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research in critical marxist theory

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Historical Materialism is affiliated to the Faculty of Law and Social Sciences at the School of Oriental and African Studies in London
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Marx’s Critique of Economic Categories: Reflections on the Problem of Validity in the Dialectical Method of Presentation in Capital

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Abstract
It has often been pointed out that the Marxian theory of value contains some inconsistencies, usually in relation to the concept of abstract labour. However, the contradiction between the concept of labour and the concept of validity with which Marx operates in Capital (without actually explaining this conception) has never been discussed. A detailed analysis shows that this concept of validity refers to the process of abstraction which is carried out by the participants of the exchange process. Only the rigorous comprehension of this process of abstraction can illuminate that for which the concept of abstract labour was developed: the unity and universality of value. On this basis, the paper criticises the Marxian development of the money-form and presents an alternative approach that builds on the aforementioned concept of validity. This concept is formulated in more depth by recourse to the works of Hegel, Simmel and Adorno. Furthermore, the paper reconsiders the dialectical development of categories in the light of this alternative conception of the money-form as totality and abstraction (in the sense of Hegel and the young Marx). Finally, the distinction between simple circulation and the process as a whole (found only in the Grundrisse) is explored and it is argued that, according to the novel reading proposed, it acquires a fundamental significance.

Keywords
Adorno, Marx, dialectics, value-form, Grundrisse, Capital

Critical theory as a programme for a new reading of Marx

The ‘principle of exchange’ and, connected to this, the ‘exchange abstraction’ as ‘real abstraction’ form a central component of Adorno’s concept of society.
‘One could’, Jürgen Ritsert argues, ‘almost describe the principle of exchange as the central theme of Adorno’s critical theory’.2 It is true that the expression ‘real abstraction’, used for the first time by Georg Simmel,3 is nowhere to be found in Adorno, but, in essence, the issue is the same. Adorno talks about an ‘objective abstraction’ in the process of exchange itself, which is ‘the same as the objectivity of the conceptual moment, irrespective of whether people reflect on this or not’.4 A distinction is therefore expressly made between the reality of this abstraction, which is objectively conceptual, and the conceptuality of the subjects themselves who carry out this process.

The person who attributes the conceptual to social reality need not fear the accusation of being idealistic. What is implied here is not merely the constitutive conceptuality of the knowing subject but also a conceptuality which holds sway in reality [Sache] itself.5

That Adorno was not convinced by Alfred Sohn-Rethel’s solution to this problem can be indirectly seen from the notes that Adorno made after a discussion with Sohn-Rethel.6 It can, however, also be seen that he ascribed programmatic status to his own formulations: ‘what is required is a systematic comprehensive analysis of the exchange abstraction’, was Adorno’s concluding summary.

Adorno himself did not provide such an analysis, and surely not just because of lack of time. Ritsert is right to say: ‘Economics was. . . not his concern’.7 In private conversation, Adorno made no secret of his aversion to dealing with the economy. All the more astonishing then are his sometimes brilliantly intuitive insights into the nature of the capitalist economy. Although Adorno

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3. Cf. Simmel 1978, p. 80: ‘It is not as strange as it may seem at first glance that not only the study of the economy but the economy itself is constituted by a real abstraction from the comprehensive reality of values’.
4. Taken from notes by Hans-Georg Backhaus on an Adorno seminar in the summer semester of 1962. See the appendix to Backhaus 1997, p. 503.
6. Adorno 1989, pp. 221ff. This contrasts with his earlier euphoric comments in a letter dated the 17th November 1936: ‘Dear Alfred, I don’t think I am exaggerating if I tell you that your letter was responsible for the greatest intellectual shock I have experienced in philosophy since I first encountered Benjamin’s work – and that was in 1923!’ This shock reflects the magnitude and power of your idea – but also the depth of an agreement which goes immeasurably further than you could have suspected or even I myself could have foreseen’. Adorno and Sohn-Rethel 1991, p. 32. My thanks to Hans-Joachim Blank for this reference.
repeatedly spoke about the exchange society, he should not be described – as he so often wrongly is – as a theorist of an exchange society in the economic sense. The essence of Adorno’s critical theory lies in the very fact that he understands the capitalist economy as an inverted reality in which individuals no longer ‘interact with one another’ on the market as rationally acting subjects, as the idea of the exchange economy suggests. Adorno criticised such a concept as ‘social nominalism’.\(^8\) Rather, they act as executors of constraints generated and reproduced by themselves, which are implemented in and through their conscious actions without, however, these being consciously accessible to them. This is what the strong concept of totality means, which should not to be confused with the mechanistic idea in which ‘everything is linked with everything else’ (Albert), or with the hermeneutic one that operates by ‘anticipating the interpretation of a connection of meaning’ (Habermas). Totality is not a methodological postulate, but rather the concept of a real ‘becoming autonomous \([\text{Verselbständigung}]\).’

Totality… is pre-established for all individual subjects since they obey its ‘constraints’ even in themselves and even in their monadological constitution and here in particular, conceptualise totality. To this extent, totality is what is most real.\(^9\)

Adorno is therefore vehemently against any levelling down of society to an intelligible coherence. He insists that society is both ‘intelligible and unintelligible’.\(^10\) Hermeneutics, however, must not merely be ‘supplemented’ by dialectics; rather, the unintelligible becomes primary and hermeneutics is the method which is directed towards dimensions of meaning that have been structured by the very dynamics of an inversion process.

Yet the objective rationality of society, namely that of exchange, continues to distance itself through its dynamics, from the model of logical reason. Consequently, society – become autonomous – is, in turn, no longer intelligible, only the law of its autonomisation is intelligible.\(^11\)

This law of autonomisation reconstructs a movement executed by means of the conscious actions of individuals, but which, at the same time, eludes conscious understanding – ‘they do not know it, but they do it’, in Marx’s

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10.  Adorno et al. 1976, p. 15.
11.  Ibid.
concise formulation. Therefore, the constitutive moment of unconsciousness, which determines the social reproduction process, is the actual object of dialectical criticism. Staying close to Hegel’s crucial dictum that reality \([Sache]\) and method are not to be separated, Adorno too postulates that dialectics, when it wishes to conceptualise the object ‘as possessing motion in itself’, does not have at its disposal ‘a method independent of the object’, but has to ‘follow the structure of the object’.\(^{12}\)

What kind of an object becomes autonomous, inverts itself, takes over the primary position – although itself a creation –, spreads to become a systemic Moloch and reduces the living individuals who, after all, create it in their own ‘life-world \([Lebenswelt]\)’, to mere appendages? Adorno refers to Marx’s critique of economics, which traces this process:

In a grand manner, the unity of the critique of scientific and meta-scientific sense is revealed in the work of Marx. It is called the critique of political economy since it attempts to derive the whole that is to be criticised in terms of its right to existence – from exchange, commodity form and its immanent ‘logical’ contradictory nature. The assertion of the equivalence of what is exchanged, the basis of all exchange, is repudiated by its consequences. As the principle of exchange, by virtue of its immanent dynamics, extends to the living labours of human beings it changes compulsively into objective inequality, namely that of social classes. Forcibly stated, the contradiction is that exchange takes place justly and unjustly.\(^{13}\)

Adorno therefore assumes that the whole economy is to be developed out of a principle – the exchange principle – although this is not an inherently coherent, purely theoretical construct. As a presentation of the totality, the theory is also a method, which ‘follows the object’ and thereby reconstructs the irrational systematicity of the real system itself. How this process of autonomisation is to be conceptualised in detail is not explained by Adorno: the central concepts – objective abstraction, inversion, autonomisation, totality, power of the universal over the particular – remain postulates with regard to their concretisation as far as the critique of economics is concerned.

Associated with this programme is an outrageous claim: the whole of the critical theory depends on the convincing explication of this ‘objective abstraction’. If it is impossible to concretise this ‘objective concept’, all other concepts of the critical theory – which are to be derived from this ‘conceptuality

\(^{12}\) Adorno et al. 1976, p. 48.
\(^{13}\) Adorno et al. 1976, p. 25.
which holds sway in reality [Sache] itself’ – are exposed to the accusation of social-theoretical speculation.

Whether Adorno’s conjecture that ‘Marx, the dialectician, did not claim to possess a completely developed notion of dialectics. He imagined that he was simply “flirting” with it’, is actually correct, is difficult to decide. What is certain, however, is that Marx did not make it easy for his readers. If we consider only what Marx explicitly said about his dialectical method, we have to agree with Adorno’s thesis. Adorno, however, was not aware that Marx wrote to Engels on 9 December 1861, while working on a version of the text which was to become Capital, Volume 1, that ‘the thing is assuming a much more popular form, and the method is much less in evidence than in Part I’. Marx therefore evidently had a clear awareness of his method even if he implies that he concealed this method for whatever reason.

**Where should economic science begin?**

It seems therefore relatively easy to elaborate Adorno’s programmatic statements for economic theory. We should turn to the works in which Marx’s method is still explicit, those in which it was developed and tested: the Grundrisse, as the first draft of Capital, or the Urtext, the original draft of A Contribution to the Critique of Political Economy? Had it been as easy as this, Marx’s method would have been deciphered long ago. Still, of inestimable value is the fact that Marx took Hegel’s philosophy as a starting point. The choice of words in almost every sentence in the Grundrisse reminds us of this. However, even a thorough knowledge of Hegel has not proved completely helpful (as became clear from the fleeting interventions of Hegel scholars in economics during the 1960s

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15. For example in the Afterword to the 2nd edition of the first volume of Capital: ‘My dialectic method is, in its foundations, not only different from the Hegelian, but directly opposite to it. For Hegel, the process of thinking, which he even transforms into an independent subject, under the name of “the Idea”, is the creator of the real world, and the real world is only the external, phenomenal form of “the Idea”. With me the reverse is true: the ideal is nothing else than the material world reflected in the mind of man, and translated into forms of thought’ (Marx 1976b, p. 102).
17. ‘What was of great use to me as regards method of treatment was Hegel’s Logic at which I had taken another look by mere accident, Freiligrath having found and made me a present of several volumes of Hegel, originally the property of Bakunin’. Letter to Engels, 16 January 1858, in Marx and Engels 1983, p. 249.
and early 1970s). The method is therefore not evident in the Grundrisse either. Its reconstruction remains, as before, to be achieved.

The fact that the Grundrisse does not address the question of ‘exchange abstraction’ at all poses another problem. Although Marx characterises his scientific work as a ‘Critique of Economic Categories, or, if you like, a critical exposé of the system of the bourgeois economy’, the Grundrisse neither offers a more detailed explanation of what is meant by economic categories, nor are these discussed in connection with the ‘exchange abstraction’.

It is only in Capital that we find explicit references to what is to be understood by categories and to the fact that these must be developed in connection with value as an abstraction carried out by those performing the exchange themselves. Here, categories are defined, in all the clarity that could be wished for, as ‘objective forms of thought’, and characterised as being ‘subjective-objective’. And value is characterised as a product of abstraction, which ‘exists in the head’:

Here, ‘equivalent’ only means similarity of magnitude, after both objects have first been reduced tacitly in our head to the abstraction of value.

However, these are no more than hints and in turn raise another problem. Given this determination of value as a mental abstraction, the question is how the connection between labour and value is to be conceived. In Capital, Marx repeats his criticism of Feuerbach in relation to economics. In 1845, he had characterised Feuerbach’s thinking as a half truth, and stated that the detachment of the secular basis from itself, namely the duplication, had likewise to be theoretically substantiated. In Capital he wrote:

Political economy has indeed analysed, however incompletely, value and its magnitude, and has discovered what lies beneath these forms. But it has never once asked the question why labour is represented by the value of its product and labour-time by the magnitude of that value.

21. See his fourth thesis on Feuerbach: ‘Feuerbach starts out from the fact of religious self-alienation, of the duplication of the world into a religious world and a secular one. His work consists in resolving the religious world into its secular basis. But that the secular basis detaches itself from itself and establishes itself as an independent realm in the clouds can only be explained by the cleavages and self-contradictions within this secular base’ (Marx 1975, p. 422).
But how does this abstract human labour – which is determined as ‘expenditure of human brain, nerves, muscles etc’\(^{23}\) – become transformed into the abstractness of value? How can this expenditure ‘assume the form of value’? While it is already difficult to comprehend this determination of abstract labour – a highly controversial topic of discussion among Marxist scholars – the connection between value-abstraction and labour as the substance of value is virtually incomprehensible.

My argument runs as follows. The *Grundrisse* is based on a different conception of presentation from that of Marx’s published versions of his critique of political economy. In the latter, Marx starts from the assumption of a fully developed capitalism. Thus, in *Capital*, although he starts by dealing with commodities, these are already the products of capitalist production, that is, ‘the embodiment of abstract labour’. In the *Grundrisse*, however, he distinguishes between:

(i) ‘exchange-value-positing [Tauschwertsetzende] buying and selling’ and, 
(ii) ‘exchange-value-positing labour’.

The former is also described as ‘simple circulation’, an expression which is already hardly used in *A Contribution* and which is not found in *Capital* at all. The concept of exchange-value-positing labour can be read as an earlier determination of the two-fold character of labour, an expression which is also used more frequently in *A Contribution*. Exchange-value-positing labour is also characterised as ‘the abstraction of the category “labour”, “labour as such”, labour pure and simple, [which] becomes true in practice’,\(^{24}\) although the counter-term is not expressly described as ‘the theoretical truth’ of abstract labour. However, in the way of presenting the argument which structures the *Grundrisse*, abstract labour is treated as ‘labour as such’, as a category which ‘still lies more in our subjective reflection’\(^{25}\).

When Marx moves to the different concept of presentation which structures *Capital* there is a change in the way value is initially introduced. In *Capital*, he has to presuppose that value is something which is already produced by capital, and this considerably affects his account of the initial determination of value: he begins and must begin with real value, as produced, and from there he has to determine the two-fold character of labour. Marx finds it

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\(^{23}\) Marx 1976b, p. 134.  
\(^{24}\) Marx 1973, p. 105.  
impossible to integrate this latter conception of value with value as a product of abstraction effected by those carrying out the exchange – also dealt with in the first chapter of *Capital*. As we will see, Marx tried to do this in the first edition of *Capital*. In the *Grundrisse*, however, he had begun with value as is ‘developed’ through simple circulation; value is consequently not conceived in relation to labour:

To develop the concept of capital it is necessary to begin not with labour but with value, and, precisely, with exchange value in an already developed movement of circulation.\(^{26}\)

Therefore, wholly within the terms of the conceptualisation outlined above, in the *Grundrisse* value could considered as a product of abstraction, and the category of money as ‘objective form of thought’. However, in the *Grundrisse*, Marx had not yet developed the concepts required to clarify this (it was not one of the themes in the *Grundrisse* for which Marx proved supporting material); and where such concepts are found, namely in *Capital*, they are integrated into a way of presenting the argument which is based on the assumption of a presupposed, actual value – therefore, as the *Grundrisse* phrases it, of a ‘labour which has become true in practice’.

This is not the end of the puzzle, however. The development of the decisive category, namely that of money, turns out to be completely inadequate in the *Grundrisse*. Marx himself points this out when he says

It will be necessary later . . . to correct the idealist manner of the presentation, which makes it seem as if it were merely a matter of conceptual determinations and of the dialectic of these concepts. Above all in the formulation: product (or activity) becomes commodity; commodity, exchange value; exchange value, money.\(^{27}\)

Marx leaves no room for doubt that the money-form arises ‘out of necessity’ from the process of exchange.

Money does not arise by convention, any more than the state does. It arises out of exchange, and arises naturally out of exchange; it is product of the same.\(^{28}\)

And also,

\(^{26}\) Marx 1973, p. 259.
\(^{27}\) Marx 1973, p. 151.
\(^{28}\) Marx 1973, p. 165.
The necessity for a value-form first develops with the increase in the number and variety of the commodities entering into the process of exchange. The problem and the means for its solution arise simultaneously.29

But Marx provides no methodologically satisfactory development of the money-form.

In order therefore to elaborate Adorno’s programme, it would be necessary to combine:

(i) the way in which the argument is presented in the *Grundrisse*—one in which Marx sees a closer connection being gradually established in circulation between an autonomously determined exchange-value and abstract labour conceived as becoming true in practice;

(ii) the concepts which Marx develops in *Capital*, and which are introduced within the framework of a way of presenting the overall argument which differs from that of the *Grundrisse*.

What exactly are the new concepts in *Capital* which must be considered? In *Capital*, Marx operates with a concept of validity [Geltung] which, as far as terminology is concerned, cannot be overlooked. Just in the appendix, ‘The Value Form’, published in the first edition, he refers to validity more than thirty times in various word combinations; however, he explains this concept only indirectly by means of references and examples. As early as the first edition, Marx also attempted to relate the two-fold character of labour to this concept of validity:

What follows from the above is that there are not two different types of labour hidden inside the commodity; rather the same labour is determined in different and opposing ways, after it has been applied to the use value of the commodity as its product or to the commodity-value as its mere opposing expression, respectively. Just as the commodity must, above all, be an object of use in order to have value, so must labour, above all . . . be useful labour in order to count as expenditure of human labour-power and therefore as human labour as such.30

Marx deleted this passage in the second edition and thereby basically substantialised abstract human labour as the substance of value, elevating such labour to a quasi-ontological category.

On the one hand, all labour is, speaking psychologically, an expenditure of human labour-power, and in its character of identical abstract human labour, it creates and forms the value of commodities. On the other hand, all labour is the expenditure of human labour-power in a special form and with a definite aim, and in this, its character of concrete useful labour, it produces use-values.31

Money and validity – can Simmel offer further help?

Adorno indicated on more than one occasion that the central question about society should be an imitation of the ontological proof of the existence of God (at least in its Hegelian version): the most perfect being cannot be conceived without including its existence. Formulated in this speculative way, this raises the problem of the objectivity of abstraction: for objectivity should not only be understood as inter-subjective validity, but should be understood precisely in terms of the philosophical discussion of the universale in re, i.e. the real existence of a universal. This may be the reason why Adorno never used the term ‘real abstraction’ – he realised that there was more concealed behind this formulation, too readily used by the social scientist, than the latter would like to admit.

Let us turn to a formulation by Hegel, a philosopher who was not yet plagued by inhibitions and who probably had no need to comply with scientific standards for fear of being excluded from the scientific community: ‘Money is this material, existing concept, the form of the unity or the possibility of all things’ is the way it was put by the young Hegel.32 This did not remain as no more than one of Hegel’s early speculative flourishes, since he repeated these thoughts much later in his lectures on the philosophy of law. As an ‘existing concept’, money is at the same time characterised as an ‘existing universal’.33 Hegel stated it even more precisely when he said: ‘here value exists as such’. Furthermore,

[I]n this way, money is the real existence of the universal. This universal is not only an external, objective universal, but also a subjective universal, a completely different type of universal.34

This ‘completely different type of universal’ is therefore simultaneously totality and abstraction; just like the ‘I [das Ich]’ as existing concept: a unity of

‘unrestricted infinity of absolute abstraction or universality’ and the ‘transition
from undifferentiated indeterminacy to the differentiation, determination and
posing of determinacy as a content and object’. However, precisely not as
‘I’, but as thing.

Is it only the philosopher who is permitted to discover this universal as
really present \[\text{in re}\] in the economy since, as an expert on the universal, he
has in any case a licence to engage in speculative flights of thought? Or can
the social scientist also use such a concept? The young Marx uses identical
formulations: ‘money as the existing and active concept of value . . . of all
things’,\(^36\) he writes in the *Economic and Philosophical Manuscripts*, a phrase
which could just as easily have come from Hegel. Money is also defined as an
existing universal in the *Grundrisse*:

\[\text{This totality exists in money itself as the comprehensive presentation of commodities.}
\]
\[\text{Thus, wealth (exchange value as totality as well as abstraction) exists, individualised}
\]
\[\text{as such, to the exclusion of all other commodities, as a singular, tangible object,}
\]
\[\text{in gold and silver. Money is therefore the god among commodities.}^{37}\]

Money ‘as the individual’ of general wealth\(^38\) is not only a form, but, at the
same time, the content itself.

\[\text{The concept of wealth, so to speak, is realised, \textit{individualised} . . . in money the}
\]
\[\text{price is realised; and its substance is wealth itself considered in its totality in}
\]
\[\text{abstraction from its particular modes of existence.}^{39}\]

Even the first edition of the first volume of *Capital*, in which the dialectical
method was already ‘much less in evidence’, contains a passage (deleted in the
second edition) which deals with the development of the universal form of
equivalence, and which could not have been any clearer:

\[\text{In form III, which includes the converse second form, the linen, however, appears}
\]
\[\text{as the } \textit{generic form} \text{ of the equivalent for all other commodities. It is as if in}
\]
\[\text{addition to lions, tigers, hares and all other real animals, which, formed into}
\]
\[\text{groups, build up the various sexes, species, subspecies, families etc. of the animal}
\]
\[\text{kingdom, the animal also existed, the individual incarnation of the entire animal}
\]

\(^{35}\) Hegel 1952, §§ 5 and 6, pp. 21–2.

\(^{36}\) Marx 1975, p. 379.

\(^{37}\) Marx 1973, p. 221.

\(^{38}\) Marx 1973, p. 222.

\(^{39}\) Marx 1973, p. 218 and 221.
kingdom. Such an individual, which in itself includes all real species of the same object, is the universal, such as animal, god etc.40

Marx’s formulations – from the earliest critiques of political economy all the way through to Capital – also refer to this actually existing universal by using almost exactly the same expressions as are employed by Hegel. However, how is such abstraction, as a practical operation carried out by those doing the exchange, to be conceived and justified? I have suggested above that Marx uses a concept of validity in Capital which he does not clarify, but which could give us access to a solution.

However, let us first of all look at the possible solution offered by a philosophical text which explicitly discusses the connection between money and validity, namely Georg Simmel’s The Philosophy of Money. Simmel is the only neo-Kantian philosopher of value who has taken the trouble to investigate the problem of value in the economy – according to Adorno the actual locus of the entire philosophy of value. Simmel characterises this value which exists in our consciousness as an ‘objective value’ and, at the same time, expressly as a ‘metaphysical category’41 since, as something objective, it belongs between the subject and the objects:

[I]n fact, it is a third category, which cannot be derived from either subject or object, but which stands, so to speak, between us and the objects.42

However, where is this third category actually to be found? The neo-Kantian obviously has the appropriate answer ready:

I have observed that the value of things belongs among those mental contents that, while we conceive them, we experience them at the same time as something independent within our representation.43

Here Simmel repeats the consciousness proposition, namely that we have something in our consciousness but which is perceived within our consciousness as being outside it. According to Simmel, an objective value gains its objectivity simply through

40. Marx 1976a, p. 27, emphases by Marx.
42. Simmel 1989, p. 37.
43. Ibid.
the basic capacity of the mind . . . to separate itself from the ideas that it conceives and to represent these ideas as if they were independent of its own representation.44

The concept of validity as conceived by Simmel therefore refers to the ‘content of a representation’ which does not coincide with the ‘representation of contents’;45 the contents are therefore not annulled, regardless of whether or not they are represented and, for this reason, they ‘are valid’.46 How then does it happen that the value which, according to the follower of the subjective doctrine, is something that is felt \[ \text{ein Empfundenes} \], sets itself at such a distance within the subject that it gains an objective quality? What should surely be developed is precisely this ‘remarkable ability’ of the mind (first elevated to philosophical consciousness with the more precise stating of the concept of validity)

to think of contents as being independent of the act of thinking; this is one of its primary qualities, which cannot be reduced any further.47

This ‘remarkable ability’ is not, for its part, to be determined independently of the more precisely stated phenomenology of the validity of value. Because objective value, its being \([\text{Sein}]\) (like that of any other value in the philosophy of value) should only exist in being valid \([\text{im Gelten}]\), its ‘supra-subjective’ character contains a ‘primary phenomenon’,48 the ‘existence’ of which is inextricably connected with an \textit{a priori} illusion. ‘Value exists in our consciousness as a fact that can no more be altered than can reality itself’.49 As soon as this value ‘exists as a fact’, it is perceived as an ‘economic value’,50 which ‘attaches’51 to an object. Simmel stresses that value in this specific objectivity originates only in exchange, simultaneously with the exchange process itself:

Exchange, i.e. the economy, is the source of economic values, because exchange is the representative of the distance between subject and object which transforms subjective feelings into objective valuation.52

44. Simmel 1989, p. 36.
45. Simmel 1989, p. 32.
46. Ibid.
47. Ibid.
48. Simmel 1989, p. 27.
49. Simmel 1989, p. 29.
50. Ibid.
52. Simmel 1989, p. 73.
Value, originally a confused feeling, suddenly represents itself, through exchange, as an ‘objective quantity without any quality’; it ‘attaches’ to the object, but is, at the same time, a thought, which, however, appears independently of the act of being conceived.

What exactly is this ‘remarkable’ appearance of value, this something of the mind that attaches to objects? And how does the a priori illusion arise that is connected with this ‘metaphysical category’? How does it arise in this form of supra-subjective validity existing within our consciousness, and yet appearing within our consciousness as being outside consciousness and simultaneously connected to objects to which it ‘attaches’?

Naturally, Simmel’s explanation has given rise to much criticism, which will not be discussed here. What we will consider, however, is whether this account of valid value-abstraction is identical to Marx’s conception of value when the latter states that equivalence only means equal magnitude ‘after both objects have first been reduced tacitly in our head to the abstraction “value”’. A more precise formulation would have been desirable, but note that Marx does not refer to an abstraction in our consciousness, although also stressing that it takes place ‘tacitly’. Abstraction can, therefore, be seen as an action that takes place in the mind, although we are not conscious of this; it is therefore a logically unconscious process, a lack of awareness within awareness itself. Marx draws our attention to this in *Capital* when he says:

[B]y equating their different products to each other in exchange as values, men equate their different kinds of labour as human labour. They do this without being aware of it.54

What does Marx refer to when he states that humans equate their different kinds of labour as human labour, that they equate their different products as values, and that they do this without an adequate consciousness of doing so? Does this lack of awareness refer to the equating of labour or rather to the

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54. Marx 1976b, p. 166. This is the basis of an experience which sociology also is trying to work through theoretically in relation to phenomenological and functionalist conceptions. Habermas, for example, says explicitly that hermeneutical sociology is idealist if it is not supplemented by a concept of the systematic integration of the unplanned consequences of social actions which result from the use of a monetary medium. It must be pointed out here that the theoretical consideration of this problem cannot be restricted to this ‘initial abstraction process’. Rather, a ‘theory of these unplanned additional consequences’, which can be formulated on the basis of Marx’s critique, is only possible and meaningful when this ‘secondary abstraction process’ is dealt with, together with the question of what are the ‘actual values’, produced by abstract-universal labour.
equating of products as values? Or to the connection between value and labour? Or that therefore the equating of products as values is done consciously, but the reduction to equal labour is done unconsciously?

Money as unity of objective positing and universal acceptance

Let us try to clarify how in Marx’s texts this act of abstraction is conceived in the practice of exchange. In this regard, I will refer to the conception of simple circulation found in the Grundrisse and its two-fold meaning, which becomes evident only in the course of this long and hastily written manuscript. On the one hand, this exchange-value-positing interaction is to be understood from a historical perspective – but not in the sense of mundane historical description (canonised in Marxist orthodoxy as the relation between logic and history, following some unfortunate formulations by Engels). It is much rather to be understood as the interlinking of a development logic and a development dynamic, which was, however, not explicitly worked out by Marx. On the other hand, Marx links the idea of simple circulation with the conception of a ‘surface’ of the total reproduction process of capitalism – an approach which is clearly modelled on Hegelian logic. Many formulations even suggest that Marx adopted Hegel’s exact words, for example, in his discussion of the transition to capital which is modelled on Hegel’s account of the transition from the logic of Being to the logic of Essence.55

In both accounts, Marx proceeds on the assumption that commodities enter the exchange process as ‘available products or commodities’. In the first,

55. ‘Money in its final, completed character now appears from every aspect as a contradiction, a contradiction which dissolves itself, drives towards its own dissolution’ (Marx 1973, p. 233). And in the ‘Transition to Essence’, Hegel states: ‘But we are already familiar with this self-sUBLATING of the determination of indifference; in the development of its positedness, this determination has shown itself to be from every aspect a contradiction. It is in itself the totality in which every determination of being is sublimated and contained’ (Hegel 1969, p. 384). When Marx later describes his relationship with Hegel – to which Adorno refers – as flirting with Hegelian language, this is not only an understatement, but also very misleading, because the correspondence of the conceptual construct goes far beyond mere flirting. Just as every determination of the logic of Being is sublimated in the logic of Essence, so Marx also wants to show that the sphere of simple circulation proves, over time, to be an abstraction: ‘Considered in itself, circulation is the mediation of preposited extremes. But it does not posit these extremes. It itself must be mediated as the totality of mediation, as total process. That is why its immediate being is pure appearance. It is the phenomenon of a process running behind its back. It is now negated in each of its moments: as commodity, as money, and as the relation of the two, as the simple exchange of the two, circulation’ (Marx and Engels 1987, p. 479). See also Marx and Engels 1980, p. 64 (emphasis by Marx).
as products which become commodities and, in the second (surface of the capitalist reproduction process), as commodities which ‘look like’ products. In what follows, I will refer to the former.

On a number of occasions, Marx repeats the following idea:

The product becomes a commodity; the commodity becomes exchange value; the exchange value of the commodity is its immanent money-property; this, its money-property, separates itself from it in the form of money, and achieves a general social existence.\(^56\)

Further traces of this argument can be found in *Capital*:

In the direct exchange of products, each commodity is a direct means of exchange to its owner, and an equivalent to those who do not possess it. . . . At this stage, therefore, the articles exchanged do not acquire a value-form independent of their own use value, or of the individual needs of the exchangers. The necessity for this value-form first develops with the increase in the number and variety of the commodities entering into the process of exchange. The problem and the means for its solution arise simultaneously.

Commercial intercourse, in which the owners of commodities exchange and compare their articles with various other articles, never takes place unless different kinds of commodities belonging to different owners are exchanged for, and equated as values with, one single further kind of commodity. This further commodity, by becoming the equivalent of various other commodities, directly acquires the form of a universal or social equivalent, if only within narrow limits. The universal equivalent comes and goes with the momentary social contacts which call it into existence. It is transiently attached to this or that commodity in alternation. But with the development of exchange it fixes itself firmly and exclusively onto particular kinds of commodity, i.e. it crystallises out into the money-form.\(^57\)

At the same time, Marx points out that ‘the proportions in which they are exchangeable are first quite a matter of chance’ and, that the objects, which are exchangeable through the ‘mutual desire of their owners to alienate them’, therefore – and this sentence is found only in the first edition – ‘[obtain] the form of something exchangeable before they are developed as values’.\(^58\) Only later are they ‘fixed’ as ‘magnitudes of value’.


\(^{57}\) Marx, 1976b, p. 182; Marx and Engels 1983b, p. 55. Marx’s emphasis is only found in the first edition of *Capital*.

\(^{58}\) Marx and Engels 1983b, p. 54.
We also find in Marx a discussion of the usual ways in which economists attempt to ‘derive’ the origin of money from the exchange process. Marx is of course aware of these and reflects with bitter ridicule on the prevailing doctrine:

Economists usually reason that the emergence of money is due to external difficulties which the expansion of barter encounters, but they forget that these difficulties arise from the evolution of exchange-value and hence from that of social labour as universal labour. For example commodities as use-values are not divisible at will, a property which as exchange-values they should possess. Or it may happen that the commodity belonging to A may be use-value required by B; whereas B’s commodity may not have any use-value for A. Or the commodity-owners may need each other’s commodities but these cannot be divided and their relative exchange-values are different. In other words, on the plea of examining simple barter, these economists display certain aspects of the contradiction inherent in the commodity as being the direct unity of use-value and exchange-value. On the other hand, they then persistently regard barter as a form well adapted to commodity exchange, suffering merely from certain technical inconveniences, to overcome which money has been cunningly devised. Proceeding from this quite superficial point of view, an ingenious British economist has rightly maintained that money is merely a material instrument, like a ship or a steam engine, and not an expression of a social relation of production, and hence is not an economic category. It is therefore simply a malpractice to deal with this subject in political economy, which in fact has nothing in common with technology.\(^{59}\)

What must be borne in mind is that this critique by Marx stems from 1859, before he evolved the new way of presenting his argument in Capital. But how is the formation of money to be conceived if only surplus products ‘are thrown into the fire of circulation from outside’, as Marx stated in the Grundrisse? As has been pointed out above, Marx also proceeds on the assumption of an exchange of products by their producers which gradually changes into exchange of commodities,\(^{60}\) and this development corresponds to a change of the money-form, namely the use-value which assumes the money-function.

Money does not arise by convention, any more than the state does. It arises out of exchange, and arises naturally out of exchange; it is a product of the same. At the beginning, that commodity will serve as money – i.e. it will be exchanged not

60. ’[H]ence my product becomes dependent on the state of general commerce and is torn out of its local, natural and individual boundaries. For exactly that reason it can cease to be a product’, (Marx 1973, p. 150, my emphasis, H.R.).
for the purpose of satisfying a need, not for consumption, but in order to be re-
exchanged for other commodities – which is most frequently exchanged and
circulated as an object of consumption, and which is therefore most certain to be
exchangeable again for other commodities, i.e. which represents within the given
social organisation wealth *par excellence*, which is the object of the most general
demand and supply, and which possesses a particular use value. Thus, salt, hides,
cattle, slaves. In practice such a commodity corresponds more closely to itself as
exchange value than do other commodities (a pity that the difference between
denrée and marchandise cannot be neatly reproduced in German). It is the
particular usefulness of the commodity, whether as a particular object of
consumption (hides), or as a direct instrument of production (slaves), which
stamps it as money in these cases. In the course of further development precisely
the opposite will occur, i.e. that commodity which has the least utility as an
object of consumption or instrument of production will best serve the needs of
exchange as such.

Here Marx shares the common opinion, according to which the ‘most
marketable commodities’ (A. Menger) acquire the function of acting as money,
at least in the original stages of the development of money.

How must Marx’s argument proceed in order to avoid falling prey to the
accusation of monetary technicism which he levels at the economists? Only by
connecting the idea of this original product exchange with the concept of
validity in *Capital*.

If value is supposed to be a product of abstraction, which arises in the
‘minds of people’ but is nevertheless not ‘abstracted’ consciously, this process
of equating need not be conceived according to the model of nominalist ideas.
Value is not a generic term that includes the specific, nor is abstraction
therefore a process that ‘abstracts out’ the universal. Value is, as will be discussed
later, a universal, but it is constituted unconsciously: the act of equating takes
place in a manner which remains obscure to the participants themselves. They
simultaneously constitute and discover value in a process which is to be
conceived, in terms of Hegel’s logic of *Essence*, as a unity of positing and
external reflection.

Marx expressly refers to the nature of the categories of reflection and, from
his presentation, it follows directly that he, like Hegel, understands the process
of positing reflection as an objective one in the sense of logical unconsciousness.
The external reflection, then, is a conscious reflection on that which is posited
as something that is discovered [*Vorgefundenes*]. Marx explains this by means
of an example:

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Determinations of reflection of this kind are altogether very curious. For instance, one man is king only because other men stand in the relation of subjects to him. They, on the other hand, imagine that they are subjects because he is king.62

The process, which Marx gives as an example, would be interpreted differently today, but the nature of his explanation vividly depicts what matters: the constituting act, the positing, remains unconscious, and is rather itself the prerequisite for a conscious reflection which then, as external reflection, incorporates the prerequisite only as that which is discovered. The way in which Marx introduces this example within the context of his presentation, shows clearly that he does not understand this reflection process as being specific to exchange, but, on the contrary, as a universal process which is also an element in the exchange process.

How is this reflection process depicted in the exchange process? Marx stresses that:

One forgets that the magnitudes of various objects can only be compared quantitatively once they have been reduced to the same unit. It is only as expressions of the same unit that they are magnitudes of the same name, therefore commensurable magnitudes.63

This unit is not there to start off with (as is assumed correctly in the presentation in Capital, since here Marx begins with values produced by a presupposed abstract-universal labour), but is produced in a ‘natural operation of the mind’. Although in somewhat crude formulations, Marx points out that people do not construct this unit consciously, but produce it in a manner appropriate to the nature of their thought processes. If we therefore have categories of reflection that are also part of the exchange process and that prove their validity, this must involve a double movement of thought in which these categories are posited separately and, at the same time, as a unit: a non-changing change—in which difference and unity are constructed simultaneously in the same process.

