapable of raising at the start the ‘complexity’ of value that valorises itself. Here, we see how the strategy of ‘from simple to complex’, chased out of the door, returns through the window. Marx’s construction of the ‘abstract’ beginning, to my mind, is anything but simple, unless we deem ‘simple’ the theorisation of the ‘value-form’ (Section 3 of Chapter One) that Marx presents, without possible ambiguity, as an essential element of the beginning, that is, of the theory of commodity production as such.

Part of the secret of the effectiveness of this kind of dialectician’s interpretation bears on the very particular usage it makes of the notion of ‘simple circulation’, which is indeed found in Capital, but in a completely different theoretical context. For the author, ‘simple circulation’ is an initial and immediate given of everyday experience, from which analysis can thus begin. Marx, on the contrary, introduces this notion only on the basis of the concept of commodity production/circulation in general, the object of Part One: it is only after a very ‘complex’ construction of this concept that he comes to the notion of ‘simple circulation’ (which certainly has nothing in common with ‘simple commodity production’). It is significant that the term ‘circulation’ appears only once in the first chapter of Capital, which is, indeed, devoted to commodity

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28 Arthur 2002, p. 27.
production, and once in the second chapter devoted to the process of exchange. It recurs, however, on every line of Chapter Three, of which it is the object, though only on four occasions is it characterised as ‘simple’, despite the fact that it always has this sense, that of ‘simply commodity circulation’. This denomination of ‘simple’, on the other hand, comes to the fore in the second part, leading to the idea that capitalist circulation, as heralded in the ideological ‘formula’ of capital (M–C–M’) cannot be deduced, in any sense of the term, from simple circulation, simply commodity circulation, C–M–C, analysable at the level of abstraction which is that of commodity production in general. It is clear, here, that the concept of simple circulation has nothing simple about it, that it is just as complex as that of capitalist circulation: it is ‘simply’ more abstract, in the sense that it targets the most abstract moment of the ‘capitalist mode of production’. No more is there anything immediate about it, and it is for quite other reasons that it has to be the point of departure, and a point of regular return. If it is necessary to abandon any idea of ‘foundation’, as Arthur rightly points out, this does not authorise the neutralising and trivialising of the idea of beginning. It remains to be seen how this beginning should be understood, in what sense it is ineffaceable, irreducible, through the various transformations that its systematic exposition develops, as also through the revolutions that real history inflicts on it. In the last resort, the question is to know what kind of relations exist between the market and capitalism, or between the market and an alternative form of society. My analysis in no way aims to rally the reader to some idea of ‘market socialism’, but simply to display the theoretical inconsistency of the ‘fundamentalist’ treatment of the question that this kind of systematic dialectic proposes.

The return of the Hegelian dialectic as discourse of totality

The problem we have noted with the point of departure derives, in fact, from the very notion of systematic dialectic, which is dependent on the concept of system. This concept of system may, on first reading and in various senses, refer to the coherence of a social form, that is, the congruence of the ensemble of determinations that constitute it. This is the case, for example, with the concept of commodity production in general, as presented in Part One of Volume I, or, again, the concept of exploitation presented in Part Three. In Volume III, once more, there is the system formed by the various ‘fractions’

of capital. In this sense, the capitalist mode of production, by virtue of being a mode of production, is a figure reproducing itself on the basis of its overall coherence, in other words of a set of determinations which, in fact, all mutually presuppose one another, in such a way that each one of them can only be analysed in terms of the set of its relations with all the others. As Arthur says at the start of Chapter 4 of his book, both Hegel and Marx deal with a totality, and they treat it as a system whose categories express synchronic moments that form a circuit, mutually presupposing each other, and each one being defined in its relation to all the others. If this is the sense in which we are to understand the declaration that ‘only the end proves the beginning’, one can only agree – a ‘diplomatic’ agreement, undoubtedly, on formulae that can be understood in different ways.

But what is involved, it seems, is something quite different. In this proposed reading of Capital, revalorised by recourse to the Grundrisse (Arthur takes up the somewhat contradictory arguments of this text, which were abandoned in Capital), what is introduced is the dialectic of a great subject that delivers itself in what it is only through the alterity of its various moments. The presentation, as we see on page 26, is supposed to progress from one level to another, as ‘demanded by the logic of the exposition’, and not by ‘decisions’ that would add determinations, arbitrarily one must assume. And this demand pertains to the concepts themselves at the same time as to their object, as we see on the very same page: what only existed in itself tends to become ‘for itself’, the concept of value demands to be ‘actualised’ in an autonomous form (‘to actualise the concept’). Nothing less is involved here than the ‘realisation’ of this concept. We see money ‘striving to be value for itself’, vainly, at first, in hoarding, before eventually putting itself in circulation with the aim of increase. This movement is driven by the ‘tendency’ of the categories (‘the tendency of the finite category’). At the start, to be sure, it seems that arbitrariness cannot be avoided: the mysterious ‘violent abstraction’ by which one category is selected, isolating it from its conditions of existence. But, from this point on, we go forward, propelled by the ‘insufficiency’ of each stage and its inability to understand its presuppositions. There is, at the same time,

33 Ibid.
both a push and a (teleological) pull, continuing until the system is displayed as totality.

The reader will doubtless recall here the critique that Althusser developed in For Marx. In the Hegelian dialectic, beneath all differences, and by way of the movement of concepts, it is ‘the same’ thing that is present, that moves out, returns, is alienated and rediscovers itself. The initial abstraction, just like the abstraction of each moment (and Arthur, as we see, plays on these two senses of the word ‘abstraction’), finds its truth in the whole. Above all, the end is the truth of the beginning, which only acquires its full sense in a retroactive way. In each moment, the whole is expressed. To which Althusser opposed overdetermination, unequal development, and gaps.

Without necessarily adopting all Althusser’s categories, nor taking them as sufficient, we can observe that the mode of dialectical development – uniform and univocal – adopted by Arthur is of such kind as to make it impossible to understand the gaps without which Marx’s theory dissolves into the Hegelian form, losing its specific operational capacity. Arthur’s meta-theory, in fact, proposes qualitatively identical instruments for thinking distinct objects: the market form, the capital form, the transition from one to the other, the relationship between structure and tendencies, between structure and system (in the specific sense that, in my view, has to be given to these terms).

The systematic dialectic ignores the structure/tendency gap

This uniform and supposedly totalising character of dialectical development makes it impossible, for a start, to think the relationship of structure and tendency. True, the concept of capital is the concept of the reproduction of a structural totality (I shall explain why I speak of structure and not system), on the basis of a set of conditions for it. And the reproduction of capital is that of a social form that undergoes transformations. This is the very object of Capital. But, if that is the case, it is important to distinguish two questions, and Marx attaches great importance to this distinction. It is one thing to analyse a social structure on the basis of moments, of synchronic conditions that mutually presuppose one another and constitute it as a totality, something else again to analyse the tendencies of this structure. This second kind of analysis can in no way proceed dialectically from the ‘insufficiencies’ of the

36 Ibid.
structural form. It displays the relationships between the technological and social conditions that the structural analysis has brought to light. It is necessary to begin with the structural analysis, which may be represented, partly at least, in the terms described by Arthur. (Only partly, however, for, as we have seen, it is impossible to pass in this way from Part One to Part Three, and, in a more general sense, it is impossible to give such a ‘systemic’ description of the structure as a whole.)

The nature of the distinction between structure and tendency, a notion, moreover, which is well established in the Marxist tradition, seems to have escaped Chris Arthur. The idea in itself cannot be completely foreign to him, but it is clear that this systematic dialectic, deployed in a pure synchrony, cannot give an account of it.\(^{37}\) This is verified on pages 75–6, where the tendential processes of capitalism as expounded in *Capital* are curiously taken as ‘actualisations’ of the concept of capital. The question here is of the new concepts needed to account for the transition from manufacture to large-scale industry.

I account for this by making a distinction between the truth of a concept and its actualisation. It is inherent to the concept of capital that it must reproduce and accumulate, and in this it seeks to overcome all obstacles and to make the material reality it engages with conform as perfectly as possible to its requirements.\(^{38}\)

It is, thus, the same dialectic that the author believes he can show at work when he describes how this capital ‘seeks to negate itself’ through a real historical process, and when he describes how the commodity tends towards the concept of money, and the concept of money towards that of capital, as a function of the ‘tendency of the finite category’. Moreover, ‘One can use the notion of a drive to overcome contradictions in order to motivate transition from one category to another’,\(^{39}\) within the system viewed in its specific coherence, just as in its historical development from one stage to another. Once again, ‘the argument of *Capital* is generally logical with historical material...

\(^{37}\) The same holds for the question of genesis, that is, the beginning and also the end of the historical era. Arthur does indeed divide off the historical question by taking as his object the supposedly systemic form of capitalism. But it remains to be seen whether this systemic understanding makes it possible to raise the problem of historical origin or that of historic ending. I leave this point aside here.

\(^{38}\) Arthur 2002, p. 76.

indicating how certain tendencies inherent to the concept were played out in reality’.40 This used to be called idealism, and appears here again with the features of the logico-historical. It is because the movement is transferred by act of the imagination from the empirical real to the concepts themselves, become ‘fluid’, that this theoretical discourse is incapable of distinguishing formulations aiming to describe the structure (at its various levels) from those aiming to describe the tendencies immanent to this structure (according to its various levels).41 An incalculable epistemological and scientific injury.

The ‘systematic dialectic’ ignores the gap between market and capital

There is also another radical gap for which this univocal dialectical development is incapable of accounting. This is the transition that Marx denotes as that from money to capital, and which we have seen is, in actual fact, the transition from the market to capital, that is, from the commodity form of production in general to the specifically capitalist form, a transition understood as that from the most ‘abstract’ moment, at which all that exists are individuals who are taken to be producers for exchange, free and equal, to the more ‘concrete’ moment at which it is a question of the class relation, the social relation of exploitation. And it is on this essential point, that of the articulation between inter-individual relationships (as legally defined) and class relations, that the systematic dialectic – with its universal concept of a forward march spurred by the ‘insufficiencies’ of logically prior forms – displays its incompetence.

Arthur’s dialectical concept leads him to privilege the kind of procedure that Marx followed in the Grundrisse, when he sought a dialectical form that could figure the final moment of money and the first moment of capital. As is known, he approached this from various sides, especially the side of commerce, which goes from money to money via the commodity (M–C–M), without however managing to provide the source of increase of value, as well

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40 Ibid.
41 We should not forget the famous warning that Marx addresses to himself in the Grundrisse (Marx 1973, pp. 100ff.), that it is necessary to correct the idealist manner of presentation that wrongly makes the whole question into one of conceptual determinations and the dialectic of these concepts. As far as structural analysis goes, such ‘correction’ will sometimes be sufficient, as it is easy to understand the sense in which one form ‘passes’ into another in analysis of the ‘value-form’, for instance, how one arrives at Form II starting from the ‘insufficiency’ of Form I. But (without speaking of the fact that it is impossible to ‘pass’, in this way, dialectically, from the market to capital) the tendential processes which the theory is supposed to describe in their abstraction cannot be theorised in this dialectical fashion.
as from the side of hoarding, a practice aimed at the pure accumulation of abstract wealth.

For reasons that are clear enough, Marx abandoned this kind of argument in *Capital.* He resorts, here, to a quite different procedure, which consists of starting (in anticipation) from the formula of capital as it appears in ordinary consciousness (M–C–M’). He shows the contradictory character of this, that of a sequence of equivalents leading to an increase, and provides the solution for this contradiction in the ideological formula: there exists a commodity, labour-power, which produces more value than it possesses. It is clear that, in reality, here the exposition of *Capital* in no way responds to a programme of dialectical development such as Arthur defines (and it is not the place here to show why this would actually be impossible). In this final version, Marx breaks deliberately with the procedure that seeks a basis in the supposed contradiction of the money-form in order to ‘pass on’ to capital. He starts his exposition of the new stage by analysing the ‘contradiction of the formula’ of capital, that is, the ideological and spontaneous formula. And he shows, on this basis, the difference between the capital-form and the commodity-form – in no way, therefore, on the basis of some kind of supposed ‘deficiency’ of the latter that would then seek to negate itself.

It is remarkable how Arthur’s entire effort consists on the contrary in exercising himself over this transition, understood as capital negating the contradictions and insufficiencies of money. It is in this spirit, for instance, on the subject of ‘simple circulation’ in the sense that he understands it, that he says that value still presents its universality here only as something purely immanent in the relations between commodities. This contradiction is relieved by the money-form, in which value, up till then implicit, appears explicitly as value ‘for itself’. Up to that point, there is at least a reasoned argument, moreover that of Marx: the market-form, as such, requires money. But Arthur continues with the observation that if the concept is realised by hoarding, then there is no more money. Indeed. The solution, he concludes, is to alienate money to get more money, to take itself as object, and then we get capital! This is what is really surprising. For what is remarkable here, in the author’s presentation, is that capitalism intervenes as solution to the supposed problem of ‘simple circulation’, that is, of the exchange system implicit in the commodity
relation of production – something that clearly does not contain in itself any ‘problem’.

It is easy to understand, therefore, the totally inadequate character of this kind of analysis. The formula M–C–M, in fact, figures the specific coherence of the commodity system as such, the value-form of the commodity in so far as it is specific to the commodity system of production as such, which implies money. This displays no contradiction that would require a dialectical negation, in the sense that Arthur maintains that the exposition proceeds by negation of the deficiencies of the earlier categories, according to their tendency to deny and complete one another.\(^4\) There is no deficiency of the money-form discernible here, still less a ‘tendency to transform itself’ into something else.

We may note on this subject that Marx’s reference in Capital to hoarding is not introduced to exhibit any tension ‘demanding’ a dialectical development. It is evoked, in Chapter Three, both as a perfectly rational functional practice (commodity production, for this is what is involved, implies, Marx says, that the rational producer, like the rational state evoked as such, builds up a money reserve), and as a pathological conduct possible in this context. But it is impossible to see what kind of ‘demand’ for transition to capital this might contain, nor what conceptual ‘tendency’. The capitalist is certainly compared in Chapter Six to a rational hoarder, but neither does this analogy make hoarding a figure of dialectical transition to capital (unless our world is to be read as a ‘great book of analogies’, as the Renaissance philosophers suggested). Hoarding does not form a ‘dialectical moment’ of the concept’s exposition, but a moment of argument ad absurdum, displaying, on the contrary, the closure on itself of commodity production as such, the impossible of conceiving a surplus in a purely commodity context.

The dialectician’s dialectic likes to feed on philological mirages. What is basically at issue in Capital is the relation between two forms, the market-form and the capital-form. The dialectical question (and we still have to know what is meant by this) of their relationship is a formidable global question. Not only does it not take place by some kind of formal dialectical transition (at a point, narratively) from one to the other – and this is a key point that generally seems to escape the dialecticians – such as the M–C–M of commerce or hoarding, which, moreover, are practices and not forms, in the sense that the market and capital are in this theoretical context. But there is, in reality...

Among other points that could be added here is that this analysis in terms of system prevents one from thinking the articulation between structure and system, in the sense in which there indeed is a world system, marked by the articulation of centre versus peripheries, in opposition to the class structure, which as such develops in the context of particular states. This ensemble is indeed a system and not a structure because, though it presents its own functional superstructures, there is no ‘meta-structure’ corresponding to it in the sense that I have given this term. What is lacking to it is this assumption of freedom-equality-rationality in the form of both proclamation and denial, which Marx showed is specifically posed by the modern class structure.

IV. Concluding remarks

However, it might be, with all the criticisms I have offered above, that I am quite ready to accept a large part of Chris Arthur’s discourse. After all, we share the same interest in Marxism. He is completely justified, for example, in employing a concept like real abstraction – on condition of being clear what is meant by this. One should, in fact, distinguish two things. On the one hand, the fact that any abstraction, like that which in Part One characterises labour as abstract labour, is indeed real: abstract labour as a concept is a concept of the real. On the other hand, under capitalism, the accumulation of surplus-value becomes the objective, in such a way that production takes place in a horizon of abstraction, of accumulation of abstract wealth. Its structural logic of production is not the concrete wealth that labour in general supposedly aims at (just as commodity production as such is supposedly, by way of productive chiasmus, production for concrete wealth by means of exchange), but, rather, surplus-value: that is, a logic of accumulation of power over labour with a view to accumulating still more power, whatever may be the consequences for producers, nature and culture. We are, here, at the heart of what one may denote as real abstraction. I imagine that Arthur will agree with this. But, for this, Marx has no need of another theory of the value-form, nor of abstract labour. On the contrary, he precisely needs to maintain

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unchanged the theory of value presented in Part One. (I say this as first approximation, for there are, indeed, objections that can be raised, but these are different objections.)

In other words, Arthur has no need to trivialise the theory of value (of the value-form, the commodity social form of production) – as he does on page 55 when he says that any theory that equalises value and labour sees them in a positive light – to arrive at his suggestive formulation according to which the magnitude of value is determined by ‘socially necessary exploitation time’. I happen to have expressed things in a rather similar way in my book *Que faire du ‘Capital’?* I said there, but taking care not to ‘negate’ in this way Marx’s theory in Part One, that, if value is determined by socially necessary labour time, this latter is determined in turn by class struggle. Arthur makes out that at the beginning of *Capital* the meaning of ‘socially necessary labour’ is purely technical. Now, at the beginning of *Capital*, classes have certainly not yet made their appearance, but this does not mean that we remain in a purely ‘technical’ universe. We are simply still at the abstract level of commodity production as such, with all its juridico-political presuppositions. This, however, remains presupposed right the way through. (And, when this presupposition is given its full extension, what I call its ‘metastructure’, it is understandable that this is the heart of the contradiction of capitalism as class contradiction – though this needs to be presented analytically.)

I cannot see, therefore, what permits Arthur to conclude that abstract labour can no longer be understood in the abstract fashion given at the beginning of *Capital*, but only as ‘internal to the capital relation’. For the second consideration does not abolish the first, it presupposes and maintains it. (I say this, here again, without wishing to conceal the many theoretical problems attaching to the notion of ‘labour value’, but which, precisely, are different problems.)

This is why propositions such as that labour now counts only as an abstraction of itself – labour as non-value, or value as the result of alienated labour – the labour theory of value changing into a ‘dialectic of negativity’, strike me as having a sense that is more imprecatory than dialectical. For labour under capitalism always remains perfectly concrete labour. And the workers do not just ‘challenge’ and ‘resist’ it. They do so with all the force of their concrete intention, and their power is measured by the concrete influence

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that they manage to exert on the global process of social production. This is, indeed, the contradiction of capitalism.

It is true that Arthur develops, in this sense, the idea that capital dominates the subjectivities that produce and act.\footnote{See for example, Arthur 2002, p. 52.} Labour is not a use-value like any other, as it resists: capital produces only by opposing and subsuming the worker, but the latter maintains a ‘residual subjectivity’.\footnote{Arthur 2002, p. 53.} To my mind, however, this says very little, and the conceptualisation strikes me as poorly constructed, for what is proposed here as specific to capitalism is the contradiction between, on the one hand, ‘valorisation’, which is the ‘ideal reality’\footnote{Arthur 2002, p. 51.} of capitalist production, and, on the other hand, the ‘mundane materiality’ of labour and machinery, which pertain to ‘natural laws’ that capital cannot abolish. Though the workers are ‘possessed’,\footnote{Ibid.} they maintain their subjectivity (a natural one, like the ‘life’ of ‘living labour’ that is invoked here?). This construction strikes me as profoundly different from that of \textit{Capital}. The workers are not ‘possessed’: they are and remain owners of their labour-power. And the wage relation certainly defines a ‘transformation’ which is a reversal (theoretico-dialectical, and not historical). But this is not a reversal of ‘nature’ into ‘capital’, but of the ‘capital market’, figured by that of ‘money into capital’: it is the reversal of production according to commodity logic (expounded in Part One), the goal of which is use-value by way of exchange, into ‘capital’, the goal of which is surplus-value. The ‘subjectivity’ of the modern worker, who is in a position to sell her labour-power while remaining its owner, is a form of ‘life’ inseparable from the ‘social form’ defined in Part One. (And, here again, difficult and real problems begin.)

Chris Arthur does indeed give Part One a status that is both technical and \textit{metaphysical}, its secret not being revealed until Part Three: the process of value is reification. But this construction does not strike me as satisfactory. One must certainly distinguish, I agree, between labour as it appears in Part One, labour taken simply in terms of its commodity content, and that of the subsequent parts, where it is envisaged as producing surplus-value. This, however, does not authorise Arthur in thinking the second conceptualisation as the dialectical realisation of the first. The author bases himself, here, on the confused considerations of the \textit{Grundrisse}. What specifically generates the
confusion here is the category of ‘reification’, supposedly acquired in the commodity relation, but which, in fact, only capital realises.

Thus, whereas at the start of *Capital* Marx assumes there is no problem about labour appearing as (reified in) value, we now discover that this is consequent only on the success (partial and always contested) of the struggle to subsume labour under capital.51

And this, to my mind, prevents him from understanding what is specific to capital, which is something quite other than realising the ‘reification’ inherent to the market.

What, it seems to me, Arthur does not understand is that ‘abstract labour’ is a category that does not cease to belong to the rationality of the commodity-form when it comes to figure the irrationality of capital. The dynamic character of capitalism, which Marx refers to throughout *Capital*, naturally goes together with what he calls ‘the beauty of this (value) form’, that of the market.52 And the seductive beauty of the organised plan in common is not less than that of the market, nor less inherent to it.

By trivialising from the start the theory of value, reducing it to a technical given (re-coded in parallel into reification), we are deprived of the means of thinking the ‘resistance’ that is referred to here. For this has a lot to do with the characterisations, both economic and juridico-political, of the most abstract moment (and this, once again, even if all these questions have to be taken up again in different terms, for, to my mind, this moment is not simply ‘the market’). And we are also prevented from linking philosophical reflection to other forms of knowledge, specific to economics, sociology, law and history, despite these being involved in the understanding of the same object.

It would go beyond the scope of this article to show how the contradictions of capitalism have to be understood on the basis of this beginning. I would need first of all to advance a number of presuppositions, without which it is impossible, in my view, to tackle these questions afresh today. I shall thus take the liberty, therefore, in order at least to avoid certain confusions, of pointing out that I do not think it possible to begin the theoretical exposition with the market alone (still less by completing it with some kind of ‘market socialism’): the beginning of the theoretical exposition, this ‘abstract’ moment that precedes the class structure and which I call, for this reason, the

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‘metastructure’, requires, at the same time, the other figure, its polar opposite, that of ‘organisation’, and their common implication in the antagonistic juridico-political form specific to the modern era – outside of which the specific ‘dialectic’ of this form of society cannot be thought. Both these polar opposite ‘mediations’ are, in an analogous fashion, despite being concealable and basically unequal, the class factors that, woven intimately together, structure capitalism. And a structure of this kind indicates, through the struggles to which it gives rise (in the chaos of conjunctures), an unceasing transformation of this beginning, which we are faced with as the ‘most abstract’ moment, to be understood as an ever open challenge.

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Ian Hunt

The Economic Cell-Form

Introduction

Chris Arthur presents a powerful and illuminating account of the logical structure of *Capital*. He locates his interpretation among those that construct a systematic dialectic of categories to articulate the relations of the social order of capitalism, taken as a given order, rather than employing dialectic as a metaphysic of development to depict the rise and fall of social orders. His own contribution to the method of systematic dialectic is to see it as a process of reconstructing in thought a totality such as the capitalist system by revealing the insufficiency, or lack of capacity for enduring existence, of aspects of the whole when considered in abstraction from the totality of which they are part. Here, the focus of analysis is the peculiar finish that any aspect of the whole must have in order for the whole of which it is a part to be an organic, self-replicating – or self-developing – system.

This methodology is used throughout *The New Dialectic and Marx’s ‘Capital’* to bring out features of the structure of Marx’s analysis of capitalism and, sometimes, to reconstruct or ‘correct’ it. So far, so good. Arthur then takes a further step: he argues
that the structure of Hegel’s *Logic* and that of capital are homologous because, in the peculiar case of capital, reality is structured as a self-realising ideality. He argues that not even Marx realised fully how peculiar a money economy is. The material basis of the homology between the social forms articulated in Marx’s *Capital* and in Hegel’s *Logic* lies in the ‘abstractness’ of exchange. For Arthur, the exchange category of ‘value’ is wedded to capital. Value can be shown to be a ‘metaphysical’ relation between material things, so that capitalism can be seen as marked by ‘the subjection of the material process of production and circulation to the ghostly objectivity of value’.1

I think that Arthur’s analysis of capitalism breaks down at this point. There is, I think, a simpler and, as I shall try to show, safer explanation of the homology between Hegel’s *Logic* and Marx’s *Capital*. Marx’s fundamental insight is to see capitalism as an organic system, as expressed in his view of ‘simple reproduction’ and the general law of capitalist accumulation in Volume I, and in his incomplete sketch of expanded reproduction in Volume II. Thus, Marx points out that:

> The capitalist process of production, therefore, seen as a total, connected process, . . . produces not only commodities, not only surplus-value, but it also produces and reproduces the capital relation itself; on the one hand the capitalist, on the other the wage-labourer.2

On the other hand, Hegel attempts to articulate in his *Logic* the categories required for representing organic systems at the levels of phenomenal description, causal explanation and self-forming, self-sustaining teleology. We might, therefore, expect a degree of isomorphism between this and Marx’s articulation of capital as a self-sustaining system oriented to increase of capital.

Arthur uses this homology to provide an insight into the conceptual structure of Volume I of *Capital*, which explains why it begins with commodities and money, proceeds to an analysis of capitalist production, and concludes with a theory of capitalist accumulation. Arthur suggests that the moments of the value-form within capitalism can be taken as: commodities, money, capital, or what is implicit in the equation of different use-values in exchange, the expression of the grounding of this by value in a special money commodity serving as a universal medium of exchange and measure of price, and the self-realisation of value through money as command over resources initiating

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2 Marx 1976, p. 724.
production for exchange, with the aim of increasing money as command over productive resources.

This, in turn, fits within an enclosing structure, setting out the moments of generalised commodity production as a self-supporting system as follows: circulation; production; and accumulation, in which increase of capital is shown to be the guiding purpose and end result of self-sustaining generalised commodity production. This structure provides an objective, if attenuated, grounding of the idea taken as an ideological idealisation of capital. That attenuated ground may nevertheless be sufficient to explain how Hegel’s Logic can serve as an ideological idealisation of capital, without taking Arthur’s further step of drawing a parallel between the abstraction of the initial categories of Hegel’s Logic and the abstraction from use-value involved in exchange and, by invoking a parallel between the movement of thought and the movement of exchange, establish the ideal character of capital.

In what follows, I shall first show that Arthur is mistaken in treating value as an empty shell that needs to be filled with the social relations of production of capital in order to have any content at all. I shall show how value can be taken as a social relation of production based on market competition between private owners of means of production, which is present in any form of commodity production, though modified by its articulation with other modes of production within a social formation. In particular, when commodity production is combined with wage-labour for capital, value takes on a uniquely predominant role in the distribution of the burdens and benefits of capitalist social production. While I agree with Arthur’s dialectical methodology, and thus with his claim that value is denatured in isolation from capitalist social relations of production, it is a specific form of value as embedded in capital that is thus denatured. If value – the substance of exchange-value – is taken as a social relation of production, Marx is right to start with commodities as a form of the product of social labour and to take exchange of objects that are not products of labour as secondary instances of commodities.

This analysis enables me to reconsider the idea of simple commodity production and show that Galilean abstraction need not be counterposed as absolutely as Arthur suggests to the articulation of the moments of an organic whole. While agreeing that there is no necessity to posit an original, historical mode of simple commodity production from which capitalism must be seen

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3 This structure is illustrated by a diagram at Arthur 2002, p. 108.
historically to have sprung, I think there is a case for saying that the growth of not-yet-capitalist market relations could have played a part in the rise of capitalism from the dissolution of feudalism. I conclude by showing that Arthur’s analysis of capitalist exploitation, although basically correct, appears somewhat one-sided, once commodity exchange is divested of its peculiar, spectral quality.

The spectral quality of commodity exchange

While Marx recognises that some things subject to exchange are not products of social labour, his analysis of commodities aims, in the first instance, to comprehend their nature as a specific form of the product of social labour, while treating those that are not products of labour as logically secondary instances. Arthur criticises this starting point, since he thinks it arbitrary to begin an analysis of the exchangeability of things with what is involved in a specific form, when the abstractly general character of the commodity can coherently cover other forms. In this section, I shall argue that Marx is right to begin where he does, and that this beginning reveals a crucial feature of social relations of production in general, and of the social relations of commodity production in particular. This will provide the basis for a theory of the content of the commodity form of the product of social labour.

Marx contrasts the ‘use-value’ and ‘exchange-value’ of a commodity. A use-value of a thing is a quality of the thing in virtue of which it serves a human need. The use-value of a thing is therefore a relational quality. Despite this, as Arthur notes, Marx uses the term ‘use-value’ substantively, describing things as ‘use-values’. Taking ‘use-value’ as one specific ‘substance’ of a thing with use-value is, I believe, quite consistent with its relational character. Exchange-value denotes another relational quality of a thing – its exchangeability with other things, which Marx insists is not grounded in anything material. If we take value as the explanatory basis of proportions of exchange, ‘[n]ot an atom of matter enters into’ it. Marx clearly means to say here only that exchange-value is grounded, or has its substance, in a social rather than a physical quality: that is, a ‘social relation between commodity and commodity’, determined by the social

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relations of production of commodity production. This substance – the value of a thing – is also a relational quality and can be considered the substance of exchange-value in that it accounts for why the thing exchanges in the ways it does with other things to realise a distribution of wealth and income appropriate to those social relations of production.

Why say this? From one perspective, these claims must appear arbitrary. Suppose we take the problem of exchange as a problem of allocating a given quantity of goods among those interested in their particular useful qualities. If the good is uniform, say portions of cake, or manna from Heaven, and these goods would be equally useful to all competing claimants, allocation of the good in equal shares would seem fair in, as Rawls puts it, the circumstances of justice.

Generalising from the special case where goods and preferences are uniform, we might formulate a theory of allocation of scarce variegated goods between different but competing ends of consumption. The solution of this allocation problem, with assumptions of no differential knowledge of the qualities of goods between purchasers or sellers and no differential power over terms of exchange, is the province of the neoclassical theory of gains from trade. Here, we could say, as Dworkin does, that the ‘fair’ allocation is one arrived at by free trade between people of equal resources bidding for their preferred goods. Dworkin thus imagines a group of people shipwrecked on an island, who find there a bundle of various resources up for grabs. The equitable allocation of this bundle is plausibly that which results from allotting each person an equal number of ‘clams’ and inviting them to bid for the resources.

As Nozick and Rawls point out, this question of allocation of a given bundle of resources between competing claimants should not be identified with the issue of how society would justly settle competing claims to the product of social production by participants in that process of social co-operation. While Nozick insists that entitlements to things are derived from their production, he suggests that participation in improvement of things in itself gives some ‘natural’ title to such improvements, regardless of whether this involves social

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7 Marx 1976, p. 139.
9 Walsh and Gram 1980.
10 Dworkin 2000, pp. 66–70.
11 Rawls 1999 [1971], pp. 76–7. Nozick 1980, p. 198, makes the point rather differently, since he does not wish to view these entitlements as a share of the benefits of social co-operation.
Waldron has a powerful critique of the idea that unilateral action could give rise to entitlements that others would be bound to acknowledge, see Waldron 1988, Chapter Seven. An attempted reply found at Narveson 1999, p. 208 and p. 215, offers the question-begging argument that others would be bound to acknowledge entitlements to unilateral acquisitions, since no one would accept interference with what is rightfully theirs.

On the other hand, Rawls considers what parties to co-operation might impartially agree would be a fair distribution of the burdens and benefits of their co-operation. Here, we cannot simply assume that a fair distribution is equal in the ways considered above, since the distribution flows from entitlements that, in turn, act back on production, affecting the size and composition of the product to be distributed. Rawls argues that, impartially considered, an unequal distribution of wealth and income might be acceptable even, and especially, to those who are least advantaged by it, if their position under the inequality must be better than it would have been with an equal distribution. Rawls goes so far as to suggest that there presumably are ‘deep inequalities’ in any form of society: the issue for Rawls is to allow only those that improve the position of the least advantaged.

Interpreters of Rawls have imagined that his acceptance of deep inequalities in distribution relies on the idea that services provided by people with greater ability might not be supplied if there is no ‘incentive’ for the talented, say, to develop and apply their skills. The supply price – the price required to draw the required supply of productive services – of such skills in part requires compensation for difficulties, such as income forgone in order to study, or being liable for blame if one makes a mistake or suffers a mishap in a position of responsibility. Such incentive payments are, in principle, like those required

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12 Waldron has a powerful critique of the idea that unilateral action could give rise to entitlements that others would be bound to acknowledge, see Waldron 1988, Chapter Seven. An attempted reply found at Narveson 1999, p. 208 and p. 215, offers the question-begging argument that others would be bound to acknowledge entitlements to unilateral acquisitions, since no one would accept interference with what is rightfully theirs.

13 See Rawls 2001, pp. 5–6 for an account of the centrality of the notion of social co-operation to the issue of fair terms of co-operation.

14 Rawls 1999 [1971], p. 8. Cohen suggests that this apparent acceptance of ‘especially deep inequalities’ is clearly inconsistent with egalitarianism, but it should be noted that Rawls imposes limits on any inequalities, however ‘deep’, by requiring that they not give rise to unequal political power, diminish fair equality of opportunity, or undermine the social bases of self-respect, see Rawls 1999 [1971], pp. 197–9, p. 243, and pp. 478–9.

15 For example, Cohen 1997.
for supply of services involving dangerous or unpleasant work. Cohen argues that little more than such compensation would be required in a society whose members agreed upon Rawls’s principles of justice.16 Any impression that deep inequalities could be justified on the grounds of incentives for supply of talents must suppose that the talented are also able to extract rents reflecting the shortage of their skills: a form of extortion which would not be entertained by those who adhered to principles of justice.17

However, I believe that such interpretations miss the point. Rawls can concede that a sense of justice will rule out extortion of a high supply price for talent, while still claiming that a just distribution might accommodate some ‘deep’ inequalities. The real nub of Rawls’s argument is that a market system, which he takes to be the basis of the economy of a ‘well-ordered’ society, will function to improve productivity and allocate resources and positions to those best able to make use of them for everyone’s benefit, only if there is sufficient competition among sellers of services and products in produce and resource markets. Such competitive pressure makes it more likely that producers who offer the best quality (‘use-value’) for the minimum price will win market share, and that those taking positions of responsibility will be the most able among a range of applicants for such positions. Incentives are required, not so much for supply of talent, but to foster a contest for sales of goods and services that lead to more efficient suppliers winning a greater market share and, thus, income and wealth derived from the market. In this case, distribution is a moment of production.

Competition might be sustained by offering fame, rather than resources, but fame is an inherently limited incentive: it is, by its nature, available only to a few and offers less the more widely it is shared. Competition for goods and resources, on the other hand, need not involve competition for relative position, although its most grotesque examples under capitalism involve displays of luxury enhanced by the contrasting poverty of the masses. Setting such extremes aside, the advantages of having means to realise one’s projects are, in general, not lessened by others also having means to realise theirs. It seems clear that widespread competition can only be sustained by competition for resources, which, in turn, presupposes that the successful will earn more from market exchanges than the unsuccessful.

Of course, it does not follow that the distribution of resources need be almost entirely determined by market competition. As I shall try to show, this is the peculiar characteristic of market competition under capitalism. Market competition can be fostered without offering winners the prospect of immense riches, or condemning losers to abject poverty. These extreme effects of market competition are only necessary in a system that perpetuates the prospect of exploitation: one that, in Marx’s words already cited, ‘reproduces the capital relation itself’.

I think that Rawls is right to suggest that each form of society operates with a (generally) shared understanding of what is just and unjust. This understanding determines a ‘fair’ distribution of goods and resources among competing claimants. Rawls, of course, wants to argue further for one particular understanding of what is just and unjust that would be acceptable to free and equal participants in social co-operation when considering its outcomes from an impartial standpoint. As we will see later, Rawls’s principles do not coincide with the particular view of what is just and unjust that underlies the capitalist mode of production: in this respect, at least, Nozick has the better of his argument with Rawls.

However, my purpose in considering Rawls’s argument for a degree of inequality in a market-based economy is not to argue the merits of his proposal for principles of justice by which to judge background social institutions. My aim is, rather, to identify a crucial premise of Rawls’s argument for impartially acceptable inequalities, which is that these flow from competitive controls over a market economy that enhance the efficiency with which it uses resources. Taking Marx’s ‘social relations of production’ to be socially defended and valued relations of control over production that determine whose interests it serves, what Rawls implicitly argues is that competition is one such relation, which presupposes unequal outcomes from participation in the market, but which nevertheless best serves the interests of the least advantaged under those inequalities. It follows that Rawls’s argument for impartially acceptable inequalities not only assumes that competition is a social relation of production but also presupposes that it is a significant productive force, since it is in virtue of its role as a productive force that the inequalities it sustains can be justified. Stiglitz supports this assumption in Whither Socialism? by showing...

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how neoclassical economic theory entirely overlooks the crucial productive and innovative role of real-world market competition. 19

What are the implications of this analysis for Marx’s starting point of taking commodities as products of social labour? It should now be clear that this start begins with market exchange as embodying social relations of production, or relations of control over commodity production that determine what interests it serves. One crucial feature of the discipline that competition imposes on production of commodities is economy of labour, or a pressure for labour time in production to conform to socially necessary labour time, which serves as a crucial index of the efficiency with which resources are used. This provides an at least partial justification of Marx’s assumption that the substance of value is abstract labour, measured by socially necessary labour time, even if it does not justify his exposition of his position, which largely takes the role of competition in the formation of abstract labour for granted.

Arthur rejects both utility and labour as the content of exchange, since neither of these grasps the “real abstraction” predicated on exchange relations’. He claims that, in exchange, the commodity is ‘entirely abstracted from its character as a use-value’ by a material process that stamps it with a value-form in place of use-value. Yet, as Arthur himself notes, exchange cannot do away with use-value altogether. Exchange is essentially of quantities of commodities, of so much of X against so much of Y, where ‘X’ and ‘Y’ are place-fillers for different use-values. 20 Nor can we entirely set aside the non-identity of commodities as use-values by equating their money price. True, the commodities have the same price, but it is necessarily a price of units of different use-values in each case. As Marx points out, a value must have a use-value, though we cannot tell from its value alone what use-value that is. 21

Arthur’s rejection of abstract labour as the substance of value turns on the arbitrariness of taking commodities to be products of labour. However, the argument above shows that this initial confinement of commodities to products of labour is not arbitrary: the assumption amounts to beginning with an analysis which sees the exchange of commodities as a way of realising the distribution of burdens and benefits of social co-operation that is oriented by the social relations of commodity production. The alternative idea of exchange,

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19 Stiglitz 1994, Chapters Seven and Eight.
21 Marx 1976, p. 131.
under which it just as easily extends to useful things that are not products of labour, is to see exchange as a method of allocation, addressing particular needs or preferences.

In this light, the claim that the substance of value is abstract labour, as measured by socially necessary labour time, cashes out as the claim that the universal social relation of commodity production is a competitive process of disciplining the labour of production to the norm of socially necessary labour time. True, an attempt to follow closely the model of Hegel’s dialectic would require an ‘absolute beginning without imposed conditions’, but that nevertheless may not be required for a scientific analysis of capitalist commodity production as an organic system, producing its own material presuppositions. Nor do I think that we should dismiss the role of competition in realising the social relations of commodity production because Marx concentrated on the latter.