In Capital, Marx operates with both ‘opposing and at the same time mutually dependent forms’, the relative value-form and the equivalent form,

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62. Marx 1976b, p. 149, footnote 22. In ‘Supplements and amendments to the first volume of Capital’ it is noted that Marx replaced the word ‘king’ with ‘witch’. ‘An old woman’s witch-like character exists only in her relationship to superstitious peasants, but the old woman is only valid as witch for the peasants because she appears to have the character of a witch without their help’, (Marx and Engels 1987b, p. 18, my emphasis, H.R.).

but already within a context in which value is presupposed, so that the equivalent form is determinable as a value expression. If we assume, as Marx does in some remarks in the first edition (which were deleted in the later editions), that the products ‘[obtain] the form of something exchangeable, before they are developed as values’, the persons doing the exchange first of all construct the form itself – the ‘form of equal validity’ [Form der Gleichgeltung]\(^64\) a ‘form of equal validity [Form gleicher Geltung]’\(^65\), they construct ‘equal validity [gleiche Gültigkeit]’\(^66\) Marx also describes this form of equal validity as a form of direct exchangeability – ‘the form of equal validity, therefore also of exchangeability’\(^67\) – a form in which they are non-differentiated, equivalent. However, since this does not concern just any equating, but equating specifically in the exchange process, this relation of equality must be a value relation at the same time. This is exactly what Marx says: this ‘relation of equality is… [a] value relation’\(^68\) and this means that the value as a unity conceived in the mind is immediately posited as a two-fold one. It is only non-equivalent within an ongoing thought process within which equivalence is established:

In that it equates itself as value with the other commodities, it refers to itself as value. In that it refers to itself as value, it simultaneously distinguishes itself from itself as use value.\(^69\)

Contrary to the neo-Kantian characterisation of the validity of value as something demanding recognition [Anerkennungheischendes]\(^70\) which is always already in our consciousness, Marx’s concept of validity refers exclusively to the process of creative value-positing, to the constitution of a form which, as such, cannot enter our consciousness, cannot be perceived. The logical, unconscious process of unity-positing is not accessible to the ‘natural consciousness’. Here, some subtle nuances must be observed. In the case of unity-positing, the product, against which the exchange is made – the opposing exchange-value – is, in its material form, directly regarded as value; the commodity in the form of direct exchangeability

\[\text{References:}\]
\[\text{64. Marx and Engels 1987b, p. 21.}\]
\[\text{65. Marx and Engels 1987c, p. 915.}\]
\[\text{66. Marx and Engels 1987b, p. 17.}\]
\[\text{67. Marx and Engels 1987c, p. 915.}\]
\[\text{68. Marx 1978, p. 136.}\]
\[\text{69. Marx 1976a, p. 19 (emphasis by Marx).}\]
\[\text{70. Lask 1923, p. 57 ff.}\]
does not first of all need to assume a form which is different from its direct
natural form in order to appear as value in respect of other commodities, to be
valid as value and to act on these as value.\textsuperscript{71}

Marx tries to explain this process by means of an example:

In a certain sense, a man is in the same situation as a commodity. As he neither
enters into the world in possession of a mirror, nor as a Fichtean philosopher
who can say ‘I am I’, a man first sees and recognises himself as a man through his
relation to another man. Peter only relates to himself as a man through his
relation to another man, Paul, in whom he recognises his likeness. With this,
however, Paul also becomes from head to toe, in his physical form as Paul, the
form of appearance of the species man for Peter.\textsuperscript{72}

In considering this footnote, the question arises as to whether Marx’s argument,
detached from its explanatory character, is convincing. However, what this is
actually about, what this comment shows exactly in its very contestability,
what Marx is trying to explain here, is the direct unity of the specific and the
universal, between use-value and value.

The comment referred to in the above example (‘the curious thing . . . about
the reflection categories’, namely that ‘being equivalent . . . is, so to speak, only
a reflection category of the linen’, but that it actually ‘appears’ in reverse) is an
explanation of the external reflection: that which is posited is discovered; the
equivalent form appears to belong to the object by virtue of its very nature –
the king appears to be the natural person to be the king.

Is the equivalent form ‘perceived’ at all, however?

Because they considered that in the equation of value the equivalent always has
the form of a simple quantity of some article, of a use-value, Bailey and many of
his predecessors and followers were misled into seeing the expression of value as
merely a quantitative relation; whereas in fact the equivalent form of a commodity
contains no quantitative determination of value.\textsuperscript{73}

The equivalent form as such is the form of direct exchangeability, which –
in our consciousness – coincides directly with the use-value; the object \textit{is valid}
exclusively as objectivity, as direct objectivity of the value. What is
perceived, however, is only the object. The form of equal validity or also the
form of direct validity of value is, therefore, the object as value-objectivity

\textsuperscript{71} Marx 1978, p. 138 (emphasis by Marx).
\textsuperscript{72} Marx 1976b, p. 144.
\textsuperscript{73} Marx 1976b, p. 148 (my emphasis, H.R.).
[Wertgegenständlichkeit], but this is not in our intentional consciousness. The value-objectivity as such is not ‘perceived’, it nevertheless is ‘registered’ – but registered in the form of a sensory object, precisely because the real object is valid as objectivity. As an external reflection, consciousness takes over categories of the object (conventional dimensions) and treats them as categories of objectivity.

The people doing the exchange are therefore not aware of what they are doing, that is, of what their thoughts are doing: as people acting intentionally, their consciousness is concentrated on the objects in front of their eyes – the ‘commodities’ of the economists. Within this structural situation, they are, however, obliged to engage in a process of equating, which is at the same time a value-positing act, of which they themselves are unaware. Here, what we have is ‘exchange-value-positing interaction’ in contrast to ‘exchange-value-positing labour’.

Although the micro-structure of the abstraction process in the comparison of two exchange products will be developed as the ‘nucleus’ of money, we still have not yet arrived at the money-form itself. How is this process to be conceived in order to understand this act of positing as constitutive of the money-form itself as well? The first chapter of the first edition of Capital concludes with the comment that commodities have up to this point been viewed analytically ‘sometimes from the point of view of use value, sometimes from the point of view of exchange value’. Marx adds, however, that the subject of further examination will be the ‘real relationship of the commodities to one another’, and this is ‘their exchange process’. The aim of the ‘analytical contemplation’ of commodities, from the point of view of exchange-value, was to prove the development of an equivalent form which, in its universality, corresponds to the universality of the concept of value. In the presentation of the ‘actual relationship’, that is, the presentation of the reality of the formation of money, the relationship between exchange-value and use-value – must be discussed. The formation of a universal equivalent form must simultaneously take place by ‘selecting’ a corresponding use-value. A comment made in the second chapter of Capital, Volume 1 is important in this context, although its theoretical significance has not been recognised in the literature on Marx. He emphasises that ‘only the action of society can turn a particular commodity

74. Marx 1976a, p. 51. This last paragraph (a similar point was made in Marx 1987), which is important from a methodological point of view, was deleted by Marx in the second edition of Capital, Volume 1.

75. ‘It is only through its universal character that the value form corresponds to the value concept’ (Marx 1978, p. 146).
into the universal equivalent’. This refers to the use-value of the money-commodity, and the social action refers to the conscious selection of an object which is suitable for the money-function.

Such an argument would have to be rejected if it implied that money was consciously devised as a means to reduce the complexity of the exchange process. Money would then be a technical medium based on the universal acceptance of a specific useful object. However, universal acceptance is not identical with universal validity. Universal validity, for its part, is bound to universal acceptance. The ‘specific usefulness’ which ‘stamps’ the object ‘as money’, simultaneously universalises and standardises the movement of thought about the equating process which is present in the minds of all people carrying out an exchange. The form of direct exchangeability becomes a universal equivalent form, the unity of all commodities exists as a specific alongside the multiple. Money is a sensory-supersensory phenomenon: as something with validity, it is, and it is only because it is valid; the material is valid as value-objectivity, and the value-objectivity exists – as object.

Marx characterises this process of the formation of the universal equivalent form in the Appendix to the first edition of Capital as follows:

This exclusion can be a purely subjective process, for example, a process by which the linen owner assesses the value of his own commodity in terms of many other commodities. In contrast to this, a commodity is in general equivalent-form (form III) only because and insofar as it itself is excluded as equivalent by all other commodities. The exclusion is here an objective process which is independent of the excluded commodity. Hence in the historical development of the value form, the general equivalent-form may pertain now to this and now to that commodity. But a commodity never functions in fact [wirklich] as general equivalent, except insofar as its exclusion and therefore its equivalent-form is a result of an objective social process.

The definition of the economic categories given at the beginning, namely that they are ‘subjective-objective’ and an ‘objective form of thought’, must be read before this passage from the Appendix. The subjective process of equating, taking place ‘in the head’ of the linen owner when he equates his linen with all other products (a process through which all other products become equivalent forms, although these forms obviously only exist, that is, are valid, in his thoughts) does not become an objective process in the sense that it walks out of his head and materialises in a mystical manner. The objectivity of the

process exists in the reversal by which a commodity becomes a universal equivalent form. This, however, is still a thought process; the ‘form of thought’ becomes objective. Typically enough, Marx later speaks of an ‘objective social process’ (my emphasis, H.R.), by means of which both aspects are conceived together, the objectivity of the reversal and the selection of the specific use-value which is suitable as the money form. The unity of both processes, namely the constitution of universal validity and the establishment of universal acceptance, is summarised by Marx in the phrase ‘general social validity’.

We see that the actual money-form proper offers in itself no difficulty at all. Once we have understood the general equivalent-form we do not need to rack our brains to understand that this equivalent-form attaches itself to a specific type of commodity such as gold, and still less insofar as the general equivalent form in its very nature requires the social exclusion of a definite commodity by all other commodities. It is now only a matter of this exclusion winning an objectively social consistency and general validity, and hence does not concern different commodities in turn nor possess a merely local reach [Tragweite] in only particular areas of the world of commodities.

The general equivalent form as a form of exchangeability existing in a specific use form, in other words, a generally valid direct form, shows signs of that reversal which Marx understood in the first edition of Capital, Volume 1 as a characteristic of a universal, and which he more precisely designates with the Hegelian term ‘inclusion [Einbegreifens]’. ‘An individual object which in itself includes all real existing types of the same object is a universal, for example animal, god etc’. The specific is not subsumed under an abstract universal, but is ‘included’ – and, with that, it is simultaneously abstraction and totality.

The conditions which I referred to at the beginning of this article have therefore been fulfilled: the so-called real abstraction is an objective concept which, as the direct unity of validity and being [Sein], goes beyond the common idea of objectivity as inter-subjective validity, and which satisfies the demanding philosophical requirement of simultaneously existing as a universal.

If, therefore, we abandon the Baedecker version of Marx, it becomes clear that, in Capital, Marx has the conceptual means at his disposal, for the first time, to realise his early theoretical characterisation of money as – in words

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78. Marx 1978, p. 149.
80. A phrase which Adorno liked to use in lectures to point out that authors should always be read differently to whatever way is customary.
identical to those of Hegel – ‘the existing concept of the value of all things’. What is also realised or stated more precisely is what Adorno called ‘objective abstraction’, namely a ‘conceptuality which holds sway in reality [Sache] itself’, and which provides a necessary starting point for further explication of the dynamics of the exchange principle.

**Existing universal versus real abstraction**

What exactly is the difference between Marx’s ‘objective concept’ and Simmel’s ‘real abstraction’? Simmel explicates the phenomenon of the validity of value in the first few pages of his *Philosophy of Money*, but then explains that it develops in this abstract form only with money. His point of departure is the same as Marx’s: a direct exchange of products which is gradually expanded. But he has no account which corresponds to Marx’s discussion of the change from subjective to objective ‘form of thought’. It is, however, through this change and the inversion which accompanies it, that value is constructed as an existing universal.

Simmel’s real abstraction, however, ‘contents itself’ with the point that the direct unity of an object with the subjectively interpreted value is a value experience.

In the primitive stages of the economy, use-values appear as money: cattle, salt, slaves, hides etc. Whatever the way in which money has evolved, in the beginning it must have been a value *directly experienced* as such.81

The point of departure for the development is always the unity of the ‘value experience’ with the object which serves as money.

Money could not have developed as a means of exchange or as a measure of value unless its *material substance* had been experienced as immediately valuable.82

However, is this also the point of departure for the development of the objective value? Simmel emphasises that it would be a serious misunderstanding to interpret this unity in the sense of ‘the independent value of each’; it would only be ‘the error of this substantialist interpretation’, which is, as far as method is concerned, the same

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82. Simmel 1978, p. 143 (emphasis by Simmel).
as that which asserts a direct connection between an individual and the content of any right. . . . The individualistic conception of the ‘rights of men’ provides an example.\textsuperscript{83}

For in the further development of the exchange process, it becomes clear that this substance gives way to function, that the object experienced as being valuable was only a carrier, in the end a symbol.

It may appear self-evident today that symbols should be created by segregating the quantitative aspects of things; but this is in fact an achievement of the human mind which has remarkable consequences. The institution of money depends upon it in as much as money represents pure quantity in a numerical form, regardless of all the specific qualities of a valued object. An account from ancient Russia illustrates a very characteristic transition from the qualitative to the quantitative symbolic representation. Originally, marten furs served as a means of exchange. As trade developed, the size and quality of individual pelts lost all significance for their exchange value; each pelt simply equalled any other, and only the number of pelts mattered. Eventually only the tips of the pelts were used as money, and finally pieces of leather, probably stamped by the government, circulated as a means of exchange. This clearly illustrates how the reduction to a quantitative viewpoint supports the symbolisation of values, which is the basis for the genuine realisation of money.\textsuperscript{84}

The substantialism at the beginning is therefore an unavoidable, but nevertheless ‘erroneous interpretation’ (since it is no different at the beginning than with an object experienced as being valuable); the object itself is, in so far as it assumes a money-function, always already a symbol, which then also develops over time.

The preceding argument has not yet touched upon the question as to whether in reality money has value or not. It was only meant to show that the function of money in measuring values does not impose upon it the character of being itself a valuable object.\textsuperscript{85}

But what does money symbolise? It symbolises relations: just as it is irrelevant whether a scale to measure space consists of iron, wood or glass, since only the relation of its parts to each other or to another measure concerns us, so the scale that money provides for the determination of values has nothing to do with the nature of its substance.\textsuperscript{86}

\textsuperscript{83} Simmel 1978, p. 126.
\textsuperscript{84} Simmel 1978, p. 150.
\textsuperscript{85} Simmel 1978, p. 142.
\textsuperscript{86} Simmel 1978, p. 147.
And in this connection, Simmel quietly smuggles in another concept of value. Suddenly, it becomes a value ‘that objects acquire by their exchangeability’, and the ‘significance of money is only to express the value relations between other objects… independent of any intrinsic value’. This ‘distilled exchangeability of objects’ is therefore, to begin with, conceived as quantitative equivalence, which is likewise sublimated over time into progressively more abstract relations.

It is indeed correct that the quantities of different objects can be compared only if they are of the same quality; wherever measurement is done by direct comparison of two quantities it presupposes identical qualities. But wherever a change, a difference or the relation between two quantities is to be measured, it is sufficient for their determination that the proportions of the measuring objects are reflected by the proportions of those measured; and there need be no qualitative identity of the objects. Two objects with different qualities cannot be equalised, but two proportions between qualitatively different things may be.

This is the origin of Simmel’s idealism. He emphasises the direct unity of value and substance.

Thus the ancient Irish, when they entered into relations with the Romans, made their own value-unit, the cow, equivalent to an ounce of silver.

However, Simmel is unable to distinguish between the ‘most marketable commodity’ as an object in the objectively posited form of universal, immediate exchangeability, and this same object as the object of value experience. The cow is indeed a direct value-unit but, since its nominal and real value later part company in subsequent development, the idea of the unity of value and object can only have been the ‘error of a substantialist interpretation’. The relation is therefore inverted: an objectively posited, direct unity of value objectivity and object is not the condition for the possibility of the establishment of relations; but the valid, abstract relations which have already been conceived as being differentiated, must become ‘embodied’. Money derives its ‘content from its value; it is value turned into a substance’.

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87. Simmel 1978, p. 130.
88. Simmel 1978, p. 147.
89. Simmel 1978, p. 124.
90. Simmel 1978, p. 132.
93. Simmel 1978, p. 121.
If Adorno’s assumption is correct that economic value is to be conceived as the actual starting point of the neo-Kantian philosophy of value initiated by Lotze, then the key to the foundation of Adorno’s thesis should be found in Simmel’s *Philosophy of Money*. I have mentioned above that the neo-Kantian concept of validity as the ‘remarkable ability’ elevated to philosophical consciousness, as the ‘primary quality’ of our mind, ‘which cannot be reduced any further’, ‘to think of contents as being independent of the act of thinking’, is not to be determined, for its part, independently of the precise phenomenology of the validity of value. Objective value, which like every other value in the philosophy of value should exist only as validity, is in its ‘supra-subjective’ character a ‘primary phenomenon’. Its ‘existence’ is inseparably linked with an *a priori* manifestation. Therefore, for neo-Kantianism, the separation of factuality and validity is the last word. This *chorismos* [separation] itself, however, is something posited in the sense of the Hegelian objective reflection. Simmel (rightly) assumes that this ‘metaphysical category’ of value which is ‘discovered as a fact’ in our consciousness as an ‘objective value’ which ‘attaches’ to objects, appears as a concept which seems to be independent from the act of thinking, and which should, as something objective, insert itself between subject and object. In other words, something which

in fact… is a third category, which cannot be derived from either subject or object, but which stands, so to speak, between us and the objects…

in this specific form of validity only within the context of the economy (exchange process). Simmel shares this unreflective concept of reality with the economists, a concept which only knows objects, goods which are exchanged – a ‘technological’ process. He therefore has in mind – similar to Hegel’s ‘natural consciousness’ – an ‘objective reality’ of objects, which he compares with the ‘consciously perceiving subject’.

But how do we get to the ‘value concept’ as a fact which seems to be independent in our consciousness from the act of thinking and to the form of an ‘objective, abstract value’ portrayed so precisely by Simmel? The latter assumes that the development starts with the unity of the object and the ‘value experience’ (the substantiality of which should turn out to be an error): in the

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94. Simmel 1989, p. 32.
95. Simmel 1989, p. 27.
96. Simmel 1989, p. 36.
98. Ibid.
case of metal currency, this is then the gold quantity, which directly coincides with a value quantity, with a value amount: the money amount is the gold amount. With the process of symbolisation, however, this substantial unity disintegrates; money becomes the sign. But where does this leave the gold quantity as the measure of value? The value amount, which previously existed as direct value-objectivity, as objective appearance, survives as objective appearance in the concept, as an ‘abstract objective value’, which seems to exist independently of the act of being conceived. Still, Simmel changes this appearance into something primary, which is discovered in consciousness as a fact, a valid objectivity which only exists in our consciousness, but which is conceived in our consciousness as having value-existence outside it. Simmel’s neo-Kantianism, the complete separation of being and validity, is in itself (as Hegel would have said) only a way of formulating appearances which are involved in the circulation of money.

What is decisive for economic theory is how the concept of validity is understood: only as the validity of value in our consciousness, as in the case of Simmel, or in the sense of the objective positing of the validity of value, as outlined above, and which constitutes the object as value-objectivity.

**Dialectical development as presentation of the autonomisation of value**

The structural presentation of the argument of *Capital* was established long before Marx conceived this concept of validity of value. Contrary to the conception of simple circulation and its two-fold meaning as outlined in the *Grundrisse*, in *Capital* only one aspect is still relevant for the presentation: no longer simple circulation as historical prerequisite for capital, but how ‘within the bourgeois mode of production simple circulation itself exists only as determined by capital, and as determining it’. This implies that Marx always already proceeds on the basis that commodities are the product of capital, in

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99. ‘The simple circulation, merely the exchange of commodity and money (the exchange of commodities in mediated form) precisely because it is only mediating movement between presupposed points of departure, can (up to the formation of hoards) historically exist without exchange value taking hold of the production of a people, whether on the whole surface or in its depths. At the same time, however, historical development shows how circulation itself leads to bourgeois, i.e. exchange-value-positing, production and creates for itself a basis other than that from which it directly sprang. The exchange of surpluses is commerce creating exchange and exchange value. However, it extends only to the act of exchange itself and runs alongside production itself’ (Marx and Engels 1978a, p. 480). See Marx and Engels 1980, p. 67.
other words that value is the objectification of the abstract-universal labour of the labourer. The concept of value derived from this conception is a precondition for the structural organisation of the argument and cannot be introduced as a concept of validity. Validity can only be isolated as a central theme within the context of the process of circulation, as the starting point and prerequisite for the development of a labour value theory in which abstract-universal labour and labour-time can likewise still be developed from the validity conception of value (and do not, as in the Ricardian version of Marx’s critique of the economy, generally accepted until now, remain disconnected from one another). The conception of the *Grundrisse*, however, which establishes a connection between ‘labour as such’ (a form of universal direct exchangeability)\(^1\) and the ‘practical truth of abstract labour’ as exchange-value-positing labour, provides access to a version which fits in with both meanings of the concept of simple circulation and which can link the ‘theoretical and practical truth’ of abstract labour with the concept of validity.

For this is the true meaning of the dialectical development which is to be understood as the methodologically reflected presentation of the increasing autonomy of exchange-value, and which, for Marx when he wrote the *Grundrisse*, was identical to the depiction of the emergence of capitalist society.\(^2\) This dialectical presentation of the autonomisation of value could

\(^1\) If we develop value as abstraction, the universal equivalent form as existing universal, then specific labour as the presentation of universal labour can also be decoded as the implication of the existing validity of value. For objects, as surplus products, are obviously also labour products; and the commodities, since they have a price, present themselves by dint of the universal equivalent form as the specifics of a unity. What is the ‘substance’ of this unity? Since the use-value, which assumes the function of the universal equivalent form, is also a labour product, this specific labour directly functions as universal labour and the specific labours as the specifics of the one, universal labour. Marx’s formulations, and not only those of the first edition, clearly show that he understood the concept of universal labour as an implication of the concept of validity: ‘Just like the linen therefore became the *individual equivalent* as a result of another commodity referring to it as the appearance form of value, so it becomes, as the appearance form of the value common to all commodities, the *universal equivalent, universal value body, universal material of abstract human labour*’ (Marx and Engels 1983b emphasis by Marx). Marx went on to say: ‘The *specific* labour materialised in it is therefore now *valid* (my emphasis, H.R.) as the universal realisation form of human labour, as universal labour’. It must be pointed out however that this concept of universal labour is not identical to the ‘labour as such’ in the *Grundrisse*. Cf. footnote 118.

\(^2\) ‘The transition from capital to landed property is also historical, since landed property in its modern form is a product of the action of capital on feudal etc., landed property. In the same way, the transition from landed property to wage labour is *not only dialectical but historical*, since the last product of modern landed property is the general introduction of wage labour, which then appears as the basis of the whole business’. Letter to Engels, 2 April 1858, in Marx and Engels 1983, p. 298 (my emphasis, H.R.).
also concretise Adorno’s thesis: it is not society that is ‘intelligible’, but ‘only the law of autonomisation’. Contrary to sociology, which at best uses the words ‘becoming autonomous’ to characterise the mode of operation of bureaucratic organisations from the point of view of their conduct, that is, simply to formulate an everyday experience, Adorno defines society itself as ‘that which has become autonomous’.

It is this concept of society which Marx first formulated in the *Economic and Philosophical Manuscripts*, although in language that encouraged misinterpretation. Using a chiasmus, Marx tries to understand capitalism as a structurally unsurpassable apex of a topsy-turvy world in which the labourer (i.e. every labourer) simultaneously and directly through his labour produces the very opposite of that which he, as a sensory-aware being, observes and intends as he interacts with the material and living world of his fellow human beings. This reversal is the result of an autonomisation which Marx characterises generally as estrangement. In *The German Ideology*, scarcely two years later, he expresses the same thoughts in a different way:

> The reality, which communism is creating, is precisely the true basis for rendering it impossible that anything should exist independently of individuals, insofar as reality is only a product of the preceding intercourse of individuals themselves.

Marx already points out in the *Economic and Philosophical Manuscripts* that this entire topsy-turvy world is to be developed out of money. However, how this is to take place remains completely open. Instead, using the concept of the division of labour and Adam Smith’s idea of accumulation, a materialist theory of history is sketched in which all past social history is conceived from the perspective of this culmination point, as the gradual result of embryonic and simplistic versions of this inverted form of sociality.

103. In the corresponding theoretical language, this is: the intensification of system complexity as the institutionalisation of new levels of system differentiation as perceived from the internal perspectives of the ‘life-worlds’ in question. See Habermas 1987, p. 172.

104. Chiasmus is a rhetorical figure in which a given order of words is first stated, and then reversed. For instance, Marx (1976b, p.166) says that in capitalism producers relate to each other through their products, and thus commodity fetishism involves ‘material relations between persons and social relations between things’.


106. ‘We now have to grasp the essential connection between private property, greed, the separation of labour, capital and landed property, exchange and competition, value and the devaluation of man, monopoly, and competition, etc. – the connection between this entire system of estrangement and the money system’ (Marx 1975, p. 323, emphasis by Marx).

The *Grundrisse* can be seen as the first attempt to implement in detail this insight of the *Economic and Philosophical Manuscripts*, an attempt continued in *Capital* where estranged labour is presented as the structural apex of this theoretical development.

An interpretation of this dialectical presentation must try to maintain clarity about the interconnections between that which is conscious-intentional and that which detaches itself from consciousness. The aim is to avoid objectivism in all its varieties and, at the same time, to maintain Adorno’s characterisation of society as ‘that which is unintelligible’ – or, to put his formula more precisely, to reconstruct the ‘law of the autonomisation of society’ as the only ‘rationally understandable’ aspect of a social process of irrationalisation. Adorno, however, never clarified this idea: what can ‘understand’ mean when what is involved is the reconstruction of the unintelligible? That Adorno’s ‘dialectical concept of meaning’ itself has been dialectically conceived, that is meaning has been restricted to that which appears, has been indicated above. However, how is this ‘societal essence which shapes appearances, appears in them and conceals itself in them’ to be comprehended in its dynamics? The accusation of essentialism cannot be made to stick if one succeeds in proving the development of an ‘objective conceptual’ that blocks itself off from hermeneutic access but which simultaneously unfolds its own logicality [*Logizität*] in and through the actions of individual subjects.

The development of Marx’s categories and his criticism of the economists must be seen against this background. In his accusation that they grasp the categories only in an external way, Marx repeats Hegel’s criticism of the philosophy of understanding. In contrast to reason, understanding analyses patterns of action in an external way as fixed and absolute: individual subjects are presupposed as completely formed, and are presumed to confront fully developed categorial forms. But the truth is, however, that new categories emerge historically and are associated with the emergence of new forms of subjectivity. If, however, the categories are grasped in only a fixed and external way, then the general context, within which forms of subjectivity are determined, must also be treated as fixed: rather than subjects who pursue their goals with truly rational strategies, we have instead the narrow economics of *rational choice*.

Marx’s language in the *Grundrisse* is in keeping with this intention. We repeatedly find terms such as the following: ‘undeveloped’ value, in the ‘further development of exchange value’;108 ‘exchange value in its movement’,109

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109. Ibid.
‘exchange value becoming independent in money’,110 ‘completed exchange value’.111 These formulations certainly provoke the accusation of objectivism but, nevertheless, we should understand these expressions as an adequate linguistic portrayal of an objective dynamic. The objectivity involved is based precisely on the logical unconsciousness of the subjects who, by means of their conscious actions, drive this process forward. Programmatically, the following can be observed: if we understand exchange-value as having become independent as a really existing universal, then Marx’s concept of capital is based exclusively on the ‘movement’ of this value, which represents the starting point and central impulse of the social dynamic and which can then – in Adorno’s words – be characterised as the ‘societal essence which shapes appearances, appears in them and conceals itself in them’ – wholly in agreement with Marx’s intentions. For Marx, the concept of capital and the associated method for developing categories, were linked simultaneously to the idea that the concept of capital adequately accounts for the dynamics of the real autonomisation of value. Starting from an ‘existing principle’ of exchange-value becoming autonomous in the processes of circulation,112 Marx traced its process of development, and its self-generated legitimacy, to the point where he was able to anticipate its endogenously generated collapse:

We are present at the process of its [capital’s] becoming. This dialectical process of its becoming is only the ideal expression of the real movement through which capital comes into being. The later relations are to be regarded as developments emerging out of this germ.113

Let us attempt to outline the individual steps of this development and, in doing so, to clarify certain concepts. The word ‘movement’ already provokes objections. How are we to understand movement if we do not substantialise value and if we do not wish to comprehend this as something material in the so-called objective reality of the material world? It soon becomes clear that Marx’s terminology as a whole cannot be detached from a conception of reality which is, so to speak, to be settled in this ‘in-between realm’, between the conscious-intentional and the world of things – an objectivity connected to the validity attributed to the value of things as commodities. Only on this

112. ‘To develop the concept of capital it is necessary to begin not with labour but with value, and, precisely, with exchange value in an already developed movement of circulation’ (Marx 1973, p. 259).
condition – value as valid objectivity – can a conception be developed in which movement can also be conceived meaningfully: movement as a change of form (Marx calls this ‘metamorphosis’ in *Capital*) and as reproduction of form. Correspondingly, words such as *exchange* and *circulation* should not be linked to imaginary content, but should be ‘conceived’ within the context of this conception: exchange or simple circulation is the exchange of commodities as value-objectivity, existing validity of value or value-concreteness, and which can, for this reason, also dissolve into nothingness – an ‘evanescent movement’, of which nothing remains behind.

Nothing remains other than the means of circulation as simple residue. But as such a residue, however, value loses its specific characteristic form. It sinks into matter which remains as the inorganic ash of the entire process.\(^{114}\)

If, however, exchange and circulation cannot, for their part, be conceived independently of this movement, the movement must, should it preserve itself – that is, ‘develop’ as value or become autonomous – in turn change this circulation itself, make it permanent and expand it. Simple circulation becomes – by means of value becoming autonomous – capitalist circulation, namely capital as that which circulates. Value is therefore a very ‘airy [*luftiges*, insubstantial]’ creation, but it is so precisely because of this unusual quality, that is, that it is conceived at the same time as ‘real value’ which only exists in circulation as that which is real – as value-objectivity in various forms.

In the *Grundrisse* of *Capital*, Marx operates within this conceptual framework and, in so far as he moves at this abstract level, Marx also calls the specific characteristic forms resulting from this, ‘abstract specific characteristic forms’.\(^{115}\)

The first steps of Marx’s dialectical presentation can therefore be summarised as follows:

(i) As has already been mentioned above, there is no strict, methodically satisfactory development of the money-form in the *Grundrisse*. Marx simply assumes that this money-form always develops as soon as products are thrown ‘from outside into the fire of circulation’. From

\(^{114}\) Original text in Marx and Engels 1987a, p. 484; Marx and Engels 1980, p. 71.

\(^{115}\) ‘Here, we have only to comprehend money in its abstract determinations of form [specific characteristic forms]. The laws regulating the distribution of precious metals on the world market imply economic relations in their most concrete form, something that still lies before us. The same applies to all the circulation of money, which it performs as capital, and not as universal commodity or universal equivalent’ (Marx and Engels 1987a, p. 437). See Marx and Engels 1980, p. 25.
the point of view of the preservation of value and the autonomisation of value, these first two aspects are therefore evanescent forms: the exchange-value of the commodity, in so far as it is directly exchanged or ‘circulated’ via the mediation of the universal form, shows itself to be ‘a merely implied determination, since the commodity becomes a fleeting exchange value only in circulation’. The value is realised in the act of its disappearance.

(ii) Money is independent exchange-value only in the form of the unity of the first and second aspect, in this ‘specific characteristic form’, it is the ‘numerical indicator of a quantity of itself, which serves as unity’. In this ‘specific form, its state as capital has already been included latently’. For it is with this form that the ‘bad infinity’ of the movement of reproduction starts, which results from the contradiction of this form itself: as existing universal form it is the absolute form of wealth, although it is simultaneously restricted as quantity. The movement exists in the infinite progress towards the absolute form of wealth by means of a constant increase in size.

119. Given that historical and dialectical presentation are still treated as parallel in the Grundrisse, this form constitutes the actual point of departure for the dialectical development: ‘Money as individualized exchange value and hence as wealth incarnate was what the alchemists sought; it figures in this role within the Monetary (Mercantilist) System. The period which precedes the development of modern industrial society opens with general greed for money on the part of individuals as well as of states’ (Marx and Engels 1973, p. 225). ‘In the mercantile system, gold and silver functioned . . . as the measure of power of the different communities’, (Marx and Engels 1973, p. 226). See also Marx and Engels 1980, p. 151. Trade-capital and the increase of wealth, the accumulation of gold as universal form of wealth, is therefore for Marx a necessary transitional stage in the development of capitalism. Because this dynamism is only given a jump-start with money in the third specific form whose dynamism subverts a static-traditional society. ‘The mania for possessions is possible without money; but greed itself is the product of a definite social development, not natural, as opposed to historical. Hence the wailing of the ancients about money as the source of all evil’ (Marx 1973, p. 222). The concept of abstract labour should also be considered against this background, as a category which ‘falls even further under our subjective reflection’. Marx’s interpretation of the history of theory still moves firmly within the conception of the Economic and Philosophical Manuscripts: as gradual insight into the actual sources of wealth. As long as the gold form of money functions as wealth per se, which can only be increased by means of exchange, labour is still not identified as the source of wealth. It is only with the physiocrats that this insight becomes manifest, although only in an indirect form, as the ‘creative power of nature’, which produces the net product. Adam Smith was the first to make the theoretical breakthrough: ‘Labour seems a quite simple category. The conception of labour in this general form – as labour as such – is also immeasurably old. Nevertheless, when it is economically conceived in this simplicity, “labour” is as modern a
(iii) Given this movement of form, the question arises as to how such a form is at all possible within the real processes of circulation. The universal form can only be retained in that it is exchanged for additional use-values that are constantly being put into circulation. However, in this respect, it proves to be contradictory: if money is saved, it is simply the universal form which may prove to be the ‘intended’ universal wealth or, if it exchanges itself for real wealth, it disappears as a value which has been preserved and which has become independent.

(iv) Again, we are up against the problem which Marx sees hypothetically as follows:

In order to establish itself as something independent, the exchange value would not only have to emerge as result from circulation, but would also have to be capable of re-entering circulation, to be retained in it, becoming commodity.\(^{120}\)

And, in another passage, Marx states: ‘Its entry into circulation must itself be a moment of its self-preservation [Beisichbleibens].’\(^{121}\) The self-preservation of value is conceivable only as the constant change of form: money as the universal form of objective value and use-value as the specific form of objective value alternate constantly, and value preserves itself through the alternation of both forms.

category as are the relations which create this simple abstraction. The Monetary System, for example, still locates wealth altogether objectively, as an external thing, in money. Compared with this standpoint, the commercial, or manufacture, system took a great step forward by locating the source of wealth not in the object but in a subjective activity – in commercial and manufacturing activity – even though it still always conceives this activity within narrow boundaries, as money making. In contrast to this system, that of the Physiocrats posits a certain kind of labour – agriculture – as the creator of wealth, and the object itself no longer appears in a monetary disguise, but as the product in general, as the general result of labour. This product, as befits the narrowness of the activity, still always remains a naturally determined product – the product of agriculture, the product of the earth, par excellence. It was an immense step forward for Adam Smith to throw out every limiting specification of wealth-creating activity – not only manufacturing, or commercial or agricultural labour, but one as well as the others, labour in general. With the abstract universality of wealth-creating activity we now have the universality of the object defined as wealth, the product as such or again labour as such, but labour as past, objectified labour’ (Marx 1973, p. 105). Marx himself understands this as the theoretical conclusion of the development of a theory (this would be the self-consciousness of the commodity according to Lukács), which, when stated more precisely in theoretical terms, reflects the actual transition to capitalist production. From these passages it is also clear that Marx always links the concept of abstract labour to the production of surplus-products, as he did in the *Economic and Philosophical Manuscripts*, never with the idea of ‘the simple production of commodities’, as imagined by Engels.

\(^{120}\) Marx and Engels 1987a, p. 492, Marx and Engels 1980, p. 78.

Thus the exchange value is now determined as a process and not merely as an evanescent form of use value, indifferent to this use value itself as a physical content.\textsuperscript{122}

(v) This movement of alternating forms would be only a ‘formal’ alternation if it were not accompanied by the movement of value reproduction referred to under point (iii); the autonomy of value must be conceived as the unity of both these movements. This is, at the same time, the abstract concept of capital.

The process of becoming autonomous appears not only in the form that capital confronts circulation as an independent abstract exchange value – money – but also in that circulation is simultaneously the process of its becoming autonomous, that it stems from circulation as something having become independent.\textsuperscript{123}

(vi) Once again, we are faced with the problem: how is this movement possible as that which is real – in the reality of the circulation? Both – commodity and money – are only forms of value, forms of its objectivity.

\begin{quote}
It exists in the form of the objectivity \textit{[Gegenständlichkeit]}, but it is indifferent to whether it is the objectivity of the money or the commodity.\textsuperscript{124}
\end{quote}

Thus value can only preserve itself as independent process if the objectivity, which increases during the process, is maintained by a ‘third’. ‘This third is not commodities’.\textsuperscript{125}

(vii) Since the objectivity of value is identical to the objectivity of universal labour, this ‘third party’ can only be found in opposition to this objectified universal labour. And ‘the only opposite of reified labour is unreified labour, and the opposite of objectified labour, i.e. subjective labour’.\textsuperscript{126}

The following methodological observation, often quoted in the literature on Marx, is to be read in this context:

\begin{thebibliography}{9}
  \bibitem{122} Marx and Engels 1987a, p. 491, Marx and Engels 1980, p. 77.
  \bibitem{123} Marx and Engels 1987a, p. 496; Marx and Engels 1980, p. 82.
  \bibitem{124} Marx and Engels 1987a, p. 499; Marx and Engels 1980, p. 84.
  \bibitem{125} Marx and Engels 1987a, p. 502; Marx and Engels 1980, p. 86.
  \bibitem{126} Marx and Engels 1987a, p. 502; Marx and Engels 1980, p. 86 (emphasis by Marx).
\end{thebibliography}
But this historical stage in the development of economic production – whose product is already the free worker – is the premise for the emergence, and even more so for the persistence of capital as such. Its existence is the result of a lengthy historical process in the economic formation of the society. It is made quite definite at this point that the dialectical form of presentation is right only when it knows its own limits.\(^{127}\)

This also concludes the first part of the dialectical presentation. However, at the same time, it forms the transition to the presentation of that which has been arrived at in the previous argument as a new, conceptual result. Marx continues:

The examination of the simple circulation shows us the general concept of capital, because within the bourgeois mode of production the simple circulation itself exists only as pre-posed by capital [Voraussetzung des Kapitals] and as pre-positing it. The exposition of the general concept of capital does not make it an incarnation of some eternal idea, but shows how in actual reality, merely as a necessary form, it has yet to flow into the labour that creates exchange value, into production resting on exchange value.\(^{128}\)

Marx states that it is not possible to draw a direct parallel between the dialectical development and the historical development which produced capitalism, modern landed property and free labour. Dialectical development as a method for providing proof and historical presentation, move in separate directions. As dialectical presentation, what is proved is that value, as something which has become autonomous and which is at the same time increasing, can only preserve itself by the constant addition of value by means of living labour.

**Labour: exchange-value-positing or two-fold character?**

How are we to understand this living labour in conceptual terms? Marx correctly describes the discovery of this two-fold character as a starting point for the critique of the political economy. At the same time, however, he had great difficulty in defining this two-fold character.

Let us look at the result of the dialectical presentation of the independence of value outlined above from the point of view that we must always understand this course of development as the validity of value ‘held’ in the circulation.

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\(^{127}\) Marx and Engels 1987a, p. 505; Marx and Engels 1980, p. 91 (my emphasis, H.R.).

\(^{128}\) Marx and Engels 1987a, p. 505; Marx and Engels 1980, p. 91 (emphasis by Marx).
This course of development shows that the process of reversal begins via the third aspect of money and expands constantly. First of all, consumption must be expanded:

its disappearance must disappear, and must itself be merely the means for the emergence of a greater exchange value, for the reproduction and production of exchange value – productive consumption.129

Then production will also be dragged into this process of the boundless increasing of value – ‘production for the sake of production’. The bad infinity of the irrational increase in value holds sway over the production process and structures the whole society.

Just as each product is only valid as an objective form of value, each concrete act of labour is only valid as sensory activity which produces this objectivity. The boundlessness seizes living labour and effects an inversion: the infinite process, which arises from the futile attempt to achieve the absolute form of wealth through pure expansion, is transmitted to the labour process, which becomes no more than a necessary means of producing ever more objective value.

Which formulation does Marx use for this in the Grundrisse? Use-value, which stands in opposition to capital, is not this or another labour, but labour pure and simple, abstract labour; absolutely indifferent to its particular specificity [Bestimmtheit], but capable of all specificities. Of course, the particularity of labour must correspond to the particular substance of which a given capital consists; but since capital as such is indifferent to every particularity of its substance, and exists not only as the totality of the same but also as the abstraction from all its particularities, the labour which confronts it likewise subjectively has the same totality and abstraction in itself.130

Every act of labour has the same validity, namely as the means for increasing value, as contributing to the abstract total mass of capital which has various forms of existence – the commodity as a specific form, money as a general form. The equality of validity [Gleichgeltung], which is to be conceived rigorously on the basis of the previously developed inversion only, continues in living labour which now, for its part, is changed into its material activity.

This economic relation… therefore develops more purely and adequately in proportion as labour loses all the characteristics of art; as its particular skill

becomes something more and more abstract and irrelevant, and as it becomes more and more a purely abstract activity, a purely mechanical activity, hence indifferent to its particular form; a merely formal activity, or, what is the same, a merely material [stofflich] activity, activity pure and simple, regardless of its form.\footnote{Marx 1973, p. 297 (emphasis by Marx).}

However, is this ‘pure abstract, pure formal, pure material’ activity already the two-fold character? No! It is only the changed character of the concrete activity under the compulsion of production for profit, production for the sake of production; in its concrete quantity it becomes more mechanical and more abstract but, as such, it does not create any value! It produces value because, in this mechanical, still material activity, it produces more objects and these, as ‘available commodities’ in circulation, are valid as more value in objective form. Just as each commodity has equal validity prior to money, so each act of labour has equal validity prior to capital since the production of additional objects is the means of producing increased value in objective form. The material, the use-value is – in Adorno’s words – ‘dragged along’: nothing can be done without the object, without the material. Thus, the material must, so to speak, ‘persist’ – so that the ‘independent value does not collapse incoherently into itself’ and so that the production of value in objective form does not lose its secure basis.

In the first edition of Capital, Volume 1, Marx still tries, as has been pointed out above, to use concepts of validity to characterise in a unified way the labour process which produces ‘more objects’ and therefore also ‘more value in objective form’. In the second edition we find only the determination of abstract-universal labour, formulated in an absolute way, as ‘expenditure of human brain, nerves, muscles’. This suggests that Marx’s formulation – the two-fold character of labour – which he introduces in the Contribution, does not serve to further clarify this source of the ‘actual value’, but in fact hinders access to it.

How are we to explain this? Did Marx fail to understand his own principle or did he believe, in his efforts to popularise Capital, that a physiological determination of labour would be easier to grasp? Whatever the case may be, it has consequences for his argument. Already in the Grundrisse, in so far as there he makes presuppositions about the concept of value, Marx assumes that value is the same as the magnitude of value, and this is determined according to the socially-necessary labour-time. This, however, is only implemented as a regulating principle in a developed capitalism where the ‘law of the exchange
value asserts itself only in its antithesis’, that is, in competition.\textsuperscript{132} If this concept of value (as a combination of labour-power and necessary labour-time as the measure for the magnitude of value) is assumed, then the transition to industrial capital must also fail – in so far as we also want to interpret the dialectical development as a historical course of development, as Marx originally conceived it.\textsuperscript{133} This is the reason for the gradual formalisation of this transition in \textit{Capital} – the universal form becomes the universal formula.\textsuperscript{134} If value is understood in terms of the meaning of the concept of validity which we find in \textit{Capital}, then the dialectical development can be read as proof of the necessary transition of capital to production. However, this transition must not necessarily lead to capitalism: in so far as labour is carried out by slaves, a more severe labour process is imposed on them.

We find a blending of these two conceptions in \textit{Capital}. Marx proceeds on the basis that commodities are the products of capital. He assumes, therefore, that value is ‘materialised [objectified] universal labour time’.\textsuperscript{135} The ‘derivation of the money form’ can now essentially be conceived more elegantly from a methodical standpoint. At the same time, however, this derivation becomes more opaque, since linking this concept of value with the constitutive abstraction carried out by agents engaged in exchange can no longer be mediated.\textsuperscript{136} This is expressed indirectly in crude formulations, typically in the presentation of the exchange process as the ‘true relation between commodities’, where Marx again refers back to his analysis of the commodities in the first chapter, namely that ‘the natural laws of the commodity have manifested themselves in the natural instinct of the owners of commodities’.\textsuperscript{137} This biologism has an almost symptomatic character: it simultaneously conceals and reveals the impossibility of mediation between these two concepts of abstraction. If, however, the dialectical presentation, as a development of the autonomisation of value, becomes more and more ‘concealed’, and if the concept of validity is not linked to the overall structure of the argument, what remains then of dialectics as the method for furnishing proof? Given that in

\begin{enumerate}
\item[132.] Marx and Engels 1987a, p. 302.
\item[133.] Cf. footnote 101 above.
\item[134.] The structuralist argument of Jacques Bidet, following Althusser, proceeds from this problematic. The aim for Bidet is to furnish proof that the only function of dialectics is to conceal an epistemological break between two structures that do not necessarily go together – the capacity of production to shape the market, and capitalism. See Bidet 1985.
\item[135.] Marx and Engels 1987a, p. 286.
\item[136.] Hachiro Masaki (1986, p. 19) observed this break, but interpreted it at the same time as a methodological necessity.
\item[137.] Marx 1976b, p. 180.
\end{enumerate}
the presupposed concept of value he always assumes that socially-necessary labour-time is the measure for the magnitude of value and, therefore, already arises from developed capitalism, Marx shows that the exchange of equivalents in the sense of equal magnitudes of value cannot explain the increase in value (contradiction of the universal formula), but that this is an illusion appearing in simple circulation. This is then ‘proven’ in the presentation of the accumulation process in that Marx shows that the entire process is based on the appropriation of unpaid surplus-labour:

the laws of appropriation or of private property…. become changed into their direct opposite through their own internal and inexorable dialectic. The exchange of equivalents, the original operation with which we started, is now turned round in such a way that there is only an apparent exchange.138

Marx notes in the footnote on the next page that Cherbuliez discussed this connection as a central theme, but that in his work ‘the dialectical reversal is not correctly developed’. It is to these facts that Adorno refers when he repeatedly states that ‘capitalism is both not at all weird and at the same time very weird indeed [nicht mit rechten Dingen zugeht]’.

**Economy and sociology and the pretence of simple circulation**

Although the expression ‘simple circulation’ is no longer to be found in *Capital*, the persistence of its conceptual content is clear. In the *Grundrisse*, Marx merely developed the ‘abstract specific characteristic forms’ in the dialectical presentation as various forms of the autonomisation of value, until money in its final, completed character now appears in all directions as a contradiction which dissolves itself, drives towards its own dissolution [in the transition to industrial capital].139

In *Capital*, we find a conception of ‘value development’ which is to be interpreted as subtle concretisation. The objective positing of universal, direct exchangeability, which constructs the object as value-objectivity, so that the conventional standards of the object obtain specific direct economic form, ‘develops’ into coins.

The prices, or quantities of gold, into which the values of commodities are ideally changed are therefore now expressed in the money-names, or the legally valid names of the subdivisions of the gold standard made for the purposes of reckoning. Hence, instead of saying that a quarter of wheat is worth an ounce of gold, people in England would say that it was worth £3 17s 10d. In this way commodities express by their money-names how much they are worth, and money serves as money of account whenever it is a question of fixing a thing as a value and therefore in its money form. The name of a thing is entirely external to its nature. I know nothing of a man if I merely know that his name is Jacob. In the same way, every trace of the money-relation disappears in the money-names pound, thaler, franc, ducat etc. The confusion caused by attributing a hidden meaning to these cabalistic signs is made even greater, by the fact that these money-names express both the values of commodities and, simultaneously, aliquot parts of a certain weight of metal, namely the weight of the metal which serves as the standard of money. On the other hand, it is in fact necessary that value, as opposed to the multifarious objects of the world of commodities, should develop into this form, a material and non-mental one, but also a simple social form.¹⁴⁰

The coin name ‘as such’ is already contained in the direct unity of value objectivity and object. But why is it necessary for value to assume this form? It results from the directness of the unity between object and objectivity: the sum of the value is the quantity of the gold, and the money standard is therefore initially, purely conventionally, weight; as value-objectivity, however, it requires ‘universal validity’. The various weights are fixed and are given legal names, which then take over the economic function. This form is purely conventional since it is measured as a quantity of metal which, in its pure materiality, is directly valid as a value quantity – and as coins whose names do not reveal their origins. This is in contrast to gold, which – as international currency used to balance international finances – returns to its ‘original form of bullion’, so that ‘its mode of existence becomes adequate to its concept’.¹⁴¹

We find an analogous ‘assumption of form’ in the concretisation of the second money-function – in other words, money used as means of circulation. The characterisation of money in this second determination as ‘the realisation of value at the moment of its disappearance’ is used repeatedly in the Grundrisse, and is the abbreviated version of the ‘medium of circulation theory’. The creation of value in this insubstantial way [luftige Wertgebilde] dissolves without the persons involved being conscious of the process: they believe that they have only exchanged products. This idea is then central for the development of money as the medium of circulation and in the form of the coinage. Since

¹⁴⁰. Marx 1976b, p. 194 (my emphasis).
it only mediates the exchange, gold in this function is already a symbol ‘in itself’. Since ‘its substance consists only in this constant but evanescent appearance as this vehicle of mediation’,\textsuperscript{142} it is, from the very beginning, a symbol of itself; an object which is directly valid as value-objectivity (the ‘realised price’ in circulation) and an object which is immediately exchanged again for a use-value. In this function gold itself is symbolic, a representative of itself, and which as such can therefore also be replaced by other symbols. Soft paper lurks, so to speak, in the hard metal, since the ‘material money as mere medium of exchange is itself symbolic’.\textsuperscript{143}

Contrary to the narrow economistic reading, which completely rejects questions of categorial development and which conceptualises value only in Ricardian-quantitative terms, it is clear that Marx’s critique of the economy has two dimensions.\textsuperscript{144}

(i) As a theory of the autonomisation of ‘real value’ in circulation, it is a presentation of the real relations and assumes a necessary connection between value and money. It is this connection which forms the initial prerequisite for the formulation of labour-value theory. The latter however – in terms of the mode of presentation of the argument in the \textit{Grundrisse} – is derived from the way in the development of the concept of capital is understood. In addition, it is only on the basis of such a premise that Marx’s critique of classical political economy in the first volume of \textit{Capital} becomes comprehensible: he argues that they never questioned why this content (labour) assumes the forms it does and why, therefore, labour-time is shown in the magnitude of the value of the product.

Marx’s scientific critique of economic theory is in sharp contrast with this. The development of the coin name and symbolic money, briefly referred to above, presupposes the commodity. If we assume, however, that the commodity as the direct unity of object and value-objectivity can no longer be perceived by the senses, but that it presents itself to the ‘natural consciousness’ as object, the ‘consciousness’ can then ‘imagine’ that it is capable of creating money itself in that metal is minted and given a coin name.\textsuperscript{145} What we have, therefore, is

\textsuperscript{142} Marx 1973, p. 209.
\textsuperscript{143} Marx 1973, p. 212.
\textsuperscript{144} See Backhaus 2000, Vol. 2, pp. 10–213.
\textsuperscript{145} In Knapp (1921) we find the legal version of Simmel’s conception of money. Like Simmel, Knapp assumes that the development of money starts with a valuable material. Analogously to Simmel, Knapp criticises the metallists as being substantialists who fail to see that metallism is already also a hidden nominalism. ‘The natural man is a metallist; the theorist, on the other hand, is forced to become a nominalist, because it is not always possible to define the unit of value as a given quantity of metal’ (Knapp 1921, p. 8). Money is therefore created by...
a form of the economic process which Marx characterises in the *Grundrisse* as the illusion of simple circulation. For the commodity as direct unit implies that the capitalist production process is also subject to a ‘naturalisation’. Marx already emphasised this in the *Grundrisse*. As soon as the various elements of the reproduction process of capital, which are purchased as commodities, are joined together in the labour process,

all formal character is extinguished; it appears on the other side only as a simple production process into which capital as such, as distinct from its substance, does not enter. It... [appears] only in the natural form-of-being [Daseinsform] of this substance, in which all relation to exchange value... to labour itself as the use value of capital – and hence all relation to capital itself – is extinguished.146

However, this appearance is illusion because the circulating capital which is fixed in the production process is always already a unity of value and use-value. Capital therefore appears to be nothing but a production instrument, and the production process of capital merely a simple labour process.

As was discussed at the beginning, Adorno defends his idea of reducing society to a comprehensible coherence: it is both ‘intelligible and

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Hermeneutics, however, must not merely be ‘supplemented’ by dialectics. Rather, what is unintelligible becomes the primary aspect that requires explanation and hermeneutics the method of examining the meanings shared by individuals living in an inverted social order.

A dialectical concept of meaning would not be a correlate of Weber’s meaningful understanding [Verstehen] but rather the societal essence which shapes appearances, appears in them and conceals itself in them.148

In the dialectical development of the categories, which understands the growth of irrational social relations as constituting and sustaining an independent, reversed world in which the bad infinity of value accumulation has become the primary driving force – simple circulation shows itself, in the transfer of capital into production, as ‘surface’, ‘the sphere of illusionary appearance’.149

The absolute separation between being and validity in Simmel’s neo-Kantian conception of value, presents itself against this background merely as a ‘philosophical version’ of the two-world economic doctrine. A world of ‘validity’ and ‘money’ rises above a world of goods and the so-called material capital as the ‘real sphere’. However, this view is only a conceptualisation of what is experienced and observed by economic agents. Economic theory formulates and spells out these illusionary appearances. However, because it does not know that the appearances are illusory, it attributes them to reality. Economics operates inherently as ideology. The first sensory-supersensory world150 (the commodity as sensory-supersensory object, fixed capital as a special form of circulation, labour in its two-fold character) becomes reality in this two-world doctrine. Above this ‘reality’ rises a sensory-supersensory world of functionally sublimated money-forms, the character and ontological status of which cannot be clarified. However, as coin names and symbols, they can, or this is the assumption at least, only result from conscious positing;151

149. See footnote 52.
150. [The reference here is to Marx 1976b, p.165: ‘the commodity-form… reflects the social characteristics of men’s own labour as objective characteristics of the products of labour themselves, as the socio-natural properties of these things… Hence the commodity form reflects the social relation of producers to the sum total of labour as a social relation between objects… through this substitution… the products of labour become commodities, sensuous things which are at the same time suprasensible or social’. Ed.]
151. The unreflected idea of reality obviously promotes the omnipotence fantasy of the economists and ultimately results in the ‘tremendous’ idea that money is created from nothing: a nothing that is at the same time ‘barely grasped’, therefore less than nothing? In any case, a
consequently, the workings of a capitalist economy are intelligible in overall terms.\footnote{Adorno et al. 1976, p. 14.}

Adorno's criticism of 'social nominalism' is therefore not only to be understood as a rejection of the simple construct of an exchange society. Its aims are much wider: it is a criticism of any sociological theory, no matter what the type, that wants to reduce society exclusively to intelligible actions. In the same way, methodological individualism – blind as it is to categorial thinking – falls prey to the illusion that it is able to deduce macro-economics from rational actions. Thus, also hermeneutical sociology (the scope of which remains concealed from itself) wants to base its concept of society on intelligible actions.

If, however, society is interpreted objectively as a functionally integrated system, such a theory likewise does not connect with social reality. Since system theories select their basic categories on the basis that these fit into 'a logical continuum in as uncontradictory a manner as possible', the systems theorist does not recognise that the 'highest structural concepts' are also determined by the facts 'subsumed under them'.\footnote{Adorno et al. 1976, p. 33.} Sociological theory literally makes no contact with the 'reality' of society and its 'real categories' – that is with society as a subject, which is at the same time also an object.\footnote{Adorno et al. 1976, p. 33.} The concept of totality becomes accessible only in the context of value-objectivity which has become total; otherwise it must be conceived as 'a universal and meaningful whole'. This unavoidably draws the theoretician into the hermeneutical circle – if totality is only a integrated set of meanings, then the theoretician himself, in his act of recognition, also forms part of this whole and cannot escape from it.

But why can Marx claim that he is able to understand and represent society? Because, as a real unity, it is based on the dynamics of an 'objective conceptuality'. The unity of society has a real existence in the unified character of abstract-universal labour. This unity of society is grasped (but not explained) in the economy in macro-economic terms as value amounts of the revenue flows to economic agents. The unity of society \textit{is presented} theoretically as a more or less, a quantity, a quantity of money... however, what is a 'real quantity of money', what is it that makes this specific quantity a quantity?

\footnote{This concept of reality pre-forms the theories of value in economics. The pre-monetary value can only be conceptualised as use theory or as labour-value doctrine in a kind of technological version. In both cases – and this is the only possibility in economics for the formulation of a theory of value – it is impossible to establish a connection between these 'values' and money.}

\footnote{Adorno et al. 1976, p. 14.}

\footnote{Adorno et al. 1976, p. 33.}
system of overlapping circulations of capital. This is also expressed in the
formation of categories: whereas economics perceives fixed capital exclusively
in its material form and makes capital absolute, in its two-world doctrine, as a
component of the real sphere, Marx always understands it as a special form of
circulation. The concept of capital covers both worlds, the first so-called 'real'
world is itself already a first sensory-supersensory world, above which the
second sensory-supersensory world of the functionally sublimated money-
forms, rises as a contrast. Marx portrays the capitalist economy as a unity of the
first and second sensory-supersensory worlds.

Such an interconnection is indispensable if the capitalist system is to be
correctly portrayed and meaningless babble avoided. It was in this sense that
Marx understood his concept of capital as the reflected image of the reality
of value.

The exact development of the concept of capital [is] necessary, since it [is] the
fundamental concept of modern economics, just as capital itself, whose abstract,
reflected image [is] its concept… [is] the foundation of bourgeois society. The
sharp formulation of the basic presupposition of the relation must bring out all
the contradictions of bourgeois production, as well as the boundary where it
drives beyond itself.155

The process then consists in the fact that the concept of capital is confronted
with the reality of the value movement in circulation (since this is only the
change in form of value). It is therefore not confronted directly with so-called
reality, but with a theoretical construct – reality in a theoretical form. As Marx
states, ‘in a general analysis of this kind it is usually always assumed that the
actual conditions correspond to their conception’.156 Only by such an approach
can Marx find a method which makes it possible for him to develop economic
categories which, long after his work ended, have not yet been theoretically
explained by economic science. As is the case, for example, of the specific
characteristic forms of capital which were analysed in Marx’s account of capital
circulation in Volume II of Capital.157 Marx is therefore – as paradoxical as this

157. In his treatment of the transfer of capital, Marx noted that ‘here, as everywhere, it boils
down to fixing the categories’, i.e. categories must first of all be established so that the value
amount, circulating as capital, can be understood in its respective specific characteristic forms –
circulation time, production time, transfer time. See Marx and Engels 1988, p. 216. The history
of the reception of the reproduction schemata is beyond the scope of this article. Alfred Marshall
was the first to pursue the idea of developing space and time as the modifying, market-posed
circumstances as well as of formulating a concept of capital which comprises both production
may sound – dealing with reality within the concept. He drags reality into the concept – he folds it into to the object [schmiegt sich an: lit. snuggles it into], to use Adorno’s expression – and in this way comprehends it far more precisely than a science that has borrowed its ideal method from another science.

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and circulation and, therefore, also space and time. Kalecki used the reproduction schemata as a basis, which in turn found expression in Keynes’s distinction between consumption and investment tendencies. See in this regard the comments of the editors in Arthur and Reuten (eds.) 1998, p. 9. My thanks to Fritz Fiehler for this reference.
The Perpetual Allure of the Bible for Marxism

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Abstract
In light of the general lack of awareness of the long history of Western-Marxist fascination with the Bible, this article offers a synopsis of part of that history. After showing how the Bible was an important element in the work of Ernst Bloch, Walter Benjamin and Theodor Adorno, it offers a critique of the current engagements with it by Alain Badiou, Slavoj Žižek, Terry Eagleton and Giorgio Agamben. The third section deals with the most significant element of the religious Left in recent years, namely liberation theology. It closes with some comments concerning the growth of Marxist biblical studies and some suggestions for the way Marxism might reconnect with a non-reified biblical tradition.

Keywords
Bible, Western Marxism, Ernst Bloch, Walter Benjamin, Theodor Adorno, Alain Badiou, Slavoj Žižek, Terry Eagleton, Giorgio Agamben, liberation theology, biblical studies

Marxism has a long and complex – more complex than we might care to admit – relationship with the Bible. And, although my task here is deceptively simple, namely a synopsis of the ways Marxism has been influenced by the Bible and biblical studies, it continues to surprise me how little both biblical and Marxist critics know of that rich history. In fact I would hazard the suggestion that the situation now, with political philosophers such as Alain Badiou and Giorgio Agamben creating a swirl of discussions around their re-readings of the New Testament and an increasing number of biblical critics (admittedly from a small base) immersing themselves in Marxist methods, is healthier than it has been for some time. So, I engage in an effort to dispel some ignorance concerning the long fascination with the Bible by Marxists, offer some critiques and assessments, and dare a thought or two for the future.

I have organised my discussions in three rough sections, although there will be myriad overlaps between them: I begin by tracking the consistent uses of the Bible made by Western Marxists such as Ernst Bloch, Walter Benjamin
and Theodor Adorno in the development of their thought. Their underlying motive was the extraction of political and materialist insights from the Bible, a feature that flows over into the next group of thinkers. Here the discussion moves onto what is variously called neo-Paulinism or political theology, namely the contemporary fascination with the Bible, particularly Paul's letters in the New Testament, by the likes of Alain Badiou, Slavoj Žižek, Terry Eagleton and Giorgio Agamben. Finally, I engage with what is the most well known intersection between Marxism and biblical studies, namely liberation theology. Before I proceed, a word on the sense of 'biblical studies' in the following discussion: my focus is on the Bible and biblical studies, although I inevitably touch on theology. As with many biblical critics, I understand biblical studies as the study of a profoundly influential literary, historical and social document, making use of a full range of critical tools ranging through history, the social sciences, literary criticism, cultural critique, philosophy, linguistics and so on. If theology does appear on the horizon, even though biblical studies and theology are distinct disciplines, then I am always wary of its tendency to colonise and reify, in the name of the gods, an unruly and fractious collection of literature.

Western Marxism

I begin with Ernst Bloch, for one of the great sources of inspiration for his work was in fact the Bible. The Bible, he argued, formed the world-view of so many people – workers and peasants – who were at the centre of the communist project in Eastern Europe. Rather than discard the Bible, he argued that communism needed to understand its revolutionary drive. It is not for nothing that Bloch's work was preserved and transformed through political and liberation theologies (which I will discuss below) only to be passed on to other, more recent areas of political and literary interpretation such as postcolonial criticism and utopian studies.

In fact, along with Walter Benjamin and Theodor Adorno, Bloch is one of a number of Western Marxists who reflected at some length on the Bible (in contrast to the likes of Althusser, Lefebvre, Gramsci and Lukács who

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1. For now, I leave the task of dealing with the Bible in Marx and Engels's own texts to another time. At the risk of being oxymoronic, the commonplace that they knew their Bibles rather well is often forgotten. Not only are their writings saturated with biblical allusions, but, at times, they also engage more explicitly with the Bible, as even the briefest look at the endless pages on Bruno Bauer and Max Stirner in *The German Ideology* will show.
2. See further on this question, Boer 2007b.
concerned themselves with theology and ecclesiology). On one side, my concern is with the function of the Bible in the frame of their work as a whole. Thus, the overriding drive for Bloch and Benjamin is to use the Bible as a resource, however complex their engagements might be, for rethinking certain problems within Marxism, of which the underlying one would have to be the search for a way to break out of capitalism. Adorno’s encounter is a little more ambiguous than this, drawing deeply on the Bible while developing a critique that is of relevance for biblical studies itself.

But let me stay with Bloch, who is one of the few Marxists to have written a book on the Bible, the little-read *Atheism in Christianity*. Here, he undertakes a Marxist introduction to the Bible suffused with his own distinct agenda, namely to discern the thread of subversion within the Bible. He identifies a logic there of rebellion against overlords and oppression, marked most strongly by the drive to overturn the God of the oppressors. And that logic leads eventually to a protest atheism that enables the emergence of the human, the *homo absconditus*, once God has faded from the scene—hence the ‘atheism’ within Christianity. As part of this agenda, Bloch focuses on myth, which I find one of the most promising elements of his work. For Bloch, myth is neither a pure false consciousness that needs to be unmasked, nor a positive force without qualification. All myths, like ideologies, no matter how repressive, have an emancipatory-utopian dimension about them that cannot be separated so easily from deception and illusion. In Bloch’s reading, the very process of manipulation and domination also contains a moment of utopian residue, an element that opens up other possibilities at the point of the failure of the revolutionary project. Bloch is particularly interested in biblical myth, for the subversive elements in the myths that interest him are enabled by the repressive ideologies that come to the fore again and again.

Thus, Bloch asked of myths: do they speak of transformation and liberation? Do they have cunning heroes who win through a ruse? But this requires some distinction within the broad category of myth, between the despotism and domination of myth proper and those that, like later fairy-tales, subvert such domination. The story of Prometheus in Greek mythology, or the serpent in Paradise in the Bible, gives voice to this ‘fairy-tale’ element in myth. Bloch would much prefer to retain both conformist and non-conformist elements of myth rather than no myth at all, since the banishment of myth discards the ‘joyful message’, the ‘deepest utopian theme’ of mythology along with all that

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is oppressive. He is, of course, trying to run myth through dialectics – ‘destroying and saving the myth in a single dialectical process’.⁶ At his best, Bloch’s discernment of myth is an extraordinary approach, for it enables us to interpret the myths of the Bible as neither completely reprehensible nor utterly beneficial. That is to say, it is precisely through and because of the myths of dominance and despotism that those of cunning and non-conformism can be present too. Bloch’s programme then becomes a vast recuperation of these glimpses and fragments of subversion and hope in the midst of oppression.

In contrast to Bloch, Benjamin’s interaction with theology is a critical field worn down with many crossings, but, as for the Bible, there is far less commentary. At the heart of Benjamin’s intriguing and idiosyncratic appropriation of the Bible lies his failed effort to use the Bible in order to develop a way to break out of the mythical hell of capitalism. He does so by drawing on the final or anagogic level of the old allegorical mode of biblical interpretation, with its vast schema that runs from creation to eschaton. Thus, in the extraordinarily influential last chapter of The Origin of German Tragic Drama,⁷ Benjamin offers a deep reworking of the fourfold medieval allegorical schema – literal, allegorical, moral and anagogic – to argue that, in the baroque mourning plays we find the marks of a fundamentally Christian mode of exegesis that is possible only in the wake of the Fall. For, in a fallen world, only ruins and traces remain of the prelapsarian world; allegory then becomes the means of a failed deciphering of salvation among those ruins. If, in the Trauerspiel book, Benjamin sets his sights on simultaneously describing and developing a theory of allegory, then in The Arcades Project [Passagenarbeit]⁸ he would come to use the method itself in all its fragmentary and broken form – hence the curious status of the work as a vast collection of quotations and commentary.

Let me focus on the anagogic level of allegory – that curious and sophisticated mode that characterised more than a millennium of interpretation and continues to hold the interest of Marxist critics such as Fredric Jameson⁹ – and pick up first Benjamin’s earlier concern with the point of origin, particularly the first chapters of Genesis. Thus, in ‘On Language as Such and the Language of Man’ he juxtaposes Genesis 1–3 and 10 (the stories of Creation and the Fall and then the Tower of Babel) to argue for pure language. This is none other than the language of the name – the first language is Adam’s naming of the

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animals in Genesis 2 – in which man communicates with God in and not through language.10 Such a primal language has been lost with the Fall, and what we find instead is the multitude of languages, or what Benjamin calls ‘prattle [Geschwätz]’, that is the result of the story of the Tower of Babel. Rather than the pure language of naming, the only concern of these fallen languages is communication. Benjamin’s agenda, however, is to suggest that his interpretation of the Fall is analogous to the status of bourgeois language in his own day. This language too is ‘prattle’, going on endlessly, and its major concern is communication. In order to overcome this fallen, bourgeois language, Benjamin argues that translation should strive eschatologically for the lost, pure, primordial and harmonious language.11

Already, the juxtaposition of creation and eschaton is manifest, but Benjamin will shift his focus decidedly towards the latter in The Arcades Project. Here this ‘inveterate adversary of myth’12 focuses his energy on various ways of thinking through the break from the mythical hell and dream-work of capitalism, represented in its most advanced and decayed form in the Paris of the nineteenth century.13 He does so by means of the dialectical image, the caesura of the explosion out of history, as if waking from a dream. Yet the mark of his failure in this project lies in the very language he uses, for he resorts to sexual language, particularly in terms of women and maternal functions. But this language is precisely that of the biblical myths of creation and eschaton. Even when he does not explicitly invoke the Bible in his writing, the Bible leaves its mark where Benjamin’s texts overflow with the language of sexuality, the gendered text, women as mythical other and the incessant repetition of birthing metaphors. In other words, at the point where he seeks a way to think through the breach in the myth of capitalism he reverts to biblical myths, especially those of Genesis and the eschaton, a reversion marked by the language of the maternal function.

Let me spin this point out a little, since it is important for my criticism of Benjamin – the feminist critique of Benjamin is crucial for understanding his ambiguous treatment of myth. Feminist responses to Benjamin’s work fall roughly into two groups, the one criticising his various representations of women and their uses in the structures of his thought,14 and the other arguing

13. As a general introduction to The Arcades Project, nothing surpasses that by Rolf Tiedemann (Tiedemann 1991).
that Benjamin’s work constitutes an insightful and political criticism of the uses of women within capitalism, art, philosophy and so on, thereby providing a stimulus to contemporary feminism and politics.\footnote{Weigel 1996, pp. 85–98; Leslie 2000, pp. 106–14; Rauch 1988.} In fact, what I have noted in Benjamin’s work in terms of creation and the maternal body is not new in itself, especially the appropriation of maternal creation for notions of male creativity.\footnote{Thus, for Weigel, Benjamin shows how ‘the concept of intellectual creation replaces that of natural creation, a process in which the female element necessary to it is consumed and exhausted, while the creator is newly born at the very same moment as the work is completed: as “the first-born male of the work that he once conceived”’ (Weigel 1996, p. 70). The problem, in the end, is that Weigel reads Benjamin as too much of a proto-feminist critic. For an alternative critique that seeks a balance between dismissal and appropriation, see Geyer-Ryan 1988.} However, let me develop two elements from Eva Geulen’s excellent essay on gender in Benjamin’s writings:\footnote{Geulen 1996.} the ambiguity of the question of gender in his work and the need to reconsider Benjamin’s primary philosophical concerns in terms of gender (as language, history, experience and materiality). It is less a question of ambiguity, it seems to me, than of Benjamin’s curious knack of offering a criticism that simultaneously traps him within that which he criticises. Thus, his criticism concerning the appropriation of women is analogous to his criticism of myth: he sees the problems and yet cannot move beyond them no matter how hard he tries. For instance, even though he registers the profound reification and commodification of women in terms of the prostitute, the woman-as-thing that shows up the reality of ‘love’ in capitalism, he is all the same lured by the prostitute, especially in his early work, where she becomes a figure for knowledge itself.