I therefore suggest that, to begin with commodities as the economic cell-form of capitalist society, we should not bracket off ‘entirely the question of the mode of production, if any, of the objects of exchange’. Rather, we should recognise that there is not an absolute separation between circulation and production in commodity production, and that the starting point for explication of the economic cell-form of an economy based on commodities must start with exchange understood as part of an economic system capable of enduring over time. In economies based on the production of commodities, exchange mediates and, in part, constitutes their social relations of production precisely because it resolves – however unstably in practice – the contradiction involved in social production carried out on the basis of private ownership of the means of production.

**Forms of commodity production**

Competition for sales between private property owners of goods and resources is present to a degree in all forms of commodity production. The crucial feature of commodity production is that producers make their own independent decisions as to what to produce, with a view to profiting in the marketplace. Private property, as Arthur points out, dissociates social production into

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independent labours, while the impetus for gains from trade in the marketplace achieves a form of association of private labours into a more-or-less coherent whole. In primitive societies, commodity production is marginal: things may not even be produced as commodities, but only become commodities when opportunities for trade arise. In this case, conditions of trade are relatively arbitrary and the exchange of commodities, no doubt, is, as Arthur says, a form ‘empty of content’. Even so, trade would have effects on the underlying economy, even significant ones, since traded goods might serve as catalysts for change, for example, by introducing novel means or methods of production. Thus, fine porcelain from China introduced to England and its manufacturers, such as Josiah Wedgwood, not only a product but also the potential of new methods of porcelain production.

Still, in precapitalist societies, commodity production could develop alongside a central mode of production such as slavery or serfdom. In some cases, where slaves laboured on Roman latifundia, or tenants paid money rents to lords, the entire product could be produced for the market. Some forms of feudal relations of production could involve subjecting private proprietors of means of production to a socially imposed duty to render money tribute by producing commodities also on the lord’s land, which could become, in the transition to capitalism, a socially imposed duty – later relaxed as their labour became more dispensable – to live as tenants paying rent for use of the land. In such cases, the market could dominate the lives of producers as severely as under capitalism, since the duty to pay money rents might leave only a residual amount for tenants’ families, which, in poorer conditions, could be barely sufficient to live on.

Arthur suggests that such earlier forms of commodity exchange involve exchange of commodities, taken merely as objects of trade with a somewhat contingent and variable ‘exchange-value’. However, although these have a price, Arthur claims that their exchange-values have no ‘substance’ as such: they lack ‘value’, in Marx’s sense, because there is no ‘objective law which makes exchange at value necessary’. Certainly, this would often be true of merchant exchange, where contingencies of the trade and a lack of competition or monopoly in the market can play a decisive role in the terms of trade.

However, there is no reason to suppose that regular trade within an economy
such as the nascent capitalism of seventeenth-century England could not have involved strong elements of competition, which would constitute an objective basis for exchange at value, that is, exchange where the price of a commodity objectively tends to reflect the socially necessary labour of production rather than the particular circumstances of its production. If gains from trade exclusively took the form of gains from labour, then Adam Smith’s invocation of the subjective interest of producers in avoidance of ‘toil and trouble’ would take the form of an objective law making exchange at value necessary. The mechanism for enforcing that law would be competition for sales among private producers. If the competition were intense, it could also certainly result in forcing out of business those who employed methods of production with lower labour productivity.

However, I think that Arthur has made a powerful case for saying that such value is not yet value in the form it has as a social relation of production of a capitalist economy. This is not simply a textual case from Marx, who makes it clear in various places, cited by Arthur, that he considers that only capitalism fully realises the potential inherent in a system of commodity production for improvements in labour productivity driven by the market competition. For Arthur argues persuasively that value is something different under capitalism: only in that case does value have a totalitarian impetus to dominate the lives of the direct producers in all fields of production. Increase in value is an objective pathology of the capitalist system, as it is a subjective pathology of the traditional miser. Under the capitalist system, production relentlessly and progressively revolves around increase of surplus-value and its accumulation as capital.

This is reflected in the peculiarity of the sense of what is just and unjust appropriate to the capitalist mode of production. Regardless of the intellectual strength of Rawls’s argument for his two principles of justice, Nozick clearly better articulates the sense of what is just and unjust that is appropriate to the capitalist mode of production, as the enthusiastic reception and widespread forgiveness of the crucial gaps in his argument attests, but which is evident from the recent near totalitarian dominance of the ideology of ‘advanced liberalism’. Nozick’s entitlement theory represents as just what Rawls calls

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28 Ibid.
29 Marx 1976, p. 990.
30 For an account of this ideology and its attractions within the milieu of capital, see Rose 1999, Chapter Four.
the system of ‘natural liberty’.\textsuperscript{31} In this system, the distribution of wealth and income is determined overwhelmingly by market outcomes, with rectification of injustice the only allowable exception for Nozick, its purest advocate.

Less pure advocates grudgingly concede the necessity of a ‘safety net’ for those in greatest need, provided it is set suitably low, and subjects supplicants for aid to humiliating checks on their \textit{bona fides}.

Oblivious to the injustice of the way the system of natural liberty allows the vagaries of fortune to bring riches and advantage to some, while bestowing ruin or disadvantage on others, or the way the system must therefore deny the claims of need, capitalist social relations of production judicially and ideologically promote the outcomes of the system of ‘natural liberty’ as ‘fair’, while orienting production toward economy of labour and accumulation of wealth. The capitalist mode of production therefore lends, and presupposes, a peculiar salience to market competition in determining the distribution of the burdens and benefits of social co-operation.

This salience is not, I believe, inherent to market economies as such, as Arthur’s analysis might suggest. Rawls, for instance, argues for an alternative to the system of natural liberty, which he terms ‘democratic equality’.\textsuperscript{32} This requires ‘fair equality of opportunity’ in access to positions of advantage, as opposed to their merely being open to all, and requires all to have a genuinely rather than merely formally equal say in the constitution and laws under which they live.\textsuperscript{33} As Rawls points out, these requirements, in turn, presuppose a widespread and more equal distribution of property that is possible under capitalism, which might be satisfied in a system termed a ‘property-owning democracy’ or under liberal socialism.\textsuperscript{34}

As it happens, Schweickart has set out an arguably feasible model of a ‘property-owning democracy’, which he contrasts with what he mistakenly assumes is Rawls’s preferred system of ‘welfare capitalism’.\textsuperscript{35} Under ‘economic democracy’, new investments are allocated through a democratic decision process, which pays due, but not exclusive, regard to their profitability, and

\textsuperscript{32} Rawls 1999 [1971], p. 65.
\textsuperscript{33} Rawls 1999 [1971], pp. 242–3.
workers elect managers in their capacity as part owners of enterprises.36 The
drive to boundless accumulation is absent and pressures to increase labour
productivity are not as unrelenting as under capitalism, though I think that
Schweickart exaggerates the system’s relative indifference to labour-saving
technical change.37 His claim that ‘democratic firms have no interest whatever in
lowering labor costs’ applies only to aggregate labour costs, which equal worker
income.38 Democratic firms, presumably, still have incentives to lower ‘unit
labour costs’, so we cannot be confident, as Schweickart claims, that they will
not introduce new labour-productivity-increasing technologies that replace
skilled with unskilled labour.

Abstraction and dialectical logic

Arthur criticises the method of ‘successive approximation’, which he attributes
to Grossman and Sweezy, claiming that it does not adequately represent
Marx’s transition from commodity production to capital and capitalist
production in Volume I of Capital. According to Arthur, this transition does
not involve the method of Galilean abstraction to arrive at a form of commodity
production, which may be termed ‘simple commodity production’, by
abstracting from the capital/wage-labour relation, in order then to reveal
what a self-reproducing commodity cycle of the form M–C–M’ ‘adds’ to the
form C–M–C’, when the whole is reconstructed.

For Arthur, this process of abstraction and reconstruction by adding further
determinations to the starting point involves a ‘linear logic’ that fails to capture
the way that the essence of value is not yet fully formed in the abstract
conception. Rather than value in abstraction from capital having its own
essence which is modified by the wage-labour relation, the true form of value
‘results from the exposition’, while the original, from this perspective, is an
‘overly simple, utterly abstract, appearance of the concept’ of value, which
can be regarded as having any methodological validity only to the extent that
it anticipates the fully adequate concept.39

Arthur is correct, I think, to say that the modification of value under the
capitalist mode of production is not just an ‘add-on’, so to speak, to value in

simple commodity, but is a fundamentally more concrete, self-sustaining relation. But it does not follow from this that there is no value in simple commodity production. What entitles us to speak of the same social relation of production is that competition between private owners of means of production imposes economy of labour on the direct producers within both simple commodity production and the developed capitalist form. However, we can also say that value in the case of capitalist commodity production fundamentally differs in that it orients commodity production to the accumulation of dead labour at the expense of living labour, and realises commodity production as an organic system that produces its own presuppositions.

Under capitalism, value moves from the periphery to the centre of relations of exploitation, and from one relation of production alongside others to the organising principle of society, subordinating all other forms of economic organisation. Therefore, to say that ‘no finished definition of value’ as the organising principle of capitalist production can be given at the stage of abstraction from the wage-labour relation is not to say that the commodity-form has no ‘content’ in simple commodity production, or that any such content has nothing in common with the content of the commodity-form under capitalism. Indeed, in Hegel’s system of categories, the concrete category realises an essence present in its abstract form.

The essential difference between simple commodity production and capitalist commodity production is, therefore, not that the former lacks ‘value’ as its content but that the latter involves the separation of the direct producer from the means of production. Both competition and employment of wage-labour are social relations of production that impose labour-saving discipline on the direct producers. However, although competition presupposes some differences in wealth and income between those with greater and lesser success in the market, only the capital/wage-labour relation makes possible a distinctive mode of capitalist exploitation, producing wealth at one pole and poverty at the other. This mode of exploitation lends a new significance to labour-saving discipline of the direct producers: as mediated by the capitalist, it becomes

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40 Marx himself allows that value can be present in less developed forms of commodity production, since he notes that, in transitional modes of production, where the usurer extorts interest from the direct producers by lending money for the purchase of means of production, this interest is ‘just another name for surplus-value’, Marx 1976, p. 1023.
utterly relentless and systematically exploitative for the first time. In this sense, value is fully realised only under the capitalist mode of production. I therefore do not accept that taking simple commodity production to share an elementary essence with ‘value’ under capitalism is a symptom of adherence to ‘linear’ rather than ‘dialectical’ logic. Arthur provides the best articulation that I know of the dialectical method and the relation of abstract categories representing moments of an organic whole to concrete categories that grasp those moments as elements of the whole. However, I think he also too absolutely counterposes dialectical abstraction to Galilean abstraction by construing the latter too mechanically. Even in the mechanical case of Galilean abstraction, it is a simplification to say that reconstruction of the effects of multiple forces at work in a system from the effects of single forces taken in abstraction from other forces amounts merely to adding one lot of effects to another. Vector addition is required to compound the effects of physical forces, so that the magnitude of the resultant force in general is not the sum of the magnitudes of the component forces, and acts in a different direction from either.

In other cases, such as compounding the effects of abstract determinants of commodity exchange, there is no law of composition of differing influences, so that there cannot even be the element of addition found in the mechanical case. Neoclassical economic theorists typically abstract from every factor influencing market choices, other than interaction between supply conditions (as determined by given resources and technology) and demand conditions (as determined by wealth and preferences). In their abstract models, neither market power nor limits on the knowledge of participants has any influence whatsoever on market prices, which place such models far from reality. Some theorists attempt to re-introduce knowledge constraints and monopoly pricing, but only in limited forms, such as by replacing assumed knowledge of actual future preferences with assumed knowledge of their future probability. That some neoclassical theorists persist in mechanical extrapolations from abstract models to the concrete phenomena of exchange, because their theory would otherwise impotently say nothing about real-world markets, suggests an ideological refusal to acknowledge real-world limitations and asymmetries in gains from trade rather than any mechanical, non-dialectical relationship in Galilean abstraction between the whole and its abstract elements.

If my argument is accepted, commodity circulation can be taken both as an abstract moment of capitalist commodity production and as a potentially existent form of simple commodity production. Nor must we suppose that
commodities can have the content of value only when subject and object are inverted in commodity production.\footnote{41} That is the distinguishing feature of capitalist commodity production, but we can, at least, suppose the possibility of general commodity production without that content, even if general commodity production could only ever have been realised historically within the totalising context of capitalism.

Further, given that social relations of production are controlling powers over production that determine the distribution of its burdens and benefits, it is appropriate to analyse capitalist exploitation in terms of a social relation of production such as value, and to measure it in terms of the proportion of the working day that capitalist employees in effect work for themselves, as opposed to that part in which they work purely for the benefit of the capitalist.

All exploitation, including capitalist exploitation, must be exploitation in distribution, since it involves one class appropriating what another produces. However, the capitalist exercises a control over the labouring activity of employees under the capital/wage-labour social relation of production that crucially determines the degree of their exploitation. In this sense, it is appropriate to contrast the ‘exploitation in production’ involved in capitalism – and slavery – with other forms of exploitation that principally turn on control over terms of trade or the means of exercising power. But the contrast is not absolute: the terms of trade under capitalism must enable the profitable employment of labour-power, so that capitalist exploitation also crucially rests on control over terms of trade in a way that slavery, for example, need not.

Marx thus takes pains to show how capitalist control over investment adjusts the pace and labour-saving bias of accumulation, so as to produce a chronic surplus of labourers seeking employment.\footnote{42}

I therefore agree with Arthur’s criticism of Napoleoni, and even its concession to the accuracy of Napoleoni’s representation of capitalist production, as viewed through the prism of its social relations of production, or property system.\footnote{43} But I think that Arthur’s identification of value with the inversion of subject and object in production lends too much initial plausibility to Napoleoni’s conception of capitalist exploitation, which assumes that production under capitalism is simply a reification of its social relations of production,
thereby obscuring comparisons between exploitation of labour under capitalism and in other modes of production. Rather than say that capital acquires ‘an ideal reality in addition to its mundane material one’, it would be better to recognise two interpenetrating aspects to its mundane reality: the social control exercised under capitalist social relations of production counterposed to the technology of using and managing productive forces.

Conclusion

Arthur’s powerful and original analysis shows that a dialectical method is crucial to understanding capitalism as self-realising system. However, he appears to confine the effectivity of social relations of production to those immediately involved in class relations, perhaps because he overlooks the possibility that the social relations of commodity production can be realised through the workings of the ‘spectral’ sphere of exchange. Further, he invests capital with a spectral reality, when it would be better to treat the animating spirit of capitalism less spectrally and more as a matter of mundane social relations through which a distribution of the burdens and benefits of social co-operation in favour of the interests of capital is imposed as just on those who must bear the burden of production.

References


Robert Albritton

How Dialectics Runs Aground: The Antinomies of Arthur’s Dialectic of Capital

Chris Arthur and I agree on the basic nature of dialectical reasoning, but, when it comes to thinking through the ways in which Marx’s theory of capital’s inner logic is and is not dialectical, I shall argue that his dialectics runs aground and finally breaks up on the rocky materiality of class struggle.¹ In developing my analysis, I shall start with a brief discussion of his take on dialectics, where there is much accord between us. It is my belief that his account gets stuck on two specific oppositions: the opposition between value and use-value and between capital and labour. It seems to me that a dialectical approach based on the work of Japanese political economists Uno and Sekine can deal with these oppositions in a much more effective way than does Arthur, a way that conceives of Marx’s theory of capital as a much more coherent dialectic, while, at the same time, presenting a potentially much more powerful way of theorising class struggle.²

¹ This is particularly clear in Arthur 2003.
² See Sekine 1997 for a strong presentation of the inner logic of capital as a dialectical logic.
Dialectics

At the most fundamental level, Arthur and I share a great deal in our conceptualisation of dialectical reason and its immense potential in presenting the strongest possible theorisation of capital’s inner logic. He clearly and forcefully argues that, through the operation of its own logic, capital tends to both expand and deepen the commodification of economic life. And, to the extent that commodification becomes complete, the quantitative side of economic life is asserted with increasing indifference to the qualitative side. As quantities of value or price all commodities are qualitatively the same, differing only quantitatively. And this also applies to labour-power, which, in its deskillled forms, becomes a homogeneous commodity input into the production process. To the extent that social relations are expressed through the commodity-form in capitalism, they can be conceptualised quantitatively, and this quantitative thinking hugely facilitates abstraction. It follows that, if capital’s logic is allowed to unfold, that unfolding will constitute a process in which social relations self-abstract. Further, if that self-abstraction is allowed to complete itself in thought, the result will be a thought totality (self-expanding value) or a theory that reaches closure. To summarise, capital, as self-expanding value, commodifies economic life and this commodification is also a quantification, which, by homogenising social relations, actually makes them more abstractable, so that abstract thought is supported by self-abstracting forces present within social relations. Appropriating a term from Sohn-Rethel, Arthur refers to the ontological characteristics of capital that make its self-abstracting ‘real abstraction’. For Sohn-Rethel, ‘real abstraction’ refers to the fact that exchange processes make qualitatively different things the same quantitatively by abstracting from their differences.

The self-abstracting tendencies of capital are closely related to its self-reifying tendencies. Since the publication of Lukács’s brilliant but difficult essay ‘Reification and the Consciousness of the Proletariat’, the understanding of exactly what ‘reification’ is has appeared daunting. No doubt, in its full philosophical ramifications, it is a complex concept, but its most fundamental meaning is simply the impersonal rule of the commodity-form. That is, in so far as all goods are capitalistically produced as commodities for society-wide

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competitive markets, social life is governed by a commodity-economic logic. In such a society, people only connect through the commodity-form (and its derivations: the money-form and capital-form), and it is the summation of these connections in markets that ultimately dictates economic outcomes. Arthur claims that ‘self-moving abstractions have the upper hand over human beings’, and this is very close to saying that self-regulating markets (the motion of things) have the upper hand over human beings. And I agree with Arthur, when he claims that this reification implies a critique of capitalism, a critique that arises from surrendering to an economy where the only thing that is valued is profit.

In the first instance, dialectical reason finds itself at home with capital, because capital is self-abstracting and self-reifying to an extent that strongly supports the possibility of theorising an inner logic of capital. Marx often uses the term ‘inner’ as in ‘necessary inner connections’ or ‘inner logic’ or ‘inner relations’. And this is the language of totality, because ‘inner’ implies some sort of boundedness or closure that can give sense to inner versus outer. Indeed, if we take Hegel’s formulation of dialectics seriously, then dialectical reasoning always attempts to start from a necessary beginning, and, to proceed through a necessary unfolding, to reach a necessary closure. If we take Marx’s fundamental formulation of capital, M–C–M’ (where M stands for money, C for commodity, and M’ is larger than M), this totality subsumes the necessary inner connections between the basic economic categories, in so far as they must enter into self-expanding value. Or, to use some of Arthur’s language, M–C–M’ must become a subject, in the sense that the basic ‘conditions of existence’, required for its self-expansion must be theorised as an inner structure with an inner logic that can reproduce and expand itself on its own (that is, commodity-economic) terms. Or, more simply, in order for M–C–M’ to be an ‘automatic subject’, it must be possible for

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8 Ibid. The extent to which this critique can be encapsulated in a simple ‘inversion’ metaphor such that objects become subjects is a complicated issue that I will not try to address.
10 For a discussion of totality, see Albritton 1999, pp. 23–5.
11 See Albritton 1999 for a fuller discussion of the sense in which ‘closure’ in this context poses the necessity for more concrete levels of analysis.
M–C–M’ to internalise or subsume its necessary conditions of existence. Only then does it become an ‘automatic subject’ that can stand on its own feet and expand itself from within itself without relying on outside supports or extra-economic force.

To refer to capital as an ‘automatic subject’ is problematic unless the sense of ‘subject’ in this usage is further explicated. The actions of a particular individual subject may be quite capricious and unpredictable, but capital is a machine-like subject. It is powered by individual subjects who learn or are forced to subordinate their actions to paths indicated by the quantitative outcomes of capitalist markets. Thus, capital is both us and not us; in one sense, we are the prime movers and yet, in another sense, our movements have been caught up in a capitalist machine which ultimately directs them. And, of course, in history we may seek to resist or alter the machine, so that capital can only be conceptualised as an automatic subject at a level of abstraction where we theorise commodification and reification as complete. In this context of pure capitalism, complete reification does not mean that individuals cannot act, but that those actions are always trumped by the laws of motion of capital which those actions themselves set in motion. Indeed, it is only because of this that the ‘laws of motion of capital’ can be theorised so clearly as a set of necessary inner connections between the basic capitalist economic categories.

A third important dimension of dialectical reason is the sequencing of categories. A dialectic must start with a category that can encompass the totality being theorised, and, in the case of the dialectic of capital, that category is the commodity.¹⁶ The reason for this starting point is that immanent in the commodity-form is the entire dialectic. From the commodity-form, one can generate the money-form and, from these two, one can generate the capital-form. The dialectic reaches closure when capital itself in the form of interest-bearing capital is subsumed to the commodity-form. As Arthur points out, it is only when we reach the end that the logical sequencing is ‘retrogressively’ justified.¹⁷ It is from that standpoint that we see why the sequence of categories proceeds from commodity, to money, to capital and why, overall, the theory moves from a theory of circulation to a theory of production to a theory of distribution.

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¹⁶ Albritton 1999.
In order to maintain the inner coherence and clarity of the theory of capital’s inner logic, it is crucial to be fully cognisant of its scope. The theory can only deal with the necessary inner connection amongst value categories in the abstract and in general. For example, the theory can deal with absolute rent, which is understood by Marx as a portion of surplus-value appropriated by landlords because the average organic composition of capital in agriculture is lower than that of industry, but it cannot deal with monopoly rent, because it is arbitrarily determined by the collusion of landlords and their relative power to ‘rip off’ the capitalist class. Similarly, the rate of interest is at the very edge of the law of value, because, while the movement of interest rates is constrained by the motion of value, it is finally determined by competition and power relations between industrial capital and interest-bearing capital. Thus, the rate of interest is not, strictly speaking, a value category, although the movement of value categories constrains the long run movements of the rate of interest such that it might be considered a borderline or quasi-value category.18

These examples (and many others could be given) indicate that the scope of the theory and its generality does not enable it to deal directly with economic outcomes determined by historically specific power relations, as opposed to the value relations of capital in the abstract and in general. A consequence of this is that more concrete levels of analysis must be developed that do attempt to theorise the ways in which value relations and power relations are articulated with one another. I want to suggest here that the greatest problem with Marxian political economy from the beginning has been its failure to develop the more concrete levels of analysis that are essential for the strength of the theory, a failure that often stems from substituting Marx’s text for doing the original work at more concrete levels that is required. An unfortunate spin-off of this is to discredit the theory, so that it becomes less attractive within the social sciences generally. This tendency to think that Marx’s Capital says it all or could say it all, were a few silences given voice, has been a disaster for Marxism in theory and practice.19 Indeed, I shall argue later that, although Capital provides a crucial foundation for developing Marxian political economy, we need to develop relatively autonomous and more concrete levels of analysis.

18 For a fuller discussion of how Marx conceived the scope of the law of value, see Albritton 2004b.
19 It is the source of the reductionism and dogmatism that has produced such divisions between Marxism and many social movements or even many anticapitalist movements.
that attempt to trace the ways in which capital’s logic articulates with all sorts of social practices that cannot be theorised within the abstract rarefied air of a general theory of capital. Once such a problematic is clearly formulated, it also becomes clear that it is necessary to deal with the complicated epistemological problems of theorising relatively autonomous levels of analysis that inform one another. In short, such a political economy implies a huge amount of work, work that, in many respects, has barely begun.20

It is not surprising that Marxists have not been clear about the scope of the law of value or capital’s logic, since Marx himself was unclear about this. Indeed, his tendency to mix in historical detail with the general laws of motion of capital can easily lead those with empiricist predispositions to treat the theory as an empiricist model to be directly applied to explaining modern history. But the clear and precise structural location and dynamics of classes in pure capitalism is never duplicated in history, such that any unmediated application of the logic of capital to history is bound to produce the sort of crude class reductionism that has given Marxism a bad name.

I believe that I can find support in Arthur’s book for nearly everything that I have written about dialectics so far, with the possible exception of some of what I have written about scope and levels of analysis in the previous two paragraphs. On the one hand, he might not agree precisely with all the language that I have used, but, in a general sense, I think we are not far apart in our thinking. On the other hand, I could consider many possible omissions from Arthur’s presentation of dialectics, but I only want to mention one. He writes a great deal about how a dialectic of capital might be formulated and how it is consistent with Marx’s Capital, but has little to say about why we should attempt to theorise capital dialectically, as, say, opposed to empiricist, phenomenological, structuralist, or poststructuralist theorisations. What advantages does a dialectical theory of capital offer? While I consider this too large a question to deal with in this paper, I would like to offer a few assertions as food for thought.

First, I would claim that, in so far as a social object of knowledge is capable of being theorised dialectically, we should pursue this, because it is the most

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20 Albritton 1991. While I have focused on the issue of levels more than others, many have begun to address this problem to some extent. See, for example, both regulation theory and my critique of it (Albritton 1995); social structures of accumulation theory; critical realism; some critical theorists such as Jameson (1990) and Moishe Postone (1996) and my critique of him (Albritton 1999); Max Weber and my critique of him (Albritton 1999); Althusser and my critique of him (Albritton 1999).
powerful theory possible of a social object. Second, in the case of capitalism, theorising the inner logic of capital is the basis for a clear and precise understanding of what capital is and how it operates when it operates in accord with its own norms, and this, in turn, can help us to think more clearly about capital throughout the social sciences. Third, by having clear and precise ideas about the basic forms of capitalist commodities, money, prices, wages, crises, expanded reproduction, unemployment, rent, interest, profit, classes, and so on, we can be clearer about the use of these categories where they are articulated with and overdetermined by other categories in concrete historical situations. Fourth, in thinking about alternatives to capitalism, being clear about the nature of capital is crucial to separating ourselves from it in ways that ameliorate the human condition, while being responsive to humanity’s diverse needs and aspirations. Fifth, the clearer we are about how capital operates economically, the clearer we can be about thinking through alternative ways of organising postcapitalist economic life. Sixth, the clearer we are about what capital is, the better we can oppose all forms of apologetic and procapitalist indoctrination thereby developing strong counter-hegemonic modes of thought.

**Value and use-value**

According to Arthur, ‘commodity exchange . . . abstracts from or absents, the entire substance of use-value’. Arthur is clearly uncompromising in his claim that use-value ‘absents’ itself from exchange when he states:

> To sum up: exchange brings about a sui generis form without any given content, because all use-value is absented, not merely all determinate utility but the category itself.

It follows that, in the theory of the circulation forms – the commodity-form, the money form, and the capital-form – that constitutes Parts I and II of *Capital Volume I*, there can be no dialectic between value and use-value. Instead, the dialectic is a ‘wavering of value between absence and presence’. If Hegel’s
dialectic begins with a relation between ‘Being’ and ‘Nothing’, the equivalent for Arthur, in Marx’s Capital, is a wavering between the presence of value and the absence of value.26 Thus,

exchange and circulation set up an ‘ideal world’ of pure forms, empty of content [such that] [v]alue will be shown to mark an ‘empty presence’.27

And Arthur claims that

[s]ince money represents the emptiness of commodities as value-bodies, it need share no common property with them, and, indeed, need have hardly any ‘natural body’ at all, an electronic charge will do.28

Though devoid of content, value has the power to drain our world of reality,29 because capital accumulation is ‘an infinite increase in emptiness. . . . [As a result] we exist for each other only as capital’s zombies’.30

I consider this interpretation of Marx’s theory of circulation to be not only inconsistent with Marx’s position, but also to be inconsistent with a logically rigorous dialectic of capital. Value has content in value-form theory and that content is something social and homogeneous. Where I agree with Arthur is that, in a rigorous dialectic, this content cannot be further specified as abstract labour until we address the commodification of labour-power in the dialectical move from the circulation forms of capital to the labour and production process. Contrary to Arthur, and following the work of Sekine, it is my contention that the dialectic of capital is a dialectic between value and use-value from the beginning. Arthur inserts Hegel’s entire logic into Parts 1 and 2 of Volume I of Capital, and once he introduces use-value in Part 3 of Volume I, the dialectic is blown apart, leaving the lion’s share of Capital in a kind of epistemological limbo. Indeed, if value were really so empty, its success in ruling over us for at least three centuries becomes inexplicable. We would have to be really radically zombified to let the accumulation of emptiness rule over us for so long a time. By totally excluding materiality from the theory of circulation forms, the dialectic itself becomes seriously weakened, since it is totally disconnected from material life. And this weakness

26 I find ‘wavering’ a most peculiar metaphor to use to describe a dialectic, but it may be strangely appropriate in the case of pure forms without content that consequently are free to wander and waver without any real supersession or Aufhebung.
is fully demonstrated by its collapse once it meets up with the materialities of the labour and production process. A dialectic must move by overcoming some kind of resistance, but there can be no meaningful resistance when value simply ‘wavers’ between presence and absence. In my view, exchange proceeds from the point of view of the seller (who eventually becomes the capitalist) and the act of exchange involves the negation of use-value on the part of the seller. I think this position makes the most dialectical sense in the context of capital’s logic.

From the beginning, Marx makes it clear that a commodity is the unity of value and use-value, and since the theory starts with the commodity-form, the dialectic must be a continual overcoming of use-value obstacles (that is, various materialities) by value. It is only in this way that it can show how the motion of value can subsume materiality. At first, both value and use-value are abstract and relatively empty, but, through the motion of the dialectic, this emptiness is filled in with content. But it must be understood that this content never gets beyond the content of capital in the abstract and in general (as opposed to any actually existing capitalism in a particular time and place). The dialectic of capital’s inner logic cannot, for example, include historically specific commodities, such as a Mercedes Benz that may have a status-related value in a particular time and place. Initially, all we know about commodities is that, as value, they are the economic social connector, connecting persons purely quantitatively. We also know that every commodity has particular qualitative material properties by virtue of which it is wanted, and that, without this, it cannot be a commodity. At this level of abstraction, however, it is not possible to specify anything about what particular commodities are produced, who wants these commodities, how much they want them, and who actually has the where-with-all to purchase them. Issues such as symbolic status that lie behind conspicuous consumption cannot be addressed at all in the theory of capital’s inner logic. In Volume II, where Marx theorises expanded reproduction, he distinguishes four types of commodities: production versus consumption goods and subsistence goods versus luxury goods. The theory of capital’s inner logic cannot include answers to questions that are conjunctural such as: why are petroleum products valued so highly today as opposed to, say, 1830? Or why did automobiles change from being exclusively

31 Hence Baudrillard’s critique of Capital on this is completely beside the point. See Albritton 1995, pp. 162–80.
32 Marx 1978.
luxury goods to being both subsistence goods and status symbols (in some parts of the world)?

Any use-value dimension of economic life that is historically specific or cannot be managed commodity-economically is outside the theory of capital’s inner logic (or the dialectic of capital). Moreover, only capitalistically produced commodities are included in the theory. Historically specific state structures, state policies, and state practices cannot be addressed. Also, historically specific ways in which either capital or labour organise to intervene in markets cannot be theorised at this level of abstraction. Money must be theorised as a commodity to be managed commodity-economically. Fiat or state-made money is outside the theory because it depends on historically specific state policies. Labour is assumed to be commodified, but we cannot specify anything about who does what kind of labour or how labour may organise itself to resist capital. Technology is simply fixed capital, and, while Marx specifies general problems that capital has in managing fixed capital, he cannot address the impact of particular kinds of technology on social relations. He outlines the basic features of the capitalist wage-form, but the theory cannot address specific wage-forms in different times and places. The theorisation of land is also limited to the most basic forms of rent that capital in general must pay landlords in general for the use of monopoliseable natural resources, showing how this relationship must be established if the law of value is not to be disrupted. Finally, the historical specificity of financial markets cannot be addressed at this level of theory. Given the basic features of capital, we can theorise the prospects of such markets, but their specificity depends upon state policy and the organisation of capital and of labour in particular times and places.33

The theory of capital’s inner logic can only address those use-values that must be commodity-economically managed in any capitalist society in order for M–C–M’ as self-expanding value to be possible. No doubt, value as capital would like to expand itself without dealing with use-value at all, as in the formula for interest-bearing capital, M–M’.34 But, as Marx argues, this is the most fetishised form of capital, in the sense that the M’ seems to be totally disconnected from the exploitation of labour, while the theory of capital’s inner logic demonstrates that it is not.35

33 See Albritton 2004b for quotations from Marx’s Capital that support these assertions.
34 Marx 1981.
Use-value is present from the beginning to the end of the dialectic of capital. Indeed, the dialectic can only work in so far as the motion of value can subsume use-value obstacles, such that capitalist material life can, in principle, fall under M–C–M' as self-expanding value. Some use-values are easier to manage than others, and, by the end of the dialectic, capital, as value, attempts to achieve a general indifference to use-value so that it can focus 100 per cent of its attention on profit maximisation. In the case of the commodity labour-power, achieving indifference is difficult for three basic reasons: one, like land, labour-power is not a capitalistically produced commodity; two, unlike other commodities, labour-power can resist commodification; and three, all profits stem from the exploitation of this commodity. The commodification of labour-power is crucial to the entire theory because it is this commodification that explains how labour-power can be paid its value as a commodity while, at the same time, creating the surplus-value that profits come from. In short, it is this particular commodification that is at the basis of class exploitation. Much of the most important substance of the theory of capital’s inner logic has to do with the special requirements for the commodity-economic management of labour-power. Some of the principal dimensions of this management would include: subsistence wages, the basic wage forms, mechanisation, an industrial reserve army, and periodic crises. It is only with all these structures in place that capital can achieve the total indifference to labour-power that its single-minded focus on profits requires.

Marx not only includes use-value as the material content of the commodity from the beginning, but also the contradiction between value and use-value is basic to the entire dialectic, including the generation of the money-form out of the commodity-form. Exchanges take place because the commodity is a (non use-value) potential value to the seller and a potential use-value to the buyer. In the expression ‘I will give you 20 yards of linen for one coat’, the use-value of the coat is the value reflector of the linen, such that the value of the linen is already expressed in coat-money. Of course, coat-money would be very inconvenient, but it just so happens that gold has the ideal use-value characteristics (it does not rust, is easily purified and divided, has a homogeneous quality, is worth a lot per weight and hence much value can be easily transported, is scarce but not too scarce, a luxury commodity, and so on) required by the money commodity. Of course, silver might also do, but the logic of capital requires a single universal equivalent. The point is that use-value plays a crucial role in the generation of the money-form, and
capitalist money, in the first instance, must be a particular commodity that is set aside to play the role of universal equivalent. State-made fiat money, which is not part of the dialectic of capital, must function as if it were a commodity or face the possibility of such phenomena as hyper-inflation, in which money essentially fails to operate as money. This also holds for money as an ‘electric charge’. In short, in order for money to function as capitalist money, it must function as though it had commodity-like properties, even if it is nothing but an electrical charge.

That use-value also plays a similarly crucial role in the generation of the capital-form becomes apparent when we compare Marx’s formulas C–M–C and M–C–M’. With C–M–C, we exchange a use-value that we do not want for a different one that we do. There is no need for C–M–C to repeat itself, since the process of exchange ends with the satisfaction of a use-value want. Clearly, with C–M–C, value expansion is constrained by use-value, and, hence, cannot have the self-expanding dynamism required by capital. It is only the formula M–C–M’, in which both M’s are the same thing (quality) and differ only quantitatively, that the exchange motivation becomes unlimited. If the only reason for the exchange is that the second M is more than the first, then the pursuit of profit becomes unlimited, so that value is freed up from use-value constraints and can become capital that is indifferent to use-value.

The point is that, right from the beginning, the dialectic of capital is a dialectic between value and use-value and not between value as presence and value as absence. Indeed, the key move in the entire dialectic is the subsumption of the labour-and-production process to M–C–M’, because it is only then that the profit embodied in the second M becomes explicable. Labour-power is the only commodity that, when employed productively, can produce more value than it costs. Thus, M–C–M’ has to be expanded to M–C... P... C’–M’, where the first C includes both means of production that pass their value on to the product of the production process, P, and labour-power that makes C’ larger by producing more value than it costs when used productively in the production process, P. Thus, the movement of the logic of transition (as in Hegel’s theory of Being) that connects the separate value-forms in their immediacy in the theory of circulation, must be followed in Part 3 of Capital Volume I by a logic of reflection (as in Hegel’s theory of Essence) that dialectically unfolds capital’s primary other (labour).

as the fundamental relation internal to capital (as an internalised other). 37
And it is here that Arthur begins to sabotage the theory of value, by introducing
the category ‘class struggle’, a category which belongs to more concrete levels
of analysis. The absence of use-value in his rendition of the theory of circulation
makes things too easy for value, and, now, suddenly, in the theory of production
relations, use-value is introduced with such a vengeance that the law of value
collapses.

Class struggle
Because of the way Arthur inserts class struggle into the dialectic of capital,
it becomes impossible to theorise capital’s inner logic as a whole dialectically,
and the relations between the dialectically theorised circulation forms and
the remainder of the theory of capital becomes indeterminate. Indeed, it
becomes impossible to determine the extent to which the outcomes of the
laws of motion of capital are determined by the law of value as opposed to
class struggle. At times, it seems as if ‘the self-moving abstractions have the
upper hand over human beings’, 38 and that the production process inverts
subject and object to the extent that

it is doubtful whether the workers may be said to be producers at all, but
rather they are reduced to servants [elsewhere zombies] of a production
process originated and directed by capital. 39

But, then, Arthur turns around and claims that ‘class struggle is ontologically
constitutive of capitalism’, 40 and that ‘[v]alue . . . is the outcome of class struggle
at the point of production’. 41 Is Marx’s Capital a theory of capital, as the title
of this great three-volume work suggests, or is it a theory of class struggle,
in which capital and labour as opposed subjects mutually determine the
outcomes? Arthur seems to want it both ways simultaneously. Sometimes,
workers are subsumed to the motion of value in the abstract and in general
and, at other times, value itself is determined conjuncturally by class struggle
at the point of production. If the emphasis is placed on the latter, then a
theory of the laws of motion of capital in the abstract and in general is

39 Ibid.
impossible, since value would always be a purely conjunctural phenomenon. Furthermore, the class struggle approach opens the possibility that the power of labour and capital being equal, they would equally share in the laws of motion of capital. Indeed, labour’s share of any particular outcome could only be determined in retrospect by weighing the relative power of capital and labour. We could end up with the embarrassment of a happy family of capital and labour sharing in the outcomes of the operation of the law of value.

Because class struggle plays a central role in historical materialism, it is natural for Marxists to also want it to play a central role in the theory of capital’s inner logic. While this impulse is very understandable, it must be resisted. Before we can effectively theorise class struggle, we must have a theory of precisely what a class is as a subject position within capital’s inner logic. The way we can arrive at the clearest possible conceptions of class is to theorise the structural locations and structural dynamics of classes in a dialectical theory of capital. This clarity can then be used to analyse actual class struggles in contexts where class forces interact with a whole array of other social forces. And, in this way, there is at least the possibility of not falling into class reductionism, since we can be clearer about the actual effectivity of class struggle in various historical contexts.

The rhetorical and, rather too often, unthinking embracing of class struggle is one of the greatest sources of confusion, error, and good old-fashioned dogmatism in contemporary Marxist theory. As I have implied, it is a reflex action that is understandable, but the way it plays out in Arthur’s case is that the primacy of the law of value and the primacy of class struggle is never reconciled. And, I have to add that the loose rhetorical way in which ‘class struggle’ is tossed around in some Marxist circles is deeply problematic, since it tends to cheapen the concept and drain away its cognitive possibilities. By substituting dogmatism for openness, class-struggle reductionists actually close off the possibilities for a more complex, de-centred, and accurate understanding of class struggle, an understanding that would more easily invite dialogue with anticapitalist movements that have strong interests that cannot simply be reduced to class interests.