It seems to me that such an ambivalence is characteristic of Benjamin’s treatment of myth as well: the resolute opponent of myth finds that he must use myth itself – particularly the stories of creation and apocalypse from the Bible – in order to attempt to go beyond myth. But there is a closer connection between the question of gender and myth in Benjamin’s work. Here, I want to pick up Geulen’s suggestion that we need to reconsider Benjamin’s major interests in terms of gender. Specifically, my argument is that the continual appropriation of the maternal body, of conception, pregnancy and birth, is a signal of another problem in Benjamin’s writing, namely the perpetuation of biblical myth. In fact, I would suggest that the mechanism by which he appropriates such images of procreation is to trace the removal of such functions from women under capitalism – who now become sterile prostitutes, corpses and mannequins, frivolous foci of fashion\footnote{Benjamin 1999, pp. 79–81.} – and relocate them in the
break from capitalism. And so we get the images of insemination and birth as those that mark the breakout from the spell of capitalism. Yet, it is precisely these images that land Benjamin squarely back in the realm of myth, especially the biblical myths of creation and the end of the world that appropriate precisely such imagery.

Thus, in his very effort to break out of the horrible myth of capitalism, Benjamin reverts to myth itself, especially myth of a distinctly biblical variety. However, in this failure, in this reversion to myth in the effort to rupture myth itself, Benjamin unwittingly provides a way of rethinking the category of myth in both politics and biblical studies. In his very use of myth, it seems to me that Benjamin begins to imagine the possibility of the future not by taking terms from our present and projecting them into the future, but by working in reverse: the terms and concepts of a communist future, however degraded and partial they might be in our present perception and use of them, provide the way to think about that future itself. In other words, the very eschatology of the biblical myths themselves suggests that myth is one crucial way in which we might reach across the divide between a capitalist present and a communist future to draw terms from that future itself, however imperfect they might be.

The problem, of course, is that if the future is as radically distinct as Marxists like to think – however gradual or sudden a transition could turn out to be – then the very ways of thinking and arguing will also be qualitatively different. Here lies the reason for the unwitting insight of Benjamin’s focus on myth: the inescapably mythical nature of the material with which Benjamin works – the narratives of creation and the messiah – suggest that the language of myth, with all its promises and dangers, provides one way of imagining a very different future.

In a current project, I have begun to argue that both Bloch and Benjamin are linchpins for a reconsideration of political myth for the Left, carrying on Georges Sorel’s unfinished project. But any such project will require a decent dose of Adorno’s theological suspicion. Along with his famous ban on images, these two items form the basis of Adorno’s engagement with the Bible. The two are, of course, closely related, for the Bilderverbot, the ban on images drawn from the second commandment in Exodus 20/Deuteronomy 5 has at its heart the criticism of idolatry that becomes crucial for Adorno’s critique of secularised theology. The important texts here are the formidable but enticing

19. It would indeed be possible to read Benjamin’s famous ‘angel of history’ parable in this way, rather than merely as a devastating criticism of the idea of progress.
Kierkegaard: Construction of the Aesthetic,\textsuperscript{21} The Jargon of Authenticity\textsuperscript{22} and the much more widely read Dialectic of Enlightenment that he wrote with Horkheimer.\textsuperscript{23}

Adorno would call on the ban on images, in its full dialectical glory, time and again in various areas of his work, from music criticism through aesthetics to reflections on utopia. In that famous passage from Dialectic of Enlightenment, Adorno and Horkheimer stress that the ban destroys myth and conciliates magic in the idea of God:

\begin{quote}
Jewish religion . . . associates hope only with the prohibition against calling on what is false as God, against invoking the finite as infinite, lies as truth.\textsuperscript{24}
\end{quote}

Already, we can see the implications for utopia and philosophy with their focus on the dialectic of rejecting falsity, finitude, lies and indeed belief itself – in short, all that comes in the way of salvation. But what I want to do here is pedal backwards for a moment to the second commandment itself in order to clarify the logic of idolatry that lies behind Adorno’s appropriation.

Here we find a prohibition on making ‘sh[ ] any hewn or cut image [pesel]. Just to ensure that the ban is comprehensive, the commandment specifies that the image should not be in the form [temunah] of anything in the heavens, on earth or in the seas beneath the earth. More importantly, however, it follows the first commandment, ‘You shall not have other gods before my face’ (Exodus 20: 3; my translation): neither gods in the first nor their images in the second commandment, not even an image of the Hebrew god Yahweh.

In the slippage between god and image we find the bite of the polemic against idolatry: it is not the existence of images \textit{per se}, but rather the danger of disconnecting the image from its referent (god). \textit{The image itself becomes a ‘god’, an idol in place of god.} This is also the logic of reification, and it seems to me that Adorno not only shows how reification is entwined with the biblical criticism of idolatry, but also how a non-reified use of the Bible by the Left might work. I want to focus on two uses by Adorno of this logic of idolatry, namely the critique of the personality cult and theological suspicion itself.

As for the former, Adorno argues that the possibility of the personality cult that has bedevilled the Left relies on a pernicious dialectic of Christology: only through the logic of the God-human, that is Christ, does it become possible

\begin{itemize}
\item \textsuperscript{21} Adorno 1989.
\item \textsuperscript{22} Adorno 1973.
\item \textsuperscript{23} Adorno and Horkheimer 1999.
\item \textsuperscript{24} Adorno 1999, p. 23.
\end{itemize}
to raise another human being to divine status. In other words, it is precisely because God becomes a human being in Jesus Christ (if we push the divinity far enough we end up with the very human Christ and vice versa), that a human being can become god – not just Christ, but any human being. Not merely a critique of the theological underpinnings of what represents a consistent problem for the Left, this argument also becomes part of the larger agenda of theological suspicion. And that suspicion emerges with great force in the demolition job on Kierkegaard. ‘All I leave is a memory’ might have been Adorno’s slogan, for time and again he attacks Kierkegaard’s effort to construct a philosophical system based on theology. That system rattles to pieces, either on the irresolvable paradoxes that fail to become dialectical or on the historical conditions of Kierkegaard’s work. In a different vein, theological suspicion also appears in the criticism of secularised theology in The Jargon of Authenticity. Here, in his attacks on both liberal theology and a philosophy that is a barely concealed secularised theology (especially Heidegger and the whole apparatus of existentialism), Adorno argues that the danger lies in the smuggled structures of authority that come with the terms now emptied of their theological content. In short, such moves risk the idolatry identified in the ban on images.

Alongside the reassessments of myth that come from Bloch and Benjamin, it seems to me that Adorno’s theological suspicion is crucial for both biblical studies and Marxist thought, or indeed philosophy as such. For Marxism and philosophy, the danger of secularised theology remains, as we will see. For biblical studies, Adorno reminds us that the Bible and theology are the most uneasy of associates, for the fractious and disparate texts of the Bible were gathered and colonised under protest by Church and Synagogue. Any biblical interpretation, in fact, needs to operate with a perpetual theological suspicion to prevent the text being hijacked by theological reifications.

**Neo-Paulinism, or, after Western Marxism?**

Beneath the tracks I have followed until now, there is a discernable pattern that seeks to locate possible political insights in the Bible, to generate, if you will, thoroughly secularised motifs for political struggle. This agenda also lies at the centre of those who come after the close of Western Marxism with

25. On this ‘pretence on the part of the finite’ see Adorno 1999, p. 177. A stark recent example is the adulation heaped upon the reactionary Pope John Paul II on his death in late March 2005.
Adorno. And yet, Adorno’s warnings about the danger of secularised theology hang over this new work, which may be called, following Alberto Moreiras, neo-Paulinism.26

What do we find in this new moment, characterised as it is by a curious vibrancy of Marxism whose paradoxical mark seems to be a widespread sense of crisis and downturn? A situation marked simultaneously by a focus on a particular section of the Bible – the letters of Paul and the New Testament more generally – and by a notable caesura from the earlier deliberations of Western Marxism on the Bible. Agamben’s concern with Benjamin is, of course, the exception here, but such a lack of connection becomes all the more curious in light of the similarity with the underlying drive that I identified in the preceding paragraph: namely the search for viable political models from the Bible.27

Thus, with the closing down of believable and viable models for revolutionary politics, especially the figure of Lenin, Alain Badiou and Slavoj Žižek look to St. Paul (or rather, Paul, since we really need to dispense with the ‘Saint’) in the New Testament. As Lenin is to Marx, so Paul is to Jesus, the one who codified and brought to fruition the revolutionary implications of the charismatic founder. What Badiou attempts to do with Paul is to materialise or laicise his central doctrine of grace, and that grace is none other than the unverifiable fable of Christ’s resurrection.28 As grace, this assertion is necessarily a fable, one that is outside all canons of cause and effect. But Badiou is actually interested not in the resurrection itself but in Paul’s experience and naming of the event, a process he identifies as the truth-event. For, in naming this event, Paul establishes a militant group characterised by fidelity to the event, love and a confident hope. Paul is then the militant par excellence, one who writes occasional pieces (epistles) while on the move, constantly organising, making up policy on the run, and thereby bringing into being a vast movement. In terms of Badiou’s own philosophy of being and event, Paul is a great exemplar of the irruption of the event – unexpected, momentary and contingent – within the order of being. Paul’s fundamental philosophical achievement is to found a notion of the universal by means of a contingent and specific moment, a universal that is thereby democratised and made available for any human

27. I would dearly have loved to include Julia Kristeva at this point, but sadly the ever so light Marxism is overrun by psychoanalysis in the scattered moments she has written on biblical texts. Another task would be to bring those readings back within the Marxism that perpetually lurks beneath the surface of her texts (see Kristeva 1982a, pp. 56–132; 1982b, 2001; 1987, pp. 83–100, 139–50; 1989, pp. 98–103; 1998, pp. 71–80).
being (Badiou’s background in mathematics comes to the fore here, especially the breakthroughs of Gödel and Cohen). Or, to put it in more political terms, Paul enables a constitution of the political subject whose basis is not the inclusion of an individual within a political process, but rather the constitution of the subject as an exception (that is, by means of grace).

Now, despite Badiou’s neglect of the earlier heavy political import of Paul’s texts, especially the explosive epistle to the Romans in the context of the Reformation, or even the neo-orthodoxy of Karl Barth, I must admit to being quite taken with two elements of Badiou’s reading of Paul, or rather, two elements that, in fact, I read in Badiou but also against him. Firstly, what I see as the necessary fable, or the inescapable process of fabulation within the event itself, lies at the heart of any political movement. Indeed, such a necessary fable carries on Sorel’s call for an underlying political myth on the Left.

Secondly, even though Badiou argues for a radical immanence – and this is one of the few points he shares with Deleuze – it seems to me that he is, in the end, a thinker of transcendence. And this, I think, is crucial: any viable political programme must begin in the realm of transcendence, for only so does the plane of immanence become a viable political arena. Of course, I cannot develop this point here, save to point out that it both needs to be twisted and reshaped in light of temporal rather than vertical transcendence and that such a move preserves, in its own way, Adorno’s theological suspicion. What I mean here is that such a temporalisation maintains the transcendent reserve over against any tendency towards idolatry or reification (of thought itself, personalities and so on).

I am much less enamoured of the efforts of Slavoj Žižek and Terry Eagleton, however. Although Žižek, following Badiou’s cue, eventually works his way to a materialist grace at the close of the final book of his ‘Christian’ trilogy, he finds that he must leave his beloved Jacques Lacan by the side of road, however reluctantly and temporarily. What I find in these three books — *The Fragile Absolute*, *On Belief* and *The Puppet and the Dwarf* — along with his earlier

30. Sorel 1961. In a subsequent engagement (the ‘Singularity and Multiplicity’ conference at Duke University on 26 March, 2005), Badiou responded to my argument for a necessary fable at the heart of the event by cordonning such a fabulation of the event within religion alone. Needless to say, I find the fabulation of the event crucial to Badiou’s work and will develop this argument further in the future.
31. This will, of course, require a reading of Badiou much like his reading of Deleuze as a thinker of the One (see Badiou 1999).
32. Žižek 2000.
34. Žižek 2003.
engagement with both Badiou and Paul in *The Ticklish Subject* is that Žižek works his way through Paul in order to become a political writer. That is, his explicitly Leninist position can only emerge through the New Testament. In Žižek's characteristically provocative dialectical inversions, Lenin's absolute freedom is indeed the political expression of theological grace! The problem is that Žižek lumps such a reading of grace in with Christian love and ethics: love, especially that espoused in the famous passage of 1 Corinthians 13, becomes one with grace in a fashion that is thoroughly alien to Paul. If anything, as Badiou points out, love follows as a response to grace. And when Žižek throws ethics into the mix, we have a Roman-Catholic notion of grace that is far from the irruption that Badiou emphasizes as the key to Paul’s position. One simply cannot equate grace and love and end up with an ethics (as Calvin, for all his sins, was astute enough to point out). To be fair to Žižek, he does move beyond this to a starker and more political notion of grace in the closing pages of *On Belief* and *The Puppet and the Dwarf*, but, in the latter book, he calls upon a messianism reminiscent of Benjamin which then becomes subject to the criticism of redeemer figures (or the personality cult) I drew earlier from Adorno’s theological suspicion.

This insight towards the end of these books is but a fleeting one, for, in a number of subsequent pieces, Žižek recycles his earlier points, albeit with one or two significant variations. Even though he desperately wishes to keep Lacan in the cycle, I cannot help but notice that, when he begins speaking of the New Testament, Lacan disappears with undue haste. Thus, in the interview with Joshua Delpech-Ramey in *The Journal of Philosophy and Scripture*, Žižek begins with the Lacanian criticism of Badiou that the latter neglects the death drive, but, as soon as he folds this into the crucifixion (an astonishing move in itself), Lacan slips out the back like some Weberian vanishing mediator. Further, he continues to equate, quite mistakenly, Badiou’s emphasis on grace in Paul with Christian love (the old warhorse of 1 Corinthians 13 comes into service yet again). For Christian love – which I assume to be *agape*, rather than the radical communal love of *philadelphia* – is for Žižek the key to revolutionary politics. But how does Žižek manage to argue that Christian love is what we need in politics? The first signal comes with Žižek’s perpetual reliance, through the Christian trilogy and in the subsequent articles, on Kierkegaard’s comments on love, especially the latter’s *Works of Love*. The catch with the various citations Žižek uses is that no matter how much Žižek or Kierkegaard emphasise the

35. Žižek 1999.
37. Žižek 2004a.
uniqueness of Christian love, *agape*, the prescriptions on love are inescapably ethical.\(^{38}\) Here, again, on the question of ethics, the later articles recycle the arguments of the books. If Christian love actually means ethics, albeit a radical ethics, then what about ethics itself? As far as ethics are concerned, in the later articles the sparring partner is now Levinas, and Žižek argues with and then against Levinas to suggest that we need not so much to name the ‘Other’, to give this other a face, but to opt for the nameless, faceless crowd of thirds that is perpetually excluded from ethical concerns.\(^{39}\) In other words, for Žižek as for so many others when we speak of ethics, we are in fact speaking of politics. What we get then is a curious slippage, where the message of Christianity is love, love entails ethics, politics becomes the domain of ethics, and so the political solution is... Christian love. But let us return to Levinas: as soon as Levinas comes into play, Žižek returns to an old theme of his – the relations between Judaism and Christianity. He walks a fine line here, setting up what are often caricatures of both Jews and Christians, wanting to give Jews the credit for insights into the nature of the law and its paradoxes, but then eventually siding with the Christian ability to face the paradoxes (law and transgression, freewill and determinism, iconoclasm and representation, ethics and love), to thoroughly disrupt the economy that keeps them in place and open up a new place for struggle. But all this is still very much under the shadow of Kierkegaard, and it seems to me that Žižek could well do with a read of Adorno’s devastating critique of Kierkegaard mentioned above.

Although I find some of these moves problematic for reasons at which I can only point here, I must admit to finding Žižek’s work thoroughly intriguing. It is just that on Paul, Badiou is a better read. As is well known, Eagleton too is a pleasure to read, but the recent return to his theological roots in the Catholic Left of the 1960s and early 1970s has all the problems associated with an emphasis on both Christology and ethics that I have identified in my discussions of both Adorno and Žižek. Although these reflections are scattered over a number of recent works, especially *The Gatekeeper*,\(^{40}\) *Figures of Dissent*\(^ {41}\) and *After Theory*,\(^ {42}\) the most sustained moment must be the final chapter of the book on tragedy, *Sweet Violence*.\(^ {43}\) In a chapter that is a lightly revised version, more than three decades later, of the final chapter of his last theological

\(^{38}\) See more on this problem in my chapter on Žižek in Boer 2007a.
\(^{39}\) Žižek 2004c and 2005.
\(^{40}\) Eagleton 2001.
\(^{41}\) Eagleton 2003a.
\(^{42}\) Eagleton 2003c.
\(^{43}\) Eagleton 2003b.
book, The Body as Language, Eagleton finds that the great value of the story of Christ’s death is that he becomes the scapegoat or scandal. He locates echoes in other literature from ancient Greece through to contemporary fiction, but the key lies in the political model of identity with the outcast and rejected – for Eagleton, the majority of today’s global population – and then their overcoming of oppression which is modelled on the resurrection. While Eagleton no longer believes in such doctrines (or does he?), he finds much political value in the paradigm itself as well as Christ’s teaching: Jesus Christ becomes the well-known political messiah with a revolutionary ethics. It matters less that this is not particularly new. But what is more problematic, especially in light of Adorno’s criticism of the personality cult, is that Eagleton returns squarely to a redeemer figure, in this case perhaps the central redeemer figure in Western culture.

I am tempted to invoke the analogy of the gospels in the New Testament to the relations between Badiou, Žižek, Eagleton and Agamben: if the first three are the synoptics, connected to each other in complex patterns of dependence and independence, then Giorgio Agamben is Saint John, a voice separate from Matthew, Mark and Luke, yet one that covers very similar territory. A new wave of critical work has begun to follow the English translation of Il tempo che resta. In contrast to the others, Agamben engages directly with the earlier moments of Western-Marxist appropriations of the Bible, specifically Benjamin’s notion of the messianic, which he interprets in two senses, one in terms of time and the other in terms of act. As for the question of time, he argues that messianic time is a suspended moment \([kair̂os]\) between an instant of chronological time and its fulfilment. This moment in between is the ‘time that remains’ until the end of the current political order. As far as the messianic act is concerned, Agamben argues that it deactivates the law in order to pump up its potentiality so that it may be fulfilled – a little like a footballer who is rested in the middle of the game so that he may come on in the last minutes.

There are two problems with Agamben’s argument, it seems to me, and they concern his understanding of the term ‘messianic’ and his focus on the law. First, as a paradigm of the political, Agamben sets the messianic up as a distinct category from eschatology and apocalyptic, two terms he takes as synonymous.

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44. Eagleton 1970.
45. Unfortunately, Antonio Negri’s book on Job is available only Italian (2002), and as I do not read Italian I will have to leave my reference to a footnote. It is currently being translated, but until its publication he will have to function as the Hebrew background to the New-Testament critics.
Unfortunately for his argument, the three terms are in fact distinct. Eschatology, without the redeemer figure of both messianism and the more fevered apocalyptic, is perhaps the more preferable of the three, not least because it avoids the traps of the personality cult. Second, Agamben’s resolute focus on the law – to the extent that Paul becomes a thinker of the law and the messianic deals mainly with the law – means that he leaves little room for grace. On this matter he could not be further from Badiou: in the great divide of Paul’s thought, one sides with law and the other with grace. I must admit to preferring the political possibilities of Badiou’s materialist grace, especially the unexpected political moment that breaks into the current order, than Agamben’s concern with a fulfilled messianic law.

Agamben’s other great concern has more mileage. I refer here to his emphasis on the remnant rather than Badiou’s universal. For Agamben, Paul uniquely carries through a series of distinctions that when layered over one another begin to break down and cut across conventional distinctions. Thus, when we look at the way Paul operates, juxtaposing wisdom and foolishness, spirit and letter, law and grace, Jew and Greek, male and female, slave and free, then we end up with the remnant, a division of existing divisions, those left over after all of the distinctions have done their work. Except, of course, that the remnant is crucial in some Hebrew-Bible (Old-Testament) texts, especially among the prophets. They are the few who, through no merit of their own, remain after all of the destruction has done its work and thereby come to represent the whole. Not so much the revolutionary vanguard as that bewildered leftover, the remnant comprises the least worthy of any group which then becomes the locus of unexpected possibilities.

Although I have concerned myself in this section with the search for viable political models in the pages of the New Testament, preferring Badiou’s focus on the rupture of a materialised grace or Agamben’s concern with the remnant, there is also a distinct contribution they can make to biblical scholarship itself. And that is quite specifically the radically political nature of Paul’s texts that runs against the overly benign and liberal readings of Paul by New-Testament scholars as the great and somewhat comfortable institutionaliser. All of which should really come as no surprise, since Paul’s texts have been at the centre of political debate before – the Reformation and the fundamental political reorganisation of Europe is but the most telling example.

Liberation, political and materialist exegesis

Of course, neither the search for viable political models in the pages of the New Testament, nor political reflections on biblical texts are at all unique to
the European academe or the Western-Marxist tradition. While it may seem as though we are moving to the other side, into the domain of the Church and theology itself, at least since the late 1960s political and liberation theologies have undertaken a very similar task, namely the search for viable political models drawn from the biblical traditions. The only difference is that the secularising effort of such readings gives way before a critical and politically aware religious commitment.

The liberation and political theologies that emerged in the Third World and the urban, Western centres of poverty and exclusion from the 1960s onwards were initially of a more theological nature, and significant contributions were also made in biblical studies. I will, however, begin with the small contribution from neither England (political theology) nor the Americas (liberation theology), but Portugal. Fernando Belo’s *A Materialist Reading of the Gospel of Mark* has always been something of a maverick in biblical scholarship. Bringing together semiotics and Marxism, Belo’s great model is Roland Barthes’s *S/Z*, a reading of Balzac that Belo appropriates in his own way, identifying a whole series of codes (actantial, analytic, basileic, chronological, mythological, social, strategic, symbolic and topographical) and actants (adversaries, crowds, disciples and Jesus). It is an extraordinary effort by the self-taught Belo to link such an avowedly literary reading with detailed sociological reflection. And so he seeks to identify the political economic context – which he describes as a sub-Asiatic mode of production – in order to identify a context for the symbolic order of the Gospel of Mark. In this context, Jesus becomes a political operator who challenges not so much the religious leaders of his time, but the Roman Imperial order on behalf of the powerless. Mark’s passion narrative, with its focus on the death of Jesus, becomes a distinctly political account that registers the marks of empire on Jesus’s body. And his resurrection asserts that this was one realm the Romans did not control, a mark of insurrection and source of hope for current politics. But Belo’s text is also profoundly hermeneutic, and this is where he comes close to those thinkers I have considered thus far. He wants, in other words, a message for today, and a distinctly political one at that: ‘I am offering a translation-tradition of the Gospel narrative in a new epistemological space’. That message comes through the *ekklesia*, which he leaves in its Greek

47. Belo 1981. See the summary and expansion in more accessible format in Clevenot 1985.
48. I will explore this side of Belo’s text in a subsequent article on Marxist reconstructions of biblical societies.
transliteration to avoid the heavy weight of the word ‘Church’: if Jesus's resurrection generates insurrection, then the ekklesia is the revolutionary group that emerges from the impetus of the resurrection. In many respects, Belo's text lies behind the subsequent reconstructions of a political Jesus from Ched Myers to Richard Horsley.⁵⁰

Belo's book appeared in French in 1974, emerging from work in the 1960s, the same decade that the movement and journal Slant was causing a stir in the Roman-Catholic Church of sixties England and liberation theology was taking shape in both Americas. While Gustavo Gutiérrez’s classic, The Theology of Liberation was published in 1969,⁵¹ James Cone's A Black Theology of Liberation appeared in 1970⁵² in North America and independently from the movements in Latin America. Leonardo and Clodovis Boff⁵³ and Juan Luis Segundo⁵⁴ followed Gutiérrez in what became an extremely well-known movement within and outside the various churches, although most were Roman Catholic. While their arguments focused on giving a distinctly economic and political tint to key Christian doctrines such as sin, grace, the incarnation, salvation and redemption,⁵⁵ a significant number of biblical critics, such as Jorge Píxley, Jose Miranda, J. Severino Croatto, Ernesto Cardenal and Elsa Tamez concerned themselves with the Bible.⁵⁶

In the work of these scholars, coming from a context of liberation and anticolonial struggles throughout Latin America (Castro in Cuba, Allende in Chile, the Sandinistas in Nicaragua, to name but a few) and the involvement of certain elements of the Roman-Catholic Church, such as the Colombian guerrilla-priest, Camilo Torres, with insurgent peasants, we find the same themes as those that emerged both in the circle around Slant, including the early texts of Terry Eagleton that I mentioned a little earlier, and the moves toward ‘black-liberation theology’ in North America, of which Cone’s book was the key text. The scandal of the liberation theologians, as with Slant and Cone, was the conjunction of Marxism and theology. And the result was an emphasis on God’s preferential option for the poor,⁵⁷ read in texts of both the Hebrew Bible and New Testament, the distinctly political elements of the

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⁵¹ Gutiérrez 1969. See also Gutiérrez 1983.
⁵² Cone 1970.
⁵³ Boff 1987.
⁵⁵ See Ellacuria and Sobrino (eds.) 1994.
⁵⁷ A legitimate Catholic doctrine since the 1979 Puebla Conference of Latin-American Bishops.
Kingdom or Rule of God, the political and revolutionary dimensions of the Jesus movement, a revolutionary ethics, and a critical engagement with major currents of Western thought. Although there is a good deal of systematic theology, especially in the work of Gutiérrez, Segundo and Cone, liberation theologians rely heavily on the Bible. The two foci of liberation theology have been and remain the narrative of the Exodus in the Hebrew Bible and the figure of Jesus Christ in the New Testament.

Thus Croatto, making use of Paul Ricoeur’s earlier work on interpretation, argues for the central role of the Exodus as a liberating political and theological event that lies at the centre of the Hebrew Bible. Through a highly problematic reliance on the historicity of the Exodus event, Croatto brings to bear all of the hermeneutical resources he can muster to render the Exodus a continuing paradigm for political work today. Similarly, Jorge Pixley invokes the Exodus, as well as the work of Norman Gottwald’s Marxist reconstruction of early Israel, to argue for a revolutionary core to the Hebrew Bible. While Elsa Tamez concurs, she backs up such a reading with a systematic analysis of the terminology of oppression that saturates the biblical text. However, when we get to Miranda’s classic text, we find that the Bible becomes a resource for offering a wholesale criticism of the objective and disinterested Western science and epistemology stemming from the ancient Greeks. His premise is that a reading of the Bible, properly and on its own terms, leads us to a critique very similar to, but with greater ontological depth, than Marx’s. While Miranda’s reading, as with nearly all of the liberation-biblical scholars, comes out of long and direct involvement of the struggles of the poor in Latin America, Enrique Dussel brings to bear a significant philosophical background to enhance Miranda’s hunch: the major movements of Western philosophy, especially those from Descartes onwards, develop crucial philosophical categories of autonomy and universalism at the same time that European imperialism first begins flexing its muscles. For Dussel, this is hardly a coincidence.

Despite the profound influence of Ernst Bloch on liberation theology, these liberation readings of the Bible each eschew ambivalence over the Bible –

60. Tamez 1982.
62. In fact, Bloch’s work had profound effect on a range of theologians, including various liberal theologians (the death-of-God, developmental and secular theologians), as well political theology in Germany (Jürgen Moltmann and Johannes Metz) and liberation theology (Gustavo Gutiérrez, Franz Hinkelammert and others) in the 1960s and 1970s. Many of these theological responses came during the revolutionary turmoil of 1968 and afterwards, and I remember
Bloch famously quipped that the Bible is not always a folly to the rich. They take the notion, born out of direct political struggle, of the preferential option of the poor at its word, arguing that any reactionary dissolution of such a message contravenes the central message of the Bible. I suspect they would prefer Bloch’s other comment, that the Bible is the Church’s bad conscience. Indeed, I would rather have more of a de-linking of the Bible and theology in many of these readings, taking much of the Bible itself as a fractious, murmuring and problematic text for theology and the Church.

All the same, liberation theology and biblical interpretation generated outrage from conservative forces including the Reagan administration and the IMF,\textsuperscript{63} as well as the recently deceased Pope John Paul II. While John Paul II turned a blind eye as he sought to drag the Roman-Catholic Church into its current reactionary position, and while the current pope (when he was still Cardinal Ratzinger and head of the Congregation for the Doctrine of the Faith) berated one liberation theologian after another, US-backed forces systematically exterminated the leaders and members of churches that espoused liberation theology.\textsuperscript{64} Neither pope would have been as happy with the explicit support of Pentecostal and Charismatic evangelism in South America that the US under Reagan and the elder Bush fostered. Indeed, in this example, we have a classic case of Christianity turning against itself in order to obliterate the radical element within: first the Roman-Catholic hierarchy takes on liberation theology, and then the US administration encourages evangelical Protestant and charismatic elements against both Roman-Catholic and liberation-theological positions.

And yet liberation theologians have always held Marxism at a distance, while using its methods for analysing capitalism, the social, political and economic dimensions of oppression and exploitation. For they have maintained an ontological reserve, arguing that, without some form of divine transcendence, one cannot avoid fetishising what is human. So, the only perspective that avoids idolatry,\textsuperscript{65} the raising of human beings or the products of human hands into the status of gods, is ontological transcendence itself. And this includes Marxism, the proletariat, or indeed the leader of the movement. The catch with this move is that it does not block such idolatry or reification, but merely

\begin{itemize}
\item \textsuperscript{63} Löwy 1996, p. 66; and Hinkelammert 1999, pp. 36, 39–43.
\item \textsuperscript{64} Fernando Segovia, Cuban biblical scholar and theologian now at Vanderbilt University, told me recently of the huge memorial in San Salvador to all those who ‘disappeared’ during this era, often for no other reason than being a member of such a church.
\item \textsuperscript{65} Löwy 1996, p. 35, suggests this is the principal aim of liberation theology.
\end{itemize}
replaces one form with another. However, the significance of the political and liberation theologians is similar to that of Badiou and Agamben, namely that it is not so much a matter of ‘add Marxism and stir’; rather, this work shows both the inescapably political nature of these texts, and suggests, as Michael Löwy argues, that the traditional Marxist analysis of religion may need reformulating in the wake of political and liberation theologies.66

Conclusion: Marxist biblical critics in the new world order

Each of these disparate trends – materialist, political and liberation-exegesis – have influenced the current group of biblical scholars who make use of Marxism. This is particularly true for Gerald West,67 Norman Gottwald,68 Richard Horsley69 and Ron Simkins,70 as well as Itumeleng Mosala, Jorunn Økland, Gale Yee, David Jobling, Mark Sneed and myself. While there has always been a small contingent of biblical scholars using Marxism to reconstruct the ancient societies in which the Bible arose – the subject of another essay – a significant amount of energy is now directed to what might loosely be called literary interpretations, or to use a somewhat conventional Marxist category, the analysis of the realm of ideology in its relation to culture, philosophy and religion. For instance, Itumeleng Mosala, explicitly acknowledging the role of his approach in the struggle against apartheid in South Africa (he now holds a senior post in the Ministry of Education), seeks to apply Marxist categories of class and ideology to the traditional determination of sources in the books of Micah and Luke. In doing so, he seeks to uncover the way questions of class, gender and race overlay each other in such sources.71 David Jobling connects Marxism with feminism, psychoanalysis and deconstruction in some of the most astute readings of the Hebrew Bible I have encountered;72 Jorunn Økland brings together the work of Henri Lefebvre and feminism to read Paul’s letter to the Corinthians;73 Gale Yee engages with a series of texts that present woman as evil in light of Marxist historical reconstruction and the function of such texts in the ideological superstructure;74 and Mark Sneed has offered a

73. Økland 2004.
metacommentary of Qoheleth (Ecclesiastes) in light of Fredric Jameson’s
texts.75 My own research, as this essay shows, continues to focus on the moves
back and forth between Marxism and biblical criticism.76

In such a survey, one becomes acutely aware of the caesurae and disruptions
between the various Marxist engagements with the Bible. However, I want to
draw a few brief observations from my synopsis of this interaction. To begin
with, Michael Löwy’s point needs to be taken seriously: what might a rethinking
of religion look like for Marxism? Nearly all of the work that I have discussed
moves from biblical studies, and often theology, to politics, seeking political
insights from these sources. Perhaps it is time to ask what the implications are
for religion, and more specifically for biblical studies. I am not thinking of a
return along the same path, back from politics to religion, but rather of taking
the next step, following the logic of political readings to their end and then
seeing what emerges. Secondly, a question remains for biblical critics: what
does it mean to use Marxist categories for a text produced in a very different
political economic system and which remains enormously influential, for
good or (all too often) ill, today? This involves not merely the continuing
task of historical reconstruction, but also reading and interpreting the
texts themselves and accounting for their continued influence. Finally, the
burgeoning interest in the Bible by critics such as Badiou, Žižek and Agamben,
largely outside the somewhat parochial concerns of biblical studies, urges
biblical critics to enter these debates, not only to raise Adorno’s old theological
suspicions, but also to ask why this should be happening outside of and with
considerable disregard for the concerns of biblical studies.77

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Fair-Trade Coffee and Commodity Fetishism: The Limits of Market-Driven Social Justice

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Abstract
This paper explores the claims made by various authors that the fair-trade network provides an initial basis for a challenge to the commodification of goods under global capitalism. Proponents of fair trade generally advance two essential arguments in this regard. First, they claim that fair trade reveals the social and environmental conditions under which goods are produced and brings producers and consumers together through ‘ethical consumerism’, which challenges the commodification of goods into items with an independent life of their own. Second, they argue that fair trade affirms non-economic values of co-operation and solidarity which challenge the capitalist imperatives of competition, accumulation, and profit-maximisation. Drawing from cases in the fair-trade coffee sector, these assertions are critically examined and it is argued that, while fair trade can provide a symbolic challenge to commodity fetishism, in the end this challenge is strictly limited by the power of global market imperatives and the network’s market-driven approach.

Keywords
commodity fetishism, coffee, fair trade, social justice

Fair-trade coffee is one among many market-driven projects that have received growing attention over the past two decades as social-justice activists and development practitioners have sought to address global inequalities on the basis of ‘political consumerism’.¹ The rapid sales growth experienced by the network over the past decade and a half has prompted increasing attention from commentators who have sought to assess fair trade from a variety of angles: as a form of ‘ethical business,’ as non-governmental price subsidies and

¹. I would like to thank Social Science and Humanities Research Council of Canada (SSHRC) for their research funding as well as two anonymous reviewers and the editorial board at Historical Materialism for their helpful suggestions. Special thanks are owed to Gregory Albo, Donald Carveth, David Friesen, Mark Gabbert, Samuel Knafo, Martijn Konings, Liisa North, Viviana Patroni, and most of all Kate Ervine, for their critical advice, encouragement, and friendship.
‘social capital’ for Southern partners, or as an alternative model to neoliberal policies.2 Despite the broad range of perspectives among the new works, most authors agree that one of the main benefits of fair trade is that it represents a significant challenge to the ‘commodification’ of goods under global capitalism. In this paper, I critically assess the claims made in this regard on the basis of an examination of fair trade coffee – the ‘flagship’ commodity and traditional sales leader of the fair-trade network. Coffee is the second most valuable legally exported commodity from the South, providing a livelihood for millions of small farmers, and has a long history rooted in colonialism, exploitation and social injustice, which explains its pride of place in the fair-trade network. I argue that, while fair-trade coffee might provide a basis for an important symbolic challenge to commodification, in the end this challenge is strictly limited by the network’s market-driven approach. The fair-trade project is fundamentally embedded in conventional norms and assumptions of ‘consumer sovereignty’ and neo-Smithian market behaviour. Consequently, the symbolic challenge to commodification offered by fair trade has in itself become a commodity to be bought and sold on Northern markets. This reveals the tenacity of the structural imperatives of the global capitalist market and raises fundamental questions about the limitations of a market-driven strategy for overcoming them.

Understanding fair trade and commodification

The fair-trade network is a formal system of Non-Governmental Organisations (NGOs) that connects peasants, workers and craftspeople in the South with partners in the North through a system of ‘fair-trade’ rules and principles. The network was first developed in the 1940s and 1950s on the initiative of Alternative Trade Organisations (ATOs) that sought to provide assistance to poor Southern producers by creating an alternative trading system in which prices would be determined on the basis of social justice, not the vagaries of the international market. To many of the founding fair-trade organisations, such as Oxfam International, the network was considered part of a broader movement that promoted a new international economic order based on strong state intervention at the national and international level to support development.

2. For fair trade as ‘ethical business’ see Blowfield 1999; for price subsidies see LeClair 2002; for ‘social capital’ see Simpson and Rapone 2000; for an alternative to neoliberalism see Waridel 2002. For more on ‘political consumerism’, see Bernstein and Campling 2006b; Guthman 2002; and Micheletti 2004.
efforts in the South. In the 1980s, the orientation of the network changed significantly as fair traders moved away from the vision of an alternative trading system and instead sought to gain access to conventional markets which they hoped to reform.\(^3\) This re-orientation was led by the emergence of fair-trade labelling initiatives, co-ordinated under the umbrella organisation Fairtrade Labelling Organisations International (FLO), which have sought to certify conventional businesses willing to meet FLO’s fair-trade criteria. According to FLO standards, fair-trade goods are produced in the South under the principles of ‘democratic organisation’ (co-operatives or unionised enterprises depending on the commodity), no exploitation of child labour and environmental sustainability. They are exchanged under the terms of a minimum guaranteed price with social premia paid to producer communities to build social and economic infrastructure.\(^4\)

The re-orientation of the network initiated by fair-trade labelling organisations was, in part, driven by the desire to expand the size of fair-trade markets which were too small to meet the needs of Southern partners.\(^5\) An equally important impetus, however, was the changing political, economic, and ideological conditions ushered in by neoliberal reforms which brought about a major decline in national and international capital controls and market regulation, and derailed calls for a new international economic order. Following these trends, fair traders adopted a new, market-driven vision of fair trade based on non-binding, voluntarist commitments from private corporations. The result has been a financial success for the fair-trade network which has seen its greatest growth in the era of neoliberal globalisation.\(^6\) This growth has been driven by the increasing participation of national and international bodies, such as the World Bank, as well as Transnational Corporations (TNCs) which view the fair-trade network as a voluntarist alternative to state regulation.\(^7\)

The global governance of the coffee sector in general has also followed these broad patterns from state-regulation to voluntarist mechanisms. For most years from 1963 to 1989, the global coffee market was regulated by the International Coffee Agreement (ICA), a mechanism designed to create higher

\(^3\) Fridell 2004 and 2007.

\(^4\) FLO 2003.


\(^6\) Sales of FLO certified goods grew by thirty-five per cent from 1997 to 2000. The total retail turnover of FLO certified goods in 2000 was worth over US$196 million, of which more than US$49 million went directly to producers, around forty per cent more than would have been justified by conventional prices. FLO 2001.

\(^7\) Fridell 2004 and 2007.
coffee-bean prices in the South by holding excess production off the market through a quota system. The developmental impact of the ICA was mixed: while it managed to retain a greater share of coffee income in the South through higher bean prices, the impact of this retention varied significantly on the basis of political and social inequalities within participating nations. Countries like Costa Rica, with a large smallholder class and a social welfare state, distributed the new coffee income more broadly and with much better social impacts than countries like Guatemala and Brazil, with highly unequal distributions of land and resources.8 In either case, the ICA collapsed in 1989 under the weight of neoliberal reforms. In its wake, fair traders have sought to attain higher and more stable bean prices through its voluntarist, market-driven approach. While thus far only capable of reaching a select number of coffee farmers, several analysts have noted that the network represents an attempt to direct more rent into the hands of poor producers by increasing the value of fair-trade products through ethical marketing strategies and by encouraging co-operatives to ‘integrate forward’ into the higher-technology, value-added activities of the coffee chain.9

Significant discussion and debate has emerged in recent years about the extent to which fair trade provides an effective model for countering the decline of state regulation, the terms of which cannot be summarised here.10 Instead, this paper focuses on one key issue which is frequently evoked to assert that fair trade goes beyond the state-driven regulatory mechanisms of the past: that the network is not just about attaining fairer prices, but points the direction toward an initial decommodification of goods. Apparent in most of the new work on fair trade is the notion that fair trade represents a challenge to commodification – a process wherein commodities appear to be without connection to the workers who actually produced them.11 Most authors contend, in varying ways, that fair trade is more than a challenge to the social inequalities in global trade, but that its ethical values and educational mission represent a significant challenge to the core values of global capitalism and its imperatives of competition, accumulation and profit maximisation. To some authors, while fair trade’s ability to directly challenge the global trading system is limited, its greatest potential lies in its ability to raise awareness among

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8. For more on the ICA see Talbot 2004 and Fridell 2007. For a review of key debates within ‘commodity studies’ in general, see Bernstein and Campling 2006a and 2006b.
10. For more on other issues and debates concerning fair trade, see Fridell 2006 and 2007.
Northern consumers of global inequalities by revealing the conditions under which Southern goods are produced.\textsuperscript{12}

Others go beyond this and assert that fair trade challenges the very nature of capitalist culture and the atomisation, individualism, and anonymity characteristic of market exchanges under capitalism. In this vein, Charles Simpson and Anita Rapone argue that fair trade challenges the cultural impoverishment of capitalism – its erosion of social solidarities and its materialist rather than transcendent motivational structure.\textsuperscript{13}

Laura Raynolds contends that

fair trade networks socially re-embed commodities, so that items arrive at the point of consumption replete with information regarding social and environmental conditions under which they were produced and traded.\textsuperscript{14}

Laure Waridel and Francis Moore Lappé and Anna Lappé, in their respective works, maintain that fair trade frees consumers from the ‘mental colonialism’ or ‘thought traps’ that hide the truth behind how goods are produced in a capitalist system.\textsuperscript{15}

Although most do not directly draw on Marxist concepts in their analysis, these authors essentially argue that fair trade provides a model upon which to begin to counter the ‘fetishism of commodities’, where social relations among people appear as relations among things.\textsuperscript{16} To Marx, commodity fetishism is a necessary outcome of capitalist social relations.\textsuperscript{17} Under capitalism, all market agents (workers, small producers, large capitalists) must sell either their labour or their goods as abstract commodities on the market in exchange for money which they then use as consumers to purchase other abstract commodities. The result is that people, rather than directly engaging with one another over the production and distribution of goods, engage the market as atomised agents deprived of information on how goods are produced, using their own individual needs as the sole criterion for determining market choices. This

\begin{thebibliography}{99}
\bibitem{12} Bird and Hughes 1997; Blowfield 1999; Fisher 2004; LeClair 2002; Simpson and Rapone 2000.
\bibitem{13} Simpson and Rapone 2000, p. 55.
\bibitem{14} Raynolds 2002a, p. 415. See also Jaffee, Kloppenburg, and Monroy 2004, p. 170.
\bibitem{15} Moore Lappé and Lappé 2002, pp. 27–31; Waridel 2002, p. 23.
\bibitem{16} Guthman (2002) points out that this implicit critique of capitalist commodification is common to most individual commodity studies.
\bibitem{17} Marx 1978, pp. 319–29.
\end{thebibliography}
process not only stems from capitalist social relations but also helps to preserve their legitimacy by obscuring the social exploitation and ecologically destructive conditions under which commodities are produced and making them appear ‘natural’.\textsuperscript{18}

Going beyond an implicit engagement with Marxist concepts, Diane Elson, Ian Hudson and Mark Hudson, argue that fair trade represents an attempt at an initial challenge to the fetishism of commodities. Elson even depicts fair-trade labelling, and other similar projects, as key to her vision of a future socialist society based on a ‘socialised market’.\textsuperscript{19} From their work, and from others mentioned above, two essential arguments can be extracted. First, fair trade reveals the social and environmental conditions under which goods are produced and brings producers and consumers together through ‘ethical consumerism’, which challenges the commodification of goods into items with an independent life of their own. Second, fair trade affirms non-economic values of co-operation and solidarity which challenge the capitalist imperatives of competition, accumulation and profit-maximisation.\textsuperscript{20}

\textbf{Decommodification through ‘ethical consumerism’}

It is often suggested that one of the main ways in which fair trade challenges commodification is by bridging the gap between producer and consumer, by revealing the conditions under which fair-trade goods are produced and promoting ‘ethical consumerism’. Conventional consumers purchase commodities that appear to have a life of their own, using their own individual needs as the sole criterion for determining market choices. In contrast, it is argued that fair-trade consumers, by making ethical market choices on the basis of how goods are produced, are not merely buying a commodity for sale, but are relating directly with Southern producers through an ‘associative’ network based on shared values of social justice.\textsuperscript{21} Ethical shopping is depicted as more than just consumerism, but as a political act of solidarity that helps to put pressure on conventional TNCs to participate in fair trade, not solely out

\textsuperscript{19.} Elson 1988 and 2002.
\textsuperscript{21.} Elson 2002.
of moral imperative but out of the desire to tap into ethical-consumer demand.\textsuperscript{22}

On the basis of these arguments, the ability of fair-trade shopping to point to an initial decommodification of goods is assumed to rest primarily on the disparity between ethical and conventional consumerism – the different motivations that underlie ethical shopping and its ultimate ability to bring consumers and producers together. It is important to note that, according to marketing research, the majority of ethical consumers are women who have managerial or administrative jobs and tend to be from the middle or upper class.\textsuperscript{23} The class position of the majority of ethical consumers most likely derives from the simple fact that only they have the income required to pay more for specialty food items like fair-trade coffee.\textsuperscript{24} In Canada, for example, in 2001 the wealthiest 16.2 per cent of Canadian households spent 56 per cent more money on coffee per person and were 46 per cent more likely to shop at food specialty stores than the poorest 43.2 per cent of Canadian households.\textsuperscript{25} As a result, while fair trade within the South is based on class solidarity between poor workers and farmers, at an international level, in order to meet the demands of the market in the North, fair trade is premised on inter-class solidarity between poor producers and rich consumers. This solidarity is not based on class unity against a common oppressor (in this case, ‘unfair’ TNCs) but on moral appeals from Southern producers for assistance against \textit{their} oppressor. Northern consumers do not have a direct stake in fair trade and its success other than their own ethical motivations.

Given the fact that ethical consumerism does not appeal directly to self-interested motivations, many popular commentators have suggested that the potential for the growth of ethical markets is very limited. For example, mainstream journalist Mark Pendergrast asserts that, while fair trade might

\textsuperscript{22} Waridel 2002, pp. 106–9.
\textsuperscript{23} Bird and Hughes 1997. Women shoppers are likely to be more amenable to ethical marketing due to socially constructed gender distinctions between masculine and feminine roles. The values of ‘social woman’ are more in-line with ethical consumerism than those of ‘economic man’ (Gidengil 1995). During a workshop discussion, Mary Frey (Executive Director/CEO of Ten Thousand Villages in Canada) commented on the fact that nearly eighty per cent of TTV’s customers were women and stated that this meant that fair trade in the North was in many ways a ‘women’s movement’ (Frey 2004). For an analysis of gender and political consumerism, see Micheletti 2004.
\textsuperscript{24} As one reviewer correctly points out, this means that while working-class consumers may not be responsible for the greatest proportion of fair-trade coffee, those working-class consumers that do purchase fair-trade coffee spend a much greater proportion of their total income for the sake of solidarity.
\textsuperscript{25} Statistics Canada 2003.
appeal to a few ‘good Samaritans’, in the end ‘even they might squawk if all coffee provided a decent living for those who produce the crop’. In her book *No Logo*, journalist and global justice activist Naomi Klein provides an excellent account of how massive corporate advertising campaigns have been able to induce consumers to pay exorbitant prices for brand name goods – such as paying US$100 to US$180 for a pair of Nike shoes that only cost US$5 to produce. She does not believe, however, that ethical products possess the same potential and states that, beyond appealing to a relatively tiny group of consumers, ‘any movement that is primarily rooted in making people feel guilty about going to the mall is a backlash waiting to happen’.28

Nonetheless, there is no reason to assume that marketing strategies aimed at selling ‘ethics’ could not appeal to a broad base of consumers, and the proliferation of countless social and ecological products and ‘corporate social responsibility’ programmes over the past decades would suggest that the significant potential for the growth of ethical markets may well exist. For the fair-trade network, however, this assertion must be made with two important caveats. First, while there is potential for growth in ethical markets in general, this does not necessarily reflect the potential for growth in the fair-trade network, which lacks the marketing, advertising and distributional resources required to significantly expand its market niche. The most likely beneficiaries of the future growth of ethical markets will be giant TNCs who have increasingly devoted attention to their own private ‘ethical’ initiatives or to corporate-friendly third parties that lack FLO’s more rigorous social standards and higher price premia. This poses a significant threat to the future of certified fair trade which could well be overcome by corporate-backed projects with significantly greater marketing resources.

Second, even if the fair-trade network is better able to hold its own against corporate competition than the above suggests and it continues to expand on the basis of ethical consumerism, this still leaves open the question as to whether or not such consumerism has the potential to bring producers and consumers together in the way fair traders suggest. Does fair-trade consumerism truly offer an alternative avenue through which goods can begin to be decommodified? Why do consumers in the North purchase fair-trade goods and, when they do, what does it mean for the sort of international solidarity

that fair trade promotes? While fair traders generally emphasise those aspects of fair trade that challenge conventional consumerism, such as the provision of information on how goods are produced, this is only one side of the ethical consumerist coin. The other side is, in fact, similar in many ways to conventional consumerism and reproduces many of its negative effects.

As is the case with conventional consumerism, fair-trade consumerism remains fundamentally premised on the notion of ‘consumer sovereignty’. This concept suggests that industry only responds to consumer demand, and that the lack of socially and ecologically just production methods are, in the final analysis, an outcome of the ethical decisions of consumers who possess ‘consumer power’. This perspective has been rightly criticised for neglecting the fact that consumers do not have near-perfect or even adequate information upon which to base their market decisions.31 Instead, they must engage the market under the coercion and manipulation of massive corporate advertising campaigns designed to engineer consumer choice – in the United States alone, big business now spends over a trillion dollars a year on marketing.32

While the fair-trade network challenges the assumption that consumers have adequate information upon which to base market choices, it remains rooted in the belief that these same consumers should have the final say in how goods are produced and distributed on a global scale. As is the case with conventional consumerism, fair-trade consumerism accepts that the needs of poor Southern producers are ultimately subservient to the demands of Northern consumers. Yet, from the perspective of promoting democracy and social justice, there is no valid reason to purport that consumers should be ‘sovereign’ and that one person’s demands as a consumer should take precedence over another person’s needs as a producer.33 As Ernest Mandel effectively argues in his critique of the limits of the capitalist market:

> by what principles of ‘fairness’, ‘justice’, ‘democracy’ or ‘humanity’ are the sovereign rights to decide what time and effort to devote to the satisfaction of consumer needs snatched from the hands of the producers themselves?34

Moreover, in accepting the core premise of consumer sovereignty, fair traders are taking as a given current highly unequal and environmentally destructive global consumption patterns. Within the North, the consumer base upon which fair trade relies is composed of relatively affluent consumers whose wealth is derived from a highly unequal distribution of income. Internationally, fair trade depends on existing consumption patterns which are characterised by ‘overconsumption’ in the North that threatens the depletion of natural resources and perpetuates the existing highly unequal distribution of global wealth.35 Thus, fair traders are seeking greater global justice on the basis of highly unjust global consumption patterns. According to Michael Maniates, this is frequently the case with ‘sustainable development’ projects that all too often ignore the fact that if the 4 billion or more global underconsumers are to raise their consumption levels to some minimally rewarding and secure level, the 1 billion or so global overconsumers will first have to limit and then reduce their overall level of consumption to make ecological room.36

Operating within the context of conventional consumption patterns, many ethical consumers likely purchase fair-trade goods in part for the same reasons that they or others purchase ‘unfair’ commodities produced by conventional corporations: to buffer up their own sense of self validation. Awareness of this psychological motivation lies at the heart of contemporary advertising strategies and is frequently depicted by corporate marketing experts as deriving from people’s allegedly ‘natural’ inclination toward ‘selfishness’.37 Such a perspective, however, offers a flawed and superficial assessment of human behaviour and deflects attention away from the marketing experts themselves who employ sophisticated marketing techniques to manipulate consumers’ ‘natural’ desires in the interest of corporate profitability.38

Applying the psychoanalytic concept of ‘narcissism’ to the striving for self-validation provides a far richer means of exploring the possible psychological motivations behind fair trade consumerism. In psychoanalytic theory, narcissism is not driven by selfishness or self-love, but by deep anxiety and self-hate which leads to a desperate desire to gain validation from others.39 As Christopher Lasch has argued in his work *The Culture of Narcissism*, capitalist

37. For example, see Seligman 2002.
society tends to promote narcissistic impulses by alienating workers from what they produce and from each other, and pits them against one another in a highly competitive environment in search of jobs and validation. To impress those higher up in the corporate hierarchy, workers must sell their personalities as if they were commodities on the market, resulting in intense anxiety, self-absorption and narcissism. At the same time, people are freed from traditional bonds of family and institutions (such as the church), which leaves many feeling isolated and lonely.  

According to Lasch, against the feelings of narcissistic anxiety, loneliness and alienation, capitalism offers consumption as the cure. Consumption is offered both as an alternative to protest or rebellion (workers turn toward the immediate fulfilment of consuming new goods) and as a remedy to spiritual desolation and status anxiety. Convinced that they are too powerless to affect life in a meaningful way, people turn toward self-improvement and building a superficial identity based on material furnished by advertising and mass culture, themes of popular film and fictions, and fragments torn from a vast range of cultural traditions.

In this, Lasch sees a retreat from politics and a turn toward psychic self-improvement: getting in touch with their feelings, eating health food, taking lessons in ballet or belly-dancing, immersing themselves in the wisdom of the East, jogging, learning how to ‘relate’, overcoming the ‘fear of pleasure’.  

To this list, one could potentially add fair-trade products. Feeling powerless and anxiety-ridden, ethical consumers can turn toward purchasing fair-trade goods on the market, both to somewhat appease their feelings of powerlessness and to construct their own self-identity as ‘ethical’ people. In essence, fair trade entails the commodification of social justice and allows consumers to channel their desire for a more just world into purchasing goods on the market to validate their own self-esteem.  

Nonetheless, while narcissistic self-validation is likely a key factor in explaining what drives some consumers to purchase fair-trade goods, there are still fundamental differences between fair trade and other forms of ‘self-improving’

41. Lasch 1979, p. 166.  
42. Lasch 1979, p. 29.  
consumption. The former requires a degree of personal sacrifice, even if only relatively marginal, for the sake of improving the lives of others. Moreover, many fair-trade consumers are also, no doubt, active participants in various social-justice moments who view fair trade not as a retreat from politics but as a component of their broader political activities. In this vein, Moore Lappé and Lappé, drawing from the work of Eric Fromm, suggest that fair trade and other alternative projects represent attempts by consumers to reach out for some ‘positive freedom’ (‘freedom to’) in a world where they are offered little but ‘negative freedom’ (‘freedom from’) and overwhelmed with a sense of individual powerlessness in the face of giant corporations and bureaucratic states over which they have little effect or control.44

Fromm argued that, for people to progress from negative freedom to positive freedom, they must work in solidarity with one another for a common purpose. This requires that society overcome the fetishism of commodities which causes people to engage one another as alienated individuals in relationships based purely on ‘instrumentality’ and individual gain. Instead, market-driven relations must be replaced by a democratically-planned process through which individuals can engage one another in solidarity and ‘share responsibility’ for society’s development as a whole.45 While Moore Lappé and Lappé do not suggest that fair trade represents the extensive political process prescribed by Fromm, they do state that it provides Northern consumers with an important symbolic tool to ‘laugh at the caricature’ of themselves as selfish, atomised utility maximisers.46 In this sense, fair trade can provide a channel through which consumers can relieve social anxiety by ‘doing the right thing’ and can serve as a popular form of ‘symbolic inversion’ that allows people to momentarily express their desire for a different world.47

While fair-trade consumerism does provide a symbolic tool to criticise conventional trade – which has the potential to educate and raise political awareness – the extent to which it offers any substantial gains to ethical consumers in terms of positive freedom and solidarity are significantly limited. Ethical consumers remain isolated individuals whose primary responsibility to the fair-trade network is to engage in the market (to buy fair trade coffee). Consumers are not connected with producers or other consumers in a democratic process and their influence on fair trade (and on the broader

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structures of global capitalism) is limited to their ‘purchasing power’ as isolated individuals. Their knowledge of fair trade and the lives of producer communities in the South is confined largely to advertising media, and it is not based on direct and personal ties but is mediated by the market.\footnote{Lyon 2003.} In this context, solidarity is premised on individual moral appeals and not on a shared responsibility. Wealthy ethical consumers are not engaged in a shared struggle with Southern producers and, of greater significance, do not have a shared responsibility for the outcome of their purchasing decisions. Decisions that are a matter of grave significance for Southern producers are merely a matter of individual purchasing preferences for ethical consumers. As alienated, isolated individuals, ethical consumers remain disconnected and shielded from the direct outcome of their market decisions. In this context, fair-trade goods remain independent commodities with a life of their own, aside from a symbolic connection to their producers represented by an ‘ethical premium’ that consumers may or may not be willing to pay.

Yet, while relations between producers and consumers remain mediated by the market, some scenarios have greater potential than others for the development of a sense of unity and connectedness through ethical consumerism. Small-scale ATOs provide much greater opportunities to build bonds of solidarity between producers and consumers than the giant conventional TNCs which are becoming increasingly dominant within the network. Planet Bean, a small, worker-owned co-operative coffee roaster in Guelph, Ontario, Canada, serves as an example of how this is the case. Planet Bean sells one-hundred per cent of its beans fair trade, views educating consumers about the injustices of the current global system as central to its mission, and, as a small ATO, provides an environment where consumers can develop personal ties with co-operative members who in turn have direct linkages to Southern partners. To advance its educational mission, members of Planet Bean have given talks in public forums and have helped to host Southern partners for community tours in Canada. According to Bill Barrett, the Director and Marketing Manager of Planet Bean, these initiatives have the potential to raise awareness about the lives of Southern producers, as can be seen by a recent visit by a Southern partner to a local grocery store in Toronto that retailed Planet Bean coffee. The manager of the store, upon meeting the coffee farmer, said that it was the first time he had ever met someone who had produced any of the goods sold in his store.\footnote{Barrett, interview 2004; Fridell 2007.} This anecdote reveals the potential that Planet
Bean has to shorten the ‘distance’ between producer and consumer, which in conventional international trade frequently results in a severing of feedback and accountability regarding social impacts of market decisions.\(^{50}\)

In sharp contrast to Planet Bean, there are giant conventional TNCs such as Starbucks Coffee Company, which is a massive, hierarchical organisation composed of thousands of mostly low-waged, non-unionised, alienated workers. Rather than being devoted to fair trade’s moral mission, Starbucks began offering limited quantities of fair-trade coffee at its stores in 2000 after intense pressure from social-justice activists, and currently sells only one or two per cent of its beans certified fair trade. Starbucks is concerned primarily with staving off the threat of bad publicity and has, in fact, devoted much more attention to promoting corporate-friendly alternatives to fair trade, such as Conservation International (CI) certified shade-grown coffee.\(^{51}\) In comparison to FLO standards, CI standards have a lower social premium and its labour standards are vaguer and much less strict.\(^{52}\) Moreover, CI’s credentials as an ethical partner are highly questionable. Among other things, it has been accused of being a corporate front designed to greenwash its sponsors’ images and act as ‘the friendly face of biocolonialism’ by actively assisting giant pharmaceutical companies in gathering indigenous knowledge on local plants and insects in order to patent them.\(^{53}\)

Starbucks’s record in the North, despite its veneer of corporate social responsibility, also casts a huge shadow over its ethical pretensions. The corporation has aggressively fought against unionisation efforts by its service-sector employees – rights which are guaranteed to fair-trade certified partners in the South – and during the Christmas rush has its holiday products packaged by Signature Packaging Solution, a company that employs low-waged, inmate labour from the Washington State prison system.\(^{54}\) This means that fair-trade-certified coffee available at Starbucks can be packaged by prison labour and sold by low-waged, non-unionised labour, which significantly challenges the idea that this product can be considered ‘fair’. Moreover, when consumers buy fair-trade coffee from Starbucks, they are purchasing it from alienated

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52. Fridell 2007. According to Starbucks, in 2001 farmers in the CI programme were paid a sixty per cent price premium over ‘local prices’ (Starbucks 2004). While it is unclear what this would be, it is likely to be well under US$1.00 per pound as world prices for Brazilian arabicas ranged between US$0.60 and US$0.40 that year (UNCTAD 2004). This is significantly lower than the fair-trade minimum price of US$1.26 per pound.
workers, the majority of whom do not have any connection to Southern producers. Thus, ethical consumers are essentially as disconnected from the actual producers and their real lives (both South and North) as they are when they buy any conventional commodity on Northern markets. In this sense, fair-trade shopping at Starbucks can hardly be said to shorten the distance between producers and consumers and provide any sort of meaningful challenge to commodification. Rather, the growing participation of TNCs in fair trade represents an erosion of the network’s ability to confront commodification.

In the final analysis, the notion that fair trade builds international bonds of solidarity between producers and consumers must be taken with a grain of salt. While people’s desire for positive freedom, solidarity and connectedness are necessary to spark consumer demand, fair trade’s ability to meet these desires is limited: positive freedom is confined to purchasing ethical goods; solidarity is based on moral appeals as opposed to a common cause; and connectedness between consumers and producers is mediated by the market, which shields consumers from shared responsibility for their actions. Truly disrupting the fetishism of commodities involves not just making information on how a good is produced available to consumers, but it requires carrying out production in a democratic and consciously regulated process in which both producers and consumers are involved and are accountable for the decisions they make.

Values of co-operation and solidarity

It is argued that the fair-trade network not only bridges the gap between consumers and producers, but that its non-economic values of co-operation and solidarity are a challenge to the capitalist market imperatives of competition, accumulation and profit-maximisation. Indeed there is much evidence to demonstrate how fair trade, like any democratic, co-operative project, challenges the principles of capitalism. A portion of the profits that accrue to fair-trade co-operatives are used to construct social infrastructure needed by the community, rather than re-invested for further capital accumulation or distributed to private pockets. Fair-trade producers and importers work together to attain the fairest trading relationship possible, and large producer co-operatives at times provide assistance to other, smaller

fair-trade co-operatives. These actions can best be interpreted as an incipient international moral economy, which attempts to assert the notion of people’s right to live taking precedence over the competitive and ethically impoverished values of capitalism.

The fair-trade moral economy has been able to bring important developmental benefits to specific local groups in the South who have been able to gain access to the fair-trade market. In the coffee sector, for example, there were over 670,000 coffee-farmer families on the FLO register in 2003, out of a total of nearly 25 million coffee-farmer families worldwide. Nowhere is the developmental potential of the network more apparent than with the case of the Unión de Comunidades Indígenas del Región del Istmo (Union of Indigenous Communities of the Isthmus Region, UCIRI), a fair-trade coffee co-operative in Oaxaca, Mexico with a membership of over 2,500 families. UCIRI has played a key role in the formation of fair-trade labelling and is generally considered to be one of the most successful fair trade co-operatives in the world. Through their participation in the fair-trade network, UCIRI members have gained higher incomes and significantly better access to social services through co-operative projects in health care, education and training. UCIRI has also constructed its own economic infrastructure, which includes coffee processing and transportation facilities, and provided its members with enhanced access to credit, technology and marketing skills. All of this has improved its members’ capacities to combat extreme poverty, malnutrition and environmental degradation, and enhanced their abilities to survive and compete on the international market.

In addition, UCIRI members have also developed important international bonds of solidarity with Northern partners and have enhanced their sense of unity and collective identity due to the organisational and administrative demands of maintaining a fair-trade co-operative. This has strengthened their abilities to support community initiatives and lobby the government to defend their interests as well as those of other small rural producers in Mexico. Over the years, UCIRI has played a key role in the formation of a variety of local and regional organisations, including fair trade and organic certification groups as well as organisations with broader mandates that support small producers in general.

Yet, while the fair-trade network’s values of co-operation and solidarity have been able to bring important benefits to Southern partners, in the end, competitive and exploitative behaviour under capitalism are not primarily a result of a lack of ethical values. Rather, this behaviour is a result of the structural imperatives of the capitalist market which compel all producers to compete, accumulate and maximise profits in order to remain competitive and survive. Most fair traders, however, tend to downplay these imperatives and focus on the market as a place of opportunities for those willing and able to take advantage of them. They depict capitalism less as a particular set of social relations than as a specific attitude toward commercial exchanges.61 Exploitation is not viewed as an outcome of the capitalist market, but as a distortion of the market stemming from the acts of ‘unscrupulous’ market agents.62 To most fair traders, the goal is to correct these distortions by promoting more ethical trading values which they hope will allow everyone, rich or poor, to reap the rewards of the market. Yet, this moral emphasis runs the risk of overlooking the weight of structural imperatives. According to social-justice activist and political theorist David McNally, in seeking to combat exploitation under global capitalism:

To be sure, moral outrage is necessary and laudable. But a purely moral response ignores the fact that capitalism requires its dominant participants to behave in an exploitative and destructive fashion. No amount of moral lecturing or enlightenment will change the behaviour of capitalists, since only by doing what they do will they survive as capitalists. If they do not exploit the poor, grab land and resources, commodify the globe, and act in environmentally destructive ways, they will not persevere in the war of capitalist competition. The imperatives of cost-minimization and profit-maximization compel capitalists to do these things.63 Fair traders’ neglect of structural imperatives stem from their ‘neo-Smithian’ understanding of capitalism, common in most development circles, which historical materialists have long criticised for emphasising market exchanges at the expense of the social relations of production that underlie market relations under capitalism.64 Most fair traders and fair-trade analysts have focused on the market as the primary site of struggle, but have neglected the imperatives of the distinctly capitalist market which stems from the historically specific

capitallist social relations that underlie it. According to Marxist political theorist Ellen Meiksins Wood, this specificity involves the following:

first, that material life and social reproduction in capitalism are universally mediated by the market, so that all individuals must in one way or another enter into market relations in order to gain access to the means of life; and second, that the dictates of the capitalist market – its imperatives of competition, accumulation, profit maximization, and increasing labour productivity – regulate not only all economic transactions but social relations in general. As relations among human beings are mediated by the process of commodity exchange, social relations among people appear as relations among things, the ‘fetishism of commodities,’ in Marx’s famous phrase.65

The characteristics of the capitalist market described by Wood lie at the heart of the exploitation that emerges in a capitalist system. All market agents – whether workers, small-scale farmers, or giant TNCs – must compete in a sink-or-swim environment where they must continually exploit others (such as a TNC forcing down workers’ wages) or themselves (such as small-scale farmers selling their crops at near starvation prices) in order to remain competitive and survive. While the ethical aspirations of fair trade have been able to mitigate somewhat the worst effects of these imperatives, the fair-trade network has not been able to escape the power of the global capitalist market which has imposed strict limits on its development project.

The weight of structural imperatives on fair trade is apparent in the UCIRI project which, despite its gains, has also revealed significant limitations. One indication of these limits is the persistence of poverty and insufficient income among UCIRI members. This stems from the fair-trade price which, although it is higher than conventional prices, cannot be so high as to scare off ‘ethical consumers’.66 Thus the price for fair-trade coffee, rather than being determined primarily by social justice and the needs of Southern producers, is significantly restricted to a price that is ‘(as) fair (as possible)’ given the imperatives of the market.67 The result, according to one UCIRI report, is that while the higher income provided by fair trade has eliminated extreme misery among its members, ‘it can not be said that these incomes are adequate to secure the survival of the families of producers’.68 In 2002, this situation compelled around one-hundred and fifty members to leave their farms in search of

67. Renard 1999, p. 496.
temporary work in the cities, a common survival strategy among poor rural communities in the region.69

A second indication of the limits of UCIRI’s project has been the failure of its clothing factory, designed to provide alternative incomes to its members outside of coffee production. The factory was opened in 1997 and then closed down in 2004 due to problems with suppliers, the high costs of providing ‘fair’ social security provisions to employees, and fierce competition from low-wage clothing factories in China which has affected the entire global textile industry. This reveals the difficulty of expanding UCIRI’s fair-trade principles outside of its established social-justice network.70

Finally, the limits of UCIRI’s project are apparent in its growing need to make significant concessions with corporate partners to expand market access for its members. The greatest example of this occurred in 2002 when UCIRI signed a deal with Carrefour, the world’s second largest food chain, to sell an unspecified quantity of coffee at fair-trade prices but without independent certification from FLO. This move, driven by market imperatives, represents a significant precedent for the network which threatens to further open the door to corporations developing their own private alternatives to fair trade. It has been criticised by FLO representatives for compromising the integrity of independent certification which is key to ensuring that fair-trade standards are met in an accountable and transparent fashion.71

A far more important consideration for fair trade is not the limits of the UCIRI model, which has provided important developmental benefits to its members despite its weaknesses, but the unlikelihood of being able to replicate its gains on a broader scale. UCIRI, due to its unique history as a founding organisation for fair-trade labelling, has been a particularly successful fair-trade organisation that has typically been able to sell nearly one-hundred per cent of its coffee beans on fair-trade markets. This has not been the case for the majority of fair-trade coffee partners, who on average can only sell around twenty per cent of their beans on fair trade markets. This stems from the limits of the fair-trade coffee market which, although it has grown significantly over the past decade and a half, has never been able to fully meet the needs of Southern partners.72 Moreover, while growth rates in relatively new markets such as the United States and Canada have been high in recent years, sales figures for fair-trade coffee in long-established markets have stagnated,

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70. Fridell 2007; Roy, personal communication 2004.
suggesting that a significant growth ceiling may well exist for the entire network once new markets become saturated. Among major fair-trade-coffee-consuming countries, from 1999 to 2001, fair-trade coffee sales remained stagnant in the Netherlands, and declined by two per cent in both Germany and Switzerland.\textsuperscript{73}

With the fair-trade coffee market providing limited growth space, some commentators and fair traders believe that competition between co-operatives is increasing and threatens to erode the network’s culture of solidarity and cooperation. It is becoming increasingly difficult for newer, less developed co-operatives to find market share and extremely difficult for new groups to gain a place on the FLO register. Moreover, donors and lenders tend to favour well-established co-operatives with a solid presence in fair trade and organic markets, which serves only to give further advantage to groups that are already doing relatively well.\textsuperscript{74} Under these conditions, it is the strongest and most well-established co-operatives, such as UCIRI, that obtain the greatest benefits from fair trade while weaker groups are increasingly crowded out. For example, it took the FLO-certified Tzotzilotic Tzobolotic Coffee Co-operative in Chiapas, Mexico, eight years to find a buyer for their first shipment of fair-trade coffee in 2001.\textsuperscript{75} In another instance, the Unión de La Selva co-operative in Chiapas, after six years in the FLO-system, was decertified in 2000 after failing to fulfil a contract. Commenting on this, La Selva advisor José E. Juárez Valera asserts:

The current structure of the Fair Trade system lends itself to the formation of elites and political bosses (\textit{caciques}) among the producers…. For me Fair Trade should promote not only the participation of well-established cooperatives but also of the less fortunate and less privileged.\textsuperscript{76}

Given the likely limits to the continual expansion of fair-trade coffee sales in the long term, it is probable that market pressures will impose increasing competition among fair-trade co-operatives seeking to expand their market shares and among uncertified co-operatives seeking entrance into the network. Thus, the developmental impact of the fair-trade network’s values of cooperation and solidarity are ultimately significantly constrained by global market imperatives.