I believe that the apparent antinomy in Arthur’s case arises from not devoting enough attention to the problem of levels of analysis, or, in his own language, the distinction between ‘systematic dialectics’ and ‘historical dialectics’. For example, Arthur claims that ‘capital can produce value only
through winning the class struggle at the point of production’. Arthur goes on to approvingly quote Michael Lebowitz to the effect that, in order to realise its goal of valorisation, capital must ‘defeat workers’. What exactly does this mean? It is a truism that, at the level of history, were workers to defeat capital, capitalist valorisation could not exist. It is also the case that, at that level, capital must at least get some workers to go along with capitalist production, however reluctantly and grudgingly. It is not clear, however, that capital must ‘defeat’ workers, or even what that would mean. Must they be totally crushed, converted into the walking dead (zombies), or turned into masochists at the beck and call of capital?

At the level of abstract theory, however much workers may hate capital, we assume that the imperatives of self-preservation force them to work for capital on capital’s terms. The predominance of the commodity-form atomises the working class, to the extent that workers compete with each other for jobs and enter into contracts with capitalists as individuals. When the industrial reserve army shrinks to almost nothing at the crest of prosperity, the demand for workers enables them to push wages above the value of labour-power, just as the huge expansion of the industrial reserve army in the trough of a depression forces wages below the value of labour-power. But this raising and lowering of wages is not the result of class struggle. Individual workers are able to get higher wages in prosperity phases because they are in short supply, but this ability of individual workers to get higher wages because of labour shortages cannot be accurately described as ‘class struggle’. What cannot be theorised at this level of abstraction is combinations of workers or of capitalists, because this is always historically specific. Indeed, the basic reason that class struggle cannot be theorised at this level is that classes can only be conceived of as sets of subject positions and subject interests, or as subjects propelled in certain directions by commodity-economic logics. All economic subjects are conceived as atomised individuals, and, hence, acting in concert as a class is impossible. The working class is simply all those individuals who must sell their labour-power for a wage in order to survive.

Since, in a purely capitalist society, all production is production of capitalist commodities, every individual is located in one of three class locations: capital, labour, or landlord. What is important to emphasise here is that, before we can think clearly about class struggle, we need a clear theorisation of the

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43 Ibid.
most fundamental dynamics of capitalist classes, as those dynamics are revealed by the necessary inner connections within capital’s inner logic.

Abstract theory brings out the structurally based antagonism between capital and labour, but it cannot go beyond this to theorise historically specific forms of class struggle. It cannot take a position on the degree to which workers are organised/disorganised, optimistic/demoralised, ideologically hegemonised/ideologically counter-hegemonic, constrained by state legislation/enabled by state legislation, or internationally potent/weak. At the level of abstract theory, workers relate to capital as ‘free’ individuals, pursuing their preservation needs in a strictly capitalist context. In a sense, they always have the potential to be subjects with agency, and, at the level of history, they are always likely to struggle against capital to some extent, because capital can only expand itself in the long run by exploiting workers. In short, the theory of capital’s inner logic theorises the basic structural dynamics that will generate class struggle at more concrete levels of analysis, but actual class struggle cannot be effectively theorised at such an abstract level.

We know that ‘subsistence’, for Marx, is theoretically given in Capital, and that class struggle (which can only be fully theorised at the level of historical analysis) is likely to play an important role in determining its level; however, unless ‘class struggle’ is expanded to include almost everything (and it sometimes is), there may be other important determinants of subsistence. Any of the following determinates may be relatively autonomous (how autonomous to be determined by studying each case) from class struggle and may be partial determinates of subsistence: state policy, relatively free access to land, windfall profits (for example, from oil), and status considerations due to gender, race, caste.

What does Arthur mean when he claims that ‘the wage is set through class struggle’? In Marx’s theory of capital’s inner logic, the wage is the result of an historically established subsistence which may result from many factors, and the wage may further vary with skill, with the state of the labour market (supply and demand), and the phase of the ‘business cycle’ (that is, periodic crisis). According to Marx, the law of value operating through competition insures that wages and working conditions for unskilled workers continually tend to be equalised across all industries. Class struggle, strictly speaking, is outside the theory, since, while it may play a big role in establishing the level

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of subsistence and the length of the working day in history, research into its specific role in different times and places must be carried out at more concrete levels of analysis. In other words, the aim of the theory of capital’s inner logic is to show the importance of variations in subsistence and in the length of the working day and to demonstrate how these vary with variations in other basic economic categories, and not to do the historical research to determine how a working day of a certain length was arrived at (for example, constrained by inadequate light before gas-lighting) or how a level of subsistence was arrived at (for example, in modern Saudi Arabia). Were this historical research to be carried out, it is likely that we would find that various forms of class struggle have often played a crucial role in determining these variables. But the ‘various forms’ is crucial, because of the complex ways class needs to be thought as it articulates with gender, race, and other social factors and the complexity in the meaning of ‘class’ itself when it is thought concretely in terms of international/regional dimensions, fractions, strata, and contradictory locations.

Arthur also points out that the contract of employment cannot guarantee in advance how much work a particular capitalist can get out of his workers, and that this depends on class struggle at the point of production.\(^{45}\) At the level of history, this is no doubt true, but, in the abstract theory of competitive capitalism, these things are determined by competition. Workers who do not deliver the expected level of work are simply fired, and, if such a worker wants to survive, she will need to conform. Without these assumptions, it would not be possible to theorise capital’s inner logic at all, and then we could never achieve the clarity on what capital is that is so necessary if we are to distance ourselves from and eventually transform it.

Is class struggle ‘ontologically constitutive’ of capitalism? What does Arthur mean by ‘ontologically constitutive’? If he means the historical-materialist claim that capitalism could never have come into being in history without class struggle, then I agree. If he means that, in the theory of a purely capitalist society, the capital/labour relation lies at the center of the dialectical theory of capital’s essence (in Hegel’s sense of Being, Essence, and Notion\(^{46}\)), then I also agree. If he means that predominant types of class relations and class struggle ought to play an important role in periodising the history of capitalism in accord with dominant stage-specific types of capital accumulation, then I

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also agree. If he means that a powerful counter-hegemonic working class, may, in certain historical contexts, redistribute value in its favour and even put an end to capitalism, then I also agree. The problem I have is his failure to adequately differentiate between a historically developmental and variable capitalism and the theory of capital. Capital can only be a self-expanding subject to the extent that it achieves a level of reification that connects workers only through the labour market and through being appendages of machine-based factory production. It is only then that the law of value can show itself for what it is without outside interference. And we can never know in advance of historical research anything about the efficacy of capital’s logic in particular historical contexts. We can never know without historical research, for example, what specific ways workers have organised themselves to force compromises upon capital in particular times and places. Arthur suggests that labour is a second subject in the dialectic of capital, but how can a ‘zombie’ be a subject? Indeed, Arthur never explains how a dialectic can have two subjects (because it cannot), except to suggest that labour is a kind of quasi-subject totally encompassed within the larger subject, but still capable of resisting. But how much resistance and how does this alter value theory? Capital, then, becomes a ‘(relatively) self-subsistent whole’. How are we to understand this ‘relatively’? It is self-subsistent, except when it is opposed by labour (all the time?)? How can labour be internal to capital in a dialectical sense and yet be outside it enough to constitute a real opposition (nb: a real opposition is not the same thing as a dialectical contradiction)? For Arthur, ‘the form of capital will turn out to be the overriding moment in the system’, while, at the same time, class struggle appears to be ontologically primary. Capital cannot be self-expanding value, because labourers may resist. But, then, what is capital? Is it value that would be self-expanding but for its continual disruption by labour? Clearly, what are needed here are levels of analysis where capital can be self-subsistent at one level and not so at more concrete levels. To try to combine these at a single level of abstraction totally destroys dialectical contradiction in favour of the ‘real opposition’ between two subjects. The dialectic of capital can tell us how capital would like the proletariat to be for it (for capital, the proletariat should be a passive commodity input), but

48 Colletti 1975.
50 Colletti 1975.
it cannot tell us what the proletariat might like were it not constrained by capitalist imperatives of survival. And it is not enough in the current historical context to say that the proletariat would like to overcome all the ways in which it is objectified in order to become a pure self-determining subject (thus ending the inversions of capitalism). We need to recognise not only the immense variety of wants and needs that will be expressed in any international anticapitalist movement, but also forms of healthy interdependency that will constrain self-determination in even the most democratic of socialisms.

Conclusions

I strongly agree with Arthur’s attempt to theorise a dialectic of capital and with at least some of his understanding of what dialectical reasoning is all about. I believe, however, that it is deeply problematic to limit the dialectic to value-form theory in the first two parts of Capital, Volume I. I see further problems with his exclusion of use-value from this dialectic, only to have it return to destroy the dialectic in Part 3 of Volume I, leaving the lion’s share of Capital outside the dialectic altogether. It may be that these particular problems stem from the irreconcilable antagonism in his theory that arises from claiming primacy for the law of value and, at the same time, primacy for class struggle at the point of production.

Just because class struggle, in Marx’s view, plays the key role in explaining the largest structural changes in history, it does not follow that it need play the key role in the dialectic of capital. I have tried to show that, if the abstractions of the dialectic of capital are real abstractions and, if we allow the self-abstracting character of capital to complete itself, the result is a self-subsistent reified totality. It is this theory that can most effectively inform any theory of class struggle, and, precisely by excluding class struggle from the dialectic, we achieve the clearest possible conceptualisation of class. The dialectic of capital clearly and precisely theorises the fundamental structural dynamics between capital and labour, between capital and landlords, and between various fractions of capital. Capital and labour are the only two primary classes and their relationship is one of capitalist accumulation through the exploitation of labour. Any effort to theorise class struggle within this theory is a serious mistake for the following reasons: one, it will undermine the clarity of the theory of what capital is in its innermost logic (that is, undermine the law of value); two, it will reify class struggle (thereby producing
reductionism) by theorising it at a level of abstraction where all the main variables are highly reified social relations; three, it will weaken our ability to theorise class struggle (by reifying the concept ‘class struggle’) at more concrete levels where this sort of theorisation is crucial; four, it will cloud our thinking about what belongs to capital and what belongs to us, by seeing the outcomes of capital’s laws of motion as a result of capital and labour ‘mixing it up’; five, it will cloud clear thinking about alternatives to capitalism. It follows that, by excluding class struggle from the theory of capital’s inner logic, we can produce a stronger theory of class struggle within Marxian political economy as a whole. And, in my view, Marxian political economy needs at least three levels of analysis, where the theory of capital’s inner logic needs to be supplemented by extensive work at more concrete levels.

Briefly, I would advocate that such a political economy might theorise the structural relation of exploitation between capital and labour at the highest level of abstraction. At the level of mid-range theory, the types of class struggle most characteristic of the dominant modes of capital accumulation in various phases of capitalist development can be theorised. Thus, I would argue that the most typical capitalist industry during the phase of imperialism, which reached its golden age in the United States and Germany between 1890 and 1914, is steel production, and that, if we compare the steel industries in these two countries, we find interesting similarities and differences in the forms that class struggle took. In carrying out this example further, at the level of historical analysis, we would need to consider such factors as the impact of relatively cheap land on wage levels in the US, or the immigrant character of the work force in the US, the types of organisation of the two working classes, how imperialism influenced class struggle in the two countries, how race, gender and other sorts of status differentials influenced class struggle, the impact of this type of capital accumulation on family life, on political life and on ideological formations, as well as their impact on capital accumulation. We would need to consider the strengths and weaknesses of various efforts to organise workers (or of self-organisation) and to consider the impact of racism and sexism on these efforts. We would need to compare the role of banks in centralising capital in Germany, as opposed to stock markets in the US. We would need to examine the implementation of ‘Taylorism’ in the two countries. And these are only some of the major dimensions that would need to be considered. Since historical analysis, above all, attempts to explain or at least elucidate change, we would need to explain why the forces unleashed
by these modes of capital accumulation could strongly contribute to an historical outcome like World War I. And this is only a start.

The anticapitalist movement needs to be international, and it needs to be relatively unified, but that requires relating to the specificity of diverse concerns of people who labour within different socio-economic and cultural locations regarding such issues as ecology, exploitation, health, oppression, democracy, rights, housing, food, and violence.

Similarly, the movement towards socialism is not a matter of simply inverting value and use-value, but of integrating them. A central problem with capitalism is the tendency to value only profit and to therefore be indifferent to all other human values. So, for example, from the point of view of capital, we can only save the environment to the extent that it is profitable to do so. This must change, but that does not mean doing away with the quantitative thinking that would indicate our success in pursuing other goals than profit. Instead, it means taking our overdeveloped and over-formalised quantitative thinking and finding ways to better integrate it with qualitative thinking.

In order to get capital out of our systems, we need to be clear about what it is, and, on the basis of this, devise ways of economically meeting our needs that encourages the best that is within us, is between us, and is around us to move out of the muck of capitalism towards more democratic, free, just, ethical, caring and egalitarian modes of life as understood and advanced by a massive and diverse international anticapitalist movement.

References


Christopher J. Arthur

Reply to Critics

Introduction

I thank my interlocutors for the close attention they have given my work; and I thank Historical Materialism for organising this comradely and fruitful exchange. It is impossible in this response to do justice to the richness of the discussion. I consider here only those criticisms to which I have a ready response (in the process going beyond the text itself). I have to confess that, in the book under discussion, there is no complete and consistent presentation of my ideas, although the general view is presented and defended there.¹ I intend ultimately to provide a more systematic treatment, re-organising some of this material, and filling in the blanks presently existent. The present reactions to my views are very helpful to me in working toward this.

My original research project was to take seriously Marx’s acknowledged debt to Hegel. The result would demonstrate that key arguments could be understood properly only on the basis of a dialectical logic drawn from Hegel. However, I concluded that Marx was

¹ For other aspects of the project, written subsequent to those in the book, see Arthur 1998, 2002b, 2002c, 2004b.
not himself clear about the theoretical status of his ‘flirting’ with Hegelian categories, and especially about the paradox of the *pertinence* of an idealist logic to a materialist science. As Geert Reuten has pointed out, a theorist breaking new ground may well not be able to complete the overthrow of the previous paradigm, and leaves a ‘mixed’ text. I then moved to a ‘reconstruction’ of Marx’s work, eliminating Ricardian residues, and somewhat altering the order of exposition. Now I understand (not least because of the way my contributions are taken) that it only causes confusion to cite passages from Marx. In future, I shall present my own views in my own way. Because the chapters of the book under discussion represent different stages on this journey, it is not always clear where I do straight exegesis, where I ‘reconstruct’, and where I present my own ideas. As it happens, the discussants have focussed on those sections where my own view is at issue. In reply I shall present *my* views, and Marx’s only in passing.

**Dialectic and matter**

The proper logic of development of a theory should accord with the peculiarity of the object. Thus, if Hegel’s idealist logic resonates with that of capital itself, it is because the value-form emerges from a feature peculiar to it, to wit, that, in exchange, a *practical abstraction* from the material features of commodities posits them as identical values in the way forms of thought are abstracted from reality.  

2 Kincaid draws attention to an interesting disanalogy between Hegel’s *Logic* and Marx’s *Capital*. Whereas the former is almost pure, even Marx’s early, most abstract, chapters are replete with references to coats, boots and the like. How does this relate to my claim that there is a homology between the dialectic of value and that of logic? It should be remembered that, in the ‘applied’ part of Hegel’s *Encyclopaedia*, there is much more empirical material than is to be found in any other philosopher. But Hegel believed that there is an underlying logic to this empirical world to be extracted and exhibited in the form of ‘pure’ thought. Now, the value-forms have a similar purity, but they can never be considered apart from their empirical referents. The reason is that these pure forms do not subsist in the realm of thought,

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2 I accept Murray’s point that ‘practical abstraction’ is a better term than ‘material abstraction’. For a penetrating account of the philosophical history of ‘worries over abstraction’ (supplementing Murray’s citation of Berkeley) nicely situating my work, see Osborne 2004.
whether that of Absolute Spirit, or some analogue in social consciousness; they are out there. They are the result of the practical activity of exchange; thus they require at all times material bearers in the shape of boots, and so forth. For example, value as universal is not produced when we think the identity of commodities, it is produced when gold is excluded from other commodities to constitute practically their identity as value bodies. Hence, the materiality of gold plays an essential part in providing an adequate 'body' for value in this sense.

**How to begin**

When I begin my dialectic of categories I do not start with value as a given from which further categories are to be derived; rather, I proceed in the opposite direction. I take the postulate that underlying the chaos of economic life is a single all-embracing form, namely value, as a highly speculative one; the development of further categories is understood by me as necessary to concretise this category so as to justify the starting point retrogressively. This is why I begin by characterising value not only in the most abstract way but also in the most problematic way. I say that the original abstraction from use-value characteristic of the exchange relation in its immediacy gives us a notion of value that is nothing more than an 'empty presence', value defined as no more than what is left when use-value is absented.

I speak of this point of origin as a 'wavering between absence and presence'. Albritton objects that dialectical oppositions are not so indeterminate as is implied by the term 'wavering' and that, furthermore, dialectic moves 'by overcoming some kind of resistance', meaning here that of use-value. With respect to 'wavering', I reply that this pertains only to the initial movement, and that, in this, I follow Hegel who stresses that the issue with 'being' and 'nothing' is precisely the lack of certainty that they are two; it follows that 'becoming' is the first concrete thought just because it has inner moments (being and nothing).

The issue of 'overcoming resistance' is interesting. It is, in fact, not correct when posed as a general feature of dialectic. The movement of thought in Hegel's logic encounters no obstacle whatsoever because, in thought, logic is in its native element; there is no resistance when quality and quantity are united in measure, nor when opposites reflect each other, nor even in the movement of negativity, so far as this is limited to positing and cancelling of
thoughts. Resistance does come into the dialectic of spirit because, here, thought has to ‘idealise’ what is immediately other than thought. There may a natural resistance, as the need to train one’s body and discipline ‘the old Adam’. There may be a spiritual form that has become a fetter on further advance, for example outdated political institutions. Therefore it is quite in order for me, firstly, to give a logic of the value-form without remarking any resistance from the use-value side, then, secondly, when I come to the spirit of capital, to make overcoming worker resistance defining of its self-constitution.

The logic of transition

Systematic dialectic gives knowledge of a specific object, namely capital, in virtue of the ontological presupposition that this is an ideal object, generated through inversion, and realising itself in and through the material reality bearing its forms. Because it is formally constituted as a nest of internal relations, knowledge of it can develop categories in a systematic succession whereby the whole grounds the beginning. This approach raises the formal issue of the logic of transition in the exposition, and the material issue of how the forms apply themselves to a real ‘content’. Here, let us attend to the logic of transition. Callinicos asks: if the logic of transition is not deductive, what is it? The exposition employs a non-deductive logic, to be sure. At each stage, it searches for minimum sufficient conditions of existence (not, as is usually supposed, a search for necessary conditions). There is a problem, requiring an innovative solution generated through a ‘leap’ to a new form, but with the minimum of new notional material. For example, the requirement for value to be exhibited ‘for itself’ requires the money-form and this problem is resolved by excluding gold to serve as money in relation to other commodities. This does not mean commodity money is necessary to capital; it is merely that it would be ‘out of order’ to jump straight to credit money or inconvertible state paper. But, later on, the inadequacy of gold is itself to be demonstrated and redressed.

It seems to me that my position is not far from Callinicos’s own account when he suggests we should think of each successive determination in Capital as posing a problem whose resolution requires the formulation of a new determination that, in resolving one problem, gives rise to a new one, and so on.
He contrasts problematisation to contradiction as key, but I myself stress in one place that contradiction is not so important as all that.\textsuperscript{3} The necessity that an overly abstract category gives rise to a more concrete one motivates a transition; but justification of the whole movement is retrospective when the sequence of categories is shown to hang together, designating the forms of its self-reproduction.

It is puzzling that Callinicos talks of a teleological guarantee. \textit{Systematic} dialectic does not need this; just because capital is already there. I cannot guarantee in advance that it is a Hegelian Idea because that would be to ‘give the science before the science’, so to speak. The research programme demonstrates its fruitfulness only in its success in exhibiting the systematic ordering of categories. The presupposition that capital forms a totality is vindicated only in its presentation.

\textbf{System and structure}

Bidet draws from Althusser a characterisation of Hegel’s dialectic that is not unfair; indeed, Hegel himself said in his lectures:

\begin{quote}
The immanent development of a science, the \textit{derivation} of its entire content from the simple \textit{concept} has the following distinctive feature. One and the same concept . . . which begins by being abstract . . . retains its character yet consolidates its determinations, again through its own exclusive agency, and thereby acquires a concrete content.\textsuperscript{4}
\end{quote}

To this, Bidet counterposes Althusserian structuralism characterised by ‘overdetermination, unequal development, and gaps’. But I refuse the choice of a \textit{general} method on principle. I contend that – uniquely – the logic of value has exactly the ‘distinguishing feature’ just cited, at least as far as the pure theory of capital is concerned. At more concrete levels, and especially where stages of historical development are concerned, other theoretical tools may be appropriate.

Bidet prefers ‘fixed’ concepts to ‘fluid’ ones. Naturally, I do not make the stupid mistake of thinking the concept of red is red. I argue that, when addressing a complex object such as a totality comprising a set of internal relations, it is necessary that the concept of it be kept fluid through the

\begin{itemize}
\item \textsuperscript{3} Arthur 2002a, p. 66.
\item \textsuperscript{4} Hegel 1991a, sec. 32 addition.
\end{itemize}
exposition until its full articulation is achieved, so as to comprehend its essential relations. Initially, only the simple abstract concept can be provided. I agree with Marx that the form of value as such is ‘very simple and bare of content [Inhaltlos].’5 (Its very abstractness makes it difficult to grasp.) Then, it must be concretised through the systematic dialectic. The transition from ‘value’ to ‘capital’ is not a ‘change of concept’, it is a development of the concept of value to the more concrete and complex one of ‘self-valorising value’.

**Scope of systematic dialectic**

Albritton, in his conclusion, assumes that I limit the dialectic to that of the value-form (corresponding to the first two parts of Marx’s first volume): this is not exactly correct. The dialectic of value, up to the general formula for capital, follows the categories of Hegel’s logic; however, Hegel did not stop with the logic; he went on to argue that the system of logic is the underlying principle of nature and history, and he dealt with these ‘applied’ realms in detail. Just so, my project must show how capital applies itself to the organisation of the whole economy, to production and reproduction. The dialectic is still present in these other spheres, albeit having to impose itself on, perhaps even force its way through, material recalcitrant to it. Elsewhere, I have sketched out the dialectic of capital in general, covering therewith much of Marx’s three volumes.6

Albritton and I agree on the importance of a systematic dialectic of categories, but we differ about how this should be carried out.7 He is a follower of Tom Sekine, to whom Bidet also refers as someone with an alternative system to mine. Bidet presents a table showing the incompatibility of my homology of the economic and logical categories with that of Sekine. But he mistakenly heads the column showing my scheme with ‘Marx’s Capital’. This does not appear in my book, for two reasons: first, I do not claim that Marx had thought through such an homology; second, whereas the Sekine column covers all three volumes, the range of my purely logical categories extends only over the first four chapters of *Capital*, in effect to the logical ‘becoming of capital’, rather than to its own self-reproduction. Accordingly, my own column head

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5 Marx 1976, p. 90 (translation corrected).
6 Arthur 2002b.
7 For similarities and differences, see Arthur 2002d; Arthur 2003a, pp. 146–7.
is ‘Dialectic of the Value-Form’. But, as just noted, I have addressed the necessity to develop the dialectic further. Moreover, when I did so, the question raised by Bidet about the relevance to Marx’s three volumes of the categories of the Idea, namely Universality, Particularity and Individuality was answered. I think that there is a rough correlation between the three volumes and the moments of the Idea of capital. But the matter is more complicated. (I summarise my view briefly, with the help of Figures, in the Appendix below.)

**Competition**

I would like to make clear that, far from neglecting competition, I have shown that it is intrinsic to the concept of capital insofar as it must appear as many capitals. Indeed, I accept a version of the labour theory of value only under the condition that capitals compete with each other to pump out labour from the immediate producers and commensurate their success in this through the market. In explaining capitalist development, a study of competition is essential; but I resist the suggestion by Callinicos that such explanations must be rooted in ‘micro-foundations’. To speak of individuals having a foundational role is to go back to Smith. However, I certainly believe that ‘micro-mediations’ have to be given a necessary role in such matters as the tendency of the rate of profit to fall. This results from the ‘counterproductive’ character of individual decisions. (Obviously, the class as a whole would not do anything to sabotage the general rate of profit.) But the individual decision is itself determined by the structure of capital-in-general and many capitals.

Callinicos cites my paper on competition and Kincaid notes it has been criticised by Peter Green in a review article in *Historical Materialism*. I argued that it would be advantageous to distinguish the *general* rate of profit determined by general factors such as the class relation, and the *average* rate, determined simply mathematically without assuming any commonality in the situation of capitals in different branches. But the interesting theoretical question is to address their relevance to the tendency towards establishing a *uniform* rate of profit in reality. The issue here is: what is competition doing? Is it tending to realise the *theoretical* average? Or is it actualising an *existent* (albeit ‘virtual’ or ‘ideal’) general rate of profit? In the former case, competition explains everything; in the latter case, it is a concretising moment of capital-in-general.

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8 Arthur 2002a, p. 104.
9 Arthur 2002c.
Green, in his otherwise perceptive review of my ideas, does not understand my tripartite scheme. I accept his distinction between a general/average rate and a uniform rate resulting from competition; but I also distinguished the general and the average as above.

**Closure of the dialectic**

When should a systematic dialectic of capital reach ‘closure’? Like Albritton, I hold that closure is reached with the category of finance capital; but, for me, this closure is somewhat problematic, as I shall explain in a moment. The exposition originally presupposes material production as a given origin of value. With *ex nihilo* credit money, we reach a form of value that is *its own origin*. Such money is not a receipt given for an already produced commodity, it is a claim on existing resources coming from ‘nowhere’, so to speak, which then validates itself through producing the required commodities to give it real presence. Bank credit allows firms to deploy capital without having to rely on previous accumulation. The ideal makes itself real through the valorisation it initiates. Orthogonal to the circuit of industrial capital is the flux and reflux of finance which accelerates accumulation, not on the ground of past success but in anticipation of future success. To the inversions characteristic of capital, we can now add the temporal inversion. Kincaid speaks of the current dominance of ‘a secondary and derivative form of capital’. However, in principle, the *perfected* form of capital is ‘fictitious capital’. It is the triumph of MCM over CMC, in that one can buy without having sold, because the ‘M’ is created from nothing by banks whose original historical function of socialising hoards is now only of minor importance. The reconstruction in thought of capital as a system of forms reaches completion as it demonstrates how capital *produces itself* when initial finance from banks is subsequently redeemed through the circuit of production and circulation.

Do we then have ‘closure’? In one respect, but not in another. In *form*, we have closure, value produces value, albeit capital must ground itself in production. But, for a self-enclosed totality to be present, the ‘others’ of capital, labour-power and land, have to be demonstrably incorporated within it. Of course, *formally*, they have been appropriated by capital through wages and rent. But, materially, living labour and the natural fertility of the soil remain

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10 Green 2004, p. 256.
outside it as resources capital cannot itself produce. No matter how all-pervasive the forms of capital become, it cannot celebrate the end of history; the dialectic remains open-ended.

The place of use-value

At the most general level, this is because value cannot entirely conquer use-value. The issue of the opposition of value to use-value gives rise to rather complex considerations. At a general level, it is analogous to Hegel’s relation between logic and reality. In both cases, the pure categories (whether of logic or value-forms) are to be developed first, and only then is taken up the way these categories in-form material reality (in our case, how the value-form regulates material production). The dialectic of the value-form I present as one in which value develops itself as pure form up to the general formula for capital, only then does use-value play an economic role. But how then are value and use-value related? Let us begin with the practical abstraction from use-value characteristic of exchange, which, I argue, gives rise to the form of pure value. At the same time, because the dialectical development of categories traceable from this origin is not taking place in thought, it requires, at every point, support in the material forms of interchange between commodities. In this sense, right from the start, the commodity must be considered as a combination of value and use-value. But, in the development of the value-form up to the general formula for capital, value is borne by the natural body of the commodity without the specificity of the commodity playing any economic role.

Albritton and Kincaid adduce two cases that might seem to contradict this claim: that, even in the simple form of value, the value of the commodity in relative form appears in the use-value of that in equivalent form, and that the concretisation of the universal equivalent as money requires features of the money commodity to be congruent with its special functions.

I reply by stressing that use-value as such plays no determinate role here. The commodity in equivalent form plays that role simply as the material shell of value. And the adequacy of gold to the requirements of money is entirely dictated from the side of value; it is not because it is yellow that it is money; but its lack of qualitative structure makes it an ideal model for its role as incarnation of quantitative measure. However, gold as such is not conceptually necessary to a money system; silver would serve almost as well.
Kincaid claims I have little to say about Marx’s section on ‘The Value-Form or Exchange-Value’. This is incorrect. I treat it in my book, and I have written a special paper on it. Since this section is where Marx derives money, it is of exceptional importance. In the context of logical categories, it is situated in the movement from Appearance to Actuality, with the dialectic of ‘force and expression’ playing a significant role (compare Marx’s terms ‘active and passive’).

As I have said, once we pass from the general formula to the reality of material production, value and use-value interpenetrate. What sort of relation is this? I dissent from Albritton’s claim that there is a dialectic of value and use-value. They are real extremes, not dialectical opposites, such that each side can be shown to be nothing but the other once grasped from the standpoint of the perfectly unified whole. Dialectical totalisation normally requires that all opposition be sublated, such that the two sides are understood as internal self-differentiations of the Absolute; alternatively, that one side is taken as effectively itself the whole, such that the other is reduced to its own other, swallowed up in it.

Because value and use-value are real extremes, it does indeed follow that, in the last analysis, use-value disrupts (as Kincaid says), or blows apart (as Albritton puts it), the effort by value to become a self-subsistent totality. Either the rebellion of living labour, or exhaustion of natural resources, will undermine it. However, capital as self-valorising value is epochally hegemonic, and, in the two-sided whole of intermediation, it has prevailed up to now, hence theory must recognise this.

Value and use-value are real extremes, albeit existing in combination, because use-value does not need value to complete its concept, while value completes itself only in negating and subsuming use-value. The category of ‘subsumption’ is important to my conceptualisation of the relation of use-value to value. Contemporary theory is aware of the importance of ‘formal subsumption’ and ‘real subsumption’; but little attention is paid to the logical status of the term, nor to its philosophical history (in Schelling, it signifies the absorption of the finite by the infinite). I contrast this figure with Hegel’s ‘concrete universal’ in which the singular is granted its specific difference from others within the richness of the universal: when the singular is subsumed under the universal, its specific difference is negated so that the universal dominates.

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\[1\] Arthur 2002a, pp. 95–101; Arthur 2004b.
The illusion that ‘value’ and ‘use-value’ are complementary forms arises because the latter is generated as a placeholder manufactured to stand for what is not value, namely ‘use-value-for-others’. Clothes are useful to keep us warm; food for nutrition; but there is no such thing as ‘useful in general’. Outside exchange, the term has little application; use-value is always specific. In reality, then, the commodity is a combination of a universal social form, namely value, and some specific use-value, for example a coat. I speak of such singular commodities being ‘inscribed within’, or ‘subsumed by’ the value-form, because their specificity is not affirmed but negated in it. The form which affirms itself in its dialectical development is that of value; it first gains its autonomy from use-value as a result of the practical abstraction which generates the value-form, then it subsumes the use-value sphere, and, finally, ‘takes possession’ of it. As we know, production is for profit, not for need; indeed, need is manipulated by capital.

Form and content
This is a complicated question, because the category ‘content’ is itself developed in Hegel’s logic, but it has further applications.

We may properly distinguish value as content which takes form as commodity and money. This corresponds to the section on content and form in logic. There is also, in Hegel’s work, a view of the entire array of logical categories as the ‘content’ of the system, produced through the movement of ‘absolute form’, taken to stand over and against the categories themselves as ‘method’. Likewise, the value-forms collapse into their natural bearers unless they are systematically continuously produced in the circuit of capital. Hegel says ‘The Idea is essentially process’. Marx says ‘Capital is process . . . movement, not a thing at rest’. Finally, there is the case in which the whole logic is taken as the formal principle of the real, and ‘creates’ its content in nature and history.

In this case, the Idea exists only in its process of self-realisation in the world and is fully actual only in its unity with it. This, then, raises the issue of form (the categories) and content (that to which the categories apply). There has

12 Hegel presents this apologetically when he declares ‘the real substance’ of use-values is their value. See the discussion in Arthur 2002a, Chapter 9.
13 Hegel 1991b, par. 237.
14 Hegel 1991b, par. 215.
to be something *to be formed*. This has resonance with the Kantian dichotomy. Callinicos is right that it follows from Hegel’s critique of Kant that

the formal is not for Hegel a set of empty shapes into which content is inserted from without: on the contrary, the form generates its own content from itself.

Logic is ontology. The transition from logic to reality has always been seen as the weak point in Hegel’s system. Without taking a position on that issue, I can say that its analogy is the weak point in the capital system. In Kantian style, money takes the role of synthesising the commodity manifold and making sense of this mass of heterogeneous products. Now, just as Hegel dynamised the categories, so capital dynamises money. But we cannot allow that capital’s dynamic creates the very substance of material production. There remains in it a ‘Kantian’ moment, in that the things themselves are, in the last analysis, inaccessible to capital, hence its blind destruction of the environment.¹⁶

In so far as I stress the ideality of the value-form, Callinicos and Murray suppose my idea of capital must be ‘contentless form’. But this is not strictly true. The idea of capital requires that it strive to *acquire* a content in order to ‘fill itself out’, so to speak. This turn is marked by the transition from the general formula for capital to capitalist production. Because the material reality of production is *given* to capital, rather than created by it, capital has to shape this material into a ‘content’ more or less adequate to it; this I call the ‘form determination’ of the ‘content’. It cannot be achieved through ‘formal’ subsumption alone; it requires real changes to the production process so as to make possible capital’s fluidity in its other.

I have just now put ‘content’ in scare quotes, because I do not think use-values, or, for that matter, objectified labour, are a genuine content. In a dialectical relation of form and content, not only does the form posit itself in the content but the content gains its proper existence in the form. However, when use-value is inscribed within the value-form, this is by no means a form natural and appropriate to it, but an alien form imposed upon it. This is still more the case when living labour objectifies itself in value only to find itself estranged from it. This is why I speak of capital ‘taking possession’ of

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¹⁶ The state may circumscribe capital’s madness with Factory Acts, and carbon taxes, and so forth, to preserve human and natural ‘capital’; but this is required precisely because they are not really capital.
labour so as to subordinate it to the purpose of valorisation. Rather than a proper content, one might see labour as a material basis, or real condition, of value creation. It is true that, in this way, labour is socially represented in the value of the product; but it is present there only as ‘abstract’, only as a ‘phantom objectivity’.

I do not think the issue of ‘form and content’ is ‘a fatal flaw’ (Callinicos) in my account, although it is potentially a fatal flaw in capital’s effort to absolutise itself. It claims to have achieved this insofar as it informs material reality with its logic, and it has certainly vindicated its power thus far; but it depends on conditions of existence it cannot create, namely land and labour-power. Callinicos thinks my theory is inconsistent in having a theory of value as self-constituting form and yet having material conditions of existence. The answer is that the value-form is pure in not arising from the content but being imposed upon it. The form ‘takes possession’ of the material content, which therewith becomes doubled into a natural form (for example, bread and wine) and an ideal social form (such as the value within the shell of bread and wine). Capital transubstantiates ideally all matter into spirit; but, really, it can only redetermine it without abolishing its materiality; so, in effect, there is consubstantiality of ideal and material within the body of the commodity.

The problem lies in what is meant by ‘form-determination’. This has two cases. It can mean a determination of form, such as money; or it can mean how the forms determine the material content, which is the question at issue here. Hegel’s logical categories are contentless forms in this sense, up to that of the Idea which is supposed to unite the pure Concept with the stuff of material reality. As Callinicos notes, I deny that capital creates its material conditions, yet I insist it forms them. There is, here, a parallel with the way the Greek chaos is formed by a demiurgos. Indeed, considered as unformed by money, the commodity manifold is chaotic, from the standpoint of the market anyway (Marx refers to chaos in this way in the 1859 Urtext). But, of course, products have natural forms regardless of their social form. There is also a shift from pure categories abstracted from material content (except qua bearers), for example, those exhibited in the logic of the value-form, and ‘mixed’ categories, such as formal and real subsumption, turnover time, departments. In the latter is marked the way capital takes up into its movement its conditions of existence in the material metabolism; thus, departments must be balanced both in physical and money terms.

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When I say the reconstructive method depends on the granting of the richness of the content, there are two issues involved, we now see. In the formal sense, the rich content is posited by capital as its own inner moments (money, and so forth); but, in the material sense of content, there has to be granted such conditions as that workers can produce more than they consume and, hence, there is a surplus product. Surplus-value is an internal moment of the capital-form, while surplus product is given in the first place and then systematically produced in accordance with capital’s requirements. I should have marked more carefully, therefore, the two sorts of conditions of existence required for capital to subsist. The formal conditions it produces, the material conditions it reproduces but cannot create. As formed, the material is redetermined in accordance with the needs of capital. The dynamic is on the side of form, albeit success depends on the powers of social labour, including science and technology.

But how do forms ‘apply themselves’? They do so through the way in which they are internalised by consciousness, especially that of real capitalists and managers. If the capitalist personifies the capital relation, we do not need to consider any twinge of conscience the Wedgwood family had about child labour. Key is that people find the forms of capital already structurally determinant of their everyday opportunities. The capitalists have a material interest in profit, and competition selects those who identify most strongly with the spirit of capitalism. Hence, they are forced to translate ideal demands (valorisation) into appropriate practical measures (close supervision, design of assembly lines, creation of new needs, and so on). It is not that capitalists are greedy and make use of the social forms of production and exchange to generate wealth for themselves; rather, these forms are inherently ‘wealth’-generating and subsume the activity of persons accordingly.

In its ideality, the value-form dialectic posits its own content, this means the factory should be understood as a moment in the self-positing of capital. But, instead of Hegel’s metaphysically guaranteed ‘fit’ of logic on reality, we find capital must transform material production so as to take it up into itself, and shape it to fit. In Hegel, by contrast, the movement of the Concept is considered only as play; the other which is posited by its movement is, in fact, not an other but itself.18

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18 Hegel 1991b, p. 238.
Simple commodity production

If the object of analysis is the capitalist economy, circulation of commodities is to be considered the circulation of capitalistically produced commodities. Their value, and the relevant determinations of labour, are concretely constituted only in the capital relation. I reject, then, the model of ‘simple commodity production’. In opposition to this, my position is that the order of presentation should not reflect a sequence of models of more-and-more complex objects, but be a progressive development of the forms of the same object, namely capitalism, from a highly abstract initial concept of it to more concrete levels of its comprehension.

What is wrong with ‘simple commodity production’? In such a situation, exchange at ‘value’ is supposed to take place because, otherwise, people would switch into the less onerous occupation. Notice that this ‘law’ presupposes that everyone knows what labour is expended by others; this is a very doubtful proposition historically. Even if it is accepted as an idealising assumption, nothing like an objective law is operative. For the other necessary assumption is that the only consideration affecting the choices of individuals is avoidance of ‘toil and trouble’. This subjective hypothesis has little to do with the fact that there exists in capitalism an objective law of value which makes exchange at value necessary. If the law relies on merely subjective judgements, then other subjective considerations to do with the trouble of learning new methods, or the preference for one occupation rather than another, may be operative also. Even if Smith’s fishermen noticed their working day was longer than that of the hunters with whom they exchanged, they might simply prefer life on the river to the darkness of the forest. Key is the objective rationality of the system of capitalist competition, not an ideal type of ‘rational economic man’ read back into the natural state. There is a stark contrast between the peasant saying ‘Time costs nothing’ and the capitalist motto ‘Time is money’. It is only in modern industry that competition within a branch, and the mobility of capital between branches, brings about the development of a common measure. When all inputs, including labour-power itself, have a value form, and production is subordinated to valorisation, then an objective comparison of rates of return on capital is possible and competition between capitals allows for the enforcement of the law of value.

Hunt provides a sophisticated defence of the theory that the same social relation of production is present in simple commodity production as under capitalism; he supposes that, in both, value is realised in competition between
private owners of means of production. He does admit that, in the case of capitalist commodity production, value ‘moves from the periphery to the centre of relations of production’, becoming ‘the organising principle’ of the economy. But this development of form is rooted in the same content. He rejects my argument the commodity-form could have no ‘content’ in simple commodity production. But I am not persuaded that ‘simple’ individual producers would cost their own time.

However, there is a more important logical point which constitutes a reason to make a transition to the ‘pathological’ rule of value in capitalism. It is not just a matter of securing substantive determination of equivalent exchange, but of realising a new level of determination of the value concept. This occurs when value becomes autonomous, rather than merely a passive mediator of other forces.

**Market and capital**

The contrast between Bidet’s theory and my own is instructive in this respect. Leaving aside the question of Marx interpretation, it raises fundamental methodological choices for constructing a theory of capital. According to Bidet, there are two distinct theoretical objects. On the one hand, there is the logic of commodity production in general, based on a relation of exchange of equivalents. This is characteristic of market relations between individuals. On the other hand, there is capitalism, based on exploitation of one class by another. Crucially, the exposition of the value-form is ‘theoretically complete’ within the parameters of the first object, that is, prior to theorisation of specifically capitalist production, oriented to surplus-value, albeit that the latter presupposes the former. As he acknowledges, the result is that there is no logical transition between the two, only a ‘rupture’. Thus, he finds the task of articulating this change in reference ‘highly problematic’.

As he rightly sees, my position contrasts with his at every point. For me, there is one object, not two, and the logic of the argument is continuous, with no ‘gap’, although new relations must be comprehended. In particular, the theory of value cannot be separated from the theory of surplus-value; indeed, the former presupposes the latter, I shall argue, whereas Bidet takes it that the two principles are in tension. It was, of course, traditional in early radical theory to idealise equivalent exchange prior to its subversion by capital and class. In this way, it failed to carry through the critique of capitalism to the
value-form itself with its inherent reificatory logic; hence, it failed to see that
the inversion of the ‘law of appropriation’ is implicit (whether or not empirical
conditions favour, or block, its realisation). The very separation of value from
use-value makes possible its autonomisation in money, and its capacity as
capital to impose itself on the aims of production.

Of course, I do not deny that there is a difference between ‘market’ and
‘capitalism’, insofar as the existence of classes is not explicit in the concept
of ‘market’. My argument that the two are conceptually linked presupposes:
(i) the logical potential for some people to monopolise monetary resources,
however this came about historically; (ii) the logical potential for some to
have nothing to sell but their labour-power, however this came about
historically.

These presuppositions, once given, are reproduced by the capital relation
itself, on the very basis of the law of the market, not in opposition to it. It has,
so to speak, ‘become true’ that the market reproduces the capital relation,
and inverts its own law of appropriation.

However, the approach that begins with ‘simple commodity production’
is flawed even in its own terms, as we have argued above. It is simply untrue
that, in such a model, there must be exchange of equivalents (the basic feature
of any ‘law of value’, I take it). Bidet wants to avoid beginning with either
a historical or methodological interpretation of ‘simple commodity production’.
Instead, he offers us ‘commodity production in its pure abstraction’. He says
little about this ‘pure abstraction’; but I think it is a vicious abstraction, in
that it elides the more concrete forms necessary to ground such categories as
‘socially necessary labour time’. My own starting point is highly abstract, but
I proceed to the more concrete forms precisely by drawing attention to the
failure of a given stage to be ‘theoretically complete’.

Given the inability of simple commodity production to work according to
the law of value, it cannot be the case that the theory of surplus-value is a
break in the discourse of value, as Bidet thinks; rather, it grounds the law of
value. Only because capitals need a rule to allocate profits, according to the
necessity of their form, is a rule of equivalence in exchange imposed to secure
this; only because capitals are constituted through exploiting labour is this
rule correlated with the amounts of labour extractable; and only because
capitals are inherently time-oriented in virtue of their form is the measure of
such amounts of labour socially necessary labour time.

However, there is another important consideration, noted earlier; it is not
just a question of establishing a law of value mediating exchange between individuals, it is a matter of value acquiring the form of self-mediation and subordinating the ‘individuals’ (really firms) to its aim of valorisation. I argue in my book that there is a logical necessity for the transition to capital from commodity exchange in the abstract. What is this necessity? It is central to dialectical logic that a concept is fully grasped only when its entire potential is developed. As Marx points out, the ape is not understood until it is grasped that it is what will become man; the same goes for tithe and rent. Thus, value is not properly understood until its potential to be its own ground is exhibited in the capital circuit. This conceptual necessity for value to become self-determining is actualised only when capital becomes dominant. The explanation of capital’s rule must reconstruct its forms of being, beginning with the most abstract, until it is clear how value develops its autonomy from the individual producers.

Incidentally, I do not speak of money having ‘a tendency to transform itself’ to capital. I say logic demands such a transformation of CMC to MCM. This has nothing to do with an empirical tendency, because the logical potential may be blocked for various reasons. It is simply that value is more adequately grounded in MCM than it is in CMC.

Bidet says that capitalist production and circulation cannot be deduced in any sense of the term from simple commodity circulation. He finds it remarkable in my work that capitalism intervenes as solution to the supposed problem of ‘simple circulation’. . . something that clearly does not contain in itself any ‘problem’ to which capital is the solution.

Bidet has not understood that my strategy does indeed exhibit a problem with simple circulation, namely that value, here, is not self-grounded, that it has failed fully to actualise its concept; this is a logical point, of course, not a historical claim that people find there is a problem confronting them. He asks what the theory of capital adds to the theory of value. The answer is that it further develops the concept of value to that of a self-grounded form, whereas, in a merely ‘market’ context, it mediates extremes whose grounding lies outside it (such as the presupposition that the only thing individuals care about is ‘avoidance of toil and trouble’).

The point is not merely that only in capitalism does the law of value fully govern production relations. It is, rather, a question of a further development of the concept of value to that of an autonomous power. The necessity for the
exposition to make such a transition is internal to the theoretical project of exhibiting the inner moments of capital as more and more adequate to the realisation of the concept of value.

**Bringing labour in**

Murray, Hunt and Kincaid insist the value-form is never empty but has a content in social substances, centrally abstract labour. First, it is perfectly possible to have empty forms which relate objects conjuncturally with contingent determinacy. I think this partly on general grounds, and partly because exchange does so relate many objects. Thus a research programme must **discover** whether, when, and how, the value-form gains adequate content, becomes a regulator of production, and of exchange in determinate magnitudes.

The **ultimate** object of our theory is the capitalist form of social material **production**; but it does not follow that, in the presentation, it is right to begin with general categories of production. Because of its importance in shaping the character and direction of social production, the presentation starts with the **form** of exchange, bracketing, for this purpose, the origin of the objects of exchange. Thus, I differ from Marx in that I do not find it necessary to come to **labour** until after conceptualising **capital** as a value-form determination.

It is characteristic of the dialectical development of concepts that initial simple abstract definitions be replaced by successively more complex and concrete ones. My initial abstract definition of ‘value’ is that it is ‘the power of exchange’ inherent to a commodity. It may be said that reference to labour should be included even at the most abstract level of determination of the value concept, because the entire value-form problematic springs from the social division of labour, with its consequent contradiction of a labour that has to be simultaneously private and social. The plausibility of this argument is undermined by the peculiarly abstract character of the value-form itself. In so far as it resolves the contradiction through an exchange system associating the products of dissociated producers within a universal form, it **overshoots** the parameters of the original problem. The commodity-form is so empty of **given** content that it not only allows the exchange of heterogeneous goods produced in private enterprises, but the inscription of all sorts of other heterogeneous material.19 The most abstract level of analysis of the value

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19 Arthur 2005, p. 112.
concept is, therefore, that of a pure form, indifferent to its content. Then, the requirement of concretion yields the theoretically argued identification of products of capital as the only content adequate to the self-determination of the value-form.

Murray complains that my starting point is ‘a bad abstraction’ because ‘generalised commodity exchange is inseparable from the capitalist mode of production’. It is indeed inseparable. But how do we know this? An argument for it is necessary because commodities do not bear on their foreheads the mark of their origin. Products and non-products appear in exchange without such a marker and, hence, appear identical as exchangeables. (A non-trivial case of a ‘commodity’ which is not a product of capital is labour-power itself.) Immediately, the commodity-form is capable of subsuming heterogeneous materials. Formally, therefore, exchange and production seem separable. It is not my theory that generates ‘a bad abstraction’, but the practice of exchange that abstracts from different kinds of material everything except the bare character ‘use-value for others’. My procedure is to start from this ‘empty form’ of exchange, and then ask what concrete ‘content’ it could accrue so as to introduce determinacy and reproducibility to it. In a way, the starting point of a dialectical logic that moves from abstract to concrete is bound to be a ‘bad abstraction’. (Isn’t ‘Being’ the baddest abstraction on the block?) This method is not a matter of expositional perversity, because capital itself ‘self-abstracts’ in occluding its inner determinations and creating an immediate form characterised by all-round abstraction.

Murray presents what he calls Marx’s ‘two-step’ argument as follows. First, he derives value and price from the specific social form of labour; second, he shows it belongs to the nature of the price-form that non-products can have prices. I also have the same two-step argument – but I reverse the order! Of course, I assume at the outset that there is a specific social form of labour, namely dissociated labour, which requires a form of association allowing the products of various ‘concrete’ labours to become social at the cost of being determined as abstract. But I consider first the implications of such an abstract form of exchange, and then derive from it the necessity of a labour content which leaves as surds the non-products. This order of presentation suits my purpose because it makes primary the social form within which production is inscribed and, hence, avoids any naturalistic temptation to reduce the economy to a mediation of physical reproduction. To begin with the way in which labour appears in value makes it difficult to avoid the supposition that
value is simply the current social form taken on by this content. What is thereby overlooked is (i) the foreignness of the form; (ii) its determining role on production. Starting from labour makes it seem exchange-value is just the finishing touch to production, whereas it really determines the shape of capitalist production.

Why not begin by immediately relating commodity value to production, on the ground that, whatever else exchange may mediate, it is the form under which private production is socially recognised and that exchange-value is the social form in which private labours appear? Labour is thus figured from the start as the ‘substance’ of value. The fact that the exchange-form covers other material could be set aside on the ground that such an overly general form could have no universal content, but that the relative specificity of relations between producers almost guarantees success in researching a determinate basis for this specific set of exchanges.

To the objection that ‘labour’, as a naturally given content, could not be such a ground for social form, and that the supposed substance of value has to be ‘abstract labour’, Kincaid provides a clever riposte. I begin by presupposing that value is a reality and searching for its conditions of existence. Kincaid asks: why not also presuppose that value is the form of appearance of the social substance ‘abstract labour’, and search for their joint conditions of existence? Thus the very argument that shows money is necessary to the actuality of value at the same time grounds the objective reality of ‘abstract labour’. The ‘necessity of labour’ as a joint starting point with the value-form could be retrogressively vindicated in accord with my own method!

This seems a respectable procedure, but there are reasons to reject the approach. There is little to be gained by presupposing right away that the value-form be restricted to products, because the law of value cannot be demonstrated until capitalist competition is thematised. More importantly, the so-called ‘substance’ of value, ‘abstract labour’, is a derivative determination imposed by the value-form on production. Where value is not actual, then it is certain labour is not socially abstract. So it is simpler to follow my strategy of developing the value-form until the necessary turn to production is addressed; only then is it pertinent to argue that labour, as the adequate ground of value, is posited as abstract, not only in exchange but in form-determined production, with its drive to economise on ‘labour time’.20

20 If ‘labour’ as such is posited as the ‘ground’ of this mode of production, it is not the self-mediating ground. See Arthur 2004c.
Murray cannot understand how I bring labour back in after its deferment, and how I can have labour time as determining if value is contentless. Labour comes back in precisely in order to answer the question of how to explain the monetary increment in the capital circuit. Capital finds a source of surplus in its exploitation of labour, insofar as labour can produce more than it consumes. Since the surplus product is controlled by capital, it appears as a surplus-value. Through the market, capitals commensurate the time they spend pumping out labour and, in this way, the magnitude of value is determined by socially necessary labour time. The argument as to why labour time rather than production time in general is figured as the source of value is because labour is socially recalcitrant. Capital can only constitute itself as self-valorising value through negating its negation; the time of labour is ontologically different from the time of wine maturing, for example. It would, indeed, be a ‘bad abstraction’ to conflate such times in a single category of ‘time capital is tied up in production’ (although, expositionally, this is the prior category). If labour were treated technically, as a mere resource, then production time in general would be the relevant determinant.

Murray sees that I prefer to say labour is subsumed by value rather than saying it is the content of value. This he finds an obstacle to a theory of determination. But I suggest that, when the value-form subsumes labour under it, this is not a one-way process. It is not just that the value-form determines labour as qualitatively abstract, it also determines expended labour quantitatively as a ‘body’ of time. Other things being equal, material changes in production which change this time are reflected in changes in value magnitudes because of capitalist competition.

The capital relation

Callinicos complains that my ‘hypostatisation of capital’ is an obstacle to its understanding, because it loses ‘the relationality of capital’; moreover, the capital relation is antagonistic. This complaint could well be directed at capital itself, for its form does indeed obstruct its understanding. On the one hand, the concept of capital posits itself as a closed totality, on the other hand, the system is open, in so far as the struggle between capital and labour is defining of it. Let us explore this latter theme.

Because of the inversion which brings about an interpenetration of the material with the ideal, there are two sets of ontological determinations in opposition. It is in this context that the capital relation must be situated,
inasmuch as capital posits itself in subsuming living labour within it. There is, at the heart of the capital relation, an ontological collision between the ideality of capital and the materiality of living labour.

It is not a simple two-place conflict (like a boxing match), in which labour comes up against a competitor for the allocation of new value. This is because, once determined as wage-labour, it is *internal* to the relation and really subsumed by it on capital’s terms; but it is always *in and against* capital, because of its material recalcitrance to being interpellated as a mere resource for capital accumulation.

In *Capital*, Marx says two things: that labour is the creative source of surplus-value, and that capital is *self*-valorising value. It is hard to know what ‘self-valorisation’ can mean other than that value as capital creates surplus-value, which flatly contradicts the thesis that labour creates value. I agree that living labour is the *source* of new value. But ‘source’ and ‘creator’ are two different things. To be the *source* of new value is to be that *out of which* capital creates value. The material dependence of the valorisation process on the labour process grounds the claim that living labour is the source of value and surplus-value. But source and creator should not be conflated. The source of the tree’s growth is the soil and solar energy; but does the soil ‘create’ the tree? That would be strange. It is, surely, a matter of an immanent force in the tree itself that impels it to seize upon sources of nutrients so as to grow. Another example: a waterfall is the source of the power generated by hydroelectricity; but it does not ‘create’ the electricity. That is the achievement of the dynamos. Water always had this capacity, it might be said, but only when harnessed and exploited in a particular way is it the power source for the generation of electricity *by* the machinery. In the same way, capital harnesses and exploits living labour so as to *create* value *from* this source of energy. If living labour is the source of capital accumulation, this still leaves capital’s dynamic as the creative principle.

Moreover, it cannot be living labour as such that originates value, but wage-labour. This is because what creates value is not the ahistorical labour process but that only under the rule of capital. By constituting labour as wage-labour, capital *constitutes itself*, and embarks on its inherent dynamic of accumulation. Labour appears, then, as the mediating activity by means of which capital valorises itself. That labour-power has to be reconstituted in a non-capitalist domestic sphere can be dismissed as a secondary derivative function, to be treated as a black box in the circulation of commodities.

Ricardian socialism claimed that (as the source of value) ‘labour is everything’.
But, in subsuming living labour within the capital relation, capital has a fair claim to be ‘everything’. The capital relation is a contradictory unity. This contradiction is not between capitalist and labourer (that is merely a conflict); the inner contradiction arises because both ‘capital’ and ‘labour’ have claims to constitute the whole of their relation; hence, ‘capital is nothing but (alienated) labour’ and ‘labour nothing but (variable) capital’. This means that capitalism is characterised by a contradiction in essence. Each side claims to constitute the whole of their relation, reducing what is not identical with itself to its own other. At first sight, the capital-labour relation appears as a two-place one, but each tries to represent the other as a difference within itself. Capital divides itself into constant and variable components; and it claims to absorb labour to itself in the shape of variable capital; for, through the wage, it now possesses that labour. Hence it understands the relation as a relation to itself. On the other side, living labour claims that capital is nothing but dead labour; for, through yielding surplus-value, labour alienates its substance. It, too, understands the relation as a relation to itself.21

However, it is significant that the relation is termed ‘the capital relation’, not ‘the wage-labour relation’. Capital is, without doubt, the principal moment of this contradiction, if only because, through this relation, it realises itself. Wage-labour, by contrast, negates itself in yielding value and surplus-value. Capital continually accumulates; labour continually returns to its propertylessness. I suggest that such a striking asymmetry legitimates a presentation of the relation of capital to wage-labour as internal to the concept of capital, albeit that a special study of wage-labour might usefully complement this. To return to the ontological hiatus mentioned at the start of this section, my strategy is to explore the closed totality of the idea of capital in its own terms, finally to reveal the material presuppositions that may obstruct it.

Class struggle

While I am criticised by Callinicos for in this way ‘hypostatising’ the concept of capital, I am criticised from the opposite perspective by Albritton, who thinks my ‘hypostasis’ insufficiently rigorous.

Albritton insists on a clear separation between a theory of pure capital and a theory of class struggle. The former has logical priority, while the latter is

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21 See the figure in Arthur 2004a, p. 189.
to play its role only at the level of the theory of stages. He thinks that I introduce confusion by my argument that capital is constituted through negating its negation, for this must mean the contingencies of class struggle disrupt the pure logic of capital. We may have more agreement than he thinks. I, too, give priority to the capital logic, for two reasons. First, methodologically, it is necessary to grasp the way in which capital, in virtue of its form, is a self-constituted power before thematising its overthrow. Second, historically, while capital must be understood as the result of alienated labour, it is epochally the principal moment of the capital relation, which tendentially posits workers as ‘zombies’, through compelling them to labour as its agents.

Albritton says class struggle goes beyond pure theory which treats everyone as individuals. There is an ambiguity here. Marx distinguishes a class-for-itself, organised as such for struggle, and a class-in-itself, or in-relation-to-capital. The latter case leaves individuals face to face with capital in immediate unorganised fashion. Even so, they do exist as a class of individuals in a similar relation to capital, they are recalcitrant to exploitation even on an individual basis, and capital has to secure their continued atomisation if its logic is to prevail. But this purely logical point does not require any further discussion of the history of the struggle over the working day, for example, although it implies such struggles will occur.

In this sense, I agree with Albritton that class struggle must be thematised at a lower level of abstraction than the pure theory of capital. But there has to be a mediating link, which I see in the very logic of capital’s self positing. Capital cannot be theorised without the inner contradiction of the capital relation being exhibited; for the source of value cannot be grasped without reference to the extortion of living labour from workers. The capital relation is necessarily antagonistic and creates subject positions from which flows the basis for class struggle as the phenomenal form in which people become conscious of this contradiction and fight it out. I agree that the real history of the efforts of the workers to form themselves into a class with a counter-hegemonic consciousness is outside the pure logic of capital, involving, as it does, much concrete historical experience. But, even at the most abstract level, account must be taken of it, for capital perfects itself, becomes true to its concept, only if it effectively imprisons the workers in its forms. For capital to constitute itself as self-subsistent, the class struggle has to be absented. But even this absence is part of the definition of capital as Idea, not merely something we have no need to mention until a more concrete level of analysis.
Capital becomes what it is when posited as always-already winner of the struggle (hence the lack of necessity to thematise it at this level), and this is something that occurs ‘virtually’ every time the worker shows up to work, seemingly acquiescent to capital’s demands. Even if it is thus negated methodologically, it nonetheless has to be understood as present in the mode of denial within the concrete concept of capital, understood as determinant of the logically sublated ‘becoming’ of capital at the point of production.

Ultimately, it may be that our differences here flow from those on the scope of logic; my extension of the dialectic beyond the logic of pure forms sets up the real opposition of capital and labour, as opposed to Albritton’s methodological ‘quieting’ of struggle in order to conform with the self-identity of logic. However, a distinction should be drawn between the natural recalcitrance of individual workers to their exploitation, a problem for ‘management’ within the framework of capital itself, and the counter-hegemonic struggle of the class organised as a class. It may well be right to defer treatment of the second topic to a lower level of abstraction than that of the ‘pure theory of capital’; but the former fact of life for capital should be a part of its concept. Certainly, on my scheme, where I turn from the pure logic of the value-form to the ‘mixed’ categories of the production process, the categorial transition from formal to real subsumption is predicated on the need for capital to gain control over labour materially, not just formally. I can accept that real subsumption is not to be situated in the context of class struggle between constituted social agents, it is about overcoming the recalcitrance of skilled workers as individual, but similar, class members. Despite our overall agreement on the need for a ‘pure theory of capital’, Albritton and I have different takes on this issue. Albritton puts it into the stages theory because he interprets it historically in the change from ‘manufacture’ to ‘machinofacture’; but I interpret it systematically as a stage in the perfection of the concept of capital.

Albritton wants to presuppose ‘total reification’ so as to exhibit the dialectic of capital in its purity (which has a warrant in that there is a real tendency to total reification). I would put the case somewhat differently. What is ontologically constitutive of capital is the process (not an originally given, or finally accomplished, state) of reification. The resulting value is reified labour. But to separate the perfected result from the ever-present becoming of value is too formalistic, at least at a ‘Volume I’ level. Once it is understood how capital constitutes itself in opposition to labour, then it is in order to run through ‘Volume II’ and ‘III’ without any further reference to it.
The concept of capital contains an endless virtual referral to the past (original separation of the immediate producers from the means of production), and an endless virtual deferral of the future (continual prevention of the working class from overcoming this separation). Both these vanish in the seemingly self-perpetuating capital relation, a perpetual motion machine that was never wound up and will never wind down. So the ‘becoming’ and ‘superseding’ of capital are suppressed within the bourgeois horizon.

Albritton claims that dialectic cannot have two subjects. The possibility of two subject positions flows from the quasi-autonomy of the ideal reality as it interpenetrates material reality. From the point of view of the inverted reality, the material powers of labour, once expropriated, are capital’s own powers. From the point of view of material reality, resistant to this inversion, the ideal realm is its estrangement; capital is nothing but ‘dead labour’. Hence, there is a basis for a struggle for self-determination. Strictly speaking, Albritton is right; the world is not big enough for capital and labour as two subjects, since each gains self-determination only in suppressing, rather than complementing, the other. Thus, I figure labour as ‘counter-subject’, virtually present, if empirically negated. I think it is in order to have a pure theory of capital in which the ‘counter-subject’ is negated, methodologically on the basis of inherent reificatory tendencies of capital, or in large measure empirically, insofar as capital is epochally hegemonic.

If the main contradiction of capital is between capital and labour, then ‘capital’ appears twice, once as whole and once as part. If subject positions are constituted by this relational totality, then wage-labour as such a subject position is yet negated within the capital relation, hence is in-and-against it as a whole, not just engaged in a partial struggle with the partial capitalist position. The working class is a peculiar, transitory ‘subject’, posited as a general category only by capital as its ‘otherness’. The meaning of the struggle against the totality that defines its being is, then, to liberate individuals from ‘classification’. From another perspective, having recognised that the primacy of the law of value and the primacy of class struggle are irreconcilable principles, it is a practical task to make class struggle primary. I argue in the book that the workers fully exist as a class subject only at the moment of revolution.

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22 Arthur 2004c.
The subject of the dialectic

I agree with Albritton in discriminating levels of analysis, such that capital may be posited at a high level of abstraction as self-subsistent, but not at a lower level. At the level of ‘pure theory’, the subject whose itinerary is traced in the systematic exposition is capital. It is a logical subject lacking consciousness and personality. (These it acquires in its bearers, the capitalists.)

In Hegel, the Absolute is not what executes the dialectic, nor that to which it happens; the Absolute becomes through it, most obviously because the category of subject is itself derived within the logic. Only once the category of subject is posited can it be the motor of dialectic in securing its conditions of existence, as Hegel says at the beginning of the section on Idea. Retrospectively, it can then be seen to have self-abstracted to generate the poverty of ‘Being’ at the start. Just so, capital in effect self-abstracts by throwing commodities on the market without marks of their origin as capital’s own products, as containers of value and surplus-value. In both cases, the subject is just the process of its production, not a distinct result.

Kincaid thinks that, right from the start of my exposition, value has agency. This is not true; only capital has the form of agency; it is this that ensures commodity exchange for money in the right proportions. If I spoke proleptically of value ‘striving’ in the context of the simple value-form as such, I correct myself now; in the earlier parts of my exposition, the transitions flow from a reconstructive effort by me. But the effort to actualise value becomes objectively present with capital. Once that point in the exposition is reached, it is understood that capital reproduces its presuppositions, such as money, earlier discussed.

Kincaid asks whether precapitalist societies in which markets and money operated were haunted by ontological emptiness? My reply is that, there, the value-form lacked a grip on the reality of production and reproduction. Value haunted the imagination but it did not take possession of the ground of social being. That it haunts the imagination very early is attested by the opposition of the Heraclitean ‘flux’ and the Parmenidean ‘One’. Heraclitus said ‘All things exchange for fire and fire for all things, just as goods exchange for money and money for goods’: Parmenides noticed that, given the rule of equivalence, the same substance persists unchanging through the flux.

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23 An unfortunate formulation of mine leads Callinicos to wonder if the ‘subject’ is capital or communism. It is capital; communist revolution does not sublate the contradictions of capital, it destroys their conditions of existence.
Critique

Capital as Idea claims to overcome its others (land and labour) and make itself absolute, having infused these material factors with the spirit of capital, such that it possesses them in a more than legal sense. Thus capital has a claim to be the identical Subject/Object. But, of course, this picture of capital is undermined by interrogation of it, which recovers the repressed others from its deceptive forms (rent and wages). In form, capital claims to assimilate labour to itself, and hence claims to be self-determining. But, although living labour, subsumed by wage-labour, has now become internal to the capital relation, it may yet shake off its determination as servant of capital.

Critique has to be immanent, because it is not so much ideology that mystifies as capital itself. Through its practical abstraction from the reality of production, it obscures its origin in labour and materials. This ‘abstraction’ is as much a move in capital’s self-presentation as it is a structural mediation in its metabolism.

Kincaid makes some pertinent observations about Marx’s difficulty in describing an inverted reality. As he notes, a term Marx employed here, namely Darstellung, has two referents. On the one side, Marx has to find a way of writing Capital so as to adequately present the topsy-turvy world of capital; on the other, this world presents itself as if it were perfectly reasonable to stand on its head. Here, I disagree with Kincaid’s translation of Darstellung as ‘representation’. This may pass for the first sense but not the second. Here the better translation of Darstellung is ‘presentation’ (leaving ‘representation’ for Vorstellung). All English translations are defective in offering ‘embodiment’ as the translation of the term in the context of Marx’s first chapter. Very occasionally, Marx does speak of ‘embodied labour’, but, nearly always, the term is Darstellung. The labour of the worker is Darstellung in the value of the product, that is, ‘presented there’. ‘Representation’ is inadequate here, because it suggests a mere appearance form of something going on elsewhere. But ‘presentation’, I think, avoids this. Value does not just represent abstract labour, it is the mode in which it becomes socially objective, that is, really present. In the same way, money is the mode in which value as universal is presented, not represented as if it already exists somewhere else.

However, Kincaid rightly says the term occurs both in the context of method and in the context of objectivity. For Hegel, the two referents are merged. In his logic, he traces the way the Idea presents itself; he just ‘looks on’ while this happens, he says. In our case, capital has a self-presentation which needs
tracing, but simultaneously interrogating to reveal what capital’s discourse represses. Marx often achieves this by effective use of irony when retelling capital’s story. That the presentation of the commodity-capitalist system should be, at the same time, a critique of it follows from the observation that it is precisely its homology with the forms of Hegel’s logic that shows that it is an inverted reality systematically alienated from its bearers. In its ‘spiritualisation’ of material interchange and practical activity into the movement of pure forms, it incarnates the Hegelian ‘Idea’. Capitalism stands condemned just because it instantiates an idealist logic.

Appendix

The Idea of capital

The relevance of the moments of the Concept, namely Universality, Particularity and Individuality, to industrial capital is shown in Figure 1. But this core Idea requires supplementation (see Figure 2).

Figure 1: The Idea of Capital in General

<table>
<thead>
<tr>
<th>Capital</th>
<th>Reflection into other ⇒</th>
<th>Universality (commonality)</th>
<th>Particularity (difference)</th>
<th>Individuality (systemic unity)</th>
</tr>
</thead>
<tbody>
<tr>
<td>reflection into self ↓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individuality (as singularity)</td>
<td>Cost price and profit</td>
<td>Branches of capital with differing organic compositions (competition, prices of production)</td>
<td>The laws of motion of capital (falling rates of profit, crises, historical destiny)</td>
<td>[cf. Volume 3, 'The Process as a Whole']</td>
</tr>
</tbody>
</table>

(source: Arthur 2002b, p. 49)

24 Arthur 2002a, p. 82. See also Arthur 2000; Arthur 2003b.
The ‘Idea of Capital’ is to be developed in two distinct dimensions, namely, the moments that arise from its development within itself – in Hegelian terms, its \textit{reflection into itself} – on the one hand, and the moments that arise from its development into a system of capitals – in Hegelian terms, its \textit{reflection against itself} into another – on the other hand. In turn, these are reflected into each other, so every ‘box’ in Figure 1 is constituted by their intersection. Although the moments of ‘the Concept’ express themselves in both dimensions just mentioned, this is in subtly different ways. The horizontal movement starts from universality considered as something capitals have in common, their abstract identity with each other, in the terms shown in the first column; thence to a moment of particularisation that allows \textit{for a set of differences} to emerge such that different species or fractions of capital may be developed, as shown in the second column; and individuality here refers to the unification of the different capitals in a system. The vertical movement starts from the universal, in the sense of the comprehensive in which capital is self-related, whether ‘in its concept’ or as total social capital; the movement of particularisation is one in which the core notion of capital becomes further determined through an \textit{inner} movement of self-specification, shown in the second row; and, finally, individuality here asserts the singularity of capital that allows it to be individuated as a capital; at the level of the totality, this individuality makes it a single whole, a self-grounded system.

However, the dialectical presentation of capital as a whole is more complex than Figure 1 shows, because it is necessary also to deal with material at other levels of abstraction, both higher and lower (see Figure 2). At a high level of abstraction, ‘capital’ is figured as the universal determination of the category ‘value’. As the more concrete category, it is the outcome of the dialectic of the value-form and must posit its presuppositions accordingly. (Thus, if the ‘becoming’ of the capital form \textit{presupposes} circulatory moments, capital-that-has-become \textit{determines} the circulation of commodities and money as abstract appearances of its own movement, as necessary to its concept, not merely as presuppositions but as forms of itself.) Yet, as thus determined as a concrete concept, it must have its own determinations, as we see in Figure 1. Moreover, implicit within industrial capital are further specificities, held in suspension, as it were. Brought forth, and presented independently, they yield a more concrete syllogism I call ‘the expanded Idea of capital’. Figure 1 is, therefore, extended higher and lower in Figure 2. While the grounding moment is present in the determinations of industrial capital, the concentrated
identity of capital as self-determining universal lies in financial capital. (Notice that land rent is not included; this is because it is not part of the concept of capital but an external limit upon it.²⁵)

Figure 2: The Idea of Capital in General: its becoming and expansion

![Diagram of the Idea of Capital in General](source: Arthur 2002b, p. 61)

References


Arthur, Christopher J. 2003b, ‘The Hegel-Marx Connection’ and ‘Once More on the

²⁵ See Arthur (forthcoming).


Arthur, Christopher J. (forthcoming), ‘The Inner Totality of Capitalism’, *Historical Materialism*.


Intervention

Sean Creaven

On Marxism and Realism

Introduction

I am grateful to Branwen Gruffydd Jones, for taking the pains to review Marxism and Realism for this journal, and for her many kind words of encouragement. She is to be commended for presenting an accessible and often informed description of the chief themes and divisions of the work. However, despite these advantages, I have to say, I find her review problematic in three ways. First, I think Gruffydd Jones takes insufficient space to evaluate the subject-matter of the book, before going on to develop in rather greater detail what she sees as its shortcomings. This makes for a rather unbalanced treatment, where review is subordinated to critique, and where review is descriptively rather than analytically adequate.1 Second, I believe that Gruffydd Jones is overly preoccupied with what she sees as the stylistic defects of my work, and this leads her to somewhat overstate

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1 This is rather paradoxical, because Gruffydd Jones herself (2004, p. 349) describes the overall book as ‘excellent’, and she describes her own critical responses as referring only to ‘minor points’.
her case. Third, I would say that Gruffydd Jones’s critical commentary on some of the central concepts of the book often misinterprets my argument and is also theoretically flawed in crucial ways. This rejoinder will set out what *Marxism and Realism* is about, and will seek to address the key aspects of Gruffydd Jones’s critique.

**Stylistic and expressive problems?**

Gruffydd Jones’s claims that my ‘mode of expression verges on [being] dismissive, complacent and at times sarcastic’ when discussing the perspectives and arguments of opponents. In support of this assertion, she offers a smattering of polemical fragments hefted out of the textual passages of which they are a part. I will admit my style of critique is sometimes combative, perhaps, on occasions, over-combative. However, as the reviewer concedes, my critique develops different strands of argument meticulously, proceeding rigorously step by step through successive points and potential counter-arguments and elaborating detailed critiques of contending perspectives.

But, if that is the case, my critique can hardly be guilty of a lack of serious engagement with different views, which is what being ‘dismissive’ means.

In my defence, I would point out that my sharper polemical asides are directed at exponents of cultural reductionism and biological determinism (in their various guises). This seems to me to be especially justifiable. Archer rightly points out that social constructionism has become the new ‘superpower’ in the social sciences. And, of course, outside university social-science departments, neural reductionism in its various forms is a far more pervasive and dangerous ‘superpower’ than cultural reductionism could ever be. Now, when confronting ‘superpowers’, polemical criticism has an important role to play, because it can sometimes bring into focus more sharply the weakness of positions that are so entrenched by tradition and vested interests that their allegiants have lost sight of the wood for the trees.

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5 Ibid.
6 Ibid.
7 Archer 2003, p. 151.
In *Marxism and Realism*, a text obviously concerned with clarifying theoretical concepts in sociology, I particularly wanted to take issue with ‘sociological imperialism’. This is the term Archer and myself deploy to designate the various forms of social constructionism. It is intended not as name-calling but as descriptively adequate. The purpose of sociological imperialism is to demonstrate that we are simply bearers of social relations or social roles or social practices, or that we are simply and straightforwardly ‘actors’ following ‘scripts’ handed down from our culture, or that we are ‘indeterminate material’ until society renders us meaningful subjects and agents through its ‘discourse’ or ‘symbols’ or ‘practices’.8 This influential approach has been an unmitigated disaster, because it denies human agents their personal emergent properties to construct their own personal identities and their social relations, instead transferring these causal powers to society. The result is an over-socialised agent and over-social self who is indistinguishable from social relations.

Sociological imperialism is not simply false, but it is also contrary to the everyday experience of persons living in society. We know ourselves to be authors of our own projects and to exercise first-person authority over our own reflexive deliberations.9 Not even postmodernists decline to accept personal authorship of their own texts. But, although sociological imperialists wish to deny this, other sociologists and academics, not to mention practically every person you will meet outside academia, simply do not. So I make no apology for my repeated references to what ‘every sensible person knows’, and so forth. The result of sociology’s failure to break with cultural imperialism (whether of an upward or central conflationist hue) is that it does indeed fail to impress anyone outside its own ‘charmed circle’. As a consequence, sociology has failed politically as well as theoretically, because it has denied itself the intellectual resources to combat effectively its nemesis – biologism. Biologism, not sociological imperialism, stalks the land outside the ‘charmed circle’, and its political consequences are horrific. For example, sociobiological accounts of human behaviour are influential in government-sponsored scientific programmes in the US designed to reveal the ‘inappropriate’ genes responsible for various social and medical problems.10

But, if intellectuals are to offer alternative explanations of human behaviour that can achieve a measure of popular legitimacy beyond university sociology

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9 See Archer 2003.
departments, they will have to do better than resort to the monumentally implausible antihumanism practised routinely by the social constructionists. That is one good reason for endorsing social realism. Social realism is important because it is committed to developing a non-reductionist account of how the distinct levels of social reality (biological, personal, agential and structural) are integrated in a way that does not simply collapse into descriptive pluralism. In other words, social realism can provide theoretical resources to those who cannot be impressed by the either/or positions represented by the hoary old nature-nurture debate.

But Gruffydd Jones also claims that my ‘dismissive’ and ‘complacent’ methods of debate can only act to discourage those who are not already ‘converted’ to realism and Marxism.11 This is unconvincing. I do not doubt that committed social constructionists would have no truck with the arguments I deploy, but this book is (rightly) not aimed at them. Social constructionists are long acquainted with the opposed arguments of opposed schools of critical social thought, and their own reductionist positions have been clarified by means of engaging in usually caricatured representations of the arguments of opponents. So I do not aim to ‘convert’ the committed postmodernist, because this would be a waste of my time and theirs. But there are an awful lot of academics and students in the social sciences who are deeply dissatisfied with sociological imperialism. My book does aim to speak to them.

There is one final strand to Gruffydd Jones’s quibble concerning my style of critique, which needs to be dealt with. Gruffydd Jones takes me to task for simply taking issue with erroneous concepts in society rather than explaining them sociologically.12 But I do not explain the prevalence of postmodernist-type ideas in terms of people’s stupidity or naïveté (as she contends). In fact, I offer no explanation at all for sociology’s infatuation with social constructionism. I recognise that an appropriate task of social analysis is to explain the origin of postmodernist-type ideas. Luckily, however, that task has already been accomplished, and is in no urgent need of any further contribution from me.13

As for the cultural basis of sociological imperialism more generally, it is going a tad far to describe the contagion as affecting anyone outside a certain influential faction within sociology university departments. So, I rather suspect

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an explanation in terms of academic vested interests (that is, a combination of the undemanding yet sociologically radical nature of the ideas, the drive to establish the scientific autonomy of the subject-matter of sociology from the other human sciences, and the justifiable horror of neural reductionism) will suffice. In any case, since my book was concerned with clarifying the concepts of critical-realist Marxism, and demonstrating their conceptual superiority to theories derived from non-realist and anti-Marxist schools of thought, it was simply outside my remit to provide a sociological account of academic error.