\textsuperscript{73} EFTA 2001, pp. 33–6; FLO 2001; Giovannucci 2003.
\textsuperscript{75} Martinez 2002.
\textsuperscript{76} Quoted in Gonzalez Cabanas 2002, p. 32.
Conclusion: the limits of market-driven social justice

While bonds of North/South solidarity promoted by fair trade are indeed positive and represent a challenge to the principles of market exchange under global capitalism, this challenge is strictly limited by existing capitalist relations of property and labour and by fair traders’ market-driven approach. Fair traders have, in essence, attempted to de-commodify goods through the very mechanism that leads to their commodification in the first place – the capitalist market. They have attempted to do so by promoting a different attitude toward market exchanges, while neglecting that it is not an attitude but a specific set of social relations of production that result in the imperatives of the capitalist market. It was for this reason that Marx ultimately asserted that the only way to combat the de-commodification of labour and goods was to challenge the social relations that give way to them. This could be done, he argued, through the development of

a community of free individuals, carrying on their work with the means of production in common, in which the labour-power of all the different individuals is consciously applied as the combined labour-power of the community.\(^7^7\)

According to McNally, this assertion by Marx enunciates three main principles: workers’ self-management and control over the production process; communal ownership of property and collective regulation of resources; and the social co-ordination of economic life in a democratic and participatory process.\(^7^8\)

While Marx envisioned a broader transformative project than the more modest aims of the fair-trade network, it is instructive to reflect on these propositions in relation to the network’s efforts to challenge commodification. The network does represent an attempt to develop a model that moves in the direction of the first two principles, although with important contradictions. Worker’s self-management exists in Southern co-operatives, and communal ownership and regulation of co-operative property are also apparent, although small producers are frequently individual property owners. In the North, however, no such principles apply, and Northern licensees can range from small-scale ATOs to giant TNCs, with the latter becoming increasingly predominant in the network.

Of greatest significance for considering the network’s ability to de-commodify goods is the third principle, the social co-ordination of economic life. In this regard, the network’s market-driven project falls significantly short of having

\(^7^7\) Marx 1978, p. 326.

\(^7^8\) McNally 2002, pp. 233–4.
its participants’ labour-power ‘consciously applied as the combined labour-power of the community’. With fair trade, the capitalist market remains the ultimate co-ordinator of economic life and the provision of fair-trade standards to Southern producers is ultimately entirely dependent on the decisions of Northern consumers who remain atomised and individual consumers directly unaffected by the social outcomes of their market decisions. Thus, although goods are being exchanged between Southern producers and Northern consumers, the effected parties are not engaged in a conscious, democratic, participatory process in which everyone – as members of a single community – is equally responsible for and impacted by decisions regulating production and consumption. While individual Northern consumers might feel a sense of moral obligation to Southern producers, it is still the market that decides who sinks or swims in the fair-trade network.

In this sense, the ICA provided a more solid base on which to begin to construct a long term challenge to commodification, even if this was not an official goal of the agreement. The ICA put forward the idea that international prices and a more just distribution of global wealth needed to be state-enforced and universally applied in order to ensure a modicum of fairness for all producers and consumers. Despite its shortcomings in practice, it provided a terrain on which to begin to discuss what a genuine model for a democratic, participatory process for regulating production and consumption at the international level might look like. This is not to say that the ICA actually represented such a model. But, rather, that it indicated the right direction in pointing away from the market and toward the notion of a more consciously regulated, universally-applied, political process. In contrast to this, the fair-trade network points in a different direction, toward a model that is voluntary, member-specific and dependent on the unpredictable vagaries of the international market.

In the final analysis, while fair trade does represent an important symbolic challenge to the principles of market exchanges under capitalism, it is unlikely to serve as the basis for envisioning a project that moves beyond the symbolic toward a long-term, fundamental challenge to the core aspects of commodification. This is due both to the powerful and persistent eroding influence of the structural imperatives of the global market as well as to the network’s own market-driven approach, which remains fundamentally rooted in conventional norms and assumptions of consumer sovereignty and neo-Smithian market behaviour. To sell their symbolic challenge to commodification, fair traders have had to package and commodify their challenge in a manner similar to conventional goods and subject to similar imperatives. While fair-trade goods do formally reveal the social and environmental conditions under
which goods are produced, consumers in the North remain alienated individuals who are disconnected from producers and who are unaccountable for their market decisions. While fair trade does affirm non-economic values of co-operation and solidarity, in the end the capitalist imperatives of competition, accumulation and profit-maximisation are not a matter of choice, but are a necessity for all economic enterprises that wish to survive within the global capitalist market. To move beyond the network’s symbolic challenge toward truly disrupting the fetishism of commodities would ultimately require a project aimed not just at confronting unethical market behaviour, but the social relations that underlie them.

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Evolutionary Psychology: ‘New Science of the Mind’ or ‘Darwinian Fundamentalism’?

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Abstract
As practitioners of a putative science of the mind, evolutionary psychologists have earned a degree of cachet with their provocative and sometimes controversial pronouncements about human nature and behaviour. In this article, I briefly survey the history of an evolutionary approach to the psychological sciences before considering the core assumptions of the field that has come to be known as ‘evolutionary psychology’. By examining one particular example of evolutionary psychological research – on interpersonal attraction – I find this ‘new science of the mind’ to be lacking. Rather, I propose that developmental systems theory, buffered by a reconsideration of the dialectical sciences, offers a more comprehensive and rigorous approach to psychology. I further propose that historical materialists and those on the Left generally should take a keen interest in these issues as they have a bearing on social and political outcomes.

Keywords
evolutionary psychology, developmental systems theory, dialectical sciences, sociobiology

Were Charles Darwin still alive today, I am convinced he would be surprised at the extent to which terms such as ‘Darwinian’ and ‘evolutionary’ have come to enjoy such widespread use.1 Certainly, very few scientists would deny that Darwin’s theory of evolution has radically altered our view of human history, but the sheer variety of disciplines that now feel the need to have an ‘evolutionary’ branch has been particularly striking. From medicine to psychology, economics to anthropology, evolutionary arguments are today all the rage.

In a sense, this widespread fascination is not difficult to fathom. What Darwin was fond of calling his ‘child’ – the theory of evolution by natural

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1. I would like to thank Alberto Toscano and the Historical Materialism review panel for their critical comments on an earlier version of this article. Research for this article was carried out as part of a doctoral dissertation at the Department of Psychology, University College of London with the support of an ORS Award from Universities UK.
selection – has for some time held a central spot in explanations of the human condition. Karl Marx, for instance, took Darwin’s idea to be a ‘natural-scientific basis for the class struggle in history’. ² For the philosopher Daniel Dennett, likewise, the award for the ‘best single idea anyone ever had’ would go to Darwin, ‘ahead of Newton and Einstein and everyone else’. ³ Paradoxically, it is almost too easy to overstate the extent to which the theory of evolution can generate useful insight into our understanding of human nature and behaviour. Perhaps no other discipline so deeply exemplifies this overstatement as ‘evolutionary psychology’, a discipline that purports to use evolutionary theory to understand human nature, behaviour and social organisation.

This article is an attempt to make some of the debates and key arguments concerning evolutionary psychology accessible to a wider audience. In doing so, I have relied heavily on work by various scientists, but have attempted to combine this with findings from my own research into human interpersonal attraction. There are many reasons why the politically-minded might be interested in these debates. To begin with, evolutionary theory has always been important for those on the Left, a fact testified to by the reaction of Marx to the publication of Darwin’s work. In a letter to Frederick Engels in 1862, he wrote:

> It is remarkable how Darwin recognises among beasts and plants his English society with its division of labour, competition, opening up of new markets, ‘inventions’, and the Malthusian ‘struggle for existence’. It is Hobbes’ ‘bellum omnium contra omnes’ [the war of all against all] and one is reminded of Hegel’s *Phenomenology* where civil society is described as a spiritual animal kingdom, while in Darwin the animal kingdom figures as civil society.⁴

These arguments retain their importance today. Although primarily concerned with attempts to explain history and political change, the politics of the Left must be grounded in a wider set of theories about how the material world – including the natural, biological and psychological – has developed and changed.

In addition, debates around evolution have often taken on a political dimension, and this has been particularly true of evolutionary psychology. Evolutionary psychologists have been keen to propose that their views on

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human nature and behaviour should inform public policy-making. In The Moral Animal, for example, Robert Wright suggests that men tend to occupy positions of economic and political power because of their evolutionary higher drive for status. As a consequence, public policy on gender discrimination may not always achieve its targets, because such policy is at odds with evolutionary drives. Similarly, for Matt Ridley, evolutionary theory provides him with a backdrop for the dismantling of the welfare state, including the NHS, as such institutions are incompatible with ‘human nature’. Certainly, there is some debate about the paths that social policy should follow in light of evolutionary outcomes, but it remains the case that evolutionary psychology has taken on an explicitly political dimension.

Evolution by natural selection

The starting point of any discussion of evolutionary psychology is, of course, Darwin’s theory of evolution by natural selection. Writing in the mid-1800s, Darwin was highly influenced by Thomas Malthus’s An Essay on the Principle of Population, which provided the grounding for his embryonic ideas about natural selection. Prior to Malthus’s Essay, most utopian theorists such as Condorcet believed that a growing population was a sign of prosperity, in which society moved beyond war, inequality, famine and disease. In contrast, Malthus’s principle of population proposed that it is a law of nature that populations increase geometrically while food production grows only arithmetically, so that society will eventually outstrip its resources. When the latter occurs, the imbalance between population and food production forces down living standards below subsistence, causing famine and disease which restore equilibrium.

Darwin took from the Essay the notion that tension caused by a species being able to produce more offspring than their environment could support creates competition among the members of that species. For instance, there is competition among individuals for scarce resources such as food, mates and a place to live. The winners of this competition are usually those organisms that manage to reproduce successfully in the face of scarce resources. At the same time, all individuals of a species show variation in their ‘phenotype’ – their behavioural, morphological or physiological traits – and part of this variation will be passed on from one generation to the next.

Any population in which these principles are present will undergo transformation through natural selection. As a result of being more effective competitors, some individuals leave more offspring than others, because the particular traits they possess give them some advantage. The offspring of such
individuals will inherit those successful traits from their parents, and 'natural selection' will have taken place. Through this process, organisms become 'adapted' to their environment, and the success with which a trait is propagated in future generations relative to other variants of that trait is called its 'fitness.'

**Sociobiology**

Evolutionary psychology takes these basic tenets of Darwin's theory and applies them specifically to human psychological functioning. In broad outline, evolutionary psychology may seem little different from old-style sociobiology, popularised in the 1970s with the publication of Edward O. Wilson's *Sociobiology: The New Synthesis* and Richard Dawkins's *The Selfish Gene*. Both Wilson and Dawkins drew heavily (but critically) on earlier ethological work, which attempted to apply evolutionary theory to human behaviour and institutions. For classical ethologists like Konrad Lorenz, modern human behaviour was the result of ancient, evolved mechanisms operating in new environments. By the late 1960s and early 1970s, much ethological work had been devoted to such dubious hypotheses as the innateness of human aggression, 'the inevitability of patriarchy' (the title of a book by the US sociologist Steven Goldberg) and imperialism in terms of evolved territorial instincts.

Wilson and Dawkins sought to transcend early ethological theorising by providing what appeared to be an overarching theoretical framework. Within this scheme, the human condition was viewed as an epiphenomenon of evolution by natural selection, based on the 'drive' of genes to reproduce and propagate. Individuals, it was proposed, do not exist forever; genes, on the other hand, persist and provide continuity over time. In *The Selfish Gene* and, later, in *The Extended Phenotype*, Dawkins made a distinction between 'replicators' (genes) that persist through time, and 'vehicles' (bodies) that replicators construct to contain themselves and increase the probability of reproduction. As a consequence, he wrote, there are some aspects of evolutionary biology that can be better understood by adopting a gene's-eye view of the world. Such a view recognises that the evolutionary process actually consists of genes attempting to promote the survival and reproductive success of their vehicles, not vice versa. ‘We are,’ Dawkins wrote, 'survival machines – robot vehicles blindly programmed to preserve the selfish molecules known as genes.'5

With further theoretical developments in the 1970s (particularly William Hamilton’s theory of inclusive fitness), the gene’s-eye view of the world became cemented as the foundation of sociobiology, with Wilson defining the enterprise as ‘the systematic study of the biological basis of all social behaviour.’ As Wilson envisioned it, sociobiology aspired to a framework in which ‘the same parameters and quantitative theory are used to analyse both termite colonies and troops of rhesus macaques’. Such a framework could also be extended to human social organisation:

It may not be too much to say that sociology and the other social sciences, as well as the humanities, are the last branches of biology waiting to be included in the Modern Synthesis [of evolutionary theory]. One of the functions of sociobiology, then, is to reformulate the foundations of the social sciences in a way that draws these subjects into the Modern Synthesis.6

In its most extreme formulations, sociobiology (and its later permutations) seemed to reduce human behaviour to the simple desire of genes to replicate. As Robert Wright put it:

‘Think of it, zillions and zillions of organisms running around, each under the hypnotic spell of a single truth, all these truths identical, and all logically incompatible with one another: ‘My hereditary material is the most important material on earth; its survival justifies your frustration, pain, even death.’ And you are one of these organisms, living your life in the thrall of logical absurdity.’

Sociobiological thinking very quickly came under heavy criticism from different avenues. To be sure, much of sociobiology was underpinned by cultural stereotypes: Wilson’s view of human nature, for instance, was accused of being politically conservative, racist and sexist. Specifically, in *Sociobiology*, Wilson had written of genes that favour, among other things, social status, spite, homosexuality, creativity, entrepreneurship and mental stamina. Such traits exist because they are adaptive, and because what is adaptive is good, the status quo is therefore good.

Such a view was prominently criticised in a letter to the *New York Review of Books* in 1975, signed by scientists who described Wilson’s *Sociobiology* as ‘yet another defence of the status quo’.8 Other criticisms of sociobiology were

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8. The letter was written by a group of university faculty and scientists, high school teachers, doctors, and students who worked in the Boston area, including Richard Lewontin and Stephen Jay Gould.
produced by the Science for the People Editorial Collective, by left, liberal and feminist scientists (notably Steven Rose, Richard Lewontin, Stephen Jay Gould, Leo Kamin, Marshall Sahlins, and Ashley Montagu) and later by philosophers of science. Rose, Lewontin and Kamin’s *Not In Our Genes* and Philip Kitcher’s *Vaulting Ambition* remain classics in this respect.

But these criticisms of sociobiology did not simply deal with the political. Importantly, the gene’s-eye view of biology was critiqued as being unnecessarily deterministic in favour of evolved biology. Perhaps the most important of such critiques against sociobiology was an influential paper written by Gould and Lewontin in 1979.9 The paper addressed what its authors labelled ‘adaptationism’ – the idea that any arbitrarily selected feature of an organism must have some function that explains its selection over evolutionary time. But, wrote Gould and Lewontin, it is almost certainly the case that some features of an organism will be constrained by the overall structure and functioning of the organism – just as the spandrels on the arches of the cathedral of San Marco in Venice were a side-effect of the construction of the arches. Such constraints may well be more important than simple recourse to natural selection in explaining the final structure of the organism. The response of sociobiologists to this and other criticisms, as the philosopher of science John Dupré notes,

was not so much to address the difficulties pointed out to them, but to disappear and then reappear again under a different guise. In the mid-1980s, sociobiology became an increasingly unpopular title and evolutionary speculations about human behaviour began to appear instead under the rubric of evolutionary psychology.10

A new science of the mind?

There is certainly no denying the dramatic emergence of evolutionary psychology over the past twenty years. It is for this reason that some have dubbed evolutionary psychology a ‘new science of the mind’ (the subtitle of David Buss’s book on evolutionary psychology), suggesting a break from the past. This is quite misleading, however, and a more accurate picture of evolutionary psychology’s emergence would see it as a direct descendent of sociobiology. In making this suggestion, I am in agreement with the philosopher

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of science Paul Griffiths, when he writes that evolutionary psychology does not so much represent a new science as it does a return to the positions of classical ethology and sociobiology.\footnote{11. Griffiths, in press.} Indeed, there are numerous continuities (many of sociobiology's key exponents, including Wilson and Dawkins, are held in high-esteem within evolutionary psychology), but there are also several important differences, which I hope to make clear below.

What, then, is evolutionary psychology? A first key assumption of the evolutionary approach to psychology is that recent history cannot have produced any significant change in the human genome. Rather, evolutionary psychologists propose that the human genetic programme evolved in the 'environment of evolutionary adaptedness' (a term co-opted from the child development expert John Bowlby). According to two of evolutionary psychology's most prominent researchers, John Tooby and Leda Cosmides, the environment of evolutionary adaptedness does not refer to any particular point in time or space, but is a statistical composite of adaptation-relevant properties of the ancestral environments encountered by members of ancestral populations.\footnote{12. Tooby and Cosmides 1990, pp. 375–424.}

Most evolutionary psychologists (including Tooby and Cosmides), however, have placed this environment sometime in the late Stone Age or Pleistocene, the epoch spanning 1.8 million to 10,000 years ago. In short, for evolutionary psychology, what its protagonists describe as the 'architecture of the human mind' which evolved during the Pleistocene is fixed, and insufficient time has elapsed for any significant subsequent change. In this architecture, there have been no major repairs, no extensions, no refurbishments, indeed nothing to suggest that micro or macro contextual changes since prehistory have been accompanied by evolutionary adaptation.\footnote{13. Rose and Rose 2000, p. 1.}

In this light, contemporary humans may sometimes behave non-adaptively because their 'Stone-Age minds' are not designed to respond adaptively to contemporary settings. Here, then, lies the first major break with sociobiology: where sociobiologists proposed that humans generally try to maximise their fitness, evolutionary psychologists suggest that natural selection produced a
specific set of adaptations to the environment of evolutionary adaptedness. In the evolutionary-psychological scheme, then, adaptations that evolved in past environments will continue to predominate, even if they are now maladaptive. We are, in this view, ‘Stone Agers in the fast lane’.\textsuperscript{14}

Steven Pinker, for example, has explained ophidophobia and arachnophobia in terms of adaptations to the environment of evolutionary adaptedness. A fear of snakes and spiders, he proposes, is part of our genetic inheritance because it was adaptive in past environments. And, because such fears have evolved as adaptations, they persist even if we live in geographical regions in which snakes and spiders are not poisonous or dangerous. Pinker further proposes that the same is true of many human fears:

\begin{quote}
The other common fears are of heights, storms, large carnivores, darkness, blood, strangers, confinement, deep water, social scrutiny and leaving home alone. The common thread is obvious. These are all situations that put of evolutionary ancestors in danger.\textsuperscript{15}
\end{quote}

Not included in this list are the fears that modern human beings have in contemporary settings – a fear of guns or cars, for instance – and this is to be expected because too few generations have passed since the invention of guns and cars for selection to incorporate a fear of guns and cars into the human genome.

**A brief diversion: Chomsky and language**

In the late 1950s and 1960s, Noam Chomsky began to make what would become a lasting contribution to the study of psycholinguistics. Until then, most psychologists believed that language was acquired and, then, used by the same general cognitive structures that were used to acquire other information and skills. The US behaviourist, B.F. Skinner, for instance, proposed that the only way to understand how humans come to understand the world is by observing and documenting all inputs to a person and all outputs. Cognitivists such as Chomsky disagreed, suggesting that simple input-output reflexologies were redundant because perceptual and memory outputs contain much more than is present in the input. This proposition (known as the ‘Poverty of the Stimulus Argument’, or POSA) suggests that, if the output is different from

\textsuperscript{14} Eaton, Konner and Shostak 1988, pp. 739–49.
\textsuperscript{15} Pinker 1997, p. 386.
the input, some kind of transformation must have occurred to alter and enrich the input.

Take the example of language acquisition: where Skinnerian theories proposed that language was acquired almost wholly through learning, Chomsky argued that such a position was untenable because children learn language too quickly, even with selective and incomplete inputs. Rather, Chomsky proposed, language is a prime example of an organ of mind that is subject to the POSA, and whose manner of acquisition point to a substantial innate (or genetic) component. Specifically, Chomsky proposed that all human infants are born with the basic structure of language already ‘inbuilt’ in their brains (as a specific system that he termed the ‘language acquisition device’), and that language acquisition is merely a matter of bringing this system online by setting the necessary parameters on the basis of linguistic input that children hear in the world around them.

There is no space here for any in-depth analysis of language acquisition, and indeed, it is an issue that continues to be debated vociferously. Nevertheless, Chomsky’s view of language as the product of an innate organ of mind was an important influence in the formulation, by Jerry Fodor, of the conception that has come to be known as the ‘modularity of mind’ (this is the title of Fodor’s book, published in 1983, which remains an influential book in modern psychology). Fodor proposed that information entering the mind is initially dealt with by specialised, dedicated and innately-specified information processing ‘modules’ that demonstrate the properties of the POSA. Evolutionary psychologists have since expanded upon Fodor’s concept of modularity, resulting in what he refers to as ‘modularity gone mad’.

Herein lies the second major break between evolutionary psychology and sociobiology. Where sociobiologists had tended to talk about the evolution of a behaviour, evolutionary psychologists talk instead about the evolution of psychological modules. In the latter view, our ancestors faced a wide range of adaptive problems (such as acquiring mates, avoiding predators, seeking shelter and so on), which could not be solved by a general cognitive mechanism. As a result, each adaptive problem selected for the evolution of its own dedicated problem-solving mechanism. As such, the human mind must be organised into modules or mental organs, each with a specialised design that makes it an expert in one arena of interaction with the world. The modules’ basic logic is specified by our genetic programme. Their operation was shaped by natural selection to solve the problems of the hunting and gathering life led by our ancestors in most of our evolutionary history.16

For Buss, evolved psychological mechanisms are a set of structures that (a) exist in the form they do because they recurrently solved specific problems of survival and reproduction over evolutionary history; (b) are designed to take only certain kinds of information from the world as input; (c) process that information according to a specific set of rules and procedures; (d) generate output in terms of information to other psychological mechanisms and physiological activity or manifest behaviour that is directed at solving specific adaptive problems.¹⁷ This ‘massive modularity thesis’ is sometimes described as a metaphorical Swiss Army knife (just as the knife contains separate tools to perform different tasks, so the brain is viewed as consisting of different modules to carry out specific functions)¹⁸ or compared with the functional division of labour in human physiology:

Different organs have evolved to serve different functions and process properties that allow them to fulfil those functions effectively, reliably and economically. The heart pumps blood, the liver detoxifies poisons, the kidneys excrete urine and so on. A super, all-purpose, domain-general internal organ – heart, liver, kidney, spleen and pancreas rolled into one – faces the impossible task of serving multiple, incompatible functions. Analogously, a super, all-purpose, domain-general brain-mind mechanism faces the impossible task of efficiently and reliably solving the plethora of behavioural problems encountered by humans in ancestral environments. Thus, neither an all-purpose physiological organ nor an all-purpose brain-mind mechanism is likely to evolve.¹⁹

Just how many such modules exist, in the evolutionary-psychological scheme, is anyone’s guess. Tooby and Cosmides have estimated that there are ‘hundreds or thousands’ of evolved modules and certainly evolutionary psychologists have proposed evolved modules for everything from sexual attraction to jealousy, alliance formation to food preferences.²⁰

Consider the example of jealousy, cited by Buss. Jealousy, he suggests, is a psychological mechanism that developed as an adaptation because of its value for preserving relationships that are of evolutionary importance to an individual. When the jealousy mechanism is activated, it channels attention, calls up relevant memories, and channels thought in particular directions. Ultimately, it motivates actions designed to reduce or eliminate the threat and retain the valuable relationship and resources it provides.²¹

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Presumably, our ancestors who exhibited jealous responses tended to have
greater reproductive success that those who did not, and a ‘jealousy’ mental
module consequently became part of the human mind.

A final core commitment of evolutionary psychology is that ‘humans must
share a complex, species-typical and species-specific architecture of adaptations’.
These adaptations will be found in every living human being, and as such
constitute a universal ‘architecture’ of the mind. In other words, the mental
modules that humans possess are ‘the psychological universals that constitute
human nature’,22 and so understanding how these modules function will
provide us with universal laws of psychology.23 In this scheme, any behavioural
differences that exist, say, between cultures or individuals, is seen the result
of different environments ‘triggering’ different aspects of the same innate
programmes. So, by refocusing psychological research on the mental modules
that underlie observed behaviour, rather than the behaviour itself, researchers
will be able to exclude the interfering effects of the environment and thus
uncover the real ‘human nature’.

The case of human beauty

The ultimate success or failure of evolutionary psychology must, of course, be
judged on its products. Does it provide us with plausible insights into human
nature or behaviour? To address this question, I examine a typical example of
evolutionary psychology’s deliverances from my own field of research, namely
human interpersonal attraction. My point in doing so is not to suggest that a
flaw in one specific theory invalidates the entire research paradigm, but rather
to make clear the many errors in the methodology, theory and application of
evolutionary-psychological insights.

In addition, I believe that criticisms of evolutionary psychology can be
founded upon empirical facts, as well as political and social objections. For
instance, some evolutionary psychologists have earned a degree of cachet with
their provocative assertions that men have a module that directs them, under
appropriate circumstances, to rape women (popularised by Randy Thornhill
and Craig Palmer in *A Natural History of Rape*). While based on scant scientific

23. Evolutionary psychologists do, however, recognise one exception to this claim of species
universality: since mating and reproduction pose different problems for women and men,
selection has designed certain sex-specific adaptations. In some aspects of behaviour, therefore,
‘human nature’ differs with sex (although those behaviours will be universal in each sex).
evidence, the arguments over an evolutionary predisposition to rape have unsurprisingly taken a more moralistic and ethical form. What I hope to show through research into human beauty, on the other hand, is that evolutionary psychology, as a science, is misguided.

When evolutionary psychology began in earnest to apply the findings from ethology to human behaviour, an interesting problem that emerged was the topic of human beauty. Based on Darwin’s theory of sexual selection, evolutionary psychologists highlighted the fact that women and men compete to exert preferential choice when selecting mates. But, because of different evolutionary pressures, men will be more likely than women to judge potential partners based on aspects of their body that index ‘mate value’ (or reproductive potential). Information about characteristics such as reproductive age, fertility and resistance to disease is conveyed by specific qualities of human bodies and selection, therefore, produced psychological modules in our hunter-gatherer ancestors to attend to such qualities in assessing a mate’s value.

Until relatively recently, much of evolutionary psychology’s research into human beauty had focused on the human face (the attractiveness of facial symmetry is an example that is perhaps both well-known and now widely disputed). In the early 1990s, however, Devendra Singh proposed that a very specific bodily feature, the waist-to-hip ratio (WHR), affects judgements of attractiveness in women, and in turn reinforces the evolutionary-psychological assumption that attractiveness conveys information about mate value. The WHR – quantified by measuring the ratio of the circumference of the waist to the circumference of the hips – provides a measure of body shape, and for healthy (Caucasian) women in industrialised societies, it typically ranges between 0.67 and 0.80. An important part of Singh’s evolutionary predictions is the finding that the WHR is related to a variety of life outcomes: susceptibility to various major physical diseases as well as fertility are associated with a low WHR in women.24

For Singh, an important problem facing our hunter-gatherer ancestors during the Pleistocene was the identification of mate value. Over evolutionary time, therefore, ‘perceptual mechanisms’ or mental modules were selected in men to detect and use information conveyed by the WHR in determining a woman’s potential as a mate. To investigate, Singh developed a set of two-dimensional line drawings of the female figure, which were systematically varied with respect to overall body weight and the WHR. In a series of experiments run in the early to mid-1990s, Singh reported that the most

curvaceous line drawings (with a WHR of 0.70) were judged as the most attractive. As Buss summarises:

In a dozen studies conducted by Singh, men rated the attractiveness of female figures who varied in both WHR and total amount of fat... Regardless of the total amount of fat... men find women with low WHRs the most attractive. Women with a WHR of 0.7 are seen as more attractive than women with a WHR of 0.8, who in turn are seen as more attractive than women with a WHR of 0.9.25

For Singh, the WHR 'acts as a wide first-pass filter, which would automatically exclude women who are unhealthy or who have low reproductive capacity'. It is only after this 'culturally invariant filter' is passed that other features, such as the face, skin or weight, become utilised in mate selection. The filter is 'culturally invariant,' or universal, because it was an adaptive assessment of women's mate value for all men in the environment of evolutionary adaptation. Singh's studies have been replicated in a whole host of (industrialised) countries, with the similarity of results being taken as evidence for the universal nature of WHR as a signal for mate selection. As he writes:

WHR... should be culturally invariant in its significance to its relationship to female attractiveness. The fact that WHR conveys such significant information about the mate value of a woman suggests that men in all societies should favour women with a lower WHR over women with a higher WHR for mate selection, or at least find such women sexually attractive.26

Taken to its logical conclusion, Terry Burnham and Jay Phelan, authors of Mean Genes, could write, 'Although subconscious, there's something about that 0.7 that only a gene could love'.27

Cracks in the wall

At first glance, this appears to be an excellent example of evolutionary psychology in action: Singh goes beyond lay beliefs about the attractiveness of an hourglass figure by predicting that the WHR will be the primary attribute of women's physical beauty as of evolutionary history. All contemporary men possess mental modules that direct them to use the WHR in order to assess a woman's health and reproductive potential. Finding attractive a woman with

a low WHR, therefore, will ensure than an individual mates with a healthy and fertile woman, and in doing so enhance his own reproductive potential.

Yet, in recent years, it has become increasingly clear that much of the WHR research is deeply flawed. In the following section I focus briefly on three main objections that invalidate the WHR hypothesis. First, is the WHR a first-pass filter of women's attractiveness? In other words, is the WHR the most important characteristic of the female form used when men judge a woman's beauty? The evidence suggests that it is almost certainly not. Even setting aside the ecological validity of using line drawings to get at attractiveness judgements, it has been repeatedly shown that overall body weight (measured as the body mass index, BMI) is a much better predictor of women's attractiveness than WHR.

For instance, using better sets of stimuli (two-dimensional photographic stimuli and three-dimensional images), Martin Tovée and his colleagues have shown that, in relation to WHR, BMI accounts for a much greater proportion of the variance in attractiveness ratings. In most studies, variation in BMI accounts for more than 70 per cent of the variance, whereas WHR accounts of less than 5 per cent. This can be taken as evidence of the WHR being an extremely weak predictor of women's attractiveness; certainly, it does not appear to be the first-pass filter of women's beauty that some evolutionary psychologists have claimed it to be.

It seems more likely that the WHR is only indirectly involved in the judgements of attractiveness because of the role it plays in perceptions of an individual's sex. The WHR seems to be an important factors, particularly when combined with motion, in determining whether an individual is a woman or a man. To the extent that there are 'feminine' and 'masculine' WHRs, these may be indicative of 'attractive' WHRs for women and men. On the other hand, overall body size appears to be a more direct way of assessing an individual's attractiveness, which is in keeping with societal pressure of women (and increasingly also men) to attain certain body sizes to be attractive.

Secondly, is the preference for a low WHR universal? Again, almost certainly not. Converging evidence suggests that when the preferences of hunter-gatherer, agricultural or rural groups are elicited, their ratings tend to favour heavier body weights rather than a directional preference in WHRs. Even when the effect of body weight is controlled, an 'attractive' WHR for such

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28. For reviews, see Swami 2007; Swami and Furnham 2007.
groups appears to be much higher than what is considered ‘attractive’ in more socio-economically developed settings. Indeed, in a recent series of cross-cultural studies, colleagues and I have consistently shown that BMI is the greater predictor of women’s attractiveness across disparate cultures, with rural communities showing a preference for higher BMIs than their urban counterparts. Moreover, some communities appear to idealise WHRs that are very high, which seems to be a product of learned cues within particular environments that associate (for example) a low WHR with disease or malnutrition. In short, there is now wider recognition that evolutionary-psychological models of interpersonal attraction are too one-sided, and researchers have been keen to emphasise learned and experiential components of attraction alongside possible evolutionary preferences: culture and biology should be seen as working together and not in isolation.

Finally, one might ask what evidence evolutionary psychologists have presented in support of the existence of a WHR mental module. The answer is that no such evidence exists. In general, evolutionary psychologists have tended to assume that evidence of a preference for a low WHR is, by extension, evidence of a WHR mental module. But, as should be clear, this is extremely deceptive and is based on poor science. Until evolutionary psychologists can present independent and corroborated evidence of a WHR module, there is no reason to expect that WHR preferences are not learned or even governed by a more general ‘mating module’ (choose the ‘right’ partner for me).

In short, then, what the WHR research indicates, if nothing else, is poor critical evaluation of the evidence for this theory. Every evolutionary-psychology textbook cites the WHR hypothesis as an excellent example of evolutionary psychology in action. But, as Jeremy Freese points out, evolutionary psychology overstates the adaptive benefits of a low WHR for women:

[W]hen one looks at the stridency of some authors’ accounts of the evolved, universal preference for a low 0.7 WHR, and then compares it to the actual supporting evidence that fuelled this confidence, the authors end up looking less like sober scientists and commentators, and more like advocates eager to embrace strong conclusions that support their view. More generally, secondary accounts of evolutionary social science are plagued by an overabundance of forceful writing about weak or incomplete research.

34. See Swami and Furnham 2007, Chapter 6.
He, therefore, encourages 'sobriety in the face of some of the near-zealous promotion of Darwinian theories by some of the prospective proponents' and stresses the importance of closely evaluating the evolutionary logic of Darwinian explanations and the adequacy of their fit with the evidence offered in support.\footnote{Freese 2000.}

In summary, I would venture that the evolutionary psychology of human beauty offers little more than simplifications and overstatements about human behaviour.

I have looked at just one area of evolutionary-psychological speculation, though most of the general difficulties discussed would apply in very similar ways to other areas. Certainly, despite evolutionary psychology's seemingly unbounded esteem within some sections of the psychological sciences, there now exists a substantial body of work challenging the new biological determinism embodied in evolutionary psychology. In the following sections, I consider some of the arguments directed against the evolutionary-psychological programme more generally. I do not claim any originality for my arguments – I have relied heavily on the work of other scientists, but what I hope to offer is a more fine-grained scientific critique of aspects of the evolutionary-psychology project, followed by what I consider to be better alternatives to evolutionary psychology.

Before proceeding, however, I should emphasise that the target of this critique is not a broad, comparative evolutionary approach to psychology (what is sometimes called 'evolutionary psychology in the round'\footnote{See Heyes and Huber 2000, p. 7.}) but, rather, the specific programme of evolutionary psychology (sometimes denoted as Evolutionary Psychology). The latter, as I have tried to show, is defined by a number of core commitments, particularly the massive modularity thesis, universality of behaviour, adaptationism and an emphasis on the environment of evolutionary adaptedness. Rather than consider each of these commitments, I concentrate on two cases where there is the best alternative conceptualisation (modularity) and recent damaging evidence (environment of evolutionary adaptation).\footnote{One example of a critique of the idea of universality was presented in the discussion of WHRs; other challenges can be found in Wilson 1994. Critiques of adaptationism are more plentiful and widespread: see Gould 1997, Gould and Lewontin 1979, and Buller 2005. Buller’s book, \textit{Adapting Minds}, is I think destined to do to evolutionary psychology what the classic books by Rose, Lewontin, Kitcher et al. did to sociobiology.}

\footnote{Freese 2000.}
\footnote{See Heyes and Huber 2000, p. 7.}
\footnote{One example of a critique of the idea of universality was presented in the discussion of WHRs; other challenges can be found in Wilson 1994. Critiques of adaptationism are more plentiful and widespread: see Gould 1997, Gould and Lewontin 1979, and Buller 2005. Buller’s book, \textit{Adapting Minds}, is I think destined to do to evolutionary psychology what the classic books by Rose, Lewontin, Kitcher et al. did to sociobiology.}
Beyond modularity

According to evolutionary psychology, human mental functioning can be divided into a relatively discrete set of mental modules, not unlike the Swiss Army knife. Neuropsychological research into the localisation of function within the brain has done much to stimulate this argument for modularity. Others have studied the effects of brain damage, often with very specific loss of particular functions, to relate brain functions to structures. However, the difference between neuropsychology and evolutionary psychology – and, here, I am in agreement with Gould and the neuroscientist Annette Karmiloff-Smith – is the theoretical use to which they put the concept of modularity. As Gould explains, neuropsychologists employ the concept of modularity to stress the complexity of an integrated organ. Evolutionary psychology uses modularity to atomise behaviour into a priori, subjectively defined and poorly separated items (not known modules empirically demonstrated by neurological study), so that selective value and adaptive significance can be postulated for individual items as the ultra-Darwinian approach requires.