**Human nature and sociohistorical explanation**

I have already said more than enough about those aspects of Gruffydd Jones’s critique regarding style and presentation. It is now time to address more substantive issues. The chief problem with my theoretical approach, argues Gruffydd Jones, is that it is not consistent with my stated aim of developing a critical-realist understanding of historical materialism. In particular, my elaboration of a stratified concept of persons, which draws out an analytical distinction between ‘species-being’ and ‘social being’, is deemed problematic because it is ‘a-historical’.\(^{14}\) This, suggests Gruffydd Jones, contradicts central methodological principles of historical materialism [because, for Marx,] patterns of behaviour will always be historically specific, according to the prevailing social relations.\(^{15}\)

But Gruffydd Jones’s position here seems similar to the sociological imperialism my book is concerned to combat. Note, for her, everything meaningful about human agents and their social and cultural relations, must be explained only ‘with reference to the particular nature of historically specific social relations prevailing in that context’.\(^{16}\) Our attributes as a species are dismissed as ‘unhistorical’, whereas our socially and culturally prescribed practices are seen as historically rooted. This is despite the fact that modern *homo sapiens* are also a product of history, albeit evolutionary history mediated by collaborative labour. Marx’s approach is altogether more complex and interesting. Marx’s critique of capitalism makes the point that human beings

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\(^{15}\) Gruffydd Jones 2004, p. 350.
\(^{16}\) Gruffydd Jones 2004, p. 351.
are alienated from their social being (because workers are confronted by social relations which force them into confrontation with the objects of their own labour) and from their species-being (because private property and the competitive marketplace negates their sociality and restricts their human ‘free-flourishing’ in a variety of different ways). 17 In Marxism and Realism, I offer a number of detailed arguments showing why a ‘strong conception’ of human nature is necessary to ethically and politically under-labour the Marxian emancipatory project. 18 And I try to demonstrate that mine, (and Marx’s) concept of human nature as a structure of capacities, needs, interests and dispositions irreducible to the imprint of specific sets of social relations is transcendentally necessary to account for the possibility of society, class struggle and social change. 19

Gruffydd Jones admits that Marx ‘does not deny a common human nature’. 20 But she then goes awry by concluding that, because ‘the common attributes of humanity are only ever manifest in historically specific forms’, 21 this means that the causal powers of human beings as a ‘natural kind’ do not impinge upon their social relations. By contrast, realist social science is concerned with articulating a stratified conception of social reality. An emergentist social ontology attributes emergent causal powers and relational properties to each of its constitutive strata (human organisms, subjects, agents, actors, social practices and social structures). Because realist social theory is for emergentism, it is against reductionism in all its forms, whether cultural or biological. But, since anti-reductionism is a serious endeavour of realist social theory, the sociologist has to take seriously the possibility that the emergent properties of human biology (as these have been forged by selective mechanisms), and of human practical relations and interactions with nature, mediate social and cultural relations and practices. Instead, the characteristic move of sociological imperialism is to simply issue the grand decree that historically specific sociocultural relations mediate our biological and natural-environmental bases, but to rule out as foul play any meaningful process of mediation or conditioning running the other way.

This is the theoretical one-sidedness my argument of Marxism and Realism seeks to avoid. In doing so, I have sought to integrate the concepts, theories

17 Creaven 2000, p. 88.
21 Ibid.
and research findings of a number of scientific disciplines outside sociology, bringing them to bear on debates in the social sciences, at the same time interrogating these concepts and theories in the light of concepts and theories drawn from sociology and cultural anthropology, including and especially Marxism. Contrary to Gruffydd Jones, my account of society does not simply pit one version of ‘naturalistic humanity’ against another. Rather, my account outlines a stratified model of individuals as organisms, subjects, actors and agents, and as the bearers of a complex articulation of irreducible generative mechanisms derived from our biology, the specificity of our irreducibly personal and organically mediated practical exchanges with the object-world, and from the historically specific sociocultural relations we enter into involuntarily at birth or during our life-cycle. Again, the point is conceded by Gruffydd Jones:

Creaven defends a notion of a core, common set of attributes, powers and tendencies which all humans have as part of their species being [as well as] ephemeral cultural traits and behavioural forms which are the social being produced by historically specific social relations.23

**Philosophy and socialism**

But, having misinterpreted my position and put forward a reductionist account of the human being as exhausted by historical sociocultural reality, Gruffydd Jones then commits me to the position that socialism can be theoretically justified only with resort to arguments derived from a philosophical anthropology of human nature:

Creaven’s argument about human nature suggests a mistaken defence of socialism and communism. A historical-materialist argument for communism is based on the objective fact of human beings’ simultaneous and common dependence on each other, through objective social relations, and on nature. [But] given humanity’s common dependence on nature, the freedom of each will be enhanced only by both increased control over nature (development of the forces of production) and increased collective social control over the resulting augmented social powers. This historical-materialist argument for

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a different, socialist organisation of society is not derived from a theory of human nature as inherently, genetically predisposed towards communality and egalitarianism.24

Yes, a good argument can be made for a socialist organisation of society on these grounds. But, why does this automatically render a naturalistic concept of our human needs, interests and capacities a non-starter? Why is the matter posed as a question of ‘either-or’ – either socialism is necessary because it will allow human beings the optimal degree of control over nature and social relations, or socialism is ethically and politically optimal because it better allows our essential species needs and capacities to flourish freely? The answer is that, for Gruffydd Jones, a sociological defence of socialism somehow invalidates a philosophical defence of socialism rooted in humanism. So, she accuses me (in common with Bhaskar) of ‘spending too much time elaborating at the level of philosophical or social-theoretical under-labouring’.25 But, the point of my project is to synthesise sociological, philosophical and other perspectives within an internally coherent though differentiated conceptual whole (a dialectical unity-in-difference).

This, obviously, precludes subordinating philosophy to sociology (as Gruffydd Jones does) or vice versa (as Gruffydd Jones accuses me of doing).

**Modes of production and class struggle**

Gruffydd Jones’s next strand of critique centres on the inadequacies (as she sees them) of my substantive account of transformative social change:

Creaven makes a detailed argument that the dynamic of historical change results from the contradiction between the forces and relations of production, and that at certain stages when further development of the forces of production is fettered by the prevailing relations of production, social struggle will arise to overthrow and transform social relations.26

Gruffydd Jones finds this account over-generalised, naïve and ‘simplistic’.27 However, her compressed treatment of my argument gives the impression that my book outlines a thoroughly fatalistic conception of historical materialism.

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Such an interpretation cuts against my detailed critique of economic-technological determinism and defence of a looser realist concept of structural conditioning conceived as constraints, enablements and impulses mediating human agency (and as mediated by agential projects). But, when Gruffydd Jones attempts to substantiate her charge that my account of historical materialism is ‘simplistically optimistic’, the best evidence she can come up with is a passage where I argue that

relations of production always invest in the agents of subordinate classes
not only vested interests in developing the productive forces beyond the existing economic organization of society, but also the ‘structural capacities to do so’ [so that] there are powerful and objectively determined factors working in favour of the overturning of existing relations of production these have themselves . . . engendered.

This passage does not establish Gruffydd Jones’s point. Following Molyneux, I specify these ‘objective tendencies’ of capitalist relations of production that provide a ‘directional impulse’ towards socialism as: (i) the vast numerical superiority of the proletariat over the capitalist elite; (ii) its growing strategic concentration in towns and cities (and, I might add, increasingly in rural areas as well); (iii) the fact that the capitalist class is parasitic on the working class but that the working class has the objective potential to become universal humanity; and (iv) the simple reality that although the class struggle between capital and labour must continue so long as capitalism persists, only the labouring classes have the capacity to decisively settle the class war between them.

This is not a statement of the inevitability of socialism. I do not argue that when

forces of production [are] fettered by the prevailing relations of production,
social struggle will [author’s emphasis] arise to overthrow and transform social relations,

as Gruffydd Jones says. Even in the passage of my work that Gruffydd Jones cites in support of her interpretation, I offer a telling disconfirmation, since I clearly state (again, following Molyneux) that the ‘outcome of the struggle

30 Molyneux 1995, p. 64.
between the classes’ is decided during ‘critical periods’ where ‘the balance of power between them is virtually even’.32 So, my position is exactly what I say it is: a specification of those structural properties of the capitalist mode that generate both objective enablements and impulses towards a socialist re-organisation of production relations.

These structural emergents are real. If they did not exist, Marxian social science (the theory of proletarian revolution) would be a non-starter, and historical materialism (the theory of the interface between modes of production and class struggles) would be ruled out of court. Nor do I deny that there are objective structural constraints as well as enablements on the achievement of socialism. On the contrary, I identify these as the institutional and ideological capacities of the state and of the business élite, and, in my discussion of corporate and primary agency, I devote some space to analysing the difficult-to-achieve alignment of objective and subjective factors that are necessary to achieve progressive reform and revolutionary transformation of social relations.33

**Eurocentrism**

But, Gruffydd Jones’s substantial quarrel with my interpretation of historical materialism is also that it ‘exhibits a problematic sense of world history’ inasmuch as

> the characterisation of ‘working classes’ is remarkably Eurocentric, implying a simplistic stereotype of a classical urban industrial proletariat which pays no attention to the huge variety of social conditions and forms characterised by the workers of the world in the twenty-first century. . . . [This analysis] of the ‘working class’ . . . fails to address the historical specificity of different societies and social contexts, and the very different material, cultural and political conditions of the ‘subordinate classes’ around the world today.34

I find this aspect of Gruffydd Jones’s critique especially problematic. My theoretical understanding of the proletariat is based on Marx. The Marxian concept of the ‘proletariat’ is intended to designate those workers who either do not possess productive property or who possess insufficient productive

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property to make a sufficient independent living, and who are, therefore, forced into greater-or-lesser economic dependence on the employing classes within a competitive system of commodity production. In other words, for Marx, proletarians are wage-labourers, who are compelled to alienate their labour-power in the marketplace. Marx does not identify the working class simply with ‘productive workers’ (that is, workers who produce surplus-value for the capitalists). In fact, he recognises that the working class is also comprised of ‘unproductive workers’ (that is, workers who do not produce commodities, but who are nonetheless subject indirectly to the law of value, in the sense that they are paid wages determined not by the value of the work they do but by the budgetary exigencies imposed on their capitalist employers by the marketplace). This understanding of class draws our attention away from superficial phenomenal forms of class relations (such as income, lifestyle, and forms of work – such as the distinction between ‘industrial’ and ‘service’ or between ‘rural’ and ‘urban’ employment) and addresses structural relations of exploitation and domination.

I cannot accept that this theory of class (which I explicitly define and endorse in my book) has anything in common with ‘Eurocentrism’. The crucial point about this concept of the proletariat is that it encompasses not only ‘industrial workers’ in the West, but also industrial workers throughout the global marketplace. Moreover, it is relevant not only to ‘blue-collar’ workers, but also service workers and growing numbers of domestic and agricultural workers. These are all proletarians (irrespective of their geocultural locales), because being either partially or totally dependent on wage-labour, they are all subject to the rule of capital, whether directly (‘productive’ workers) or indirectly (‘unproductive’ workers). All proletarians share a common situation of class exploitation, because they are subject to capitalist relations of production, even if local sociocultural variations mediate this experience in different ways.

Now, this proletariat is rapidly becoming the universal class of modernity:

When Marx was writing, the ‘classical’ industrial proletariat was scarcely developed. . . . But, in the 150 years or so since Marx’s death, the size of the proletariat has massively and rapidly expanded (absolutely and relative to other class groupings), in both the westernised ‘core’ and semi-industrialised ‘periphery’ of the world economy. . . . Taken together, proletarians and their

dependents now constitute somewhere between 1.5 and 2 billion of the global population. If one adds to the total those semi-proletarians who engage in wage-work as well as subsistence production, the total is somewhere in the region of 3.5–4 billion, or between 40–50 percent of the world’s population.\textsuperscript{37}

Moreover, the development of this global proletariat is closely bound up with processes of urbanisation on a global scale:

According to the Human Development Report of 1998, between 1970 and 1995 the proportion of the global population living in towns rose from 37 percent to 45 percent (from 25–37 percent in all developing countries and from 13–23 percent in the least developed countries). The report estimates that 49 percent of the population of developing societies and 55 percent of the population of the whole world will be urbanised by 2015. The impetus for urbanisation, of course, is the relentless expansion of the productive forces and marketplace under capitalism, which is pulling millions of rural peasants into waged employment (in both service and manufacturing industries) in the towns and cities.\textsuperscript{38}

So, my reference to a globalising urban proletariat is not a Eurocentric projection on the world economy. On the contrary, the new century is likely to confirm Marx’s prediction that the proletariat will become the majority class, and one increasingly strategically situated in towns and cities. Certainly, Marx’s proletariat will continue to be the fastest growing class of late modernity, and this will remain the case until the demise of capitalism.

Now, Gruffydd Jones is quite right to point out that my account of class relations does not address the specific cultural and material circumstances of different groups of proletarians at different spatial locales, within the contemporary world order. But, of course, I do not. This was not the task of this particular book, any more than the task of Marx’s \textit{Capital} was to inform readers of the empirical features of British capitalist society in the mid-nineteenth century, or the task of Bhaskar’s social ontology (the TMSA) was about telling us, empirically, about the interplay between agents and structures in, say, modern Indonesia.

Marx’s \textit{Capital} was about elaborating concepts that allowed the analyst to identify the defining social relations and attendant generative mechanisms of the capitalist mode of production. The tendency of the rate of profit to fall,

\textsuperscript{37} Creaven 2003, pp. 9–10.
\textsuperscript{38} Creaven 2003, p. 10.
for example, was a tendential law of capitalism, which Marx identified by means of his abstract conceptual analysis of value and surplus-value, which were relations or structures internal-and-necessary to the capitalist mode of production. Marx would not have denied that contingent events at different spatial locales of the capitalist order might function to facilitate or offset the structural dynamics of the system. But his project was to discover the faultlines that were intrinsic to the system, and thus solvable only through structural transformation of capitalism into a socialist mode of production. Therefore, descriptive sociology (sensitive to local context) played no significant analytical function in his work.

The same is true of my own work, though obviously in a lesser key. My book is not a work of empirical sociology, focused on a specific set of problems to be found within a specific national or cultural or historical context of modernity. Rather, my book attempts to operate at a different level of analysis. Specifically, it is an attempt to clarify the basic concepts of historical materialism, drawing on conceptual tools drawn from the realist philosophy of social science. I wanted to establish those generative mechanisms that are internal-and-necessary to different modes of production, including the capitalist mode of production. And I wanted to investigate how the internal structural contradictions of modes of production allow us to speak meaningfully of the objective possibility, even structurally-conditioned probability, of human emancipation. This is a project that can be used to illuminate a multitude of local processes, and which can and should be empirically informed by processes at the local level, but it is not one that can be reduced to them. The rich variety of cultural, political and material factors that exist at different points of the global system are not relations or structures internal-and-necessary to the capitalist mode of production, but are contingent factors which interact with capitalism in a complex but external way.39

39 There is an additional dimension to Gruffydd Jones’s charge of Eurocentrism (Gruffydd Jones 2004, p. 354), which I will discuss briefly. She contends that my brief reference to the ‘tributary mode of production’ (Creaven 2000, p. 159) is Eurocentric, by virtue of making the point that societies that can be categorised as comprised of the tributary mode tended to be less economically dynamic than those societies characterised by the feudal mode.

I am surprised that Gruffydd Jones can detect in this single compressed passage a ‘discussion’ of the tributary mode. There is no discussion, merely a few lines devoted to illustrating my theoretical model of the interface between corporate and primary agency. Prior to editing, there was a full discussion of the tributary mode in a different context, which would have better illustrated my meaning, and I can see on reflection there was little value in leaving this particular isolated passage in the text (because
Historical pessimism

I have already dealt with the substance of Gruffydd Jones’s charge of historical fatalism or over-optimism, but it is necessary to add something more. Gruffydd Jones writes:

[T]o express such optimism [about the prospects for human emancipation] in such simplistic terms today displays an incredible lack of engagement in the actual history of the last hundred years, and of the conditions of global capitalism in the current conjuncture. . . . [A]fter a century characterised by the rise and defeat and destruction, all around the world, of revolutionary movements, social scientists on the Left cannot simply sit back and talk about the ‘probability’ and ‘directional impulse’ of the contradiction between forces and relations of production, and the necessary impulse of subordinate classes to struggle to meet their needs, leading to the eventual victory of the proletariat and the establishment of socialism.40

But, that is not my argument. I argue that structural conditioning works only through the mediation of agential projects, meaning that, for me, there can be no question of agents ‘lying back and thinking of socialism’. Nobody would infer from the fact that the capitalist mode of production contains internal pressures that threaten its downfall (by virtue of its structural contradictions and dynamic) that this, somehow, means this will come to pass by simply talking or writing about it. Utopias have to be constructed, but

question-begging). Nonetheless, Gruffydd Jones imposes a specific interpretation on my comments, which is not straightforwardly supported by the text. Again, in referring to my ‘inexcusable’ ignorance of ‘the histories of “other” peoples’, and accusing me of subscribing to the myth of ‘stagnant’ Eastern societies, she confuses levels of analysis. This interpretation is contradicted on the same page where I say that ‘morphostatic [that is, stagnant] social systems . . . exist only in the imagination’ (Creaven 2000, p. 159), and again later (Creaven 2000, p. 219) where I am dismissive (albeit obliquely) of the notion of stagnant ‘Oriental despotism’.

The purpose of my aside was not to illuminate the empirical forms or detailed histories of specific societies, but to discuss the kinds of structural properties of modes of production that would facilitate or fetter the development of material production beyond a certain point, and the kinds of structural transformations that were possible to achieve. There is, after all, a perfectly respectable tradition of historical sociology that has attributed the ‘failure’ of capitalist development to occur in the Orient, prior its development in Europe, to structural rather than ideational or psychological factors. This is not Eurocentric, since structural properties are the involuntary and in large measure unintended contexts of agency, and it is recognised that economically, technologically and culturally, the great civilisations of China and Islam and the Indus were quite compatible with capitalist development, and indeed were to the forefront of global development right up to late-medieval period.

agents also have to believe that they can transform social relations, and structures have to invest in class agents the institutional capabilities to transform social relations, if class struggle is to stand any kind of chance in ushering in socialism. Subordinate agents in class relations will always struggle against constraining ills, and since they do possess structural capacities that can be used as weapons in the class struggle, it is simply unhistorical pessimism to extrapolate from past defeats an endless cycle of defeat into all possible futures.

The historical pessimism of the reviewer seems out-of-place in the current historical period. Notably, Gruffydd Jones chooses to dwell only on the past defeats of the socialist and labour movements, and on the subordinate status of subordinate class agents in the ‘conditions’ of contemporary capitalism. For her, ‘optimism’ is the enemy and a theoretically-informed historical optimism will only discourage people from endorsing Marxism.41 She can find no value in positively asserting the reasons why Marx regarded the proletariat as possessing the capacities for its own (and hence humanity’s) self-emancipation. Yet the labour movement has achieved important victories as well as suffering crushing defeats over the past century. Social democracy and welfare-state politics are among its great historical achievements to date in the West and beyond, and these have proven enduring. At the start of the last century, the working class even briefly held onto the reins of state power in one European country and threatened the life of European capitalism. There have been revolutionary near-successes throughout the last century.

This century will also be a century not only of war and crises and reaction but also of revolution and revolutionary opportunities. Stalinism is gone, and with it one of the most damaging arguments against socialism. Global capitalism is now less stable than at any time since the 1930s. Today, there are distinct signs of a revival of class consciousness and class militancy in the westernised heartlands of the system, and generalising class resistance to globalising capitalism has been on the increase since the 1990s across the developing world. There are also unmistakable signs of the development of a new anticapitalist and anti-imperialist popular consensus and attendant mass movements across the world, which has recently crystallised around issues posed by the World Trade Organisation, Third-World debt, and the new ‘pre-emptive imperialism’ unleashed upon impoverished peoples by US

41 Ibid.
capitalism and its allies. These struggles and movements may be defeated, and reaction cancel out their aspirations (just as it did with the triumph of fascism and Stalinism at ‘midnight’ in the last century), but, others will take their place, and the struggle will go on until capitalism is defeated or consumes the planet.

Conclusion

Despite offering a generally positive evaluation of *Marxism and Realism*, Gruffydd Jones’s review is, I think, crucially flawed. This is because: (i) it does not devote enough attention to clarifying and engaging critically with the main themes and concepts of the book; (ii) is excessively pre-occupied with peripheral matters of style; (iii) makes some fundamental errors of interpretation; and (iv) misapplies its critical responses, partly as a result of its own theoretical flaws. By way of a conclusion, then, I would like to restate the key agendas of *Marxism and Realism*.

Overall, the purpose of the book is to clarify the relationship between critical realism and Marxian dialectical materialism, in order to develop a coherent theory of the relationship between human agency, social interaction and structural properties in social systems. To these ends, I have tried to show how critical realism can enrich Marxism and vice versa, thus establishing a new synthesis, ‘emergentist materialism’. My argument is that emergentist materialism, as social theory, makes defensible the central claims of Marxism in anthropology and sociology: the explanation of human beings, human consciousness and sociocultural relations in terms of the historical interface between the ‘structural’ and ‘agential’ dimensions of modes of production.

My book is a detailed elaboration of this thesis. Its first task is to demonstrate how the distinct levels of social reality – organisms, subjects, social practices and social structures – are causally interrelated in ‘emergentist’ Marxism. My argument here is divided into four main sections. First, I demonstrate how Marx’s theory of species-being provides a simultaneously naturalistic and sociological account of individuals as intentional systems and the most basic explanation of social order and social transformations. My argument is that social structure presupposes properties of self anterior to social being, whereas social dynamics presupposes objective species interests that ground the social

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42 See Creaven 2003, for a discussion of how these developments support Roy Bhaskar’s dialectic of universalising freedom, under-girded by Marx’s theory of history.
struggles of agents to transform their social conditions. Second, I demonstrate how this ‘micro’ level of organismic and subjective strata of human-being-in-nature gives rise to the ‘emergent’ level of social practices (‘the interaction order’), which is simultaneously over-determined by the ‘macro-’ level of structural social relations. Here, I argue that this ‘interaction order’ links agents and their organismic and subjective properties with the structural properties of social systems. This works by theorising human agents as the bearers of a complex articulation of human and social interests (forged in the interface between organismic and structural mechanisms) and the efficacy of interest-explanation in accounting for system statics and dynamics.

Third, I demonstrate how the involuntary placement of agents in emergent sociocultural relations furnishes them with rational motives (the defence or improvement of life-chances) for acting in accordance with their objective (human and social) interests. My argument is that structural conditioning, which I define as the dynamic interplay between involuntary placement, vested interests and opportunity costs attached to different social practices, provides rational agents with ‘good reasons’ for acting in accordance with their ‘situational logics’ in social relations.

Finally, I demonstrate how the ‘situational logics’ and attendant vested interests determined by the positioning of agents in relations of production have primacy in exercising directional guidance over their political consciousness and agency. Hence, the ‘history of all hitherto existing society’ is, first and foremost, ‘the history of class struggle’, by virtue of the fact that the mode of production constitutes the fundamental axis of social inequality, and, so, the primary source of social and system malintegration in most historical social systems.

This, I contend, leaves us with as much of Marx’s social theory as is reasonable to expect: a defensible historical-materialist account of the dynamic structuring and restructuring of social systems.

References


Review Articles

Marx, L’État et la politique
ANTOINE ARTOUS
Paris: Syllepse, 1999

Reviewed by BOB JESSOP

Artous’s detailed and meticulous book seeks to test the common arguments that Marx either failed to develop a coherent account of the state and politics and/or laid the theoretical foundations for the rise of totalitarianism. Some claim that his work was incomplete, inconsistent, and lacked explanatory power; others, that he could not explain the autonomy of the political and political class struggle but dissolved them into the economic or, at least, the social; yet others, that his ideas about the end of (class) politics, the dictatorship of the proletariat, and the eventual withering away of the state created the space for a totalitarian political régime. In contrast, Artous sides with those that regard the early Marx as a convincing thinker of the autonomy of the political and as a passionate advocate of the democratic self-institution of the social against the bureaucratic formalism of the modern state; with those that regard the later Marx as a rigorous investigator of bourgeois law, the capitalist state, and their respective roles in the expanded reproduction of capitalism; with those that praise Marx’s analyses of the specificity and effectivity of different political régimes and political class struggles; and with those that regard Marx as a consistent supporter of democratic self-government and the self-constitution of the people. In exploring these issues and debates, Artous has three main objectives: first, to provide a critical exegesis of Marx’s work on the forms of the modern state, law, and political representation, their impact on the nature and dynamics of political struggle, and the prospects for a democratic order that transcends bourgeois liberal democracy; second, to comment on and refute various other interpretations of Marx’s work, primarily those of other Francophone Marxists and social scientists but also of other leading scholars, such as Max Weber, György Lukács, Ernest Mandel, and Jürgen Habermas, whose work has been translated into French; and, third, to outline his own suggestions on the form and functions of the modern state as derived logically from capitalist relations of production. While Artous achieves the first and second aims relatively successfully, he falls seriously short on the third aim, when his arguments are compared...
to alternative attempts to complete Marx’s theory of the capitalist state, for reasons to be explored below.

Artous’s book is divided into four parts. Part I explores Marx’s early work on the specificity of the modern state based on the Critique of Hegel’s Philosophy of Right, the Introduction to this critique, On the Jewish Question, and various comments in the Paris Manuscripts, The German Ideology, and The Communist Manifesto. Part II explores Marx’s and Engels’s discussion of the legal form as an expression of the capitalist mode of production and also offers a critique of Pashukanis’s overall method of analysis and his account of private and public law. Part III focuses on the analyses offered by Marx and Engels on political conjunctures, political régimes and régime change, the diversity of national trajectories in state formation and the resulting constraints on alternative political strategies, and the problems involved in securing bourgeois political hegemony. And Part IV deals with the dictatorship of the proletariat and the withering away of the state, focusing on the Paris Commune and issues of political strategy in parliamentary-democratic states. It discusses more general problems of the social economy and human emancipation. Artous concludes with comments on the democratic self-organisation of society as the appropriate route to transcending the capitalist form of state and politics.

Part I provides a painstaking and sometimes repetitive dissection of the nuances of language and argument in Marx’s critique of Hegel’s Philosophy of Right and his own reflections on the modern bureaucratic state. Artous argues that the separation of state and ‘civil-bourgeois’ society is at the centre of this and other texts of the early Marx and that Marx’s starting point is not classical liberalism, with its limited role for the state as guarantor of individual property and personal liberty, but, rather, Hegel’s view of the state as a universal concrete able to resolve the contradictions of an egoistic civil society. Marx sees Hegel as an advocate of a representative monarchy rather than a theorist of Prussian reaction, but he also criticises Hegel’s mystifying treatment of the state on the grounds that it is an abstract term and that only the people is concrete. Yet Marx also finds heuristic value in Hegel’s analysis. In particular, his critique of Hegel leads him to conclude that: (a) the modern form of political representation is based on the re-organisation of the ‘social body’, such that individuals are no longer differentiated in terms of a particular status hierarchy but in terms of their enjoyment of formally free and equal individual citizenship; and (b) the state apparatus is structured through a modern bureaucracy (having its own distinctive hierarchy of knowledge), with the positions in this hierarchy filled on the basis of competence and its legitimation based on constitutional accountability. Artous draws a double parallel here between the formal freedom of échangistes (subjects of exchange relations) in the capitalist labour market and the factory despotism (with its hierarchical division of labour) found within the capitalist enterprise; and he insists on the importance of both moments of the political as well as the economic. He then suggests, not entirely
clearly, that the state’s role is to guarantee movement between these two forms of economic and political freedom and their respective divisions of labour, organised intelligence, and bureaucratic competence. And he further suggests that these observations on citizenship and bureaucracy can guide the logical derivation of the relations characteristic of the modern state from capitalist relations of production. But Artous is also scrupulous enough to note that Marx himself did not make these connections in his early work on the modern state and only later (for example, in Capital) noted that the social relations of capitalist production have two faces: exploitation and sovereignty and dependence. He also emphasises that this homology does not mean that the modern society is governed as if it were an enterprise, or that the figure of the modern citizen is an inverted image of the direct producer in the factory.

Returning to Marx’s own critique of Hegel, Artous notes that he underlines how the modern state structures civil society through a process of abstraction. In separating itself from civil society, it enables civil society to constitute itself into political society and to establish the division between bourgeois and citizen through the operation of universal law. This double process of abstraction is not just a reflex of civil society, an inversion or illusion, but has real effects. Thus, Marx does not see political representation in terms of the problem of the best institutional design to ensure that a delegate represents the interests of all the citizens she represents but, rather, as the basic form in and through which the modern political state is instituted by civil-bourgeois society and the latter organises access to political power. In this sense, the institution of the vote (the right to vote, the right to stand for election) provides access to an illusory egalitarian materiality in the political realm. This poses issues concerning both the form and content of modern politics and their dialectic. In formal terms, deputies are supposed to represent their constituents; materially, of course, deputies represent their own particular interests. Thus, the representative state cannot secure democracy – this requires the abolition of the separation between state and civil society. This critique is developed further in On the Jewish Question. For, whereas the critique of Hegel’s Philosophy of Right focuses on the contradiction between state and civil society, Marx’s critique of Bruno Bauer focuses on the conflict between citizen and man – between the struggles for political emancipation and human emancipation. In this sense, whereas Marx’s comments on Philosophy of Right develop a critique of constitutional monarchy, his comments in On the Jewish Question criticise representative democracy more generally. This much is, of course, familiar. But Artous takes the argument further by considering the other face of the modern state, namely, the nature of modern bureaucracy as a hierarchy of knowledge and competence to which access is gained through open competition (through examination) and in which one’s eventual position within the bureaucratic hierarchy depends on one’s expertise. However, while Artous acknowledges the transparent contradiction in the form and content of political representation, he is less clear on the nature and transparency of the contradiction in
bureaucratic administration. Reading between the lines, this contradiction could involve the state’s quintessential but opaque role in reproducing the mental-manual division of labour and/or the eventual subordination of formally rational administration to the substantive demands of capitalist reproduction. But he does note that, as Marx moves on to examine the political role of the proletariat, the question of democracy becomes one of the political emancipation of the proletariat as the bearer of communism, rather than the emancipation of abstract man or man in general. Thus, by the time that he and Engels penned the *Communist Manifesto*, democracy has become a synonym for the proletarian overthrow of bourgeois political domination.

Artous’s analysis is interspersed with many incidental comments and criticisms of alternative readings of the young Marx. These are generally well-taken and enable him to present a nuanced analysis of different dimensions of the early critique of the modern state, its abstraction from civil society, the radical rupture with earlier forms of political organisation that this entails, and the effectivity of the form of political representation on the organisation of politics and its implications for civil society. Perhaps the weakest of his criticisms are directed against Poulantzas, someone who also tried to complete the unfinished Marxist theory of the state on the basis of a careful reading of the founding texts and his own theoretical and empirical reflections. This is a point to which I will return after summarising the arguments in Parts II and III.

The next step in Artous’s analysis is a critical engagement with law as the specific ‘expression of the modern mode of production’ (sic). For, whereas Marx wrote about the state in precapitalist societies and therefore needed to identify the specific form of the modern state and its political effectivity, he regarded law – according to Artous – as a form that is unique to the modern world and its form of societalisation. Nonetheless, just as there is a distinctive and uneven development in Marx’s views on the state, from his youthful writings to his mature work, there are also shifts in his interpretation and critique of law – from the critique of the rights of man in *On the Jewish Question* to his analysis of the specificity of bourgeois law in relation to capitalist relations of production, most notably – again, according to Artous – the capitalist wage-relation. In his discussion of law as well as the state, Artous insists that any formal correspondence, institutional overlap, or substantive functionality that these institutions might have relative to the capitalist economy is no proof at all that they are mere epiphenomenal superstructure of the economic base. He argues, instead, that Marx saw law and the state as constitutive of capitalist relations of production and civil-bourgeois society and that, as regards the law at least, Marx did not change his view on this from *On the Jewish Question* through *The German Ideology* to *Capital* and beyond. In particular, law has a key role in securing the circulation of commodities, shaping and underwriting property relations, and organising the labour market and the wage-relation as relations between formally free and equal individual subjects (whether owners of labour-power or owners of money capital and means of production) despite
their substantive inequalities (whether as one owner of labour-power compared to another, or in terms of the material inequalities between the proletariat and the capitalist class).

Artous insists, with Marx, that the juridical form has a definite effectivity in the organisation of social relations of production both objectively and subjectively. In particular, in the latter regard, it mediates the *assujettissement* (subjectivation, subject formation) of the worker vis-à-vis the capitalist. The key to this is the constitution of the wage-relation, as one based on an absence of external coercion and on equal rights (albeit, as Marx notes, where equal rights collide, force decides) rather than as one based on a master-servant relation. Within the labour process itself, however, as Marx also notes, the wage-relation involves domination in a system of factory despotism, rooted in control over the manufacturing division of labour and, later, machinofacture as the formally adequate mode of organising production to ensure the real subsumption of wage-labour under capitalist control. Artous ascribes a key role to the state here, insofar as it must intervene in the wage-relation to ensure its reproduction, the illusions of equality that it generates, and an appropriate balance of forces in the labour market and the organisation of the labour process (through, for example, factory legislation). In turn, this means that the juridical moment must have a key role in the overall process of emancipation and the self-institution of democracy.

In developing this commentary on the nature of law, Artous criticises the views of Joachim Hirsch, Poulantzas, Pashukanis, Ernst Bloch, Claude Lefort, and Étienne Balibar. In several cases, he seems to have misread or only partially read the authors he is criticising (for example, Hirsch and Poulantzas); and, in regard to Pashukanis, he concentrates on the latter’s allegedly flawed historico-genetic method and his focus on simple commodity exchange rather than capitalist relations of production. He ignores his insights into the nature of private and public law, or the unique and constitutive absence of class as a substantive principle of political organisation in the capitalist state.

Part III returns to a more substantial and rigorous analysis of the modern state and the political class struggle in order to reconstruct Marx’s theory of the state. It comprises three main chapters: an analysis of political régimes, régime change, the political imaginary, and the specificity of political struggles in *Class Struggles in France* and the *Eighteenth Brumaire*; a reconstruction of the views of Marx and Engels on different routes of state formation and their consequences for the structural bias of different states and political régimes; and a chapter concerned with residual theoretical difficulties in establishing the specificity of the capitalist type of state, the mechanisms of bourgeois political hegemony, and the formal and substantive correspondence between the capitalist type of state and the capitalist mode of production. The chapter on French politics offers some insightful but often familiar comments on the specificity of political struggle and the autonomy of politics due to the distinctive features of the political
terrain. It notes the difficulties that Marx encounters in interpreting the relations among different class fractions in France because he takes England as the model for capitalist economic development and modern bourgeois politics. It explores the political effectivity of collective representations, not as so many ideological illusions, alienated expressions of social reality, or forms of false consciousness, but as specific and necessary articulations of the social imaginary on a political terrain, and it looks at the role of Bonapartism in the political unification of the French bourgeoisie. Artous then moves from Bonapartism to the question of the specificity of the French state as compared to the North-American state, the English state, and revolution from above in Germany. His primary stalking horse here is Bertrand Badie and Pierre Birnbaum's well-known institutionalist typology of political régimes, with its emphasis on the uniqueness of the marked institutional differentiation and centralisation of the French state compared to the importance of political rule exercised through an 'establishment' or 'power elite' rooted in civil society in the Anglo-American cases. This interferes with the flow of the argument but does not prevent him from making useful points about Marx's (and Engels's) capacity for comparative analysis of the historical (as opposed to formal) constitution of states in capitalist societies and the impact of different trajectories.

Chapter Three returns to the problem of the formal constitution of the capitalist state, that is, the need for a rigorous theorisation of the formal adequacy of the capitalist type of state to the distinctive features of capitalism as a mode of production and the demands that this mode of production places on state intervention to secure the expanded reproduction of capitalist relations of production. Artous notes, here, that much of Marx's explicit writing on the modern state and politics was penned before he had made his decisive contributions to the critique of political economy in the Grundrisse and the never completed volumes of Capital. This poses a series of theoretical difficulties on how Marxists might derive logically the nature of the capitalist state from the nature of the capital relation more generally and how they might understand the links between the power of private property and the public power of the sovereign state. Artous insists that such an account cannot be derived from a historico-genetic analysis of the state as a transhistorical form (such as that proposed by Engels in Origins of the Family, Private Property, and the State) but must be grounded in the nature of capitalism itself. More specifically, it should focus on the problems faced by the bourgeoisie in exercising political power and securing its hegemony when it is, according to Engels and Marx, almost constitutively unable to wield political power directly on its own behalf through its merely instrumental control over the state apparatus. In this regard, it is essential to go beyond the simple formula of the Communist Manifesto, namely, that the state is the executive committee of the bourgeoisie; and to consider the manner in which the state acts for and on behalf of the bourgeoisie.

There is a particularly rich and sophisticated literature concerned with this issue in the German Staatsableitungdebate [state derivation debate] as well as some work
in French (for example, the successive attempts of Poulantzas to establish the specificity of the capitalist type of state). Artous does not refer to the German literature, even in French translation. Instead, he seeks the answer in the two faces of the state already adumbrated in Marx’s early work rather than in his work on capitalism. The two faces are: (a) the state as a massive governmental machine capable of unifying the conflicting and competing interests of the bourgeoisie and those of civil society (to produce the civic unity of the nation) and (b) the role of the modern principle of political representation based on the individuation of citizens and universal suffrage, in contrast to the feudal and absolutist states and that serves as such, in the words of Perry Anderson, as the ‘ideological lynchpin’ of the capitalist state. The concluding chapter to this part supplements these arguments with ideas inspired by Foucauldian studies of the disciplining of the popular classes through extra-economic practices, such as familialisation (the reorganisation of family life) and scolarisation (universal education to produce new subjects with new forms of knowledge). In contrast to certain readings of Foucault, but consistent with Foucault himself, Artous allots the state a key role in the strategic codification of these different disciplinary practices.

Part IV concerns the question of the dictatorship of the proletariat and the withering away of the state – controversial issues that led Marx and Engels to engage in a battle on two fronts: Bakuninist anarchism, Lassallean statism. Adhering closely to the relevant texts, Artous argues that the dictatorship of the proletariat is a strategic category concerned with horizons of action and the practices that might advance towards those horizons, rather than a scientific category concerned with the description and explanation of an actually existing capitalism – let alone a fixed and definite model of a real but future dictatorship of the proletariat. Thus, he traces the changing interpretation of this strategic category as Marx and Engels rethink the horizon of action as well as the strategies and tactics necessary to move towards it. His discussion of the withering away of the state follows a similar line of analysis, focusing on the strategic orientation, rather than specific mechanisms and noting the ambiguities in the accounts offered by Marx and Engels respectively. In this context, he also criticises Lenin’s approach to the dictatorship of the proletariat in The State and Revolution, the development of the Bolshevik state, Trotsky’s analysis of the degenerated workers’ state, and problems of the political organisation of classes and the relationship between parties and classes. A second chapter focuses more on the meaning of the withering away of law, the transition from political class domination to the administration of things and the multiple development of individuals in a socialised economy based on co-operation, new social needs, the increase of leisure time, and the democratic self-institution of the social through the construction of new forms of community.

As should be apparent from my review, this is an ambitious work that claims much but is, for this reader at least, ultimately unsatisfactory. There is no doubt that Artous has read Marx and Engels on the state and politics very carefully, is sensitive to the
continuities and discontinuities in their thought over time, and is aware of the often marked differences of argument and emphasis between the two founding figures of Marxism. In this respect, his work is a useful complement to such books as Gary Teeple’s or the mammoth critical exegesis of Hal Draper (1977–90). It is less evident that Artous has read contemporary state theorists as closely as he has the work of Marx and Engels, or that he has managed to avoid many of the problems of other attempts to complete the unfinished Marxist theory of the state and politics. To my mind, there are three serious problems with this intervention into the continuing debate on the capitalist state. Other state theorists working from different positions would certainly come up with somewhat different critiques.

First, although Artous notes the importance of logically deriving the nature of the capitalist state from capitalist relations of production, he does so in a very limited manner. This involves little more than an extended account of the duality of the wage relation, with formal equality in the labour market and hierarchy and despotism in the labour process, and the necessity for the state to get involved in the management, normalisation, or governmentalisation of this relation. In this respect, he also notes a formal homology between the duality of the wage relation and the duality of the modern state, with its formal equality among citizens and its hierarchy of competences in the bureaucracy. Other Marxist state theorists, working along similar lines, have also noted the importance of the management, normalisation, and governmentalisation of the money-form as a key task for the capitalist state and, indeed, its implications for the capitalist state as a tax state [Steuerstaat]. Yet others provide an even more extended list of points where the state must intervene to secure the conditions for capital accumulation, noting, in addition, how these change over time. Rather more problematic is the extent to which Artous takes the national state for granted as the basic form of the capitalist state and considers only domestic politics rather than interstate relations. Overall, his analysis tends not only to re-iterate the separation between the economic and the political characteristic of capitalism (which is, of course, correct) but also to naturalise this separation, with the effect that politics, once the wage relation is secured, has its own autonomous logic as a field of political class struggle. But the dynamic of capital accumulation is far more contradictory, conflictual, and crisis-prone than Artous seems to assume and this requires a far more active role for the state (even in the period of liberal capitalism and the liberal state when the state allegedly secures only the external framework for the operation of the market) than one might discern from his discussion of the modern (capitalist) state.

Second, in seeking to show the formal correspondence between the modern state and capitalist relations of production, Artous appears to assume that form follows function and/or that form guarantees function. Some Marxist state theorists (such as

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1 Teeple 1983.
Poulantzas and Hirsch) argue, on the contrary, that form problematises function. They argue that the institutional separation of the state and the economy (or politics and economics) characteristic of capitalism is both necessary to the profit-oriented, market-mediated accumulation of capital and a permanent threat to the ability of capital to reproduce its economic and extra-economic conditions of existence. For, the very institutional and operational autonomy of the state and politics poses serious problems about the coincidence or correspondence between political action and the expanded reproduction of the capital relation. Artous tends to assume this problem away or to solve it by affirming that a formal, rational-legal bureaucracy combined with parliamentary democracy based on universal suffrage will provide both suitable policies and legitimation for the rule of capital. Neither Marx nor Max Weber would have agreed with the first step in this argument, and the second step requires more than a simple affirmation of Perry Anderson’s claim about parliamentary representation being the ideological lynchpin of the capitalist state. Missing here is a well-developed sense of the problems posed in formulating and implementing strategies and policies favourable to capital accumulation and political class domination in the face of a contradictory, conflictual, and crisis-prone capitalist system that increasingly develops on a world scale at the same time as politics remains firmly national in many respects. There is a further problem, of course, in the past and present dominance of states in capitalist societies that have neither rational bureaucracies nor a well-functioning system of political representation. Even if one dismissed these criticisms, on the grounds that it takes us beyond the economic and political horizons of Marx and Engels themselves, it remains the case that their various comments on the political class struggle, the inadequacy of specific political régimes in securing an equilibrium of compromise favourable to capital accumulation and social cohesion, and the unending struggles over economic policy all point to serious problems regarding the functionality of the separation of the state from civil society and/or politics from economics.

Third, as already indicated, Artous tends to short-circuit the analysis of the capitalist state and politics. Theorists he criticises (such as Poulantzas and Hirsch) and theorists he virtually ignores (such as Gramsci and Offe) have developed a more complex account of the capitalist state based on the movement from the abstract-simple to concrete-complex. The three main steps in their argument concern the basic institutional matrix necessary to capitalist social formations, the problematic functionality of the institutional forms in this matrix, and the role of political class struggle in partially and provisionally compensating for this problematic functionality. Thus, while such theorists begin with the necessary institutional separation of the economic and political in capitalism, they see this as potentially dysfunctional rather than as an institutionally-inscribed guarantee of a harmonious co-evolution of the economic and political. This poses real problems about the relative unity of the circuits of capital (even assuming
that they are confined within national markets governed by national states), the institutional integration of the state (given its internal horizontal and vertical differentiation), and the interpenetration and structural coupling of both sets of forms and their associated power relations. But the institution of the national-popular state and its individualised citizens provides a matrix within which political forces can compete to define the national-popular interest. This is reinforced by the centralisation of sovereign political power and the national territorial reach of such states and by an electoral mechanism oriented to majority rule. But this political competition occurs in a context where elected governments and public officials must also take account of the medium-term economic feasibility and repercussions of their actions. It is in this context that struggles for hegemony occur in the Gramscian sense, that is, the struggle for political, intellectual, and moral leadership concerned to define a national-popular interest that is compatible with the long-term interests of the dominant class. It is not only political parties that have a key role here, but also the many institutions of civil society and, above all, from a Gramscian perspective, intellectuals. A careful and painstaking reading of Marx and Engels would enable one to develop these arguments further rather than resort to ungrounded claims about the effectivity of national bureaucracies and the principle of universal suffrage in securing the conditions for capital accumulation and political class domination.

These three sets of criticisms indicate just one alternative way to address the question of Marx’s theory of the state and to attempt to complete it. Artous took a different route that is far more concerned with overcoming capitalism and the modern state than with understanding the complexities of the state system as it is embedded within the world market and the logic of capital. This explains why he is so concerned with the basic features of the modern state (sic) sketched by Hegel and subjected to critique by Marx, with the relative continuities in Marx’s overall commitment to human emancipation through the abolition of the separation between state and civil society, and with the relative discontinuities in his strategic categories for thinking about and promoting the withering away of law and the state. This is an important project in its own right, politically as well as theoretically, and Artous has certainly advanced thinking about the withering away of the state and the mechanisms that might lead in this direction. The centrality of this project to the overall organisation and design of the book also explains why his discussion of the young Marx is so insightful and why later chapters are far more convincing on class struggles around the changing form of political régimes than they are on the basic institutional matrix and structurally-inscribed strategic selectivities of the capitalist state or, better, the capitalist type of state. In this regard, there still remains important work to be undertaken on recovering and reconstructing the Marxist theory of the capitalist state.
References


Heidegger and the Ideology of War: Community, Death, and the West  
Domenico Losurdo  
Amherst: Humanity Books, 2001  
Reviewed by Alan Milchman

Domenico Losurdo’s book, first published in Italy in 1991, is one of the few contributions to the ongoing ‘Heidegger wars’ in which a Marxist understanding is wielded not to simply dismiss the German philosopher as a reactionary and an ordinary Nazi, but to attempt to explain the historical and sociopolitical context in which a great thinker succumbed to the lure of fascism. Indeed, what the reader will discover is both an explication of the ideological *topoi* through which a fascist mass mobilisation was brought about in Germany, and a fascinating analysis of the philosophical bases for Heidegger’s commitment to the cause of Nazi Germany from Hitler’s seizure of power in 1933 to the *Götterdämmerung* of 1945.

The present round in the Heidegger wars began with the publication of Victor Farías’s *Heidegger and Nazism* in 1987. The controversy ignited in France by Farías’s claim that both Heidegger’s life and thought were integrally linked to Nazism, quickly spread across the Rhine and the English Channel, and then across the Atlantic to the US, generating a veritable cottage industry of articles and books devoted to the question of the relationship of one of the great thinkers of the twentieth century to what is, arguably, the most monstrous régime in an epoch the hallmark of which is mass murder. Though not an account of the Heidegger wars, in the service of his own effort to understand both the ideological power of Nazism and Heidegger’s own involvement with it, Losurdo challenges many of the prevailing views. Though clearly influenced by Georg Lukács’s now classic *The Destruction of Reason*, which was published in 1954, Losurdo does not paint with so broad a brush, and, rather than seeing Nazism as the ideological heir of the extensive and long-standing tradition of irrationalism in German culture and philosophy, Losurdo focuses instead on the particular ideological complex born of the *Kriegsideologie* that arose in Germany with World War One. In contrast to Farías’s contention that the source of Heidegger’s Nazism may be found in the young thinker’s enthrallment with the anti-Semitic seventeenth-century Augustinian monk, Abraham a Sancta Clara, in his involvement in the world of turn-of-the-century ultramontane Catholicism and under the impact of Karl Lueger’s racist Christian-socialist movement, through all of which he ‘finally comes rather close to [Alfred]
Rosenberg’s and [Houston Stuart] Chamberlain’s thesis – that spirit speaks through race . . .’,1 Losurdo concludes that ‘[w]ithout a doubt, biological racism would seem to be completely extrinsic to Heidegger’ (p. 128).2 In opposition to the stark contrast drawn by Jürgen Habermas between Heidegger’s 1927 philosophical magnum opus, *Being and Time*, which Habermas claims ‘still presents probably the most profound turning point in German philosophy since Hegel’,3 and a political turn that purportedly begins only in 1929, under the impact of the world economic crisis and the death throes of the Weimar Republic, Losurdo convincingly argues that ‘[t]his sort of interpretation, which allows Habermas to place *Sein und Zeit* in the category of pure “theory”, is not very persuasive’ (p. 56). That conclusion is based on a close reading of both *Being and Time* as well as lecture courses dating back to 1921–2, in which categories integral to the *Kriegsideologie*, such as fate [*Schicksal*], destiny [*Geschick*], or primal decision [*Urentscheidung*] have a prominent role (pp. 56–61), to which we can add the testimony of Heidegger’s student, Karl Löwith, to whom Heidegger, in response to the claim that ‘his partisanship for National Socialism lay in the essence of his philosophy . . . [agreed] without reservation, and added that his concept of “historicity” formed the basis of his political “engagement”’.4 Finally, in opposition to those interpreters who have insisted that Heidegger was fundamentally an apolitical thinker, and thus free from the taint of Nazism, Losurdo has assembled compelling evidence to support his conclusion that:

[w]hether one considers Heidegger throughout his development or at a specific time period, it is useless to insist on trying to separate him from politics: from the beginning, he is committed to denouncing modernity, and he is often the one who reveals or underscores the profound political implications of this condemnation. (p. 211.)

Nazism as an extrapolation of, and heir to, the *Kriegsideologie* that emerged in Germany during World War One, and Heidegger’s *Denken*, and its fundamental categories, as integrally connected to that ‘ideology of war’, are the core theses of Losurdo’s volume. That *Kriegsideologie*, as Losurdo explicates it, was based on the conflict between community [*Gemeinschaft*], which refers to Germany and the rootedness [*Bodenständigkeit*] of its *Volk*, and society [*Gesellschaft*], which refers to Germany’s enemies, who embodied the ‘ideas of 1789’, the universalism of the Enlightenment and the French Revolution (p. 14). That German idea of community was linked to the themes of sacrifice and death – indeed a noble ‘sympathy with death’ [*Sympathie mit dem Tode*] – linked to a

2 For Losurdo, this does not absolve Heidegger of the charge of anti-Semitism, only of one of its particular forms, which predominated in Nazism, though support for the Hitler-state, he argues, did not necessarily entail its biological variant.
3 Habermas 1989, p. 143.
4 Löwith 1994, p. 60. Historicity or *Geschichtlichkeit* is one of the central categories of *Being and Time*. 
concept of *Kultur*, in contrast to Western *Zivilisation*, with its ideas of progress, reason, and happiness.

In the *Kriegsideologie*, the *meditatio mortis* is a central theme: it is considered characteristic of the depth of the German soul, but alien to the superficiality of the West. (p. 22.)

As Losurdo shows, that ideology of war was shared by virtually the whole of the German intelligentsia: liberals such as Max Weber, and his disciple, Karl Jaspers, romantic anti-capitalists such as Werner Sombart and Lukács’s friend, Paul Ernst, artists such as Thomas Mann, even Jewish or half Jewish intellectuals such as the sociologist Georg Simmel or the philosophers Max Scheler and Heidegger’s own teacher, Edmund Husserl. In the 1920s, those on the nationalist Right, such as Oswald Spengler contrasted German destiny to Western rationality, while Ernst and Friedrich Georg Jünger celebrated the

war-like community [and] community of blood [Blutgemeinschaft], a community christened by the blood spilt in war, and which easily, though not necessarily, takes on racial or racist connotations. (p. 25.)

For Losurdo, it was at that point, that

Nazism will inherit the *Kriegsideologie*. The Nazi rise to power in 1933 is regarded by more than a few representatives of the new regime, both militants and sympathizers, as a remake of the wonderful, communal experience of 1914 . . . (p. 26.)

That same ideology of war, whose philosophical *topoi* were incorporated into the ideological mass mobilisation carried out by the Hitler-state as it prepared for imperialist world war, was, Losurdo persuasively argues, also central to Heidegger’s *Denken*:

As far as Heidegger is concerned, the theme of ‘community,’ so central to the *Kriegsideologie*, is present throughout his rectorial period. The problem of time is located within the construction of an ‘authentic German community’ [*echte deutsche Gemeinschaft*], a ‘community of the people,’ an ‘authentic community of the people’ [*wahre Volksgemeinschaft*]. . . . In the lectures that he gives between 1934–35, not only is the idea of ‘community’ in opposition to ‘society’ present, but it is linked to the theme of death as well. ‘The camaraderie of the soldiers at the front’ is founded upon the fact that the ‘proximity to death as sacrifice placed everyone in the same void, so that this became the source of unconditional and reciprocal belonging, . . .’ And so it is ‘death itself, the willingness to sacrifice one’s life, which creates a space in the community for camaraderie.’ It is significant that Heidegger in exalting the *Gemeinschaft*, makes reference to the ‘philosophy of Fichte . . .
according to which we are a unit raised together and intertwined, and as such no one single member’s destiny is different from any other’s.’ Up to this point we are within the rhetorical and conceptual framework of the Kriegsideologie. . . . Heidegger, however, seems quite receptive to the Nazi propaganda regarding family lines (a sign of newly found Gemeinschaft) between 1914 and 1933. It should be added that Heidegger adopts this theme in its most radical form. So, not only does community consist of ‘true camaraderie and authentic socialism,’ but it also seems to find its basis in the ‘forces of earth and blood’ [erd- und bluthaften Kräfte], though true biological racism is not part of Heidegger’s philosophy. (pp. 46–7.)

The presence of the major tropes of the ideology of war as core elements of Heidegger’s Denken seems to me to be firmly established by Losurdo, and it is here, I believe, that we can find the source of Heidegger’s nationalism, which constitutes one leitmotiv of his thinking right up to the final collapse of Nazi Germany, and, indeed, beyond. In this regard, Losurdo seems to have found a conceptual key that unlocks a door that has up to now made it difficult to fully understand the powerful hold that the Vaterland, even in the form of the Hitler-state, and despite other misgivings, exercised over Germany’s foremost thinker.

However, Losurdo’s analysis of the German ideology of war, based on ideological motifs that set German Kultur, with its exaltation of historicity, and its rejection of universalism, the objectivity of values, and democracy, apart from Western Zivilisation, contains two problems that I think need to be addressed. First, it ignores the commitment to the German Kriegsideologie, and, indeed, later to Nazism, of thinkers for whom universalism and the objectivity of values are central. Second, and far more important, in my view, it obscures the existence of another ideology of war, one more powerful – as the history of the twentieth century has demonstrated – than Germany’s, and perhaps no less lethal. Let me briefly treat each of these points in turn.

At a conference at the Hebrew University of Jerusalem in 1988, Jacques Derrida gave a paper in which he elucidated the writings of the German-Jewish neo-Kantian philosopher, Hermann Cohen, in particular his Deutschum und Judentum, first published in 1915, and which firmly linked Cohen to Germany’s ideology of war. Cohen’s thinking coincides with none of the variants of the Kriegsideologie that Losurdo discusses. Indeed, Cohen sees a

deep internal kinship [die innerste Verwandschaft] between Judaism and Kantianism. That is to say also between Judaism and the historical culmination

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3 Derrida 1991. Losurdo mentions Cohen only once, in an endnote, to simply acknowledge his German nationalism, though without indicating its relationship to the ideology of war that he is discussing. See Losurdo 2001, p. 135.
[geschichtliche Höhepunkt] of idealism as the essence of German philosophy, namely the Kantian moment, the inner sanctum [innerste Heiligtum] which Kantianism is, with its fundamental concepts (the autonomy of universal law, liberty, and duty).  

Indeed, Cohen locates this very tradition, with its universalism, as the direct outcome of the Greek _logos_, by way of the Lutheran Reformation and the German _Aufklärung_. Cohen’s logocentrism, then, leads straight to Kant. What links this Jewish heir to the mantle of Kant to the _Kriegsideologie_ is that, in the midst of the butchery of World War One, Cohen wants to reconcile at least three apparently incompatible things: 1) He wishes, quite openly, for Germany’s victory. 2) He wishes for it also as a German Jew and so must interpret such a victory as a victory for Judaism, knowing full well that the majority of world Jews are not German. 3) As a good Kantian, he is committed not only to cosmopolitanism but also to pacifism.  

Derrida argues that Cohen reconciles his German patriotism with his cosmopolitanism and pacifism

[...] thanks to the following major idea, which resembles, at least, an Idea in the Kantian sense: this war must be inscribed within the perspective of a messianic idea and bring about an international understanding, peace among nations.  

And that ‘peace’, according to Cohen, has as its foundation

the acknowledgement [Anerkennung] of German hegemony, predominance, preponderance [der deutschen Vormacht: the last word italicized by Cohen] in all fundamentals or foundations of spiritual and psychic life [in allen Grundlagen des Geistes – und des Seelenslebens]. The logic here is more extraordinary than ever: there will be no understanding and no peace among nations unless our example is followed.  

Here, then, is a German version of the imperialist project articulated by Woodrow Wilson, and now enshrined as the veritable basis of America’s global hegemony, on behalf of a power that lacked the might in two world wars to impose it. And, linked to its universalism, Cohen’s project is also firmly embedded in the tropes of the German _Kriegsideologie_ that Losurdo has so diligently explicated by virtue of its fervent hope
Moreover, while many of the German philosophers who celebrated Hitler’s seizure of power in 1933, such as Alfred Baeumler and Ernst Krieck, shared the vision of historicity and grounded their political world-view in the unique life of the Volk, that Losurdo sees as the hallmark of the German *Kriegsideologie*, another wing of German philosophy, committed to a variant of universalism, and the heir to Kant’s philosophy, was no less enthusiastic about the ‘National Revolution’. As Hans Sluga has shown in his masterful survey of philosophy in Nazi Germany, the leading figures in the German Philosophical Society, such as Bruno Bauch and Nicolai Hartmann, had no hesitation in linking their belief in eternal and objective values to a firm commitment to the Hitler-state as the embodiment of those self-same values.¹¹

Meanwhile, that other ideology of war to which I have alluded, which has more profoundly altered the ideological landscape of the present epoch than did even the German *Kriegsideologie*, and which has so powerfully contributed to the profound socio-economic and political transformations of the twentieth century, is firmly rooted, not in historicity and *Bodenstandigkeit*, but in universalism, the objectivity of values, and cosmopolitanism. It is the ideology that grounded the war to make the world safe for democracy in 1917 and that grounds the global ‘war on terror’ today. The ramifications of that violent clash between two rival ideologies of war, already present in World War One, was clearly grasped by Georg Lukács, who, in his 1962 preface to the re-publication of his *The Theory of the Novel*, sought to express his understanding of the world as it was in the midst of the carnage of the imperialist war:

> ... the Central Powers would probably defeat Russia; this might lead to the downfall of Tsarism; I had no objection to that. There was also the probability that the West would defeat Germany; if this led to the downfall of the Hohenzollerns and the Hapsburgs, I was once again in favour. But then the question arose: who was to save us from *Western civilization*?¹²

Nine decades later, the danger posed by that ‘civilisation,’ a civilisation shaped by the capitalist law of value in the form of American hegemony, has dramatically increased. And the fact that that civilisation is an embodiment of universalism and the objectivity of values in no way lessens the danger.

Yet Losurdo, by linking the ideology of Nazism exclusively to what he claims is its inheritance of the refutation of the universal concept of man, and its embrace of the category of historicity, and a sort of ‘anthropological nominalism’, both ignores that

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¹⁰ Derrida 1991, pp. 85–6. Paul Natorp, one of the foremost representatives of neo-Kantianism expressed almost identical sentiments, and also had no difficulty in linking his virulent patriotism to his understanding of Kant.

¹¹ Sluga 1993, passim.

¹² Lukács 1971, p. 11, my emphasis.
danger, and uncouples it from any link to the Hitler-state itself. Indeed, for Losurdo, the very racism of Nazism and its genocidal project is integrally connected to its ‘nominalistic corruption of the concept of man’ (p. 103). Losurdo, then, proceeds to connect this feature of Nazism directly to Heidegger, who, he recognises,

speaks of a sort of anthropological nominalism, partly inherited by Nietzsche... He then bitterly attacks the universal concept of man, which he analyzes and denounces throughout its historical development, particularly from Christianity through to socialism. (p. 74.)

By contrast, for Losurdo, universalism and the rejection of nominalism is the ideological foundation for human progress, and ‘the only possible basis for affirming man’s rights’ (p. 75). And, we might add, according to Losurdo, this complex is the veritable basis of Marxism, as the heir to the ideas of 1789 and the Enlightenment.

But is the rejection of historicity and nominalism the only way, or indeed the most compelling way, to understand Marxism and to build on the genial insights of Marx? Louis Althusser, particularly the ‘final Althusser’, sought to confront the teleology of the Hegelian legacy that he had long believed had distorted Marxism by undertaking to articulate the case for what he termed an aleatory Marxism, a Marxism that eschewed any kind of philosophy of history or determinism, one that acknowledged the pre-eminent role of contingency as basic to any materialism:

My aim, here, is to insist on the existence of a materialist tradition not recognised by the history of philosophy. That of Democritus, Epicurus, Machiavelli, Hobbes, Rousseau... Marx and Heidegger, with the categories that they have affirmed: the void, the limit, the margin, the absence of a centre, the displacement from the centre to the margin (and vice versa), and freedom. A materialism of the conjuncture [rencontre], of contingency, overall of the aleatory, that is precisely opposed to the materialisms recognised as such, including that commonly attributed to Marx, Engels and Lenin, which, like every materialism in the rationalist tradition, is a materialism of necessity, and of teleology, that is to say, a disguised form of idealism.13

With respect to the nominalism that Losurdo has so firmly linked to reactionary thought in general, and to Nazism in particular, Althusser, in answer to a question posed by his interlocutor, Fernanda Navarro, as to whether ‘nominalism was the anti-chamber of materialism’ responded:

For sure, and I would go much further. I would say that it is not only the anti-chamber, but that it is materialism itself [le matérialisme lui-même].14

13 Althusser 1994, p. 42. Later, Althusser will prominently include in this tradition of aleatory materialism, in addition to Marx and Heidegger, Spinoza and Nietzsche (Althusser 1994, p. 59).
14 Althusser 1994, p. 47.
The issue here is not to debate the kind of materialism that is integral to the Marxist tradition, but, rather, to link Losurdo’s understanding of that question to a reading of Heidegger, and an understanding of the boundaries of the ideological topoi and practice of Nazism, that may obscure another dimension of the German philosopher’s thinking – one that contrasts with the nationalism and commitment to the Kriegsideologie that Losurdo has so carefully elucidated.

In his *Beiträge zur Philosophie*, written the late 1930s, Heidegger adumbrates a vision of the ‘gigantic’ [Riesenhaft] linked to modern technology, and its world. The gigantic is linked by Heidegger at that time to what he terms ‘machination [Machenschaft]’, a concept that will transmogrify into that of ‘enframing [das Ge-Stell]’ in the late 1940s, and which will play a primordial role in the later Heidegger’s thinking. The reign of machination and technological gigantism represents, for Heidegger, the abandonment of being. The domination of machination entails ‘the objectification of beings’, such that ‘the quantitative dominates all beings’.15 For Heidegger:

The ‘world’ becomes smaller and smaller, not only in the quantitative but also in the metaphysical sense: a being as a being, i.e., as object, is in the end so dissolved into controllability [Beherrschbarkeit] that the being-character of a being disappears, as it were, and the abandonment of being is completed.16

In a world shaped by the ‘gigantism of technicity’, the human being is increasingly reduced to being a ‘technicized animal’.17 And the danger, for Heidegger, is that

[all of these signs of abandonment of being point to the beginning of the epoch of total lack of questioning of all things and of all machinations.18

Heidegger’s vision in the *Beiträge* of the historicity of gigantism, raise two issues that are relevant to Losurdo’s own undertaking, and that I would like to briefly treat. One is the possibility that Heidegger’s vision can be linked to Marx’s own understanding of the historical transformation of the law of value and its immanent tendencies. Can the reduction of humans to technicised animals, the domination of the quantitative, the reign of a *mathesis universalis*, be linked to the Marxian understanding of the transition from the formal to the real domination of *capital*? Losurdo does not address the complex of issues raised by Heidegger’s analysis of technological gigantism, and, as a result, the chance for a Marx/Heidegger confrontation here is missed.

The second issue is more central to Heidegger’s relationship to Nazism, which is, of course, the primary concern of Losurdo in this volume. In light of his analysis of gigantism and machination, where does Heidegger situate Nazism? Is the Hitler-state, for him, the locus of resistance to a *mathesis universalis*, the site of a heroic struggle of

15 Heidegger 1999, p. 95.
16 Heidegger 1999, p. 348. The later Heidegger will claim that humans become simply ‘standing-reserve’ [Bestand], raw material to be processed, under the reign of *das Ge-Stell*.
17 Heidegger 1999, p. 68.
18 Heidegger 1999, p. 86.
German Dasein to save the West, as the ideology of war would have it? Or is Nazism one more manifestation of Machenschaft, of the abandonment of being, and the objectification of beings? Self-serving claims made by Heidegger after the War, in a vain effort to avoid a ban on teaching by the occupation authorities, or to protect his reputation, will not resolve this issue. And, even a careful reading of his voluminous manuscripts written during the Nazi era, has not revealed a clear and unambiguous repudiation of the régime, and still less an effort to distance himself from the destiny of Germany. In that respect, the power of Heidegger’s commitment to the German ideology of war remained intact, as Losurdo has shown. However, that commitment should not obscure an ambiguity at the heart of Heidegger’s Denken. Thus, in the Beiträge, Heidegger asserts that ‘total political belief [totale politische Glaube]’19 and ‘total Christian faith . . . share the same way of being’.20 We know the contempt in which he held the kind of Christian faith that he was here describing, his conviction that it was a manifestation of the abandonment of being, and of the ‘total lack of questioning’ that was the hallmark of machination. It is not unreasonable to conclude that, by ‘total political belief’, Heidegger was speaking of Nazism, and that he was, therefore, forging a link between the Hitler-state and technological gigantism.21 Moreover, the technological frenzy that characterised Nazi Germany, no less than its imperialist rivals, the vast biopolitical projects for a German Großraumwirtschaft stretching from the Atlantic to the Urals, and based on plans for economic modernisation and the capitalisation of backward regions that entailed the extermination of whole populations, of which the Judeocide was only the beginning, provide a basis for thinking that Heidegger, indeed, may have glimpsed such a link.

This is not a reading of Heidegger that Losurdo is prepared to entertain. Yet, by undertaking such a reading, it may be possible to resolve the enigma of Martin Heidegger, to see him as both trapped by the most powerful of all modern ideologies, nationalism, in the monstrous form of a variant of the German ideology of war, even as he opened up new possibilities for the understanding and critique of the technological frenzy that is integral to late capitalist civilisation. As the titanic battles raged over Germany towards the end of the war, Heidegger took refuge in the tropes of the Kriegsideologie – community, sacrifice, death, and destiny – even as he excoriated the technological gigantism that propelled the actions of all the combatant states.

Losurdo has greatly illuminated that side of Heidegger that bound him to Volk and nation. What still remains to be done is a comparable exploration of Heidegger’s fears regarding technological enframing, and its links both to Nazism and to the régimes that crushed it.

19 ‘Faith’ would, perhaps, be a better translation here for ‘Glaube.’
20 Heidegger 1999, p. 29
21 While the immediate occasion may well have been the Concordat between the Hitler-state and the Papacy, the overarching link between the two forms of faith, and Heidegger’s rejection of both, seems clear.
References


Zionism bills itself as the ‘anti-anti-Semitism’, but the reality is very different. As Theodor Herzl, the founder of modern Zionism, frequently noted, the purpose of the new movement was not to combat anti-Jewish hatred, but to employ it as a lever with which to bring about the Jewish state. Zionists may not have exactly approved of anti-Jewish violence, but they welcomed it to the degree that it allowed them to drive home their point that anti-Semitism in the Diaspora was inescapable. Since anti-Semitism could not be defeated in situ, they maintained, the only solution was to dissolve the Diaspora by transferring the Jewish population en masse to Palestine and getting on with the construction of a Jewish state.

‘The anti-Semites will be our most loyal friends,’ Herzl declared, ‘the anti-Semitic countries will be our allies’.¹ In an important 1983 study, Zionism in the Age of the Dictators, Lenni Brenner, an independent Trotskyist, based in New York, showed in relentless detail what this moral and political inversion meant from the 1890s through to World War II. In 1903, for example, Herzl believed he had found an anti-Semitic ‘friend’ in Vyacheslav von Plehve, the Czarist minister of the interior who, a few months earlier, had helped organise a pogrom in Kishenev that had killed forty-five people and injured hundreds more. Plehve once told a Jewish delegation: ‘[W]e shall make your position in Russia so unbearable that the Jews will leave the country to the last man.’² Now, after meeting with the great man, Herzl triumphantly announced that Plehve had agreed to back the creation of a homeland for those Jews in fifteen years, if during that time ‘Jewish revolutionaries cease their struggle against the Russian government’³ – in fifteen years, of course, the Czarist government would no longer exist. A few months later, the well-known author Max Nordau, a recent convert to Zionism, told Eduard Drumont’s rabidly anti-Semitic newspaper La Libre Parole that Zionism was ‘not a question of religion, but exclusively of race, and there is no one with whom I am in greater agreement on this point than M. Drumont’.⁴

¹ Segev 2001, p. 21.
² Baron 1987, p. 56.
In April 1933, Zionism in the Age of the Dictators went on to note, the German Zionist newspaper Rundschau said of the anti-Semitic measures that Hitler had just instituted:

Because the Jews did not display their Jewishness with pride, because they wanted to shirk the Jewish question, they must share the blame for the degradation of Jewry.5

If Jews had displayed proper racial consciousness, in other words, the oppression being heaped upon them would not have been necessary. Referring to the six-pointed star that German Jews were now obliged to wear, the Rundschau advised: ‘Wear the Yellow Badge with Pride’.

Zionism in the Age of the Dictators caused a stir on both sides of the Atlantic. It was praised by the London Times and Izvestia, attacked in The New Republic by the dean of Zionist historians, Walter Laqueur, and served as the inspiration for Jim Allen’s Perdition, his play about Zionist dealings with the Nazis, which was suppressed in 1987 under fierce pressure from Britain’s Zionist establishment. In 1984, Brenner went on to write The Iron Wall, published by Zed Books. It was a study of the right-wing ideological current known as revisionist Zionism, and two works dealing with American politics. Now, he has returned to his old haunts with 51 Documents: Zionist Collaboration with the Nazis. Brenner’s latest volume does not add anything fundamentally new to our understanding of Zionism and anti-Semitism, but it does flesh out many of the details.

Despite the title, 51 Documents does not limit itself to the Nazi period, but begins with Herzl’s founding manifesto, The Jewish State, published in 1896. Where Zionists like to think of themselves as sounding the alarm while everyone else sleeping, Brenner reprints a section of Herzl’s booklet assuring readers that ‘[g]overnments will never take action against all Jews’ because emancipation and equality ‘cannot be withdrawn where they have once been conceded’ (p. 4). Where modern Zionists bristle at the charge of racism, he reprints a 1904 letter by the Vladimir Jabotinsky, founder of revisionist Zionism and ideological precursor to today’s Likud, declaring that ‘national ego is deeply ingrained in a man’s “blood”; in his racio-physical type, and in that alone’ (p. 10). He quotes Chaim Weizmann telling British Foreign Secretary Arthur Balfour in 1914 that

we too are in agreement with the cultural anti-Semites . . . that Germans of the Mosaic faith are an undesirable, demoralizing phenomenon. (p. 22.)

The anti-Semitic stereotype of the pale, neurotic Jew, overly intellectual and prey to every new radical theory, was not incorrect, according to the Zionists. The answer was to return him to a homeland of his own, where, in contact with his native soil, his racial genius could once again emerge.

5 Brenner 1983, p. 50.
As Tony Judt pointed out in *The New York Review of Books*, blood-and-soil nationalism of this sort was ubiquitous at a time when innumerable peoples throughout Europe dreamed of nation-states of their own in which they and their ethnic kin would once again be in the driver’s seat – ethnic fantasies that, as Judt pointed out, were invariably ‘the expense of inconvenient local minorities, who were consigned to second-class status’. Thinking of this sort reached its climax with the creation of the ultimate ethno-state, Hitler’s Third Reich, with the Jews cast in the role of the most inconvenient minority of all. But, since Zionism had arisen out of this ideological milieu, it was limited in its ability to oppose it. According to another item in *51 Documents*, the Zionist Federation of Germany issued a position paper in June 1933 advising Jews that they were in need of ‘national renewal’ no less than the German population in general and that they therefore find a niche for themselves in the new order. The Federation declared that

> On the foundation of a new state, which has established the principle of race we wish so to fit our community into the total structure so that for us, too, in the sphere assigned to us, fruitful activity for the Fatherland is possible. (p. 44.)

The international call for a boycott of German goods was ‘in essence un-Zionist’, the paper added, ‘because Zionism wants not to do battle, but to convince and build’ (p. 45). In 1936, after Berlin began allowing a limited number of Jews to leave for Palestine, a German Zionist named Gustav Krojanker expressed hope that other countries with significant Jewish populations would follow Germany’s example. As he put it:

> Whether voluntarily or by compulsion it is the first time in history that such an objective situation is created, conforming to Herzl’s original conception. (p. 78.)

If Jews would not make aliyah voluntarily – prior to the War, emigration to Palestine was never more than a trickle – then assistance from various anti-Semitic governments would not be opposed.

Modern Zionists contend that the Zionist Federation of Germany had no choice but to seek a *modus vivendi* with the Nazis, however farfetched, and that people such as Krojanker were merely trying to make use of a lesser evil (forced expulsion) to mitigate the effects of a much greater evil (mass extermination). But arguments like these would be more persuasive if Zionists had tried to stop Hitler while there was still a chance. In fact, they failed to lift a finger. In an article published in 1937, which Brenner also reprints, Joachim Prinz, a rabbi who was a leading figure in German Zionism, proudly recalled how, even years before Hitler’s takeover, he had warned that resistance was useless:

> Judt 2003, pp. 8–10.
In 1930, I had occasion to lecture in the German town of Cassel. My topic was: ‘The future of the Jews and Nazis’. The meeting was overcrowded, but I knew in advance that most of them would be against me. I had committed a crime: I took the Nazis seriously. From the very beginning of that movement, I was convinced that they would succeed. I remember the storm which was created at that meeting when I warned the Jews to repudiate their old views of assimilationism and Germanism. When I reached the point in my address when I described the Nazis as the coming rulers of Germany, the audience began to whistle and shout. One of them cried violently and loudly: ‘And this man pretends to be a rabbi!’ (pp. 99–100.)

Prinz, who fled to the US, where he served as president of the American Jewish Congress in the 1950s and 1960s, added that, while conditions for most German Jews plummeted under the Nazis, Zionists saw a relative improvement:

[T]he majority of German Jews considered the Zionists to be men of evil who agreed with the Nazis. . . . [I]t was morally disturbing to seem to be considered as the favored children of the Nazi Government, particularly when it dissolved the anti-Zionist youth groups and seemed in other ways to prefer the Zionists. The Nazis asked for a ‘more Zionist behavior’. (pp. 100–1.)

Georg Kareski, a revisionist Zionist who had accepted the post of Reich Commissioner for Jewish Cultural Affairs, carried things to a logical extreme by embracing racial segregation outright. As he said in 1936:

I have for many years regarded a complete separation between the cultural activities of the two peoples as a condition for peaceful collaboration and I have always been in favor of such a separation, provided it is founded on the respect for the alien nationality. (p. 155.)

Regarding the 1935 Nuremberg Laws, which deprived German Jews of citizenship, required them to attend separate schools, and forbade sexual relations with non-Jews, Kareski said that they seemed entirely to conform with this desire for a separate life based on mutual respect. This is especially so when one takes into account the order for separate school systems. . . . The Jewish school is an old political demand of my friends, because they consider that the education of the Jew in accordance with his traditions and his mode of life is absolutely essential. (p. 156.)

A few top Nazis, most notably Adolf Eichmann, returned the favour. As Eichmann told a Dutch journalist from his post war hiding place in Argentina:
I often said to Jews with whom I had dealings that, had I been a Jew, I would have been a fanatical Zionist. I could not imagine being anything else. (p. 267.)

In 1937, Eichmann and another SS member rendezvoused in Cairo with a member of the Haganah, the underground Jewish militia, named Feivel Polkes, who had earlier travelled to Berlin with a proposal for a joint Nazi-Zionist intelligence-sharing arrangement. Eichmann listened with interest as Polkes offered the Haganah’s assistance in flushing out anarchists who may have had a hand in the assassination of the Swiss Nazi leader Wilhelm Gustloff a year earlier and in suppressing clandestine Communist radio broadcasts emanating from along the German-Luxemburg border. All Polkes asked in return, according to a Nazi memorandum that 51 Documents reprints, was money, the release of Haganah representatives under arrest in Germany, and assurances that Jews leaving the Reich would ‘go exclusively to Palestine and nowhere else’ (pp. 115 and 118).

In late 1940, the Stern Gang, an ultra-militant revisionist splinter group, offered not only to share intelligence but to co-operate militarily as well. A Stern Gang proposal declared,

The evacuation of the Jewish masses from Europe is a precondition for solving the Jewish question, but this can only be made possible and complete through the settlement of these masses in the home of the Jewish people, Palestine, and through the establishment of a Jewish state in its historical boundaries. (p. 300.)

If the Nazis helped with the establishment of the historic Jewish state on a national and totalitarian basis, bound by a treaty with the German Reich [the Stern Gang offered in return] to actively take part in the war on Germany’s side. (p. 301 – emphasis added.)

When the Nazis failed to bite, the group dispatched a member named Nathan Yellin-Mor to neutral Turkey in December 1941 to approach Nazi diplomats with the same offer (p. 306). The extermination campaign had begun six months earlier with the invasion of the Soviet Union, but, still, the overtures continued.

Labour Zionists disavowed any connection with the Stern Gang and its founder Avraham Stern, killed by the British in 1942. But Menachem Begin, Israel’s first revisionist prime minister issued a postage stamp in Stern’s honour shortly after taking office in 1977. Several years later, Yitzhak Shamir – who, unlike Begin, had been an actual Stern Gang member – insisted in an interview with the London Times that he only joined the underground organisation after the proposal for Nazi-Zionist military co-operation had been dropped. But, as Brenner pointed out in a letter to The Times...
which he is careful to reprint in 51 Documents), Shamir’s claim is belied by his own admission that he had joined in 1940, when the offer was still active. (pp. 310–15). The leader of the Jewish state was a member of a pro-Nazi terrorist organisation at a time when the Final Solution was getting underway.

This is not to say that Zionism is Nazism, but merely that its record was no different from that of other forms of bourgeois nationalism during the same period. In effect, Zionism had its Gaullist wing, which leaned toward the Anglo-Americans; its left-liberal wing, which leaned toward Moscow, and its Pétainist wing, which sought an accommodation with Berlin. Just as Pétain claimed to be protecting the French against the worst ravages of the Occupation (while using it to reconstruct France along Catholic, traditionalist, and authoritarian lines), Zionism claimed to be protecting Jews, while using Nazism to advance a not-dissimilar ‘national’ revolution of its own devising. Not all Zionists went as far as Georg Kareski, but, as 51 Documents shows, they went a good deal farther than they would later care to admit.