There is now much wider recognition of this problem – David Buller and Valerie Hardcastle, for example, have attempted to ‘combat promiscuous modularity’ while, for the philosopher of science, Elisabeth Lloyd, it is not scientifically acceptable to conclude that, because a given pattern of responses contributes to evolutionary success, then there is some ‘organ’ (or part of the brain) producing such patterns, that is therefore an adaptation. This is because the ‘organ’ or ‘module’ may not actually exist as a biologically real trait, and even if it does, its current function may or may not be the same as past function(s).

One attempt to provide a middle-ground theory of cognitive development, between the view of the mind as a tabula rasa or blank slate (a view that takes nothing to be innate) and the extreme innate modularity of evolutionary psychology is Rethinking Innateness, co-authored by Jeffrey Elman and others. These authors propose that neither of these extremes can be correct, and instead support a minimal ‘architectural nativism’. According to this view, the

39. See their respective chapters in Rose and Rose 2001.
42. Lloyd 1999, p. 224.
brain is biased toward storing and processing certain types of environmental stimuli, which provide some guidance for learning. So, although the brain is not wholly domain-general, learning in this view is genuine learning, and not simply the activation of innate modules by environmental triggers.

For Elman and his colleagues, the brain structures that perform specialised functions develop through a proliferation of brain cells and connections, followed by a ‘pruning’ that shapes this connectivity into relatively specialised structures. To put it differently, brains structures are the products of two processes, the first consisting of ‘additive’ events (the formation and migration of brain cells and the formation of neural connections) and the second of ‘subtractive’ events (the pruning of neural connections). In this process, the genes may very well be directly involved in additive events, but the subtractive events occur through cell competition, whereby cells with the strongest patterns of innervation retain their connections and others die. Ultimately, therefore, the functions of brain structures can only be understood by examining the developmental cycles of the organism in question.

Not dissimilarly, Annette Karmiloff-Smith has taken issue with ‘hard-wired’, or innate, modules because they fail, in her view, to accurately account for child development. To be sure, Karmiloff-Smith has no problem with the logic of the brain-damage argument for modularity as it pertains to adults:

Clearly, when an already structured, normal brain becomes damaged in adulthood, the damage may well impair specialised areas of processing. But this does not necessarily mean that the brain started out with these specialised circuits already in place. It could be that specialisation builds up gradually and is actually the product of child development, not its starting point. So even if modules were identified in damaged adult brains, this in no way entails that there were prespecified by evolution in the newborn brain.43

Like Elman and colleagues, Karmiloff-Smith proposes that human infants are born, not with innate modules, but with predispositions and biases that channel attention toward certain environmental inputs. Central to this process is what she calls ‘Representational Rediscription’ (RR), a mechanism by which knowledge is redistributed within and across domains. Initially, children only use environmental inputs to build up internal mental representations within a single domain. Whenever something new is learned, it is added to the relevant domain, but no connections are made with other domains (this is the process of ‘modularisation’). At this point, children’s knowledge is ‘implicit’: they have

knowledge in their minds, but that knowledge is not available to their minds as conscious thought.

RR is initiated spontaneously once children can perform a given behaviour correctly and consistently. During RR, the implicit knowledge that children possess becomes redescribed into a new mental representation that captures only its essential features. Karmiloff-Smith gives the example of a zebra: when this is redescribed as a ‘striped animal’, the representation loses many of its perceptual details, but at the same time it becomes easier for children to understand the similarity between a real zebra and the road sign for a ‘zebra crossing’. The eventual result of RR is that the same knowledge becomes represented in a number of different ways within the child’s mind and can be ‘mapped across’ from one domain to the other – thus, going ‘beyond modularity.’

For Karmiloff-Smith, face-processing is a good example of domain-specific modularisation, as opposed to innate modularity. At about six months of age, babies appear to process faces using several areas of the brain and across both brain hemispheres. By the time infants have reached twelve months of age, however, their face-processing circuits have become specialised to particular areas of the brain. By this time, infants have had sufficient experience of faces to ‘tune up’ particular populations of cells to respond only to face-like visual stimuli. In short, then, the mind should not be viewed as a ‘Swiss Army knife’: some cognitive systems, at least, are the emergent products of modularisation, not hard-wired mental modules, which makes it very unlikely that the brain is completely modular in the way that evolutionary psychologists have proposed.

Problems with the ‘Thesis of Ancient Provenance’

As we have seen, evolutionary psychology proposes that insufficient time has elapsed since the end of the environment of evolutionary adaptedness for significant changes to have been incorporated into the human genome, and so the mental modules that existed in past environments will still be active today. But an important problem with this idea is that evolutionary psychologists have tended to present a cartoon-like version of human evolutionary history. Recent evidence, for instance, has challenged the accepted evolutionary psychology view of how and where Homo sapiens emerged,44 suggesting that early human societies took a wide variety of forms during the period when the species was evolving toward its modern anatomical form.45 Indeed, variability

in early social organisation is consistent with observations of contemporary hunter-gatherer societies, which show great diversity in their social organisation.

Even granting evolutionary psychology the view that conditions during the environment of evolutionary adaptedness were fairly homogenous, it does not follow that the adaptive problems faced by our Pleistocene ancestors are the same adaptive problems faced by contemporary human beings. This is important because, if the environment changes (and with it, the adaptive problems faced by the population), selection will pressure the population to adapt to the changing environment. Certainly, a wealth of evidence would seem to indicate the environments inhabited by human populations have changed enough since the Pleistocene to have created a selection pressure for change in some features of human psychology.

Of course, some evolutionary psychologists argue that, despite these changes, the adaptive problems faced by human social life have remained largely unchanged from Pleistocene hunter-gatherer populations. In making this argument, evolutionary psychology is taking an overly restrictive view of human history: the agricultural and industrial revolutions precipitated fundamental changes, not only in political and economic life, but also in the social structures of human populations. Where Pleistocene humans lived in groups of fifty to three hundred, for instance, post-agricultural humans have lived in increasingly larger groups, which affect the different challenges that humans face. In short, even if our ancestors had evolved mental modules to solve adaptive problems in past environments, such modules would be useless in contemporary worlds unless they can adapt to current adaptive problems.

Moreover, as Buller points out, even if coarse-grained adaptive problems have remained constant since the Pleistocene, it does not follow that the subtasks involved in solving adaptive problems have likewise remained constant. If the subtasks have changed, then any mental module that efficiently solved the subtasks before the changes will not necessarily be effective after the change. So, for example, if the subtasks involved in acquiring food have changed, that means there has been selection pressure for evolution in the cognitive structures involved in acquiring food. Such changes are forms of niche construction, and they rapidly change the adaptive problems a population faces. As a consequence, there will have been change in the selection pressures on human psychology sufficient to drive the evolution of human psychology since the Pleistocene.

A final question is whether sufficient time has elapsed since the Pleistocene for an evolutionary response to these environmental changes. Certainly, time

lags are pervasive in evolution, and we should expect some psychological functions to lag behind changes in the environments they create. The problem with the evolutionary-psychological view of human evolution, however, is what David Sloan Wilson calls ‘the 1 per cent fallacy,’ in reference to the claim that the 1 per cent of human history since the Pleistocene is unimportant in comparison to the time spent as Pleistocene hunter-gatherers:

it makes no sense to express evolutionary time as a proportion of the species history (e.g., 1%). If the environment of a species changes, the evolutionary response will depend on the heritability of traits, the intensity of selection, and the number of generations that selection acts. The number of generations that the species existed in the old environment is irrelevant, except insofar as it affects the heritability of traits.47

What matters, then, is what kinds of change occur during that 1 per cent of its evolutionary history. Rather than ‘marvelling at the antiquity of our species, we should be asking what kinds of evolutionary change can be expected in 10, 100 or 1,000 generations’. The issue here is not whether new complex designs could have evolved in the 10,000 years since the Pleistocene (selection clearly could not have built a human mind from scratch in that time), but rather whether old complex designs have been modified by selective pressures in the past 10,000 years.

The available evidence supports the latter conclusion: Laland, Odling-Smee and Feldman, for instance, point out that

the persistent domestication of cattle, and the associated dairying activities, did alter the selective environments of some human populations for sufficient generations to select for genes that today confer greater adult lactose tolerance.48

Similarly, Irons has demonstrated that some evolution (although of a relatively minor character) has occurred in the last 10,000 years, as is reflected in population differences in disease susceptibility, skin colour and so on.49 More recently, Hayakawa and others reported that a gene expressed in microglia – immune cells of the nervous system – produces a protein found only in humans, suggesting that it has been the target of selection during human evolution, and that human microglia are specialised compared to those of chimps.50

Or take a different example: homozygous null mutations of abnormal spindle-like microencephaly (ASPM) cause primary microencephaly, a condition characterised by severely reduced brain size with otherwise normal neuroarchitecture. Phylogenetic analysis of ASPM have revealed strong positive selection in the primate lineage leading to *Homo sapiens*, especially in the past 6 million years of hominid evolution, suggesting that ASPM may have contributed to human brain evolution. Importantly, Mekel-Bobrov and colleagues have offered strong evidence showing that a genetic variant of ASPM arose some 5,800 years ago and has since swept to high frequency under strong positive selection. Statistical tests showed that these frequencies are unlikely to be due to random genetic drift or population migration, suggesting that the alleles were favoured by natural selection.51 In short, this genetic variant has continued its trend of adaptive evolution beyond the emergence of anatomically modern humans, and this could have different effects on the phenotypic outcomes of the brain visible to selection (possibly in terms of a cognitive advantage).

Nor is the ASPM gene unique in this regard: Evans and others concluded that the microcephalin gene, involved in brain growth, has continued to evolve under natural selection until very recently.52 Of course, the advantage provided by such alleles are unlikely to have been dramatic, but the fact remains that significant genetic evolution has taken place in humans since the end of the Pleistocene. Moreover, there is little reason to think that such evolution must have been confined to physiological and morphological traits. Any evidence of post-Pleistocene evolution in physiological and morphological traits should create a presumption that there has been evolution in psychological traits as well. In short, there is no reason to believe that we are ‘trapped in Stone-Age minds’.

**Beyond evolutionary psychology**

In the evolutionary-psychology scheme of things, anyone distancing themselves from evolutionary psychology is necessarily moving in the direction that of something called the ‘Standard Social Sciences Model’ (SSSM). This is the idea that human brains are blank slates developing with infinite plasticity in response to environmental variations, that all ‘adult mental organisation and content is... cultural in derivation and substance’, as Tooby and Cosmides

put it. Evolutionary psychology alleges that the SSSM treats the mind as devoid of any marks of its evolutionary history. Buss states bluntly:

‘Culture,’ ‘learning’ and ‘socialisation’ do not constitute explanations, let alone alternative explanations to those anchored in evolutionary psychology. Instead, they represent human phenomena that require explanation.

The dualistic reasoning inherent in this debate, the either/or way of looking at the world (either nature or nurture) is, however, both a caricature and false reading of alternatives to evolutionary psychology. As Elisabeth Lloyd points out,

It is one of the most pernicious aspects of the present climate of discussion, that the situation is often set up as a forced choice between accepting the particular theories and oversimplified principles of evolutionary psychology, or retreating to pre-Darwinian denial of the fact that we are evolved animals.

It is true that there were psychologists who believed in some form of the SSSM – but that was some seventy or eighty years ago. I know of no contemporary psychologist who still holds steadfastly to the tenets of the SSSM. I do, however, know of psychologists and other scientists who are in disagreement over evolutionary psychology’s more stringent claims, particularly those who support a general framework know as developmental systems theory (DST). Of course, developmental-systems theorists are not alone in challenging the tenets of evolutionary psychology, but their work brings together the best available evidence within a framework that is quickly gathering adherents.

In the mid-1980s, Susan Oyama (writing in The Ontogeny of Information) became convinced that the division of behaviour into innate and learned component was too simplistic. But despite frequent invocations of the ‘interaction’ between biology and culture, much of scientific research repeatedly fell back into the old nature-nurture traps. She famously compared fighting against genetic determinism to battling the undead:

‘But wait,’ the exasperated reader cries, ‘everyone nowadays knows that development is a matter of interaction. You’re battling a dead horse.’

55. Lloyd 1999, p. 213.
56. Rose 1998 has talked about similar developmental systems with the label ‘autopeiosis’, Other pertinent non-DST perspectives include evolutionary developmental psychology (‘evo-devo’) and the dialectical biology of Levins and Lewontin. I return to the latter below.
I reply, 'I would like nothing better than to stop beating him, but every time I think I am free of him, he kicks me and does rude things to the intellectual and political environment. He seems to be a phantom horse with a thousand incarnations, and he gets more subtle each time round…'

For Oyama, the only way to escape the endless replays of the nature-nurture debate is to reject all accounts of development that propose two distinct kinds of development:

> What we need here, to switch metaphors in midstream, is the stake-in-the-heart move, and the heart is the notion that some influences are more equal than others, that form, or its modern agent, information, exists before the interactions in which it appears and must be transmitted to the organism either through the genes or by the environment.57

In this view, developmental information is not preformed in the genes of in the environment, but is rather by developmental processes (hence, developmental systems theory). A key element of DST, therefore, is the rejection of all accounts that assume that there are two fundamental types of development – one driven by the genes and the other by the environment. The gene is not viewed as a privileged source of information containing ‘blueprints’ or programmes for phenotypic formation, and a proper appreciation of the role of genes in biology does not necessitate the deterministic view of human adaptation that is central to evolutionary-psychology arguments. Rather, information emerges through the reliable recurrence of components that in the past have produced a viable system in a specific environment.

A second, and related, proposition the DST programme is an expanded view of inheritance. In contrast to the orthodox view of evolution as just a change in gene frequency, DST notes that organisms inherit much more than just DNA. Perhaps the most pertinent of recent writings on expanded inheritance is Evolution in Four Dimensions, co-authored by Éva Jablonka and Marion Lamb, a book which goes to great lengths to argue that there is much more to heredity than genes. The fundamental point made by these authors is that what evolves is neither a set of genes nor a given static feature or behaviour, but a developmental system, embedded as that system is in an even broader set of interactions with its fluctuating environment.58

There are, Jablonka and Lamb argue, four levels at which such variation can occur. The first is unexceptional: the shuffling of DNA in sexual reproduction,

which mixes variants from both parents, coupled with mutations; these
random changes in the DNA sequence is our genetic inheritance. But molecular
biology has also shown that many of the old assumptions about the genetic
system, which is the basis of present-day neo-Darwinian theory, are incorrect.
It has also shown that cells can transmit information to daughter cells through
non-DNA, or epigenetic inheritance (that is, changes that occur in the
'meaning' of given strands of DNA: in technical terms, this is the transmission
of information from a cell to its daughter cells without that information being
encoded in the sequence of genes). This means that, at the very least, all
organisms have at least two systems of heredity.

Molecular biologists are discovering an increasing number of ways in which
epigenetic differences are transmitted to successive generations. For instance,
the different flower shapes of normal and 'mutant' variants of *Linaria* is not
caused by a difference in the DNA sequence (as was long believed), but is due
to an 'epimutation': the proteins that surround a particular gene and ensure its
orderly translation differ in the normal and epimutant plants. And such
modifications, which profoundly alter how an organism develops (in this
instance, altering flower shape) can be transmitted during reproduction, and,
in due course, can feed back to modify the sequence of DNA itself.

A third tradition of evolution that Jablonka and Lamb identify is the
inheritance of behavioural systems. For instance, rabbit mothers who feed on
juniper berries transmit to their offspring a preference for such food, an
inheritance that remains stable across generations. And what is true of rabbit
also seems to be true for humans: six-month old babies of women who had
had a lot of carrot juice during the last three months of pregnancy preferred
cereal made with carrot juice to that made with water. Again, Israeli black rats
have learned to strip closed pine cones to get at pine seeds for food, and this
seems to be a tradition that is acquired and passed on through social learning
and not through the inheritance of particular genes.

The final dimension identified is a uniquely human element, symbolic
inheritance. Where behavioural inheritance refers to the traditions that we
learn and pass on either subtly (through odour-based cues in our mother's
milk, for example) or by direct imitation of our elders, symbolic inheritance
refers to our capacity for language and culture, our representations of how to
behave that are communicated by speech and writing. Though these may seem
evident, even blindingly obvious, it is important to distinguish such higher
levels of inheritance – as Jablonka and Lamb do – from the more banal
proclamations of evolutionary psychology.

In the DST view, all four of these heritable dimensions are combined to
produce iterated cycles of development, and successful development must
produce organisms capable of gathering together all the necessary resources for launching the next generation. In opposition to evolutionary psychology’s tendency to talk about genes as repositories of information, DST denies that there is anything unique about the role of genes in either development or evolution. In addition, DST does not believe that organisms are ‘designed’ to solve problems presented by an independent environment. Instead, organism and environment are ‘co-evolving’ and mutually defining. The metaphor of natural selection ‘favouring’ or ‘selecting’ some variants over other is de-emphasised because organism and environment are viewed as an inter-related, self-organising system. One common metaphor for the organism, which is always undergoing development, is ‘ecological succession’, that is, activity at one phase alters conditions that become the basis for the next stage.

This, then, is Oyama’s ‘ontogeny of information’ – the recurrent developmental system itself, which is the product and process of evolution. Looked at in this way, we can begin to see how the profound changes in human developmental environments since the Pleistocene could have resulted in the evolution of psychological phenotypes, even in the absence of genetic evolution. The human brain develops in ways that are enormously sensitive to the environment in which it develops. Formal and informal learning, imitation of parents and peers, and so on, presumably affect the physiology of the brain. And in addition, the social structures that produce these effects are constantly reproduced in ways that make possible the more-or-less similar development of subsequent generations of human brains.

Critics of DST often complain that it fails to offer any positive programme that has achievements comparable to more orthodox forms of Darwinism. For the moment, this criticism retains some validity, although theorists have rushed to rectify this. Tim Ingold, for example, provides a useful account of where a developmental systems account might begin in accounting for human cultures. Ingold rejects what he calls the ‘complementarity’ thesis in which unproven biological accounts of gene selectionism, super-modularity and culture theories of social rules and practices, are developed and then drawn upon for mutual spurious validation. Drawing upon DST, Ingold develops an alternative process model, highlighting how walking, for example, represents a developmental achievement, specific to cultural and individual histories, yet never something outside or beyond biology.

Thus, learning to walk, like learning to talk, is a matter not of acquiring from an environment representations that satisfy the input conditions of some preconstituted cognitive device, but of the formation within an environment of the necessary anatomy, neurological connections and musculature that underwrite
the skill. In short, the systems that actually generate skilled activity are not hard-wired but 'softly assembled.'

There is as yet much work to be done within this field, but DST is much less controversial at providing a critique of gene selectionism and reductionism in general. Where evolutionary psychologists see their theory as an inevitable consequence of contemporary Darwinism, DST offers a powerful critique against biological reductionism. The alternative to seeing genes as providing a blueprint for the construction of brains is not, as evolutionary psychology likes to maintain, the idea of *tabula rasa* – a blank slate to be written on in any way by the environment – but a brain constructed by a variety of more or less stable and reliable resources including resources that are reproduced by human cultures.

**Dialectics, historical materialism and the grandeur of life**

There are important reasons why I believe Marxists should take an interest in the emerging field of DST. First, DST shares a basic underlying philosophy of science with the more explicitly Marxist dialectical biology, although the analogies between the two have rarely been identified and discussed. In very general terms, I think where dialectics has the most to offer DST is in terms of an over-arching or meta-analytical framework influencing debate and research (much in the way that a Cartesian framework governs much of evolutionary psychology). Thus, one aspect of dialectical biology which appears to have much influence within DST is the critique of research in which parts (genes, organisms, environments) are ‘separated from wholes and reified as things in themselves, causes separated from effects, subjects separated from objects’. The error of this reductionist worldview, write Levins and Lewontin, is that it supposes a higher-dimensional object is composed of its lower-dimensional components, which are given ontological primacy and which exist in isolation. In contrast, the dialectical worldview sees things as being internally heterogeneous at every level:

> It is a matter of simple logic that parts can be parts only when there is a whole for them to be parts of. Part implies whole, and whole implies part. Yet reductionist

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60. Levins and Lewontin 1983, pp. 269–70.
practise ignores this relationship, isolating parts as preexisting units of which wholes are then composed. In the dialectical world the logical dialectical relation between part and whole is taken seriously. Part makes whole, and whole makes part.61

This dialectical emphasis on wholes is quite clearly shared by proponents of DST; indeed the latter also embraces the dialectical principle that organisms and both the subjects and objects of evolution: they both make and are made by the environment and are thus actors in their own evolutionary history. In both DST and dialectical biology, then, Dawkins’s lumbering robots once again become players in their own destiny. Of course, not all proponents of DST will agree with the philosophy of dialectics, but it will be clear that the two perspectives share much in common. As I have suggested, dialectical theorists have a lot to offer DST in terms of guiding principles, and Marxists should not let the opportunity pass to develop some of these analogies.

Second, and more concretely in terms of psychology, DST has once again opened the door to an appreciation of the dialectical psychology of many early (and in particular Russian) Marxists. It is certainly interesting to note that the writings of psychologists like A.R. Luria and Lev Vygotsky predate much of the current debate on levels of analysis and units of selection. In Luria and Vygotsky’s 1930 book, The Child and His Behaviour, for example, we find the following:

When seeking to study the psychology of the civilized adult, we must remember that it is the result of a complex evolution, in which at least three paths converge. The first of these is biological evolution from animal to man; the second, historico-cultural development, by means of which contemporary civilized man gradually evolved from the primitives; and the third, the individual development of each person (ontogenesis), whereby the tiny new-born, proceeding through a number of phases, develops into a child of school age, and later into a civilized adult.

Some scientists (supporters of the so-called ‘biogenetic law’) believe that we should not study each of these paths of development separately and in isolation; that the developing child, in all essential respects, repeats the developmental traits of his species, and during the few years of his own individual life follows the path taken by that species for many thousands and tens of thousands of years.

We do not hold this view. We believe that the development of the ape into man, of the primitive into a representative of the civilized era, and of the child into the adult takes a substantially different course, under the influence of unique factors, and passes through unique, and often unreproducible forms and phases of development.

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That is why, as we approach the study of the civilized adult, we must consider, in addition to the evolution of the behavior of animals and primitive man, the path taken by the development of the behavior in the child.  

Much of this large body of work remains foreign to modern psychology, and it remains to be seen whether the recent interest in dialectical psychology has much of an impact on more mainstream notions of behaviour. Certainly, the importance of this literature should be clear, and Marxists have a leading role to play in ensuring that such ideas reach a wider public.

Finally, the developments within DST are likely to have a significant impact on some of the debates currently taking place regarding the analogies and disanalogies between historical materialism and evolutionary theory. For example, it is difficult, considering the extended views of selection within DST, not to agree with Paul Nolan in seeing natural selection as the more ambitious theory than historical materialism. Whereas the latter explains only social and cultural changes within the lifespan of the human species, natural selection attempts to explain changes both within and among organic populations and species, including social and behavioural changes within the human species. These are much more wide-ranging debates than I have space to consider here, but theorists should be aware of the implications of DST for their work.

It is now more than a hundred years since Darwin first published his theory of natural selection. Few scientists would today challenge the idea that humans and their minds have evolved. As Darwin himself wrote:

Man, with all his noble qualities, with sympathy that feels for the most debased, with benevolence which extends not only to other men but to the humblest of living creatures, with his god-like intellect which has penetrated into the movements and constitutions of the solar system – with all these exalted powers – still bears in his bodily frame the indelible stamp of how lowly origin.

Yet, it would not be an exaggeration to say that current evolutionary psychology, with its claims to explain all aspects of human behaviour, is mired in something of an intellectual crisis. The application of evolutionary theory to human

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63. It is also worth returning to some of Engel’s earlier discussion of dialectics in ‘The Part Played by Labour in the Transition from Ape to Man’ in Dialectics of Nature.

64. Darwin 1871, p. 634.
behaviour has rightly been criticised on conceptual grounds for foreclosing or ‘sewing up’ research on the human mind, and for ideological implications not justified by science. Rather, human life is far more complex and intricate than evolutionary psychologists would like to believe. Unless evolutionary psychology is able to come to terms with such complexity – the ‘grandeur of life’ as Darwin put it – it shows little hope of truly providing a ‘science of the mind’. But attacking poor theory and argument is no substitute for replacing it with something better. As I have tried to show above, embracing human diversity and complexity – exemplified in the traditions of DST and dialectics – offers a deeper understanding of human psychology.

Certainly, much work remains to be done in providing such an alternative programme. Those hoping for quick results may take some consolation from the Copernican revolution – it took more than 150 years for people to believe that the Sun, and not the Earth, was the centre of the universe. It should be no surprise if it takes that long for a corresponding ‘revolution’ within psychology. In the meantime, we can find solace in the knowledge that another science is possible.

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Production vs. Realisation: 
A Critique of Fine and Saad-Filho on Value Theory

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Abstract
This article assess two recent books on Marx's political economy and argues that, despite many virtues, there are some crucial limitations in their approach to Marx's political economy. Ben Fine's and Alfredo Saad-Filho's Marx's 'Capital' and The Value of Marx by Saad-Filho place too much explanatory weight on the composition of capital, giving too little attention to Marx's analysis of money, and to the processes of circulation and realisation.

Keywords
Marx, profits, capital, composition of capital, money, Fine and Saad-Filho

This article assess two recent books by Ben Fine and Alfredo Saad-Filho, and argues that there are some crucial limitations in their approach to Marx's political economy. As part of that critique, I sketch an alternative perspective. I start with some comments on the introduction to Marx's Capital, written by both authors, which appeared in 2004. The earliest version of this book, called Marx's 'Capital', was published by Fine in the 1970s and now appears, with Saad-Filho as co-author, in a revised and greatly extended fourth edition. This new version has the restriction of containing no quotations from Marx or anyone else and no footnoted references. But, by sacrificing these, the authors have been able to achieve a compact, lively and approachable presentation of many of the main themes of Capital in a 50,000 word text. Difficulties are not evaded and there are chapters which comment on some of the major theoretical debates of the past three decades – on the falling rate of profit, or the transformation problem, to give two examples. Notably, Fine and Saad-Filho clarify what is distinctive about Marxist political economy through a running critique of the ideological assumptions on which mainstream economics is based. This makes their book of direct use to readers looking for an antidote to the ‘Economics 101’ or A-level courses they have had to endure,
and gives helpful guidance for further reading provided at the end of each chapter. The book will be widely used as an introduction to Marx’s political economy in the years ahead, and its influence on how *Capital* is interpreted is likely to be considerable. It is therefore important that its account of Marx should be subject to critical discussion. I will also engage *The Value of Marx*, a theoretical text by Saad-Filho in which he reviews some of the debates about Marxist value theory in recent years and explains in some depth his own distinctive approach.¹ In addition, I comment briefly on an outstanding introduction to Marx’s political economy by Michael Heinrich, published in Germany in 2004.²

Fine and Saad-Filho’s introduction to Marx’s *Capital* is based on a well-argued clarification and defence of the labour theory of value, developing the theme that abstract labour is not a category imposed by theory, but reflects the dynamics of a capitalist economy in which

> different concrete labours are regularly, systematically and necessarily brought into equivalence with each other in production as well as exchange.³

In an excellent preliminary chapter on Marx’s method, Fine and Saad-Filho emphasise that the general pattern of the argument in *Capital* involves a movement from abstract categories, stage by stage, to the development of a more concrete, detailed account. Marx’s dialectical thought establishes connections between a starting point of abstract concepts and

> a careful unfolding of their historical and logical content to reveal the relationship between the way things are and the way they appear to be.⁴

They correctly insist that it is crucial to be clear about the level of abstraction of given concepts and arguments at each stage in a dialectical argument. There is, in their book, an admirable awareness of the requirement that mediations between abstract and concrete levels of analysis must be patiently traced. For example, a *direct* derivation of the price of commodities from necessary labour-time was one of the fundamental errors which Marx identified in Ricardo.

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1. Thanks to Pete Green for helpful discussion in the preparation of this review article.
2. Heinrich 2004. Michael Heinrich is an editor of Marxist journal *Prokla* which was inaugurated in 1971 and now published quarterly in Berlin. The first edition of his *Introduction to Marx’s Critique of Political Economy* sold out rapidly and a second (extended) edition of the book appeared within less than a year.
What they argue strongly is that Marx is not dealing with technical processes of price formation and resource allocation in ways familiar in mainstream economics. *Value*, in Marx, is about capitalist social relations. The substance of value is abstract labour, measured in units of socially-necessary labour-time. But the essential character of value-creating labour is that it is carried out under the control of capital by workers obliged to sell their labour-power to gain access to means of production and to work the hours of unpaid labour which are the source of surplus-value. Thus the theory of value is not primarily a theory of price formation, though it underpins a Marxist account of how a price system works, and from it prices can be derived at more concrete levels of analysis. The book is given strength and coherence by its lucid exploration of the theme that what Marx’s value theory is essentially concerned with is the reproduction of class relations through exploitation of labour.

The central line of argument is organised, as it is in Marx, round the circuit of productive capital. Money capital is converted into wages, machinery and other means of production. In the phase of production, value is created and surplus-value extracted from unpaid hours of labour-time. Capital is reconverted back into the money-form, as the value and surplus-value embodied in the commodities are realised by sale of the commodities in competitive markets.

Fine and Saad-Filho’s text is notable in that, overwhelmingly, the major focus of attention is on the *production* phase of the circuit, much less so on processes of competition and of realisation of value. This bias is explicitly acknowledged and is defended by the following arguments. Firstly, they point out in a number of places that value must first be produced before it can be distributed: ‘exchange does not create value’. Where capitalism differs most decisively from other modes of production is in the separation of workers from means of production, the creation of value by workers employed by capital, and the extraction of surplus-value from wage-labour. In contrast, the use of money and processes of market competition are not confined to the capitalist mode of production, but appear in many forms of non-capitalist society, wherever goods and services are bought and sold. To foreground value *production*, as opposed to value *realisation*, is, they argue, to concentrate attention on what is distinctive about capitalism. Secondly, they stress that a focus on production is one fundamental way in which Marxist political economy differs from mainstream economics which tends to take production for granted as a technical process, and to narrow the scope of economics to

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questions of the allocation of scarce resources. Thirdly, they argue that the distinctive types of crisis to which capitalism is subject arise from its essential character as a system in which exploitation takes place at the point of production. They acknowledge that ‘almost all crises will appear to originate in the sphere of circulation as an inability or unwillingness to buy, sell or invest’. 6 But the underlying reality is that

the fundamental cause of crisis . . . is the contradiction between the capitalist tendency to develop without limit the productive forces (and the surplus-value that has to be realized), and the limited social capacity to consume the product. 7

The forms and dimensions of crisis which arise from markets, competition and money are thus seen as secondary to the essential relationship between capital and labour which defines the system.

At the risk of exaggerating the difference in my own theoretical approach as compared with that of Fine and Saad-Filho, I will, for convenience, refer to their position as productivism. I will argue that there are some serious weaknesses in their approach, and that (with some crucial modifications) a variant of the readings of Marx which stress value-form and competition will lead to more coherent accounts of the dynamics of the capitalist system. It is essential to focus not just on production, but rather on the whole process of reproduction of capitalist social relationships, and of the realisation of value and surplus-value. It is also crucial to emphasise the distinctive nature of the forms of money which develop in a capitalist system, and the roles which money plays in and around the circuit of capital reproduction.

It should, however, be acknowledged that their prioritisation of production leads Fine and Saad-Filho to emphasise aspects of Marx’s argument which are essential to its critical and creative power, and which are sometimes neglected. They direct attention to the relationships of power and exploitation which are central in the labour theory of value and which get lost when this is treated, in a reductionist way, as no more than a theory of price. A focus on production has the merit of encouraging constant awareness of the materiality of the labour process. Abstract labour is still labour—effort, concentration, exhaustion. Fine and Saad-Filho are right to point out that this can get overlooked in some variants of value theory which move too quickly from abstract labour to its monetary form of expression – as for example in the so-called ‘new interpretation’, which I discuss below. They are also firm opponents of

underconsumptionism, the reductionist misreading of Marx which locates the essential cause of capitalist crisis in the low wages paid to workers and consequent lack of demand.\textsuperscript{8}

However, despite these merits, there are two crucial weaknesses in productivist doctrine. Firstly, value has not only to be produced, but also \textit{realised} by the sale of commodities for \textit{money}, in a situation of \textit{competition}. Of course, these processes are not neglected in productivist approaches such as that of Fine and Saad-Filho, but they are treated as somewhat secondary – concerned only with the \textit{distribution} of value and surplus-value, not with what they see as the decisive processes of value production. Secondly, there is in their book virtually no discussion about the nature of money. It is striking that the section at the start of \textit{Capital}, Volume One, in which Marx explores the nature and functions of money, is given no more than the briefest of mentions: ‘essential to exchange is money. The functions of money have been well explored in the literature’.\textsuperscript{9} It is assumed here that the general account of money in the economics literature will be an adequate guide to Marx’s discussion of \textit{money in capitalism}. Fine and Saad-Filho do add that

as a means of payment it \textit{[money]} mediates the process of exchange, by settling transactions (at any one time, this use may come into conflict with money’s use as a store of value, and this is important in crises).\textsuperscript{10}

But no explanation is provided of this elliptical and highly compressed sentence, and readers relying on the book as an introduction to Marx may well be left bewildered. Here, Fine and Saad-Filho could have drawn on the brilliant account by David Harvey of how the cost-cutting pressures of capitalist competition tend to lead to the introduction of forms of money which are cheaper to produce and use than gold and other forms of commodity-money. But paper-money and the forms of credit-money supplied by banks are more vulnerable to devaluation by inflation or exchange-rate changes, so lead to enhanced uncertainty, risk and possible crisis when used to meet capital’s requirement for stability in the forms of money used to preserve value, transmit it into different currencies, or transfer ownership of value.\textsuperscript{11} Harvey argues that, although national banking systems can be organised by a central bank to

\textsuperscript{8} For a critical discussion of an influential current of underconsumptionism, using as example its explanation of the post-1990 crisis in Japan, see Kincaid 2001 and 2003, and the reply by Burkett and Hart-Landsberg 2003.
\textsuperscript{9} Fine and Saad-Filho 2004, p. 31.
\textsuperscript{10} Fine and Saad-Filho 2004, p. 32.
\textsuperscript{11} See the powerful analysis in Harvey 1999, pp. 283–332.
encourage the use of cheaper forms of money, ‘at the international level within the hierarchies of money, the notion of money as a measure of value refuses to die’. But, in Fine and Saad-Filho’s book, there is only the briefest mention of money’s role as measure of value, and no discussion of Marx’s distinctive and vital concept of world money.

There is also no extended treatment in Fine and Saad-Filho of Marx’s account of the value-form – the section of Capital, Volume 1, which Marx himself considered of foundational importance to his political economy, and which he carefully revised a number of times through successive editions of Capital. The closest they come is the question they pose towards the end of their book. ‘Why’, they ask, ‘do the dominant relations of production give rise to the value-form, and how do values appear as prices in practice and change over time?’ But this question is raised only in passing, and no answer is offered at this point, nor, in a direct sense, anywhere else in their book. They treat the fact that capital starts and ends each circuit of production and realisation in the form of money-capital as an unproblematic question. It is in its treatment of the phenomena of circulation – money, realisation of value, and competition – that this book has serious weaknesses as an introduction to Marx’s critique of political economy.