51 Documents performs a significant service in bringing such material together under a single roof. Unfortunately, it would have performed an even more valuable service had it not suffered from serious editorial deficiencies. Translators are insufficiently identified, and Brenner states in his introduction that he ‘had the chutzpah – Hebrew for audacity – to “correct” my translators’ phrasing’. Although he assured this writer in a private communication that such corrections entailed nothing more than smoothing out some particularly clunky prose, a more thorough explanation in print would have been appropriate. And, then, there is Brenner’s writing style, which, after all these years, has moved in a decidedly idiosyncratic direction. Explaining a biblical reference in one document, he does not say that Yahweh threatened to punish the Israelites for worshipping a golden calf. Instead, he informs his readers them that ‘one hell of a pissed off God ordered Moses to slay everyone bowing to their shiksa girlfriends’ heathen gods’ (p. 118). This is not inaccurate, I suppose, but should not ‘pissed off’ be hyphenated? If readers can take learn to ignore such editorial eccentricities, they will find that 51 Documents to be an important addition to the anti-Zionist armamentarium. It puts yet another dent in the myth of Zionist resistance to the Nazis, a myth as pernicious and historically baseless as the Gaullist myth of a France united in its defiance of Pétain.

References
Transcending the Economy: On the Potential of Passionate Labor and the Wastes of the Market

MICHAEL PERELMAN
New York: St. Martin’s Press, 2000

Reviewed by JAMES DEVINE

Though this book is excellent, its title is misleading. It is not about ‘transcending the economy’, since one of Michael Perelman’s main topics here is economy, that is, efficiency. He also clearly implies that some sort of economic system is needed. The subtitle is much more revealing: the emphasis is on the wastes of the market – and of capitalism – along with the benefits of unleashing passionate labour. The former indicates that this book is, in many ways, a sequel to Perelman’s *The Natural Instability of Markets: Expectations, Increasing Returns, and the Collapse of Capitalism* (also from St. Martin’s, 1999). The latter comes from the utopian socialist Charles Fourier. This suggests questions for leftists and Marxists concerning the role of utopianism.


Like those books, the one under review is very scholarly, well versed in the relevant literature by economists and other social scientists, but not aimed at scholars alone. Like most of his books, it is more of an ‘essay of persuasion’ aimed at the educated lay reader (but not at economists). Perelman does not shrink from a realm untouched by most academics, that is, common sense: he uses lessons drawn not only from the history of economic ideas and the like but from his amateur basketball games! Laudably, Perelman is concrete as he can be, discussing current issues such as the declining role of trust in society and the rise of incarceration as a ‘solution’ to social problems. Most importantly, he does not preach to the converted – the Marxists or socialists, especially small groups these days. Indeed, his presentation starts arguing from ‘right’ and then moves to ‘left’ along the political spectrum, starting with notions which with almost
all will agree (the inefficiencies of the US tax system). Though clearly influenced by, and respectful toward, Karl Marx, this is not a Marxian book. However, it can be very useful to Marxists in a time when their school is facing severe difficulties.

The main body of the book concerns issues of efficiency. As Perelman summarises it, this book contends that the technological potential of the economy that exists today in advanced market economics remains unrealised. Instead, market forces either leave too many people behind with a lack of training and/or employment, while they channel productive energies into unproductive activities. This book reviewed a small sample of the wastes and missed opportunities that pervade contemporary society (p. 157).

Issues of waste that Perelman discusses include those of crime, the US ‘war’ on drugs, litigation, class antagonism (especially in the workplace), racism, misuse of talent, finance, and competition. I found it quite illuminating. However, in an era when some advocate ‘market socialism’ – for example, David Schweickart, who proposes an ideal system which abolishes class domination but not markets1 – I wish that he had been clearer: which wastes are due to markets and which are due to the class system that characterises capitalism? Further, is it possible that we can ‘fix’ markets to make them more efficient? Moreover, a discussion of other books criticising our system’s degree of waste would have been useful.2

More crucially, it was sometimes unclear what meaning of efficiency Perelman is using. This concept needed a more careful definition, in comparison to orthodox notions of efficiency (especially for lay readers). The rhetoric of ‘efficiency’ can be very ideological and must be analysed. For example, neoliberals often say that ‘private businesses are more efficient because competition pushes them to cut costs’. But, strictly speaking, this ‘efficiency’ may not be efficient at all: cutting private costs may involve imposing ‘external’ costs on others (pollution, and so on) and may even cause increased total costs to society (as when pollution leads to permanent damage).

Perelman goes beyond the slightly less ideological textbook definitions of efficiency. The main two are: producing the given output at the lowest cost (productive efficiency), and the distribution of resources between alternative uses most according to consumers’ tastes (allocative efficiency). Producing ‘at the lowest cost’ assumes some sort of way to add up diverse costs (including some method to put weight on external costs) and is thus limited in its applicability to situations where the aggregation method is kept constant. It also holds the identity of the products constant. Allocative efficiency is usually stated in terms of markets: do prices reflect the true costs paid – or the true benefits received – by individual consumers? This takes the institutional matrix as given, whereas Perelman is more interested in the effects of changes in social

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1 See Schweickart 2002, and other books.
2 See, for example, Dowd 1989.
organisation. Even if institutions are allowed to change, this conception assumes that consumer ‘tastes’ do not. But changing organisation changes the people within it.

He also avoids the main concept of modern bourgeois economics, Pareto efficiency. Under this criterion, only those changes which improve one or more persons’ welfare without hurting the lot of anyone else, are ‘improvements’. Because of the latter clause, this vision is inherently conservative: those who monopolise society’s wealth and power can never be hurt. Further, in a dynamic social system such as capitalism, with its constant creation of winners and losers, this criterion is hardly relevant. (The stock market violates Pareto’s criterion almost every minute!) So another concept dominates practice, especially that of the International Monetary Fund and the US Treasury Department as a central part of the ongoing neoliberal policy revolution. This Kaldor-Hicks efficiency is Pareto efficiency with hypothetical compensation: a programme or ‘reform’, such as destroying trade unions or opening up a country to unrestricted capital flows, is ‘efficient’ (and therefore worth doing) if the expected benefits are large enough that they could recompense those who lose from the programme. Given the balance of political power, this logic is never used to justify losses by the bosses but, instead, those by workers, the petty bourgeoisie, dominated ethnic groups, women, and the poor. And it is far from surprising that the lonely hour of the compensation almost never comes. Finally, this neoliberal calculus typically omits costs that cannot be expressed in market terms (that is, prices), such as the costs of the destruction of nature and communities.

Perelman’s concept of efficiency goes to the other extreme, to what might be called ‘utopian efficiency’ or ‘hypothetical compensation from below’. It is utopian, because of the emphasis on what could be attained if the current system of property and power were replaced by something different. To Perelman, we could do much better if we could move in the direction of having society run like the ideal ‘Carnot engine’ (pp. 2–5), abolishing all of the waste motion arising from conflicting forces. As for my second characterisation of the concept, it would clearly be the ruling classes who would lose from the societal restructuring, while they would be unlikely to receive compensation, though Perelman does not mention this dimension.

Unlike the contemporary neoliberal revolutionaries or the nineteenth-century utopians, Perelman clearly rejects top-down social engineering as a way to attain improved efficiency. Rather, any revolution must come organically, arising from popular struggles. Accordingly, Perelman presents no simple way to move society in the direction of attaining the goals of improved societal efficiency. Nor does he discuss the political resistance that this shift would entail.

Though he never goes all the way along the utopian road, that is, presenting detailed ‘recipes for the cook-shops of the future’, his conceptions are utopian in another sense.

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3 This encourages some to embrace the somewhat nonsensical attachment of prices to ‘natural capital’ and ‘social capital’.
His conception of society says that capitalism represents just one possible societal equilibrium situation. On the level of one part of society, he cites a model developed by George Akerlof and Janet Yellen in which we see situations where a community ethos can substitute for the police state as a superior method of avoiding crime (p. 114).  

After having accused Perelman of utopianism, it is necessary to defend that type of vision – because much of traditional Marxism rejects it completely. This tradition arises from, among other things, Frederick Engels’s Socialism: Utopian and Scientific. What is often missed however, is how respectful Engels was toward the utopians – and how willing he was to learn from them. In fact, as Hal Draper argues, Engels was quite enthusiastic about the utopian socialists’ contributions. He and Marx saw utopianism as part of collective self-education of the working class. Their main differences vis-à-vis the utopians mostly concerned issues of tactics and strategy, which they based on an understanding of the contradictions of capitalist society. The critique of utopianism became stronger when the intellectual leaders of the German Social-Democratic Party embraced a more positivistic ‘scientific’ socialism. It then intensified with the decline of the Russian Revolution, since any utopian musings were seen as implying criticisms of the USSR. But, as Marx noted, ‘what distinguishes the worst architect from the best of bees is that the architect builds the cell in his mind before he constructs it in wax’. Utopian thinking is part of this imaginary construction of a better society, one that is more necessary nowadays, given the collapse of the ‘model’ that many Marxists embraced, namely, that of the USSR and its imitators.

Not only do I defend Perelman’s treading the utopian path, but I wish that he had gone further, to learn more from utopians such as Thomas More (1518) and Edward Bellamy (1887). These authors and many similar spend a lot of effort arguing that an alternative way of organising society would ‘pay for itself’ by using unproductive labour productively and attaining human potential. For example, Bellamy lists ways in which his utopia economises compared to actually existing capitalism:

We have no national, state, county, or municipal debts,... no sort of military or naval expenditures,... no revenue service, police, sheriffs, and jailers,... no criminal class,... [none of] the thousand occupations connected with financial operations,... [no] inordinate personal luxury,... [and] no idlers.  

His proposed planning system also promises to minimise the role of
the waste of mistaken undertakings . . . from competition and mutual hostility
of those engaged in industry . . . by periodical gluts and crises . . . [and] idle
capital and labor.10

Though it is clearly too much to expect Perelman to present and analyse all of these
ideas in detail, I wish that he had noted the connections with the utopian literature.
In addition to getting ideas of how our current society might be improved, Perelman's
discussion would have been clearer if he had separated two distinct notions of
unproductive labour. The first is the More/Bellamy normative definition, also utilised
by Paul Baran (in which such labour does not exist in a ‘rational’ society), while the
second is from Marx, for whom unproductive labour was part of the necessary overhead
of capitalist society.11 Instead, Perelman conflates them (pp. 8–12).

Getting beyond the abolition of inefficiency, we must turn to the positive side of
Perelman’s book:

The second [shorter] half of this book points in the direction of Fourier’s
vision of passionate labor. It suggests that workers who are unemployed,
uninspired, and/or resentful of their situation will contribute only a small
portion of their potential to socially beneficial outcomes. (p. 157.)

But, with labour that is mixed with play, the individual’s personal passion is unleashed
as part of the collective. So there may be no societal limit to what can be done. Perelman’s
discussion here – including his discussion of the ‘nature of human nature’ – is necessarily
abstract, but still very useful.

Again, I think that he could have learned more from the utopians. In fact, William
Morris presented a very helpful Fourier-type discussion in his News from Nowhere
(1890). In his utopia, people work for the ‘reward of creation’ (because of the ‘conscious
sensual pleasure in the work itself’). The pleasure inherent in doing craft-type work
under one’s own control increases the supply of commodities; the abolition of alienation
unleashes a wave of human creativity that increases humanity’s wealth. Simultaneously,
the pleasure of working co-operatively with one’s friends makes even the drudgework
more pleasant. Yet more obnoxious tasks should be done with automated technology
(or abolished altogether). Adding to Morris, the demand for such products is lower,
since people no longer have to consume to fill the psychological voids imposed by
alienation, to compensate for their boring and dominated working lives. Thus, the
price of most goods nears zero. To gain the beneficial side-effect of lowering accounting
and other transactions costs, it could be set equal to zero. Learning from this and
similar discussions would have increased the depth of Perelman’s presentation.

11 See, for example, Barklay and Stengel 1975.
In the end, this book is very interesting and useful. But it is not a contribution to Marxism or the materialist conception of history per se. Rather, it provides needed food for critical-Marxist thought in the context of a broader Left in the era after the fall of the Soviet utopia. We need to learn from other schools of thought in order to broaden our vision, the popular appeal of our programmes, and our moral sensibilities.

References


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Jim Kincaid, for HM.

<jim@broomfieldcres.plus.com>


Steiner Uwe, Walter Benjamin, Munich: J.B. Metzler.


Gender Relations

‘Gender relations’ is a common expression in many fields of research, yet it is hardly ever clearly defined in conceptual terms. It is therefore necessary to clarify the concept of ‘gender relations’ itself while discussing different versions of it. The concept should be suitable for critically investigating the structural role that genders play in social relations in their totality. It presupposes that which is a result of the relations to be investigated: the existence of ‘genders’ in the sense of historically given men and women. Complementarity in procreation is the natural basis upon which what has come to be regarded as ‘natural’ has been socially constituted in the historical process. In this way, genders emerge from the social process as unequal. Their inequality then becomes the foundation for further transformations, and gender relations become fundamental regulating relations in all social formations. No field can be investigated meaningfully without complementary research into the ways in which gender relations shape and are shaped. When they are ignored – as is traditionally the case – an image of all relations as implicitly male gains general acceptance. Opposing this tendency and forcing the sciences to research the ‘forgotten women’ was the great contribution of the feminist movement of the last third of the twentieth century. Often, though, the perspective is fundamentally obscured by the phenomenology of men and women as they relate to each other as effects of gender relations, which thus focuses analysis on relations between particular individuals, as if these could be founded upon themselves. In German, this is particularly noticeable when the concept of gender relations moves into the singular: ‘the gender relation [das Geschlechterverhältnis]’ which appears in almost all scientific studies (of the 145 relevant titles which, according to an internet search, appeared in German in the period 1994-2000, only 4 use the concept in the plural. In English the plural is used exclusively, while ‘gender’ appears only in the singular). The singular may be appropriate, if it is a matter of the proportional representation of men and women in selected areas. Whoever uses it in a broader sense, however, consequently has difficulties avoiding an assumed certainty regarding what genders are. In order to define the concept in such a way that it is able to comprehend the moving and transformative aspects of its object, the plural is appropriate. In the widest sense, gender relations are, like relations of production, complex praxis relations. Their analysis considers both the process of formation of actors and the reproduction of the social whole.

1. The French Revolution was the scene of Olympe Marie de Gouges’s publication of a manifesto entitled Declaration of the Rights of Woman and the Female Citizen (1791). (Born in 1748, she was executed in 1793 due to her protests and organisation of women’s clubs.) Without having an expression such as ‘gender relations’ at her disposal, she effectively thought total social reproduction as being determined by such relations. Public misery and corruption of governments, she declared, were a product of ‘scorn for the rights of women’ (89). ‘A revolution is being prepared which will raise up the spirit and the soul of the one and the other sex, and both will work together in the future for the common good’ (88). Without social and political equality of the sexes, the revolution would become a farce. Gender relations appropriate to forms of domination were enforced by the law; thus the law would also be a means for the enforcement of emancipatory gender relations. The
‘unnatural’ domination of men over women was derived by de Gouges psychologically: the male, ‘extravagant, blind, [. . .] bloated and degenerated, wants to command despotically a sex which possesses all intellectual capacities’ (88). Women, kept like slaves in the contemporary society, would consequently, however, begin to rule as slaves over men (Friedrich Nietzsche later took up this point from an opposed standpoint, when he depicted the slave rebellion of women). De Gouges characterised that doubled reversal as the very quintessence of general ruination. Since its education had been neglected and it was without rights, the female sex developed deceitful forms of domination. Women thus became more destructive than virtuous; they applied their charm as a ‘political instrument’ for the cultivation of corrupt power over men; their weapon was poison. In all previous politics, there had been a de facto domination of women in the Cabinet, in the Embassy, in the Command of the Armed Forces, in the Ministries, in the Presidency, in the Bishoprics and in the Sacred College of Cardinals, and ‘everything which the stupidity of men constituted [. . .] was subjected to the greed and ambition of the female sex’ (92). De Gouges did not pursue, therefore, a victim discourse; she thought, at an early stage, the interpenetration of domination and oppression while presupposing a fundamental equality of the capacities of the sexes. More clear-sightedly than later feminisms, she saw the necessity to include the concrete social situation in the idea of the social construction of gender. The form of gender relations depended on morality [Sittlichkeit], justice and freedom. Brutes developed in deformed relations. The fact that women used their beauty as a lever for the acquisition of power and money was a consequence of their exclusion from regular participation in these goods: ‘Yet mustn’t we admit that in a society where a man buys a woman like a slave from the African coast, any other way to gain prosperity is closed to her?’ (93). Brecht later formed a similar judgement (Me-ti, GW 12, 474).

De Gouges linked the oppression of women to their function in the reproduction of the species and further articulated both of these with the law of inheritance and women’s lack of rights to the free expression of opinion. On the basis of their bondage (they were not allowed to name the father of their child), many women and, with them, their children, were thrown into poverty, an act ideologically reinforced by bigoted prejudices against public admission of fatherhood. ‘The rich, childless Epicurean has no problem with going to his poor neighbour and augmenting his family’ (94). The mingling that was actually occurring was hushed up in order to maintain the class barriers. However, de Gouges also declared marriage to be ‘the grave of trust and love’ (93). She demanded the entry of women into the national assembly (89), access to all public offices for all according to their capabilities as well as equal rights in paid occupations. The state’s expenditure was to be publicly accounted for, the use of budgetary funds by women according to their needs to be demanded. A ‘social contract’ between the sexes was to protect the free decision of individuals on the basis of affection, protect their rights regarding joint assets and also give recognition to children born outside of wedlock. The opponents of these politics were ‘the hypocrites, the prudes, the clergy and their entire infernal following’ (94).

The following elements can be gained from de Gouges which strengthen a concept of gender relations: egalitarianism in relation to the sexes is heuristically fruitful; relations of subordination of one sex lead to brutality and the ruination of society; it is important to think actors in gender relations in their particular structures of power and subjugation (slave morality) and their consequences; law as a form in which the dominant relations are reproduced is to be noted in the dispositif of gender relations. The assignment of the reproduction of the species to women as a private affair instead of a social solution receives a fundamental significance.

2. Ethnological studies on gender relations in the development of humanity emerged with the evolutionism of the nineteenth century. They referred in the first instance to matriarchy and patriarchy. The most well-known representatives are Johann Jakob
Bachofen and Lewis Henry Morgan. The Jesuit Joseph-Francois Lafiteau (1724), who associated the image of feminine domination in antiquity and in Native-American groups with specific forms of social regulation such as autonomous self-governance of villages and a type of council system, is regarded as a precursor. He showed the connections between matrilineal systems of inheritance and descent, political rights of women and a differentiated spectrum of activities that undermined the focus upon the mother. While preparing his work The Origin of the Family, Private Property and the State, Engels read Bachofen, alongside Marx’s excerpts from Morgan and others. It was Bachofen who became the most influential for the reception of this field of research in Marxism. Among others, Paul Lafargue, August Bebel, Franz Mehring, Max Horkheimer, Walter Benjamin and Ernst Bloch referred to him, and he also played a decisive role in later feminist discussions. Bachofen presented (from 1861) empirical studies on the basis of a re-reading primarily of classical mythology. Central was the idea that the maternal principal was expressed in love, peace, freedom, equality, humanity and commonality and therefore that the dominance of women which was based upon matriarchy represented the ‘civilised’ part of humanity’s history. He portrayed development as a violent-subversive dialectical process. Monogamous marriage was represented as a women’s victory after a long drawn-out struggle against the humiliating institution hetaerism. It was a victory that was difficult to win, because marriage as an exclusive association seemed to injure the divine decree. Hetaerism thus also appeared as accompanying atonement. Accordingly, he read Greek mythology as a history of the struggle between powers affirming the legality of marriage (Demeter) and those which sought to undermine it (those related to the hetaerism). The hard road from mothers to the domination of women conflicted, according to Bachofen, with the sensual and erotic dimensions of the ‘life of women’; the latter eroded ‘necessarily more and more the Demetrian morality and ultimately reduced matriarchal existence back to an Aphroditean hetaerism modelled on the full spontaneity of natural life’ (102; trans. modified). The progress from the maternal to the paternal conception of man forms the most important turning point in the history of the relations between the sexes’ (109); ‘the triumph of paternity brings with it the liberation of the spirit from the manifestations of nature, a sublimation of human existence over the laws of material life’ (ibid.). – Bachofen’s criteria became decisive for later debates concerning matriarchy: female lines of descent, group sexuality with the impossibility of determining the father; social and political communal participation, complemented by communal property, and including the contradictory gender stereotype of the woman-mother, morally superior, on the one hand, natural, on the other. This final element served further to romanticise matriarchy as the originary form of social organisation. Bachofen used the concept of ‘gender relations’ alternately in the singular or in the plural. He thought the sexes as fixed in their determinate qualities and limited his interpretations primarily to legal and religious forms. Departing from a strict attribution of that which is naturally female and male, he ‘found’ in classical mythology precisely those commonly accepted thought-forms: the opposition of reason and emotion, nature and sensuality, intellect [Geist] and culture. Here, it can be observed how veneration of women and enthusiastic appreciation of a feminine nature can act as the reverse side of the oppression of women, by romanticising them in compensation. – Ernst Bloch (1987) diagnosed that Bachofen’s heart was for matriarchy, his head for patriarchy, so that, at the end, he finally prophesised abhorrent communism as a return to the figure of the mother. – Because Bachofen derived the real relations of life out of their celestial forms (myths, religion) instead of vice versa, the real work, that is, of deciphering domination and oppression in gender relations and the utopian forms in which they were figured, remained still to be done. Morgan (1871) combined a re-reading of ancient and particularly Greek and Roman sources as well as those of the Old Testament with ethnological reports about tribes in
Asia, Africa and North and South America (his fundamental reference was the Iroquois). He depicted two lines of history: technical-civilising progress (invention and discovery) and the development of institutions from group marriage to the monogamous family and the state. The description of invention included livestock breeding, agriculture, pottery, in short, the whole of human life, since the question of the spread of humans over the whole of the earth depended on progress in the forms of sustenance of life (increase in the sources of sustenance). **Morgan** did not speak of matriarchy, but of descent in the female line; his chief criteria were economic: common occupation of land, work in common, a household of a communist type. According to his view, there had been an originary community consisting of equals. The development of private property led to the disintegration of collective structures. A chief focus of his research was the process of separation of family forms and lines of kinship; he comprehended the latter as passive, the family as active, and kinship structures as fossils of earlier forms of organisation. Forms founded upon descent in the female line interested **Morgan** because they preceded the emergence of property and its accumulation. – A theory of gender relations can gain from **Morgan** the ideas of the development of the productive forces, of the acquisition of the means of sustenance of life and of the forms in which procreation and child-rearing are organised, all of which are to be thought in their mutual inter-penetration.

3. In his first sketch of a critique of political economy, the *Economic and Philosophical Manuscripts of 1844*, **Marx** spoke of ‘both sexes in their social relations’ (*MECW* 3, 243). This formulation can be used for a theory of gender relations. The early **Engels** spoke of the relation of the sexes, but he meant essentially the relationship between men and women. From their early writings, both **Marx** and **Engels** were concerned with man-woman relationships free from domination, anchoring this in the very foundation of their project of social emancipation. The famous sentence, taken up from **Fourier**, in which they argue that the ‘degree of female emancipation’ is ‘the natural measure of general emancipation’ (*HF, MECW* 4, 195), established the principle that the development of humanity is to be read off from the development of the relationship of the sexes, ‘because here, in the relation of woman to man, of the weak to the strong, the victory of human nature over brutality is most evident’ (ibid.). According to the *Economic and Philosophical Manuscripts of 1844*, ‘the relation of the man to the woman’, determines ‘to what extent man’s need has become a human need, to what extent man has become, in his most individual being, at the same time a social being’ (*MECW* 3, 294).

The scenario of *The German Ideology* moves the problematic of the sexes onto centre stage. Among the ‘moments’, which have simultaneously existed from the beginning of history is the one in which ‘humans, who daily reproduce their material life, start to produce other humans, to procreate [...]’. This family, which in the beginning is the only social relation, later becomes subordinated when the increased needs create new social relations and the increased number of individuals creates new needs (GI, *MECW* 5, 35). And, from the beginning, they state: ‘The production of life, both of one’s own in work and of others in procreation, already appears immediately as a double relationship – on the one hand a natural one, on the other hand a social one – social, in the sense that we can understand it as a cooperation of several individuals. From this we conclude that a certain mode of production or industrial stage is always connected with a certain mode of cooperation or social stage, [...] therefore the “history of humanity” always has to be written and elaborated in interrelation with the history of industry and exchange’ (35). Unrecognised here is only that the complementary rule must also be regarded as valid, namely, that political-economic history is never to be studied in abstraction from the history of that natural-social relation. The remark that ‘the family’ becomes a ‘subordinated relation’ demands that the process of this subordination be specially
investigated. *The German Ideology* contains a series of remarks regarding how development in this area proceeds. The ‘unequal, quantitative just as much as qualitative, distribution of labour and of its products [. . .], that is, property, which has its seed, its first form, in the family where women and children are the slaves of men’ (35) is regarded as fundamental. The ‘latent slavery in the family’ was comprehended as ‘the first property’, which, the authors emphasised, ‘here already corresponds perfectly to the definition of modern economists, according to which it is the power of disposing of the labour-power of others’ (35). The division of labour developed further together with needs on the basis of surpluses and, in turn, generated further surpluses, just as independent production of the means of life was both a result of an ‘increase in population’ and, in its turn, promoted this (30). The division of labour further contained the possibility of the possession by different individuals of ‘pleasure and labour, production and consumption’ (33); it was, therefore, at the same time a precondition of domination and of development. Two forms of domination which overlap each other had determined the process of history: the power of some to dispose of the labour-power of many in the production of the means of life and the power of (the majority of) men to dispose of women’s labour-power, reproductive capabilities and the sexual body of women in the ‘family’. The contradictory interpenetration caused the development of community to advance at the same time as the destruction of its foundations, supported and borne by gender relations, in which, for reasons bound up with domination, the socially transformed was claimed to be natural and the sensuous-bodily substance was subordinated together with nature.

In their works on the critique of political economy, Marx and Engels time and again ran into blockages that were forms in which gender relations were played out. Both noted carefully the composition of the new factory personnel according to sex. Marx made the following excerpt: ‘The English spinning mills employ 196,818 women and only 158,818 men; [. . .] In the English flax mills of Leeds, for every 100 male workers there were found to be 147 female workers; In Dundee and on the east coast of Scotland as many as 280. [. . .] In 1833, no fewer than 38,927 women were employed alongside 18,593 men in the North American cotton mills’ (*MECW* 3, 244). After the analysis of a multitude of statistics, Engels came to the conclusion that in the English factory system in 1839 at least two-thirds of the workers were women. He called this a ‘displacement of male workers’, ‘an over-turning of the social order’, which would lead to the dissolution of the family and neglect of children. He did not consider further at this stage the gendered division of labour, leading him to think of the labour force as essentially male (*MECW* 4, 434 et sq.). A little later, he discovered that, in the social division of domestic and non-domestic labour, the agent of the first, independently of the respective genders, was dominated by the agent of the second. Such a discovery grasped a fundamental element of gender relations of domination. Nevertheless, Engels gave an account of the outrage over the situation of the factory workers essentially with moral categories (deterioration of morals). This made it difficult to see the context as an effect of gender relations specific to conditions of capitalist exploitation. He recognised ‘that the sexes have been falsely placed against one another from the beginning. If the reign of the woman over the husband, as inevitably brought about by the factory system, is inhuman, the original rule of the husband over the wife must have also been inhuman’ (*MECW* 4, 438). He located the problem in the community of goods with unequal contributions, concluding that private property corroded the relationships of the sexes. Conversely, he thought that the proletarian family, because it was without property, was free of domination. ‘Sex-love in the relationship with a woman becomes, and can only become, the real rule among the oppressed classes, which means today among the proletariat. [. . .] Here there is no property, for the preservation and inheritance of which monogamy and male domination were established’ (*MECW* 26, 180). The idea
functioned as an ethical ideal in the workers’ movement. As a pronouncement on an actual here and now, it was always contradicted by the facts. It misunderstood theoretically the function of the division of labour between house and factory and therefore the role of gender relations in the reproduction of capitalist society. Engels’s further interest was directed in particular to the man/woman relation, not the investigation of how gender relations traverse all human practices. He expected from communist society that it would ‘transform the relations between the sexes into a purely private matter [. . .] into which society has no occasion to intervene. It can do this since it does away with private property and educates children on a communal basis, and in this way destroys the two bases of traditional marriage, the dependence rooted in private property, of the women on the man, and of the children on the parents’ (MECW 6, 332; trans. modified).

In Capital, Volume I, Marx noted that the maintenance and reproduction of the working class as a condition for the reproduction of capital remained left ‘to the labourer’s instincts of self-preservation and of propagation’ (MECW 35, 572). This is the case, except for forms of ‘care for the poor’ and ‘social welfare’, but can nevertheless mislead theory into no longer focusing its interest on the process as a private matter and possibly to treat it as a mere gift of nature. An effect of the control of men over women in the family consists in the lesser value of the labour of women compared to that of men. This situation makes women’s work particularly suitable for capitalist exploitation as cheap labour.

Marx evaluated official reports in which the workers appeared grammatically, in the first instance, as gender-neutral; as soon as there were women and children, they were named as extras and as a peculiarity. Thus an implicit masculinity appeared in the diction; at the same time, Marx registered that woman and children were replacing male workers. In a context of unchanged gender relations, this practice brought about the destruction of the natural foundations of the working class. Since the masculinity of the proletariat was implicitly assumed in the texts, it was not really made explicit that the form of wage-labour actually presupposed the male wage-labourer, precisely because gender relations in which the labour of the production of the means of life (in so far as this occurred in commodity forms) is a social affair which occurs under private forms of domination. The reproduction of the workers (MECW 35, 182), on the other hand, entrusted privately to individual families, did not appear to be a social affair. The interpenetration of capitalist exploitation and the division of labour in traditional gender relations demonstrated that capitalist production is based, among other elements, upon the oppression and exploitation of women. –

In the midst of concentrating on capitalism, Marx had a flash of inspiration: ‘However it still remains true that to replace them they must be reproduced, and to this extent the capitalist mode of production is conditional on modes of production lying outside of its own stage of development’ (MECW 36, 108). (The idea was taken up by Rosa Luxembourg in The Accumulation of Capital.)

Already in the Economic and Philosophical Manuscripts of 1844, Marx had noted ‘a greater economic independence’ of women, because ‘a wider area of employment opportunities has been opened up’ to them by ‘changes in the organism of labour’, as a result of which ‘both sexes [had been] brought closer together in their social relations’ (MECW 3, 243; trans. modified). In Capital, Volume I, he then directed his attention to the ‘peculiar composition of the body of workers compared to that of men. This situation makes women’s work particularly suitable for capitalist exploitation as cheap labour.

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of humane development’ as soon as ‘the process of production is for the worker’ (ibid.). – This perspective was restricted in the lands of state socialism to the professional occupation of women. Since the totality of labour necessary for reproduction and its reinforcement in morality, law, politics (in shorthand: ideology), sexuality and so forth did not enter into the analysis, this solution misunderstood the persistence and complexity of gender relations. – In the workers’ movement, that foreshortening lead to the adoption of a theory of the succession of the struggles for liberation, in which it was forgotten that gender relations are always also relations of production, and thus how strong are the relations of reinforcement and support for the reproduction of the current form of relations in their totality. The relations of production cannot, therefore, be revolutionised first and, only later, the gender relations.

In the last three years of his life (1880–2) Marx made copious ethnological excerpts from Morgan, John Budd Phear, Henry Sumner Maine and John Lubbock. Lawrence Krader designated them as an ‘empirical ethnology that is simultaneously revolutionary and evolutionary’ (‘Introduction’, Marx 1972, 12). He understood their perspective in the following way: ‘the originary community, consisting of equals, is the revolutionary form of society which will have a new content after the historical transformation which humanity has experienced and after exploitation in the form of slavery, serfdom and capitalism has been overcome’ (14 et sq.). He thought he had found in ethnology proofs for the possibility of co-operative institutions and communal, community-oriented labour relations.

The excerpts from Morgan constituted the major share of this work. The focal points of the ‘family’ and kinship make them fruitful for the question of gender relations. Marx mostly followed Morgan’s views, so that astonishment when gender relations are not mentioned and when they are treated applies to both authors. The material suggests the view that human development proceeded from an original communist equality to domination and oppression through the emergence of private property, that this process was accompanied by progress and, crossing stages of barbarism, led to civil society. Inventions and discoveries assured not only survival, but also the possibility of surplus and thus the foundations for the emergence of wealth, which became an historical reality to be privately appropriated.

Marx excerpted exactly the kinship lines demonstrated by Morgan – from the family related by blood to the punaluan and the syndyasman or pairing family, to the patriarchal family (which he held, with Morgan, to be an exception) and to monogamy. What interested him in Morgan was the idea, later to be more fully developed by Bloch, of a non-contemporaneity. The system has out-lived the uses from which it emerged, and survives as if those uses were still valid, even though such a system is in the main unsuited for present conditions’ (Marx 1972, 135). Which women and which men were allowed to marry each other in group marriage thus became relevant because the tribal lines of the gentes were determined in this way. Everywhere there were female lines of descent, and the children remained with the mother or with the gens of the mother. The father belonged to another gens. At the beginning of humanity’s development inventions, aimed at the acquisition of the means of subsistence and were in this way easily conceivable for both sexes. ‘Common estates and agriculture in common must have led to communal housing and a communistic household. [. . .] Women received stability and security, provided with common supplies and households in which there own gens had a numerical predominance’ (344). The situation of women deteriorated ‘with the rise of the monogamous family, which abolished the communal dwelling, placed the woman and mother in a single family dwelling in the midst of a purely gentile society and separated her from her gentle kin’ (ibid.). One gains the impression that regular military campaigns led to the invention of better weapons and to the formation of military leaders; the bow and arrow, the iron sword (barbarism) and firearms (civilisation) were regarded as important inventions.
Inasmuch as chieftains, councils and political assemblies are considered – the selection criteria are noted as personal competence, wisdom and eloquence (199) – women were represented only enigmatically: the Iroquois ‘women were allowed to express their wishes and opinions through a speaker which they had selected themselves. The council made the decision’ (227). After the forms of marriage, the excerpts are concentrated on the development of the cultivation of grain, domestication of animals, military campaigns and the development of property, and later the development of political society. The activity of women, however, is conspicuous by its absence. For example, the following isolated note from Morgan’s presentation of the Moqui-Pueblo Native Americans appears (without commentary): ‘Their women, generally, have control of the granary, and they are more provident than their Spanish neighbours about the future. Ordinarily they try to have a year’s provisions on hand’ (Morgan 536; Marx 1972, 179). One can implicitly gather that responsibility for children – as presumably also for births; at any rate, humans multiplied rapidly, but even this notice only obtains a reference to increased means of consumption (172) – held women back from the warpath. Such wars, however, when successfully issuing in conquests, lead to an accumulation of wealth. ‘Following upon this, in course of time, was the systematic cultivation of the earth, which tended to identify the family with the soil, and render it a property-making order’ (Morgan 1972, 184). This sheds light on the seeming ‘naturalness’ of male property, succession according to patrilineal descent and corresponding monogamy. Finally, the head of the family (male) became ‘the natural centre of accumulation’ (ibid.).

Concentration on the history of men occurred rather implicitly, and was often revealed in the spontaneous choice of words. Marx noted: ‘The higher qualities of humanity begin to develop on the basis of the lower stages: personal honour, religious feeling, openness, masculinity and courage now become common character traits, but also cruelty, treachery and fanaticism’ (Marx 1972, 176). He did not appear to note the androcentrism. – As long as there was no private property, matrilineal descent was clearly just as little problematic as was the mother’s authority. Marx wrote again without further explanation: ‘as soon as more property had been accumulated [. . .] and an ever greater part was in private possession, the female line of descent (due to inheritance) was ripe for abolition’ (342). Parentage was now defined according to the father (patrilineal). This was possible due to the fact, among other reasons, that the gradually forming ‘political’ positions of power (chieftains, councillor, judge) were occupied by men as well.

In Morgan’s reading of Fourier, Marx noted an extension of earlier definitions of the family and of its relations to the broader society: ‘Fourier characterized the epoch of civilisation according to the presence of monogamy and private ownership of land. The modern family contains in essence not only servitus (slavery), but also serfdom, since from the beginning it had a relation to services for agriculture. It contains in itself in miniature all of the antagonisms which later were widely developed in society and the state’ (Marx 1972, 53).

It can be inferred from the study of Morgan and Marx that war and private property determined gender relations, undermining the originary community and thus promoting development on the basis of inequality. – Unfortunately, Marx abandoned a form of ethnological research which, after the complications of who was allowed to marry whom and how descent in the female line and primitive communism were connected, considered the activity and lives of women.

The re-reading of ethnological studies that broke this silence was the later work of Marxist and feminist ethnology. Claude Meillassoux criticised Marx’s reading (and its continuation by Engels) for having stumbled ‘into the ideological trap of blood kinship’ and claimed that they had failed to apply their own method, namely, that of analysing the ‘reproduction of life’ and the relations of production as ‘social relations of reproduction’ (1994, 318). This critique can be extended to the treatment of gender relations by all of the classics. – A more
sophisticated version of gender relations in the development of humanity remains almost invisible in historiography, if female labour in the context of total social labour and the participation of women in politics and administration are not searched for with the attentive eye of a detective.

The Ethnological Notebooks of Marx were first published in 1972 by Lawrence Krader. Engels, however, had already in 1884 summarised Marx’s excerpts from Morgan and the notes from his own reading of Bachofen in The Origin of the Family, Private Property and the State, thus providing the material and the style in which the oppression of women was thought. Simultaneously, he had thus strengthened a mode of reading that, to a certain extent, comprehended gender relations as an addition to, and outside of, the relations of production. In his famous passage on monogamy (taking up an insight from The German Ideology) he opened up a personal relation into a social one by means of the application of the concept of class to the man-woman relationship: ‘The first class conflict [. . .] coincided with the development of the antagonism between husband and wife in monogamous marriage, and the first instance of class oppression with the oppression of the female sex by the male’ (MECW 26, 175). Furthermore, with monogamous marriage began an epoch in which every step forward was simultaneously a relative backward step, in which the well-being and the development of the one group prevail through the misery and repression of the other. It is the cell form of civilized society in which we can already study the nature of the oppositions and contradictions which fully develop therein’ (ibid.). – Marx had noted to the contrary, incidentally, that ‘the family – even the monogamous family – could not form the natural basis of gentile society, just as little as today in bourgeois society the family is the unity of the political system’ (Marx 1972, 285).

Engels’s stirring rhetoric conceals the fact that the form of monogamous marriage does not imply any specific labour relations. Concepts such as ’antagonism, classes, well-being and misery’ allowed gender relations to be regarded as mere relations of subjugation – as after a war – and not as practices of both sexes. Thus studies on gender relations did not lead to a comprehensive formulation of the connection of relations of production, but rather, on the contrary, to a separation of the terrains of the production of life and the production of the means of life. That, admittedly, corresponds to the development of capitalism, but nevertheless prevents one from seeing precisely the generalising imposition of obligations as an effect of the relations of production. In the Preface to Origin, Engels sketched out what was supposed to be understood by ‘production and reproduction of immediate life’: ‘On the one hand, the production of the means of life, of the objects of food, clothing and shelter and the tools necessary for that production; on the other hand the production of human beings themselves, the propagation of the species’ (MECW 26, 135 et sq.). He named both ‘production’ and the propagation of the species’ (MECW 26, 135 et sq.). He named both ‘production and reproduction of immediate life’.

Bloch noted, obeyed ‘puritanical motives’ when he proclaimed monogamy to be a female victory against ‘disorderly sexual dealings’ and claimed a ‘mysterious seizure of power’ of men on the basis of taking up, all too unconsidered, ideas from Bachofen (1967). – Engels gathered much material in order to prove the humiliation of women. However, it also escaped him in this instance that gender relations determine the whole society and are not restricted to the domestic sphere.
His most famous sentence in this connection presented women as mere victims: ‘the overthrow of matriarchy was the world-historic defeat of the female sex’ (MECW 26, 168 et sqq.).

Engel’s perspective for liberated gender relations was the inclusion of women in industry, a movement which he saw already becoming a reality in capitalistically organised production, because modern industry ‘not only allows female labour on a large scale, but in fact formally demands it, and [...] strives more and more to dissolve private domestic labour into a public industry’ (MECW 26, 261). Since this perspective defined the state-socialist project, the problems can be studied in concrete and historical terms.

Critical conceptual summary – The critical survey of Marx and Engels demonstrates the approach to comprehend gender relations as relations of production just as much as its abandonment. The greatest barrier proves to be the tendency to think of gender relations as relationships between men and women. It must obviously become a rule to investigate the different modes of production in history as always also gender relations. Neither can be comprehended without the answer to the question of how the production of life in the totality of the relations of production is regulated and their relation to the production of the means of life, in short, how they determine the reproduction of the whole society. That includes the differential shaping of femininity and masculinity, just as much as the development of the productive forces, the division of labour, domination and forms of ideological legitimation.

4. Politics concerning gender relations emerge in the history of Marxism as a struggle against the ban on abortion, as a demand for gainful employment for women and equal wages for the same work, but also as demands for a better family life (among others, by Clara Zetkin), as a promise to raise women up out of the restrictive confines of the domestic sphere (Lenin, alongside many others), and as an attempt to liberate also the feminine psyche from its love-prison (Alexandra Kollontai). Finally, in the late twentieth century, there was the demand to create the preconditions that would allow the combination of family work and paid employment. In short, the question of gender relations always emerged as the ‘women’s question’, which took no account of its connection to the relations of production.

An exemplary exception stands out in Antonio Gramsci’s notes on Fordism. His point of departure was the rationalisation of labour on the assembly line (Taylorism), the related creation of ‘a new type of man’ among workers and the political regulation of structural conditions. Gramsci introduced the concept of historical bloc for this process. He understood by this the combination of groups in the dominant power relation – in this context, the combination of the mode of mass production, private life-styles and state-sponsored campaigns concerning morality (Puritanism/Prohibition). From this perspective, gender relations emerged, in the first instance, as a particular subjugation of men under intensified ‘mechanical’ exhausting work conditions for higher pay which allowed the support of a family and recreation, and which, in turn, was necessary for the maintenance of precisely this Fordist labour subject. His exhausting work conditions required specific morals and ways of living, monogamy as a form of sex which did not waste time or indulge in excess, little consumption of alcohol, and the formation of housewives who watched over (and were accordingly actively engaged in promoting) discipline, life-style, health and nutrition of the family, in short, the mode of consumption. One sees the disposition of the genders and thus essential aspects of their construction, along with political regulations. Among other aspects, it can be seen how this whole structure was transformed with the change of the mode of production, and the essential points of articulation that flexibly hold capitalist society together can be recognised in this process. Related to the transition to the high-technological mode of production, Gramsci’s insights teach us how to investigate the
transformation of the relations of manual to mental labour by the new mode of production through an examination of gender relations: the new mode of production requires less labour-power than other types and its hegemony is correspondingly differently enforced; it needs another type of intervention by the state; it produces another effect on the terrain of civil society and so on. The question of the new labour subject must include the new determination of gender relations, precisely because it concerns life-style, maintenance and development, which, to a certain extent, represent a ‘marginalised centre’ of social relations (cf. F. Haug 1998).

5. The book on the subjugation of women published by John Stuart Mill together with his wife, Harriet Taylor, and their daughter Helen in 1869 aroused a great sensation and was translated into German in the same year. The goal was a kind of social psychology of gender relations as a foundation for the political and legal equality of women in order to support the struggles for the right to vote, the right to work and the education of women. Mill and Taylor used the concept of gender relations, even though it became unrecognisable in the German translation ['Beziehungen zwischen den Geschlechtern', 'relationships between the sexes'] (Mill 1997, 3). The primary terrains upon which existing gender relations were thought were habits and feelings, opinions on the nature of men and women and their current positions in society which were derived from such opinions, above all in terms of their legal status. Since ‘the subjection of women by men’ was ‘a universal habit’, every deviation from this appeared as ‘unnatural’ (16). Their research was consequently directed toward the terrains of everyday experience, the morality regulating it and the law. The assumption of the naturalness of the ‘feminine’ was criticised, and instead their capabilities and to apply them (105 et sq.). According to the assumption of a masculine arbitrary violence, no attempt was undertaken to establish a connection to the relations of production. Their own field of experience, the fate of women of the bourgeoisie, allowed them also to overlook the formation and education of the female proletariat. – It remains to be recorded that, since the end of the eighteenth century, insight into the constructed nature of gender, in particular, the gender of women – first, in de Gouges, now in Mill/Taylor – belonged to the standard stock of knowledge. Two centuries later, this insight emerged again with no sense of its own history, as if it were the most novel of all ideas.

Just seventy years after Mill/Taylor, Virginia Woolf, writing in a context in which bourgeois gender relations had remained relatively stable, bade farewell to the hope that society would gain when women would be placed on an equal footing with men and could take up the careers reserved for and practised by men. In this case, she argued, women would become just as ‘possessive, suspicious, and quarrelsome’ as men (87). In the gender relations in which the bourgeois reproduced itself, she detected the possibility of the capitalist mode of production, of war and of its ideological anchoring. These gender relations produced on the side of the subject: ‘senselessness, pettiness, malice, tyranny, hypocrisy, immorality in excess’ (108). On the basis of the difference between the practices of the genders, she came to the conclusion that the
Emancipation of women required another society in which, among other things, education and development would not be ‘for capitalism, market, war, but for the perfecting of spirit and body, life and society’ (Ibid.). Although, again, limited to the bourgeois class, knowledge was here developed concerning the structural role of the sexes in the reproduction of the relations of production.

Ten years later, Simone de Beauvoir explained that the oppression of women was due to the ‘capacity for reproduction’ of woman; she saw feminine subalternity maintained by the respective socially specific construction of social gender. The balance of the productive and reproductive powers is realised in different way in different economic epochs of humanity’s history. These, however, create the pre-conditions for the relationship of the male and female parts to their descendants and thus also to each other’ (46). Her conclusion, which was influential for the later women’s movement, was aimed at the employment of women in order to make them economically independent from men, the structural integration of technical progress in human reproduction and the transformation of the ideological-psychological construction of the feminine.

6. Important elements for a theory of gender relations were developed in the discussions concerning a Marxist anthropology in France in the 1960s. Insights into the connection of political and cultural dimensions in the definition of modes of production were supposed to be gained from the analysis of precapitalist societies. A point of contention, among others, was what ‘the economic in the last instance’ meant. Maurice Godelier grasped the role of relationships of kinship for the regulation of the relations of production as a question of a dominance which then ‘‘integrates’’ all other social relations’, which not only defines relations of descent and marriage, ‘but also regulates the particular laws regarding the disposal of the means of production and products of labour, […] and when it serves as a code, a symbolic language to express man’s relation to man and to Nature’ (35). Claude Meillassoux responded critically that kinship was, for Godelier, the ‘Alpha and Omega of all explanation regarding primitive societies; kinship in some way is seen as generating its own determination. It follows from this that the economy is determined by social evolution […] and that historical materialism is left without scientific basis’ (1981, 49). The critique is unjust, since Godelier’s formulation of the research question posed to the social sciences was: ‘Under what circumstances and for what reasons does a certain factor assume the functions of relations of production and does it control the reproduction of these relations and, as a result, social relations in their entirety?’ (36). He understood this as a specification of Marx’s formulation of the ultimate determination of the social and intellectual life process by the mode of production.

Meillassoux’s suspicion that, in this articulation, kinship was given a ‘double role of both infra- and superstructure’ (1981, 49) and was even regarded as a key for anthropology is, however, not to be rejected out of hand. Of course, the seesaw of instances and dominances vanishes as soon as kinship relations are grasped as relations of production. Meillassoux opened the way for this by defining as the central point of departure the concept of relations of reproduction. With this, he concluded that a society for its continuation must establish a ‘satisfactory balance in the community between the number of productive and non-productive members and among these […] enough people of appropriate age of each sex’ (42). Since this is not given in itself in small cells of production, the elders, who enjoy a higher standing due to work done in the past, develop a system of exchange of women (43 et sq.); their power shifts ‘from control over subsistence to control over women – from the management of material goods to political control over people’ (45). In the proto-agrarian mode of production (which was based in addition upon hunting), this authority of the elders did not exist; there was kidnapping of women and thus the necessity to protect women, which excluded them from hunting and war. At the same time, war became more important for the foundation of masculine domination.
Meillassoux agreed with the view of Marx and Engels that ‘women probably constituted the first exploited class’ (78), but added that they were subjected to different relations of exploitation and subjugation according to sexual maturity. He agreed with Engels that one could speak of an ‘historic defeat of the female sex’, but objected that this is not to be linked to the emergence of private property. Rather, it was founded in the relations of reproduction, in which, on closer inspection, a multiplicity of relationships of dependence are also to be detected among men, differing according to the mode of production. He connected the necessity of marriage with farming, in which the wife became an instrument of reproduction.

Meillassoux showed as an example of the agricultural household how the ‘relations of reproduction’ became ‘relations of production’, since ‘filiation relations have to correspond to the relations of dependence and anteriority established in production’ (47). In this case, the relations in reproduction are politically formed, subjugated, however, to the determining constraints of production. In the central themes of the studies on primitive societies – forms of the family, female lines of descent, their dissolution by patriarchal lines of descent, authority of elders, fertility cults, compulsion to endogamy, incest taboo – he highlighted the achievement of relative independence of the organisation of reproduction. ‘The domestic community’s social reproduction is not a natural process, nor is it [...] the result of war, abduction and kidnapping. It is a political enterprise’ (46). Meillassoux held, with Marx, to the primacy of the relations of production and explained that ‘the place occupied by the relations of reproduction in social organisation and management’ establishes the meaning ‘which the juridico-ideological representation, i.e., kinship has’, so that relations of reproduction ‘tend to become accepted in a non-equalitarian class society as fundamental “values”’ (48).

The domestic mode of production, the economic centre of primitive societies, continued, according to Meillassoux, until the late phases of imperial capitalism and was assimilated to the laws of capitalist class society as a meagre basis of production of life and labour-power, preserved there and, at the same time, destroyed. Accordingly, Meillassoux opposed Marx’s view (C I, MECW 35, 565) that there was no longer any inflow of elements originating outside of the capitalist mode of production into developed capitalism after the phase of primitive accumulation, overlooking, of course, Marx’s comment to the contrary (C II, MECW 36, 105 et seqq.).

Following Meillassoux, studies became possible that allowed the structural role of the sexes in the regulation of total re-production (determined by the state of material production) and, in this, the role of politics, ideology, morality and their relative independence to be analysed. Nevertheless, he did not keep completely to his intention to think the relations of production on the basis of the relations of reproduction, so that, for example, the power of the elders appeared to him as masculine, conditioned by production. Here, the comprehension of gender relations still needs to be adequately integrated into the analysis.

7. Feminist ethnology concentrated on the treatment of gender relations. Thus, Olivia Harris and Kate Young gave as a reason for their turn from women’s studies to research on gender relations the fact that the relationships between different actors only becomes understandable in connection to the relations of production (1981, 111). As a terrain of analysis, they suggested changing from the general terrain of the mode of production to the more concrete one of the ‘conditions of reproduction of historically-located productive systems’ (117).

Engels’s Origin has regularly been a starting-point or critical point of departure for feminist ethnologists. One of the first, Eleanor Leacock, following Engels’s proposal to connect the oppression of women to the emergence of private property, worked from the 1950s on research into non-class societies in order to grasp in a new way the position of women in relations of production, distribution and consumption. Her fields of research were, among others, organised hunter-gatherer societies before the emergence of the state. In her re-reading of the studies of Morgan, Wright, and Lafiteau,
but also later authors such as Landes (1938), Leacock criticised both their inadequate research of the self-transformative socio-economic conditions and their ethnocentric points of view (147 et seq.). Instead of equality, she spoke of an autonomy of the sexes (134). She criticised the generalisation of the division, common in class societies, between the public and private, doubted the universal representation of the family and noted the absence of leaders, markets and private land ownership as essential dimension of hunter-gatherer societies (140).

The division of labour between the sexes was accompanied by a high reputation for women because of their ability to give birth to children. To be noted, according to Leacock, is the fact that women in every society make an important economic contribution, but their status is dependent upon ‘whether they control the conditions of their work and the dispensation of the goods they produce’ (152 et sq.). Her conclusion is that, in societies in which the domestic economy makes up the whole economy, gender relations were not determined by relations of domination (144) and that ‘household management’ was decisive in council assemblies which decided on war and peace.

Inside feminist ethnology there consequently developed three tendencies in opposition to the thesis of the binary division of the history of humanity into a matriarchy and – after a break – a patriarchy as precondition of progress. The idea of women as victims was positively taken up, or rather, updated in a slightly modified form, by a first tendency. Thus, the view of Claude Lévi-Strauss (e.g. 1968, 1979), among others, that men everywhere behaved toward women just as culture to nature and that women represented the non-cultural wild element, also enjoyed feminist recognition (cf. e.g. Ortner 1974; Rosaldo 1974; Benard/Schlaffer 1984). Sherry B. Ortner, for example, inspired in an equal measure by both Simone de Beauvoir and Lévi-Strauss, claimed that universal oppression of women stems from the fact that ‘woman’s body seems to doom her to mere reproduction of life; the male, in contrast, lacking natural creative functions, must [. . .] assert his creativity externally, “artificially”, through the medium of technology and symbols’; the male creates in this way ‘relatively lasting, eternal, transcendent objects, while the woman creates only perishables – human beings’ (1974, 75).

A second group regarded the victim discourse as a result of a masculine mode of research which did not notice (or, due to the separateness of women’s culture, could not even raise) the activities of women. Carol P. MacCormack criticised the constructed nature of such a model as a product of the late eighteenth century and demonstrated at the same time the dominatory uses of this mode of thought: ‘When women are defined as “natural”, a high prestige or even moral “goodness” is attached to men’s domination over women, analogous to the “goodness” of human domination of natural energy sources or the libidinal energy of individuals’ (1980, 6). The perception of non-European women and their symbolical appropriation by means of Western ethnology was treated in a similar way. The conscious and unconscious symbolic reification of the “primitive” woman in the everyday life, art and science of the metropoles has legitimised her actual subordination and encouraged an activity which continues it’ (Arbeitsgruppe Wien 1989, 9).

A third tendency of critical-feminist research was directed toward the search for gender-egalitarian societies. Equality was here understood as equal value, because the division of functions is not necessarily accompanied by hierarchy. Ilse Lenz (1995), who spoke of ‘gender-symmetrical societies’, criticised the conclusion suggested by Engels’s binary division of history into a matriarchal phase of reproduction and a patriarchal epoch determined by production, namely, that women could only liberate themselves through participation in the latter (38 et sq.). ‘Gender and domination are simply seen in relation to each other in this binary division of epochs, and the necessary mediating steps of the economy, society and thought are missing’ (44). The question for ethnological research, on the other hand, had to be ‘in which form women and men are active in these socio-political processes and what power they derive from them’ (45).
Research questions were directed toward production, reproduction and sexuality, knowledge of the body, political authority and symbolic order. Lenz rejected the usual concept of power (for example, that of Max Weber) as masculine, since it one-sidedly referred to the opportunity to enforce one’s will over and against others and was thus limited from the outset to the victor. She comprehended power as determination over processes and resources. Only this allowed the multiplicity of gender relations to be comprehended, to discover, for example, women’s power also in patriarchal societies on the ‘underside’ of official power (55), and thus to think in terms of a ‘power balance’, rather than having to think a complete subjugation of one gender by the other (64).

The thesis ‘that forms of marriage give an excellent insight into the organisation of relations of production specifically relevant to gender in all classless societies’ (Collier/Rosaldo 1981, 278), was contested by Ute Luig (1995) who pushed rites of sexual maturity and of access to economic, political and religious resources back onto centre stage. Her main conclusion: a gender-specific division of labour does not have to be accompanied by hierarchy, dependence and exploitation. ‘Egalitarian relationships do not correspond to any natural, originary situation, but are perpetuated by conscious, social strategies and control mechanisms and are continually formed anew’ (95).

As preconditions of equality, she named the absence of accumulation, that is, the immediate consumption of foodstuffs, and, accompanying this, autonomy as a capacity to provide for one’s self. For the most part, Luig used the concept of gender relations in the singular. This mode of formulating the question produced the effect that the different practices into which the sexes enter were not seen in connection to the reproduction of society, but, rather, on the contrary, social production, hunting and gathering, were comprehended as moments of determination of the interaction of the sexes – as if the genders as such were antecedent and as if society was additionally produced as a particular (e.g. egalitarian) relation of both to each other.

The study of distant cultures and their gender relations led at times to a kind of sophisticated tolerance for which all material evidence appeared to be unimportant. Thus Ina Rösing (1999) reported from an investigation of an Andean village in which she claimed to have discovered ten instead of the normal two genders. She demonstrated this in the multiple and changing ‘gender’ allocations of space, time, field and public offices and so forth – thus, for example, the sun is masculine in the morning, but feminine in the evening. Research into gender relations was here dissolved into a multiplicity of discourses. Nonetheless, even in this many-stranded fabric, there is a central thread to be discovered: ‘The fundamental, everyday division of labour, family life and sexuality are not affected by symbolic genderness’ (56). She explained the conspicuous gender symbolism materialistically as a recharging of the sexual, in the sense of entreaties for fertility made necessary by the hard conditions of survival in the Andes.

Maxine Molyneux, in her re-reading of studies on Gouro-formation (which had been studied by Emmanuel Terray (1974) and Georges Dupré and Pierre-Philippe Rey (1978)), demonstrated that leaving the status of women out of an account led to more general conceptual and epistemological problems. The point of contention was the question of whether or not this was already a class society. The focus of the analysis was the relation of elders to the younger men who found themselves in an ambivalent exploitative relation. Molyneux showed that opponents and supporters of the thesis of a class society departed from a vision of a purely male society (61). Central for the analysis of any mode of production, however, according to Molyneux, was the comprehension of the gender-specific division of labour (62). Among the Gouros, women’s surplus-production was appropriated by the eldest, so that they would have represented a class for Terray, whose point of departure was observed exploitation rather than property. Attention to women, however, could also have corrected Terray’s concept of class: in the separation of women from the land and from the product of their work one could have seen ‘the dissolution of collective
property in land and the emergence of
relations of private property’ (71 et sq.) and,
consequently, the transition from primitive
communism to a class society (70). In opposition to Engels, Molyneux did not see
the subordination of women as founded in
their marginalisation by the development of
social production. Rather, she argued that
bourgeoisideology was responsible for the
definition of the roles of women and men. –
Molyneux expressed the concept of ‘relations between the
sexes’, but this was made unrecognisable
by the German translator as ‘Beziehungen
zwischen den Geschlechtern’ [relationships
between the sexes] (78).

The study of feminist ethnology demonstrates, among other elements: an historical
materialism which is attentive to real history
demands that gender relations be
prehended as relations of production, that
is, demands research into the participation
of the genders in different modes of pro-
duction and thus the investigation of the
many and diverse practices and their sym-
bolic expression, and their reinforcement in
determinant customs, traditions and value
systems. If the standpoint of the reproduction
of society is abandoned, the phenomena
appear as arbitrary. In the re-reading of
existing research it becomes apparent that,
due to the ethnocentrism and/or andro-
centrism of language and concepts, it is
appropriate to proceed with caution and scepticism; this is also the case for feminist
research.

8. The perception that there lay a further
system of domination beyond that of cap-
alism, namely, patriarchy, raised the ques-
tion for the feminism of the second wave
of the women’s movement of how the
interaction of the two types of domination
was to be thought. The discussions about
chief and secondary contradictions, in-
fluenced by Maoism, sought to affirm
an integral totality. Its analysis, however,
was simultaneously blocked by this same
conceptual paradigm. The discussion strug-
gled against Marxism, by which Marx was
understood as standing for the centrality
of class relations. After the struggles of
the 1970s concerning the recognition of
housework, the question was further
developed into a problematic of the total
social economy. The debate was conducted
under the name of ‘dual economy’.

Linda Phelps was one of the first who
sought to comprehend capitalism and
patriarchy as different relations of produc-
tion: ‘If sexism is a social relationship in
which males have authority over females,
patriarchy is a term which describes the whole
system of interaction arising from that basic
relationship, just as capitalism is a system
built on the relationship between capitalist
and worker. Patriarchal and capitalist social
relationships are two markedly different
ways human beings have interacted with
each other and have built social, political
and economic institutions’ (1975, 39). Zillah
Eisenstein proposed speaking of two
different modes of production mutually
supporting one another (1979, 27); Sheila
Rowbotham (1973) regarded such a co-
existence as merely specific to capitalism;
Ann Ferguson (1979) coined the term
‘sex/affective production’ in relations of
reproduction as a term for the mode of production occupied dominantly by women.
The most well-known was Heidi Hartmann’s
attempt of 1981, in connection to the theses
of Marx and Engels that the seed of the
patriarchy is the power to dispose of female
labour-power (GI, MECW 5, 37), to establish
a materialist theory of gender relations. This
was aimed against the view proposed by,
for example, Juliet Mitchell, that there were
‘two autonomous areas, the economic mode
of capitalism and the ideological of pa-
and Rachel Harrison (1978) insisted that
patriarchy could only be comprehended if
it was defined historically and concretely
in the interaction of ‘relations of human
reproduction’ and the relations of produc-
tion (26). This meant, for capitalism, the intro-
duction of class relations into the analysis
of gender relations. – Gabriele Dietrich
questioned the priority of commodity pro-
duction, since ‘the production of life is a
indispensable condition for every further
production process’; in a socialist perspective,
this involved ‘not only the problem of how
we want to get to the association of free producers, but also of how we want to shape that which was called “reproduction” for the society of free humans” (1984, 38). Iris Marion Young proposed to overcome the ‘dual system’ approaches in the direction of a single theory ‘that can articulate and appreciate the vast differences in the situation, structure, and experience of gender relations in different times and places’ (1997, 105). Michele Barrett (1980) summarised the debate for her foundation of a Marxist feminism.

9. The analysis of gender relations presupposes the category of gender. The possibility available in English of distinguishing between biological sex and social gender was the basis for a conjuncture which lasted more than twenty years in which gender was comprehended as socially constructed, to the extent that the concept of ‘gender’ was also adopted in other languages. However, the analysis of gender which – not least of all due to the decline of the women’s movement – had dissolved the apparent naturalness of previous theatics of questions concerning women, had also dispensed with the connection to relations of production which had still been dominant in the debate concerning housework; thus, the discussion centred upon the concept of gender, but not gender relations.

The fall of state socialism made it absolutely necessary for Marxist feminists to think the relation of gender relations and modes of production in a new way, not least of all because the now obvious demolition of women’s rights in the former state-socialist lands caused by bringing them into line with those offered by capitalism was accompanied by the claim that state socialism had oppressed women just as much as capitalism, and, at the same time, the claim that the collapsed state socialism’s mode of production was entirely different from the capitalist mode of production, with which it had not been able to compete. This manner of posing the problem assumed that gender relations and a mode of production do not have any internal connection. It was not the time for social theory, and thus thinking gender relations as relations of production could be made out to be a relic of thought from days gone by.

The following thesis led to intense controversy: ‘The dominant economy of exchange, the market, profit and growth is setting out upon an extensive exploitation, not only of employed labour-power, but just as much other (third) worlds which do not produce according to the same principles. It is neglecting care for life and its commitment to the people who do these things out of love, out of a feeling of “humanity” and who therefore cannot be treated as the same. The symbolic order, the fields of art and science and the entire model of civilisation are all equally imbued and legitimated by such gender relations as relations of production. That is also the case for subjects themselves as personalities’ (F. Haug 1993/1996, 151). Hildegard Heise saw in this a modern maceration of the concept of relations of production (1993, 3), while Ursula Beer detected the reduction of ‘Marxist conceptual paradigms’ to ‘a purely illustrative character’ (1993, 6). Such conception of gender relations as relations of production would result in ‘one of the most essential concepts of Marxism being comprehended in an anti-Marxist way’ and ‘the necessary, in Marxist terms, transformation of capitalist relations of production’ would be seen as ‘a contradiction between male production and female appropriation’ (Rech 1993). Beer regarded it as arbitrary whether the concept of gender relations was used in the singular or the plural; in order to avoid an ‘unnecessary addition’ of gender relations’ to the capital relation’ (3), she spoke of ‘moments of sexual inequality which are spread across the whole system [. . .] e.g. the exclusion of women from positions of influence and power, the gender-specific division of labour in the family and at work, cultural production as, to a large extent, men’s business’ (1993, 8). Such definitions overlook both that, in the lands of state socialism, women were almost fully integrated into working life, and that the multitude of female writers can be taken as an indicator that cultural production was also women’s business.

The following concepts were suggested in the place of gender relations: ‘gender
inequality to the disadvantage of women’ and ‘gender domination’, analogous to class domination (Beer, 10). Classes, however, can be abolished, they are not a ‘natural’ phenomenon; genders, on the other hand are (although socially formed) also a ‘natural’ phenomenon; the existence of genders is thus not simply an element of ‘gender domination’ as the existence of classes is an element of class domination. – The concept of ‘gender inequality’ is dubious, because ‘gender equality’ would be understandable, at best, as an expression of political slang. To speak of genders is to speak of the differences between genders. Or, even further: difference is too weak a term for thinking the complementarity conditioned by the naturally unequal contribution of the two genders to procreation. Equal rights before the law for women and men places them on the same level as legal subjects, abstracted, that is, from gender. Where equal rights are not really realised and compensatory measures such as quota regulations are resorted to, the members of the individual genders are in fact treated in individual cases, departing from inequality, as ‘unequal’, in order to arrive at an average equal treatment in a determinate respect. To speak of ‘asymmetrical power relations’ (Bader 1993, 6) or ‘masculine supremacy’ (Becker-Schmidt (in Beer 1993, 5)) is too weak, because power relationships could only have any effect at all as asymmetrical, and supremacy is a shifting phenomenon, while domination is something structural. ‘Gender antagonism’ (Heise 1993, 1), formulated following the class antagonism, is similarly not fully conceptualised. Sexual complementarity is the natural form of mammals, but the development of domination in relations between complementary genders is an historically variable form of human society. Heise feared that thinking of gender relations as relations of production instigated ‘the substitution of genders for classes’ (3). Her general concept was the concept of a ‘combinatory of genders’, which, however, would only make sense if one sought to model the reality and the mode in which gender relations find their field-specific forms in all social fields. To think all of these forms as a ‘combinatory’ (to be comprehended as a strategic encoding), however, assumes the concept of gender relations.

Gender relations and the category of gender. – Already in 1987, Donna Haraway registered a fundamental critique of the explanation of women’s oppression by the ‘sex-gender-system’. Her critique of the biological essentialism of this distinction prepared the way also for the surrender of thinking in terms of gender. This terrain was further explored primarily by Judith Butler, who rejected ‘gender’ as an ‘identificatory site of political mobilization at the expense of race or sexuality or class or geopolitical positioning/displacement’ (1993, 116). She radicalised the representation of the socially constructed nature of gender also regarding the part which was taken for granted as biologically given and in this way transposed the Kampfplatz to the process of the formation of identity. There is no “I” prior to its assumption of sex […] to identify with a sex is to stand in some relation to an imaginary and forceful […] threat’ (99 et sq.). In the symbolic, the ‘sexualised’ subject is formed normatively by language (107). – The displacement of power struggles in the assignment of gender allows exclusions, bans and stabilisations to be deciphered as elements of gender relations. The dispute about the respective priority of race, class and gender, which resulted in the corresponding movements falling out with each other in a depoliticising way, can also be productively turned around by the question of the articulation of the one with – and at the cost or rather to the benefit of – the other (116). Butler extended this approach into a basic principle of productive conflicts ‘for a Left which is “universal”, not in then sense of being unitary or uniform, but rather in the sense of having a universalist perspective’ (1998, 36 et sq.). This is the liberating side of Butler’s intervention. She pleaded for a type of democratic coherence (following Gramsci) worked on by individuals for themselves and for their identities, without always repeating exclusions through unreflective unification. Against the plundering of ‘the Third World’ [by feminists] in search
of examples of ‘universal patriarchal subordination of woman’ (1993, 117), Butler proposed ‘to trace the ways in which identification is implicated in what it excludes, and to follow the lines of that implication for the map of future community that it might yield’ (119). The dilution of categories is easily comprehensible; however, the avoidance of any functionalism for the question of gender relations has the disadvantage of losing sight of how it really also concerns the reproduction of humanity. It is from the support, enabling and contemporaneous marginalisation of the necessity of the reproduction of the species that the actions decoded by Butler gain their virulence in the symbolic sphere, in language and in the imaginary.

Nancy Fraser attacked Jürgen Habermas’s analysis of modern society as a paradigm of androcentric social theory. Here, the capitalist economic system was comprehended as ‘systematically integrated’, while the small family, on the other hand, was understood as ‘socially integrated’ (1984 (1981), 341, 357 et seqq.; 1987 (1981), 234, 243). She demonstrated the wasted opportunity in Habermas’s model of different fields of material and symbolic reproduction to understand in a genuinely new way the public and the private realms in their interpenetrating relation. Habermas’s model made it difficult to analyse families as ‘sites of labour, exchange, calculation, distribution and exploitation’ – in short, as economic systems (Fraser 1989, 120). That Habermas comprehended the raising of children as symbolic, but wage-labour, on the other hand, as material, while each of them are both, made the fact that he took up at all the former in his model at once problematic and a supporting argument for the private raising of children as a form of female subordination. Fraser understood the weakness of this concept as its inability to thematise the ‘gender subtext’ (Dorothy Smith 1984) of the described relationships and arrangements. All mediating personifications are however determined by gender: ‘There was a struggle for a wage, [...] as a payment to a man for the support of his economically dependent wife and children’ (Fraser 1994, 124). With Carol Pateman (1985), Fraser demonstrated that women are not absent from paid employment, but, rather, are present in a different way: for example, reduced to femininity, often to sexualised servants (secretaries, domestic servants, saleswomen, prostitutes, stewardesses); as members of the caring professions with maternal capacities (such as nurses, social workers, primary school teachers); as lowly qualified workers in segregated work places; as part-time workers under the double burden of unpaid housework and paid employment; as supplementary wage-earners. Thus, the official economy is not merely bound to the family by means of money for commodities, but also by the masculinility of ‘normal’ wage-labour. Conversely, the consumer ‘is the worker’s companion and helpmeet in classical capitalism’ and advertising ‘has elaborated an entire phantasmatics of desire premises on the femininity of the subject of consumption’ (125). This is, of course, dependent upon the product, and changes in this branch of industry which also appeal to men come into conflict not only with the attributes of the feminine, as Barbara Ehrenreich (1984) demonstrated in an analysis of Playboy. Habermas’s dramatis personae lacked the child-minder, Fraser’s critique continued, which he nevertheless needed to cast in a central role in his definition of functions of the family. A consideration of them could have shown the central meaning of gender relations for the ‘institutional structure of classical capitalism’ (126). The ‘citizen’s role’, this connecting position between the private and the public, is self-evidently masculine – it relates to the participant in political discourse and naturally to the soldier as defender of the community and protector of women, children and the old. It escaped Habermas how the protection/reliance structure runs through all institutions and how, finally, ‘the construction of masculine and feminine gendered subjects is necessary in order to fill every role in classical capitalism’ (127).

Fraser used the concept of gender relations only marginally, though in the German translation it becomes completely casually ‘the gender relation [das Geschlechterverhältnis]’ (cf. 137). Her central concepts
were gender identity and gender; she thus falls behind her own analysis with her demand for 'gender-sensitive categories' (128). Finally, she highlights practices into which humans enter for the reproduction of their life. She proposes to understand 'worker', 'consumer' and 'wages' as gender-economic concepts, and citizen as a gender-political concept. But, in this way, only the gender-typical effects of the social relations of production are noticed. Thus the open questions which Fraser gains from this extensive engagement appear to be comparatively harmless: should a future society which is not founded upon the subjugation of women (and which therefore needs no firm attribution in the construction of masculinity and femininity) conceive all labour under the form of wage-labour, or should the political part of society (Habermas’s citizen’s role) be expanded through making the raising of children obligatory for all? – Fraser’s critique was at the same time her answer to the 'dual economy debate', whose supposition of a 'fundamental distinctness of capitalism and patriarchy, class and gender' had left unclear 'how to put them back together again' (8).

Feminist sociology – Attempts to undertake feminist research in the terms of social theory operate with the concept of gender relations. For Ursula Beer (1990), 'the gender relation' was limited without exception to 'generative maintenance of survival' or 'generative reproduction'. She claimed to inscribe it in Marx’s work as fundamentally a structural theory, whose central concept was 'totality' (70 et seqq.). She screened off 'the production of life' conceptually against empirical practices. Nor was she concerned with praxis-relations, but rather with the status that, for example, women’s ability to give birth has in a structural theory of society. The view comes from above, from the perspective of a theoretical organisation of categories in which individuals are allocated a 'categorical' place. That individuals in reality shape their lives either in forms of resistance or those of obedience is not taken into account. The concepts which were suggested for 'empirical' purposes allow a sociological investigation only at the cost of marginalising the contradictions in which actual human beings realise themselves: 'differentiation of fields of labour' (52) remains vague; 'forms of labour/production not mediated by the market' (73, 76 et sq.) resolves only seemingly the problem of the housework debate, as these activities include not merely reproduction, but also, for example, left-wing theory, gardening, bowling and voluntary work of all types.

Regina Becker-Schmidt and Gudrun-Axeli Knapp (1995) wanted critically to overcome the limitedness of feminist research, which they thought had been bogged down in the analysis of the construction of gender. Moving 'the gender relation' into the centre of feminist sociology was supposed to do this. The research question was how man-woman relationships 'are organised in particular historical conjunctures' (7), 'to what extent predominant connections and conditions influence the relation of the genders' (8) and, conversely, how 'gender relationships' react upon society. The way of formulating the question remained structural-theoretical, organised according to the logic of cause and effect. In this way, genders themselves appeared to be fixed and society was grasped as a type of space in which human relationships merely occur. They talked of 'arrangement of the genders' (following Goffman 1994), of 'composition of gender relations' or, five years later, evading the difficulty by changing terminology, 'gender-relations' (1995). In order to overcome the merely psychologising research of 'gender relationships' Becker-Schmidt und Knapp comprehend these as 'cultural, political and economic' (1995, 18) and related them to 'exchange' in 'labour, performances, and satisfaction of needs' (17 et sq.) or to 'exclusion' from 'spaces, terrains of praxis, resources and rituals'. In distinction, they here regarded gender relations as 'contexts of domination and power in which the social position of gender groups is institutionally anchored and prolonged' (18). Thus, gender relations were articulated to social reproduction like a type of administrative machine; they are to be studied additionally.
and appear to function according to their own rules which can simply be modified by the total social reproduction.

In the foreword to Becker-Schmidt/Knapp (2000), the use of the singular and the plural of gender relations is described in this way: ‘If we want to express the mutual social relatedness of gender groups [...] epistemologically only the concept of “gender relation” makes sense. If we come across empirical situations of disparity on all social levels of a society, if all social orders turn out to be based upon similar determinations of relation, the singular is advisable. [...] The plural is called for when we [...] consider international variability’ (154). The linking of the concept of gender relations to international usage was justified by ‘ethnographical diversity’; meant by ‘the gender relation’ was a cultural order as an expression of structure (social fabric, symbols). In this way, society can hardly be thought practically, even though it strives to somehow bring together structure and activity by means of the concept of ‘connections [Konnexionen]’ (40). Following Beer (1990), they sought to comprehend the equality of determinant mechanisms in different fields (here, families and servant and service rights) ‘as an expression of the structure of the relations of production’ (165). Alternatively, a patriarchal population politics, a gendered division of labour and a masculine politics were supposed to sustain the complementary idea of thinking gender as a structural category. The investigation of diversity, discrepancy and even the contrariness of human practices, however, is blocked by such an expressivist theory. – In the end, Becker-Schmidt summarised their argument as follows: ‘Feminist research has not yet succeeded in sketching out a theory of gender relations which would be capable of itemising all of the complexes of causation and motivation contexts which traverse the relations between gender groups’ (61). But the approach of ‘itemising all of the motivations and causes’ persisted, itself trapped in the irredeemable idea that it is possible to sketch such a model theoretically, instead of researching the practices of humans in the organisation of their life and their reproduction in their interconnections.

**Masculinity research** – Robert Connell gave the concept of gender relations a fundamental status in this field: ‘Knowledge of masculinity arises within the project of knowing gender relations’ (1995, 44). He recognised that it is not meaningful to speak of genders without relating their foundation historically to the question of the reproduction of the species, upon which ‘one of the major structures of all documented societies’ (72) was formed. Connell argued that ‘definitions of masculinity are profoundly interwoven with economic structures and the history of institutions’ (48), and assumed that, in capitalist relations of production, the field of human reproduction is subordinated to that of the production of the means of life (understood in the broadest sense).

10. Gender relations, as ‘relations into which men enter in the production of their lives’, are always relations of production, just as, vice versa, relations of production are always also gender relations. The duplication of ‘production’ into the production of life (in the broadest sense, including rearing and care) and the production of the means of life (again, in the broadest sense, including the means of production) was the point of departure for the historical naturalisation of the latter into the system of the economy and – in capitalism – its dominance over the production of life. The state stabilised this dominance, inasmuch as it ensured that the economy did not destroy its own foundations. For the analysis of relations of production, the codification of the whole with overdeterminations, relations of articulation and dependencies must be treated. To research into gender relations as relations of production requires a differential combination of historically comparative studies, attentive to moments of transition, with social-theoretical and subjective analysis. All of these aspects require clarification.

The development and capitalist utilisation of gene technology, intervening in human reproduction, has now moved the boundaries between the production of life and goods so decisively, however, that the connection of gender relations as relations of
production must be thought in a new way. If it could previously be assumed that capitalism allowed, for the purposes of its diffusion, the continuation of the ‘domestic mode of production’ of the family – or rather, thrived from it – capitalist industry is now pushing its borders further, into the terrain of the sexual body and its propagation. An antecedent was medical transplants, which turned the body into a usable resource of organs and opened up a new field of activity for business just as for crime. Reproductive medicine has moved the borders further. Sperm, eggs and embryos have become commodities; fertilisation, training and implantation have become services for sale. The ability to give birth can be bought like labour-power or like the right to use a body for sexual gratification. So long as the creation of children was not organised in a capitalistic form, the protection of women and control of the woman’s body appeared as a dimension of the second order of the relations of production. Now, however, her organs themselves – just as previously male sperm – are becoming raw material or means of production of a mode of production which has added a further form, that of the ‘surrogate mother’, to the former forms of individuality – such as housewife, business woman, wage-worker and prostitute – according to which sexual bodies were active and positioned in relation to each other. This is the beginning of a development whose effect upon gender relations constitutes the task of future analysis and a politics of open negotiation (Joanna Russ, Ursula K. LeGuin, Marge Piercy). A sociological fantasy was developed regarding what a transformation of gender relations by technological and economic development would look like, in the best as well as the worst of cases, if motherhood’s attachment to the female body was dissolved, if dreams of an end to all natural lack were satisfied by capitalism in the form of ‘flawless’ children like commodities for exchange, or the human-machine-boundary became permeable. Here, the threatening destruction of the earth by the neoliberal unleashing of a savage capitalism was anticipatorily explored. A world in which everything is subjugated to the profit principle cannot maintain itself without increasing self-destruction.


**Frigga Haug**

*Translated by Peter Thomas*


Anthropologie, Arbeit, Familienarbeit/Hausarbeit, Frauenarbeit, Frauenbewegung, Frauenfrage, freie Liebe, Geist, Gemeinwesen, Gender Mainstreaming, Gentechnologie, Gesamtarbeit, Geschichte, Geschlecht, Geschlechtervertrag, Geschlechterdemokratie, geschlechstegalitäre Gesellschaften, gesund/krank, Gleichheit, Gleichstellungsrecht, häusliche Produktion.
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