13. Marx 1976, pp. 138–77, and Marx 1978, pp. 130–50. In is notable that, in Heinrich’s recently published German introduction to Marx’s Capital, there is a careful and lucid exploration of the the early sections of Capital. Heinrich stresses the fundamental importance of Marx’s conception of the form of value as expressing a relationship between individual concrete labour and what Marx calls the ‘ghostly objectivity’ of abstract social labour. He traces the succession of forms by which Marx begins with the elementary form of the exchange relationship (x of commodity A = y of commodity B), and is able to end by revealing the secret of the dazzling money-form (Marx 1976, p. 139). Heinrich acknowledges that Marx was not always consistent in his treatment of abstract labour. It was a fundamental scientific breakthrough to conceptualise abstract labour as a social relationship rather than as some kind of averaging of physiological labour expended – which is how it is analysed by Ricardo and other classical political economists. It is true that, in Capital, Marx at one point defines human labour-power as ‘expenditure of brains, muscles, nerves, hands etc.’ and seems here to equate this with abstract labour. But, Heinrich argues, Marx’s deeper insight is that abstract labour, as expressed in the value relationship, is social – and this point is strongly emphasised in Marx’s afterthoughts on the argument in Capital. One consequence is that it makes no sense to ask whether value is created in the production or the circulation phase of capital reproduction. As Heinrich puts it, value is not like a bread-roll, first baked, then sold. The relationship between individual labour and the ‘phantom-like objectivity [gespenstige Gegenständlichkeit]’ of abstract labour involves both production and circulation. See Heinrich 2004, pp. 51–3, and the more detailed discussion in Heinrich 2003, pp. 196–251. Marx’s phrase about the ghostly character of abstract labour is in Marx 1976, p. 128.
Production and circulation in *Capital*

At an early point in their book, Fine and Saad-Filho write,

in analyzing a mode of production, for example capitalism, Marx’s starting point is always production – how do capitalist societies produce the material conditions of their own reproduction.\(^\text{15}\)

In is true that the first sentence of Volume 1 of *Capital* begins with ‘the wealth of societies in which the capitalist mode of production prevails’. But, immediately, the commodity is introduced as ‘the elementary form’ of that wealth. The effective start of *Capital* is the commodity – a form which capitalism shares with all modes of production in which goods are offered for sale on markets. Although commodities are discussed from early on in *Capital* as produced by labour, the main focus of the first three chapters of *Capital* (more than a hundred pages of text) is on exchange and money. Thus, neither ‘capital’, nor its way of organising production, are defined and analysed at the start of Marx’s work. Rather, the category of ‘capital’ is introduced only in Chapter 4, and then by an argument involving *derivation*. In the first three chapters, Marx was concerned with the process which starts with the exchange of commodities for money and the use of the money to buy other commodities (C–M–C’). Chapter 4 uses arguments based on dialectical logic to explain why C–M–C is subject to an inversion process, and becomes M–C–M, in other words, a process which starts with someone owning a sum of money, transforming it into the form of a commodity and afterwards back into money by the sale of that commodity. Marx then deals with the case in which the owner ends up with more money than at the start, and poses the question of where the extra value could have come from. An argument based on dialectical necessity then leads to an explanation of the source of surplus-value in unpaid labour-time.\(^\text{16}\) Both in method and substance, these first three chapters of *Capital* are crucial for the entire development of the rest of its analysis of capitalism. They get too little attention in Fine and Saad-Filho’s book. Even in an elementary account, it is important to find ways of acknowledging how radically *Capital* deviates from the empiricism and positivism of mainstream economics.

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\(^{15}\) Fine and Saad-Filho 2004, p. 15.

\(^{16}\) I thus disagree with Saad-Filho who writes that, ‘in chapter 4 of *Capital* Marx does not “derive” the concept of capital from the concept of commodity, or the capital circuit from simple commodity circulation. He merely *contrasts* the circuits C–M–C, M–C–M and M–C–M’ in order to demonstrate that commodity circulation cannot systematically add value’. Saad-Filho 2002, p. 23.
Of course, in Marx, production is fundamental. But, everywhere in capitalism, Marx sees inversion processes at work which determine the system as an inverted system,

the bewitched, distorted and upside-down world [die verzauberte, verkehrte und auf den Kopf gestellte Welt] haunted by Monsieur le Capital and Madame la Terre... this personification of things and reification of the relations of production.17

Too-exclusive a focus on the production phase of the circuit of capital can obscure the opposition between use-value and value, and the sequence of more concrete forms in which this opposition is expressed.18 Both use-values and abstract value are created during the phase of production. But which of these use-values are to count as value, and for how much value, depends on processes of social validation which take effect during the exchange phases of the circuit of capital.

Capital is process, value in motion, trying to enlarge itself as it passes through a sequence of circuits. Marx portrays capital as a value substance which starts in the form of money and which in the circuit of production and reproduction undergoes a chain of transformations. Money capital is transformed into means of production. Commodities are transformed back into capital in the money-form. Production is fundamental, but the nature of the system involves an inversion whereby the realisation processes that take place in circulation become a condition for production. Marx argues that,

circulation is not merely an external operation for capital... circulation belongs within the concept of capital... the movement of the metamorphoses through which it must pass now appears as a condition of the production process itself; just as much as its result. Capital, in its reality, therefore appears as a series of turnovers in a given period.19

The production phase of industrial capital should not be treated as isolated, and complete in itself. Until realisation takes place as commodities are

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18. This point was made by Simon Clarke in a critique of an earlier version of Ben Fine's productivist emphasis. 'If we consider the production and circulation of use-values the two spheres can be defined independently of one another: a certain determinate quantity of use-values is first produced and then exchanged one for another. However as soon as we consider the production and circulation of value, which is the basis for our understanding of the social form of production, it becomes impossible to consider production and circulation independently of one another' (Clarke 1980, p. 9).
transformed into money, it is not clear which firms have produced value and in what amounts.\textsuperscript{20} Unless commodities are transformed into money, the labour expended into making them has created no value. Until the point of realisation by sale, value has no more than a virtual quality. Here, before considering the further implications of the primacy of production in Fine and Saad-Filho’s reading of Marx, it will be helpful to look at the theoretical foundation of this approach as it is explained in Saad-Filho’s \textit{Value of Marx}, published in 2002.

\textbf{Saad-Filho on Marx’s value theory}

Saad-Filho’s book is, for a number of reasons, an outstanding contribution to the literature on Marx’s value theory. It summarises, with authority and clarity, the evolution of scholarship and debate over three decades about some essential elements in Marx’s critique of political economy. There is, of course, a price to be paid for the depth and thoroughness with which these foundations are treated. Saad-Filho explains that,

\begin{quote}
this book is incomplete in that… it does not discuss important aspects of value theory, including interest-bearing capital, the tendency for the rate of profit to fall and crisis theory.\textsuperscript{21}
\end{quote}

These are severe limitations to be faced by any reader hoping for an account of Marx’s political economy which would directly help understanding of the capitalist system today, in which financial markets exercise huge dominance over what gets produced and where, and in which gyrations in profit rates interact with debt structures and exchange rates to generate recurrent crises. However, within its limitations, this book is formidable, and, in particular, its discussions of labour and of wages will, I believe, prove to be lasting contributions to scholarship.\textsuperscript{22} Students of Marx will find, especially in the

\textsuperscript{20} At some points in their discussion, Fine and Saad-Filho do acknowledge this, if only in passing: ‘it is not sufficient to produce (surplus) value; it has also to be realised on sale’ (Fine and Saad-Filho 2004, p. 57). But realisation processes are not discussed in any detail.

\textsuperscript{21} Saad-Filho 2002, p. 9.

\textsuperscript{22} Especially an innovative account of the homogenisation of labour in which the different value productivities of normalised and synchronised labour are translated into distinct quantities of abstract labour. Normalisation of labour establishes the equivalence of labours performed in different firms in the same sector, synchronisation that of labours in different firms across time or using different technologies. Labours are homogenised as commodities receive a price or when money fulfills the function of measure of value (Saad-Filho 2002, p. 92).
It is illuminating to consider how Saad-Filho defines and criticises what he sees as the two major alternatives to productivism within the array of readings of Marx which treat money and realisation as crucial questions. My argument will be that Saad-Filho concentrates his critical artillery on two rather limited variants of approaches which stress money, competition, and the law of value. The consequence is that he evades the challenge posed by more powerful versions of such theories. This is a crucial question. In my view, if Marx’s political economy is to be further developed to provide an fully adequate account of the highly financialised capitalism of today, then it has to adopt an approach which stresses the competition in the sphere of circulation; the selectivity operated by the law of value, and thus processes of capital allocation; and an adequate theory of the forms and functions of money in the dynamics of capital accumulation.

The integration of these into an organically interconnected account requires an approach which analyses, not production as an isolated moment, but rather sequences of: production $\rightarrow$ realisation $\rightarrow$ processes of capital reallocation $\rightarrow$ purchase of means of production $\rightarrow$ production, etc.

In dealing with the question of money, Saad-Filho focuses on the well-known ‘new interpretation’ of Marx’s value theory which was developed independently by Duncan Foley and by Gérard Duménil in the early 1980s to deal with a famous difficulty in Marx – the transformation problem. Surplus-value is produced by unpaid living labour employed by capital, not by the dead labour embodied in the means of production used. But there is a tendency for the rates of profit of different companies to equalise, irrespective of their ratio of labour to capital in production. This seems contradictory, and many ways of resolving the difficulty have been proposed. The ‘new interpretation’ rejects as useless the reading of Marx’s argument in terms of a model which identifies two separate stages: first, the creation of surplus-value measured in hours of unpaid labour, and then a process of redistribution.

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23. For example Saad-Filho offers a convincing critique of the neo-Ricardian approach, which was evolved in the 1970s by economists such as Ian Steedman and Geoff Hodgson, under the influence of Pierro Sraffa. Although this tendency retained a strong emphasis on exploitation, it rejected Marx’s monetary type of value theory as a metaphysical excrescence. Value, they argued, was embodied in the individual commodity by the labour-time it took to make it. They reduced production to a technical process only, and money to a mere score-sheet. Uncertainty and the arrow of time were eliminated by use of simultaneous input-output models. Class struggle, for the neo-Ricardians, centred on distribution, not at the point of production.
of total surplus-value, now specified in monetary terms, to the capitals contributing to the pool of surplus-value. Instead of this double system (first labour-time, and then money-prices), the ‘new interpretation’ proposes a single system – value only ever appears in monetary form. In fact, in the ‘new-interpretation’ view, that is what value is in a Marxist account – the monetary expression of labour-time (MELT). 24 Saad-Filho identifies the MELT approach with a ‘value-form interpretation of Marx, in which labour becomes abstract and is socialized through sales’. 25 Saad-Filho has a number of criticisms of this approach. MELT, he points out, analyses only at an aggregate level. Total value produced is immediately identified with the amount of money for which commodities sell. There is no allowance for the variation between value and prices of individual commodities which, as Marx argued, was necessary for the regulation of the system. 26 As Saad-Filho expressed the point in an earlier text,

this is simply a circulation-based view of price. It is correct so far as it goes, but it fails to give analytical priority to conceptually more fundamental processes such as the performance of labour in production. 27

Because value and price, and surplus-value and profit are treated as identical, the result is that

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24. Foley summarises the ‘new-interpretation’ position as follows: ‘the money value of the whole mass of net production of commodities expresses the expenditure of the total social labor in a commodity-producing economy’ (Foley, 1986, p. 14).


26. Where the prices of particular commodities were above values, the firms involved would get an extra profit – thus extra capital would be committed to the production of such commodities. Marx writes that ‘the possibility that the price may diverge from the magnitude of value is inherent in the price-form itself. This is not a defect, but, on the contrary, it makes this form the adequate one for a mode of production whose laws can only assert themselves as blindly operating averages between constant irregularities’ (Marx 1976, p. 196). As Saad-Filho correctly observes, the ‘new interpretation’ eliminates the mediations and the complex relationship between value and prices of individual commodities which, as Marx argued, was necessary for the regulation of the system. 26 As Saad-Filho expressed the point in an earlier text,

27. Saad-Filho 1996, p. 128. In his reply, Foley himself concedes that, ‘there may be a real role for a concept of the value of labor-power independent of the ex post realized wage share in a fully developed Marxist theory’ (Foley 2000, p. 30). But this concession is formalistic – Foley remains committed to the ‘new-interpretation’ doctrine which does not theorise labour-power independently of its monetary expression. Saad-Filho does not discuss the ‘temporal single system’ [TSS] paradigm, which has elements in common with the ‘new-interpretation’ approach – in particular an unmediated identification of money with labour-time (which is what is meant by the term ‘single system’). For explorations of the TSS reading of Marx see Freeman, Kliman and Wells (eds.) 2004, and Freeman and Carchedi (eds.) 1996. For a cogent critique of the immediate identity of money and labour-time in TSS doctrine, see Veneziani 2005.
the ['new interpretation'] becomes unable to incorporate some of Marx's most important insights into the analysis, including technical change, accumulation, the credit system and crises, other than as exogenous accretions.28

The other variant of value-form Marxism which Saad-Filho identifies and attacks is what he calls the ‘Rubin tradition’. He argues that Isaak Rubin and his followers attribute to capitalism the characteristics of a society of simple commodity production in which small producers own their own means of production and sell their products on the market. In such a society, private producers are in control of their own concrete labour, and labour only becomes abstract as the commodities produced are valued in monetary terms in the market and converted into money by sale. Correctly, Saad-Filho argues that a capitalist society is different in that labour becomes abstract in and through the production process. It is under the control of capital, and subject to the organisational imperatives of capital, at the point of production.

Saad-Filho concedes that Rubinist theory deserves commendation for its discussion of abstract labour and money, but his overall assessment is highly negative:

the claim that separation [i.e. division of labour] is the essential feature of commodity production has led the Rubin tradition to subsume capitalist relations of production under simple value relations. Consequently, in spite of its significant contribution to the analysis of value, this tradition has added little to our understanding of capital and capitalism.29

What are under criticism here, under the name of ‘the Rubin tradition’, are approaches which lay heavy emphasis on the early chapters in Capital. In his discussion, Marx traces the close links between abstract labour and money. But, because money is, in an immediate sense, extraneous to the exploitation of surplus-labour at the point of production, Saad-Filho sees the Rubin tradition as locating the formation of abstract labour in the processes of monetary exchange, instead of at the point of production. The result is, he suggests, that

The Rubin tradition wrongly presumes that commodity exchange is the determinant aspect of capitalism, conflates money with the substance of value, and eschews

28. Saad-Filho 2002, p. 33. Surplus-value and profit are identical in ‘new-interpretation’ doctrine because they look only at the net creation of new value, and abstract from the transfer of value from fixed capital to commodities produced. The critique of the MELT approach has been further developed in Fine, Lapavitsas and Saad-Filho 2004. For a defence of the MELT approach see Foley 2000.
the mediations that structure Marx’s value analysis. Lack of analytical depth explains its failure to illuminate important real relations identified by Marx, for example, the capitalist monopoly of the means of production, the subordination of the workers in production, the social regulation of production through competition, mechanization and deskilling, and the mediations between value and price. Because of these limitations, the Rubin tradition is poorly equipped to explain the main features of capitalism and to analyse their social, economic and political consequences empirically.30

We can certainly agree with Saad-Filho that the acid test of what is more or less useful in these debates about abstract fundamentals has to be settled by which most powerfully generates explanations of the way capitalism works concretely. Saad-Filho considers that the Rubin and value-form traditions go astray because they distract attention from the fundamental contradiction in capitalism, namely the constitutive split between labour and capital, and the processes of exploitation as they occur in production. Instead, what Saad-Filho sees as a secondary division is elevated to equal status – the competition between capitals, the market and circulation.

Most neoclassical economists and some Marxists usually adopt the point of view of circulation (exchange). From this viewpoint, the capitalist economy appears as an uncoordinated collection of competing activities, distinguished from one another by the commodities produced in each firm and their possibly distinct technologies. This approach tends to emphasize the processes that bring coherence to decentralized economies and ensure that needs are satisfied, subject to constraints. In this context, relative prices and the distribution of labour and of income are highly important. The inquiry may be extended subsequently into why the ‘invisible hand’ can fail, in which case there are disproportions and crisis. These issues are worthy of detailed study and bring to light important aspects of capitalism. Unfortunately, however, they are not conducive to the analysis of the mode of production. This is a severe limitation, because the essential differences between capitalism and other modes of production stem from the relationship between the workers and the owners of means of production and the mode of labour associated with it. One of Marx’s most important claims is that, if the analysis is restricted to circulation or distribution and ignores the sphere of production, some of the most important features of capitalism remain hidden.31

30. Saad-Filho 2002, pp. 28–9. The claim that Rubin himself neglected capitalist production and identified the distinctiveness of capitalism in its mechanisms of exchange is highly questionable. In passage after passage, Rubin traces the interlinkages between production and market exchange. For example: ‘The theory of value analyses the laws of exchange, the laws of the equalization of things on the market, only if these laws are related to the laws of production and distribution of labor in the commodity economy. The terms of exchange between any two commodities…correspond to a given level of productivity of labor in the branches of production which manufacture these goods’. Rubin 1975, p 67, see also pp. 40–1, 119–22, 155–8, 249–53.
Under attack here are currents of Marxist theory which stress the *law of value*, the shorthand term used to refer to the competitive processes which ensure allocation of labour and capital to branches of production in ways which are responsive to profitability. In the law-of-value paradigm, competition and realisation of value by sale of commodities are not given emphasis in order to turn Marx into a neoclassical economist *avant la lettre*. In a law-of-value approach, it is *profitability* that drives the system. But what is given full recognition is that profits depend not just on surplus-value extraction (as productivist doctrine tends to argue) but on adequate levels of effective market demand to ensure the realisation of value by the conversion of commodities into money. To stress the need for realisation is not in any way to deny the priority of production. But competitive market pressures to cheapen commodities are the source of the imperative for capitalists to shorten labour-time per commodity produced via an intensification of the labour process, or to increase labour productivity by the introduction of more advanced and cost-effective technologies and techniques. Production has priority, but it is subject to pressures generated in the realisation process, and involving monetary valuation.

In Marx, there are many formulations which stress that the division of capital into many competing capitals is fundamentally constitutive of the capitalist mode of production, no less than the capital/labour relation. For example:

> 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.32

And again:

> All moments of capital which appear involved in it when it is considered from the point of view of its general concept obtain an independent reality, and, further, only show themselves when it appears as real, as many capitals. The inner, living organization, which takes place in this way within and through competition, thus develops all the more extensively.33

Saad-Filho does quote the famous passage in which Marx notes that his value theory is indispensable for explaining how in a decentralised, competitive,
many-capitals system, allocation of labour and capital to branches of production can be viably carried out,

every child knows, too, that the amounts of products corresponding to the differing amounts of needs demand differing and quantitatively determined amounts of society's aggregate labour. . . . And the form in which this proportional distribution of labour asserts itself in a state of society in which the interconnection of social labour expresses itself as the private exchange of the individual products of labour, is precisely the exchange value of these products.34

But, in Saad-Filho's comment on this, he fails to explain the way in which Marx moves on from the basics of value theory to derive the concept of a law of value – the pressures on the many capitals, locked in competition, to economise on their use of labour by increasing productivity, intensity of work, the number of hours of unpaid labour extracted etc.35 It is precisely the emphasis – strategically central in the Rubinist and value-form traditions – on Marx's account of the division of labour, of competition, and of capital allocation, which leads to the clearest vision of the central importance of the law of value in Marx's overall account.36

Although the Hegelian new-dialectics school has many questionable features, on this point it is on the right track. What is of the essence is not value as a static concept, but the law of value as a selective and disciplining process operating via rates of profitability, compelling capitals to compete, and to compete by exploiting. The law of value makes its presence felt in a simultaneous and multi-dimensional way at all stages in the circuit of capital. It is operative with especial force both in the causation of capitalist crisis, and as crucial determinant of the shakeout and restructuring of capital which results from crisis.37

35. See the discussion of Marx on the division of labour in Saad-Filho 2002, pp. 35–7.
36. Saad-Filho expresses admiration for John Weeks's 1981 book Capital and Exploitation. This is odd, since the view of the law of value which I outline above is a central theme in Weeks's book. See especially Chapter 2, 'Value as a Social Relation', and Chapter 6, 'The Competition Among Capitals'. It is true, however, that Weeks agrees with Fine's devaluation of 'old' capital as a key cause of the fall in the rate of profit which I discuss in my appendix. (See Weeks 1981, pp. 198–202). It is pleasing to see John Weeks's landmark work getting the acknowledgement it fully deserves. My own view of the law-of-value paradigm owes much to study of this book, and also to Shaikh 1977, 1981, 1984, and to Harvey 1999. The essential methodological underpinnings of the law-of-value reading of Marx are more fully spelled out by Kosek by Rubin. It has to be acknowledged, however, that neither of these writers has a fully adequate account of Marx's theory of capitalist competition.
37. In a critique of Chris Arthur's distinctive variant of value-form theory, I have tried to identify what I believe should be rejected in this tradition of Marx's interpretation, and to clarify
Fine and Saad-Filho fail to appreciate the far-reaching implications of the stress in Rubinist value-form theory on Marx's distinction between production as private and the socialisation which takes effect as prices are determined by competition in the circulation process. In each branch of production, privately controlled labour is being validated and revalued in terms of the competitive norms established by socially-necessary labour-time. The law of value deals essentially with how competitive units in the system are subject to imperatives to use the labour at their disposal, firstly, in ways which match or better the productivity levels of their competitors, and, secondly, to produce commodities for which there is adequate market demand. Defined in this way, the law of value operates at many levels in a capitalist system, and in diverse and indirect forms. For example, it acts as a crucial influence on rates of profit of firms – disciplining them not just to produce what the market will absorb, but to meet competitively set standards of labour productivity, as well as other costs of production. The law of value appears in a less direct form, but is still operative, in forms of international crisis in which a national currency is hit by devaluation. When this happens, the effect is that average national labour-time is being devalued as compared with a similar quantity of labour-time in countries whose currencies have not devalued. It has also to be recognised that one of most potent and fundamental forms of expression of law of value is in and through the competitive process which determines how financial markets allocate capital available for investment – to which firms, in which countries, and for what forms of production. The law of value also exerts its pressure as companies make decisions about how to allocate internally generated capital.

As these examples suggest, to develop coherent accounts of the different forms the value-form reading of Marx as the indispensable basis for the concepts of system, the historical formation of systems, and the role of law-of-value selectivity (via capital allocation as implemented by the financial system) for the concrete analysis of capitalism today. One of the reasons for engaging with Arthur closely is that his stress on value-form explicitly allows a conceptual space for price formation. Since I believe that price is a vitally necessary category in Marxist political economy, Arthur's work is relevant to concrete analysis of the law of motion of capitalism today in a way that is not true of the commodity-fetishism accounts, such as those of Georg Lukács or Moishe Postone which centre on a sociological account of reification. See Kincaid 2005.

38. As noted above, they see in Marx's discussion of market processes, in which private labour gets revalued as a quantity of abstract social labour, nothing more than an analysis of simple commodity production (that is, a system in which workers own the means of production and trade output on markets). But the law of value should be seen as the dynamic logic at the essential core of Marx's vision of how capitalism works as a system. The selectivity operated by the law of value has some important similarities with the theory of natural selection in evolutionary biology.
in which the law of value takes effect is not easy, and becomes even more difficult if the starting point is a perspective of production considered as an isolated moment. More promising are approaches which examine the competitive pressures operative in each phase of the chain of circuits of capital, and which assess whether, and how, a logic of selectivity is at work, asserting itself despite the contingency of many forms of noise.

The composition of capital

I turn now to consider in more detail the most distinctive element in the theoretical position which informs Fine and Saad-Filho’s book on Marx’s *Capital*. An important reason why both Fine and Saad-Filho place enormous stress on the moment of production is because this allows them to give a central explanatory role to what Marx called the *composition of capital*. This is the ratio, *means of production/labour*, of the capital employed in the production process. The ratio is measured in value terms – amounts of socially-necessary labour-time required to produce, (a) the means of production (in other words, machinery and raw materials) used in a given period of production, and (b) the wage goods which workers employed in production are able to buy with the wages they are paid. The ratio is usually expressed as *c*/*v*. 39

Fine and Saad-Filho’s distinctive theoretical claim is that Marx defined the composition of capital ratio in two different ways, and that he was correct to do so. 40 Their aim is to follow his example. It is their view that the composition of capital has, ‘been generally explained cursorily and understood only superficially and incorrectly in the literature’. 41 Since the arguments involved are rather technical I summarise them here only briefly (see the Appendix for

39. Here, the calculation of labour-time allows for intensity of effort, and skill involved, as well as length of time worked. The ratio is often referred to as *c*/*v*, following Marx’s own shorthand: ’c’ is constant capital, namely, machinery, raw materials etc., called ‘constant’ because their value is merely transferred to the commodities produced. The term ‘v’ in the *c*/*v* formula means ‘variable’, meaning the capital used to pay the wages of the workers whose unpaid hours of labour enable capital invested in production to *v*ary, in other words, make a profit. The term ‘dead labour’ is often used to refer to the labour-value stored up in machines and raw material. ‘Living labour’ is the labour which actively uses machinery to transform raw material into commodities, and whose hours of unpaid labour are the source of surplus-value created during the production process.

40. See Green 1986 for a valuable discussion of some of the key issues posed by the categories used by Fine and Saad-Filho to analyse the composition of capital, and the implications of this approach for their explanation of tendencies affecting the rate of profit.

a more detailed version). What is at issue is Marx’s analysis of the various influences which, in combination, determine whether the overall rate of profit in a capitalist economy will rise or fall. Clearly, a vital question. In line with their belief in the priority of production, Fine and Saad-Filho want to argue that the fundamental tendency of a capitalist economy is for the rate of profit to decline, and that this happens because of a general rise in the capital-to-labour ratio at the point of production. Technological advance allows an increase in the productivity of labour, that is, mechanisation enables relatively fewer workers to produce a larger quantity of output. But fewer workers may mean the extraction of less surplus-value and therefore a fall in the rate of profit on total capital advanced. Of course, Marx listed an array of countertendencies which act to raise the rate of profit or to slow its decline. But Fine and Saad-Filho want to relegate these to secondary influences. There is, however, one particular countertendency which poses a major difficulty for them. Productivity advance lowers the cost of production of the machines and raw materials used in production. If means of production are being cheapened in this way by technological progress, can we be sure that the composition of capital is actually going to rise, and so give rise a fundamental tendency for the rate of profit to fall. Marx notes that if an increase in productivity cheapens the elements of constant capital, this acts as an offset to any rise in the capital-to-labour ratio.

Fine and Saad-Filho deal with this difficulty by arguing that such an effect of technological progress on the composition of capital would require a phase of market competition in which, over time, the price of machines and raw materials was forced down. Thus, if technological progress acts to raise the rate of profit, this can only be after market forces have played a role. Since their basic position is that market processes of value realisation are secondary to the essence of Marx’s political economy (a focus on production seen as an isolated moment in the circuit of capital), their view is that we can take as dominant the tendency for the capital-to-labour ratio to rise, and profit rates to fall as a result.

I believe that this argument cannot be sustained. Summarised briefly, my case is that the double-edged effect of technological progress on the composition

42. And, empirically, the trend in the recent period in the worldwide capital/labour ratio has been emphatically in the direction of more labour relative to capital. Richard Freeman estimates that ‘the entry of China, India and the former Soviet bloc into the global economy cut the global capital/output ratio by 55 per cent, to just 60 per cent of what it otherwise would have been’ (Freeman 2005, p. 1). There is also much evidence that there have recently been extraordinary productivity advances in Department I (production of means of production). These have the effect of lowering the value of constant capital relative to variable capital.
of capital cannot be neatly separated into either production or circulation effects. The essence of capitalism lies in the extraction of surplus-value – this is, of course, agreed. But the rate of profit is a relatively concrete variable, with a linkage to empirical profit rates as they appear on a capitalist balance-sheet. Between the value-creating and surplus-value extraction processes which are the underlying essence of the system, and the visible play of prices at the surface of the economy – all kinds of mediating elements have to be recognised. Fine and Saad-Filho, of course, acknowledge this. But what they fail to deal with adequately are the inversion processes which operate between essence and surface. For it is also an essential characteristic of capitalism that its essential character is not merely hidden, but, in many respects, the opposite of its surface appearance – and its essence can only be clarified by a political economy which uses arguments involving dialectical necessity to trace the inversions.

The practical effect of the neglect of inversion is that the many countertendencies, which limit the fall in profits, or which act to increase profits, are treated as secondary and as operating only at a more concrete level of analysis. This severely limits the extent to which, on their reading, Marx’s account of the influences which determine trends in profit rates could be used to explain or theorise the direction of profit rates in present-day economies. Dismissed as secondary, some crucial determinants of profit rates are passed over as marginal to the main line of argument. Here are two examples.

One of the most important countertendencies in the list which Marx gives in *Capital* is mentioned only in passing by Fine and Saad-Filho – ‘the
superexploitation of workers’. Even in an introductory text, a more extended discussion of this is vital, because of its huge influence on rates of profit in the world economy today. Over the past two decades, there have been enormous increases in levels of productive investment by multinationals and by local indigenous capital, in the low-wage economies of the world such as Mexico or China. Through these gigantic increases in direct investment, metropolitan and local capital has been able to secure vast increases in this size of the world labour force directly exploited by capital. And the low wage costs involved means that a huge rise in the average rate of exploitation of the world’s labour-force has been secured. This, in turn, has an upward effect on world rates of profit.

As a second example, take the further set of countertendencies of enormous significance not discussed by Fine and Saad-Filho. Profit rates in a given period of time can be hugely increased by a rise in the rapidity of turnover of capital. Within a given period of time, an increase in the speed with which capital passes through the circulation phase and returns to the production sphere raises the rate of profit for that time period. If there is a doubling in the annual turnover of a sum of capital invested in production, then the annual rate of profit on that capital will double. Both Marx and Engels wrote eloquent passages on the acceleration of turnover times which resulted from advances in transport and communications. Here is one by Engels:

The main means of cutting circulation time has been improved communications. And the last fifty years have brought a revolution in this respect that is comparable only with the industrial revolution of the second half of the last century. On land the Macadamised road has been replaced by the railway, while at sea the slow and irregular sailing ship has been driven into the background by the rapid and regular steamer line and the whole earth has been girded by telegraph cable. It was the Suez canal that really opened the Far East and Australia to the steamer. The circulation time for a shipment of goods to the Far East which in 1847 was at least twelve months has now been more or less reduced to as many weeks…. The turnover time of world trade as a whole has been reduced to the same extent, and the efficacy of the capital involved in it has been increased two or three times and more. It is evident that this cannot but have had its effect on the profit rate.

46. Richard Freeman of Harvard University estimates that the labour force available to global capital tripled from just under 1 billion workers in 1980 to over 3 billion in 2000. One factor was population increase in the poorer countries, already part of the capitalist system in 1980, especially in Africa and Latin America. A further 1.47 billion workers were added to the capitalist labour force by its incorporation of China, India and the former Soviet bloc. Freeman 2005.
47. Marx 1991, p. 164. See also Marx 1992, Chapter 5 on circulation time. The first trans-Atlantic telegraph line was opened in 1867, the year of publication of the first volume of Capital.
In our own period, it is evident that the effect on profit rates from continuous revolutionising of transportation and communication has been considerable. Think only of containerisation, air transport of commodities, and the reduction of necessary administrative overhead costs by information technology. And to these we need to add the effects of acceleration of turnover of capital arising from rationalisation in production and circulation processes, the use of just-in-time systems, computerised stock control etc. Competition will, over time, erode any exceptional profits which derive from these advances in productivity, but, in the interim, they act to prevent or limit falls in overall profitability.

Fine and Saad-Filho do concede that ‘profit rates can rise as well as fall’. But their account is heavily focused on the relative expulsion of labour from production (as productivity rises) and on how the resulting rise in the constant capital-to-labour ratio means a tendency for profit rates to decline. This is unfortunate because a fuller examination of forces acting to raise or depress profit rates is essential if Marx’s categories are to be developed to construct concrete accounts of capitalism today.

Conclusion

My criticisms in no way apply to the many valuable contributions to Marxist political economy made by these two authors – for example, in recent years, Saad-Filho’s work on Brazil and Fine’s studies of social capital and of consumption. But, in the two books under discussion here, because the

Price information could then be transmitted between London and New York markets in two minutes instead of two weeks as previously.


49. Unfortunately, Heinrich’s introduction to Marx’s critique of political economy is also rather limited in the account it offers of the market and non-market processes which influence the rate of profit. In his very short chapter on ‘Crisis’, Heinrich attacks the view that central to Marxism is the expectation of a final crisis and general breakdown of the capitalist system. He briefly summarises Marx’s account of the cyclical alteration of boom and slump in the evolution of capitalism. But, in his discussion of Marx’s account of crisis tendencies in capitalism, Heinrich offers only an oversimplified underconsumptionism and does not explain convincingly why inadequate working-class demand for commodities cannot be compensated for by other sources of demand: by the consumption appetites of the higher income groups (heavily sustained by returns on rentier investment), by company investment in fixed capital, or by state expenditure on arms, infrastructure, etc. See Heinrich 2004, pp. 169–78.

50. Saad-Filho 2003 and Fine 2001, 2002. Saad-Filho has recently edited and co-edited two valuable collections of articles on anticapitalism and on neoliberalism. However, it is striking that few, if any, of the contributors to these books link their discussions to the fundamental categories of productivist value theory. See Saad-Filho (ed.) 2003, and Saad-Filho and Johnson (eds.) 2005.
authors concentrate their critique on weaker variants of value-form theory, and neglect stronger alternatives, they have directed attention away from theoretical questions on which further work and development are urgently needed if value theory is to produce a fully adequate account of the forces at work in the world economy today. I concede that such a value theory is still very much of a site under construction. But what is essential is that, in the movement from the abstractions of value theory towards interpretations of current economic developments, questions of competition and the multidimensional operation of the law of value must be given as much weight as those of production. Here, in summary, are just three reasons why.

The first reason is political. An inordinate stress on production can be misleading. Workers in the circulation sphere may not create value, but they are exploited no less than productive workers. Fine and Saad-Filho acknowledge that this is true of all types of unproductive wage-labour. However, what is not explicitly noted is that the unpaid hours of circulation workers contribute to profit in that they help to reduce the necessary overhead costs which capital must face in realising value and surplus-value by selling commodities. Such costs are a deduction from profits. Thus profits can be increased by intensification of work or wage cuts in the circulation sphere and worker resistance in the face of such attacks matters no less than in the production sphere.

The second reason has to do with productivism, which is constricting theoretically because it tends to make the nature and role of money external to the core of the system, given its stress on the theme that money is not a distinctive feature of capitalism.

Finally, it is essential that value theory should focus on sequences of reproduction, rather than on production treated as an isolated moment. Only such an approach will allow further development of a crucial dimension of Marx’s political economy – his account of how the forces of competitive selectivity operate in and through processes of capital allocation, and especially in periods of crisis, to shape and restructure capitalist production.

Appendix on the Composition of Capital

What Fine and Saad-Filho call organic composition of capital (OCC) is the capital-to-labour ratio measured at the values (and prices) which obtain at the time when production takes place. They contrast this with the value composition.

of capital (VCC) which registers the effect of value (and price changes) resulting from technical progress taking place over time.\textsuperscript{52} Their argument is that the OCC, defined in this way, is an indispensable category because it assesses the constant capital-to-labour ratio \textit{at the point of production}, and not (as the VCC does) at a later time, after (a) technical advances have changed prices and costs of production, and (b) these changes have taken effect in and through the circulation process. The OCC reflects ‘the “old” values prevailing prior to the technical changes and the renewal of the production process’\textsuperscript{53} The OCC is measured at historic cost of production prices. In contrast, the VCC is based on current ‘new’ prices which reflect the effect of technical advance (or increases in productivity) which lower the value of means of production required per unit produced.\textsuperscript{54}

Here, certainly, Fine and Saad-Filho are highlighting an issue of great importance. One of the largest risks which an industrial firm faces is that its investment in productive equipment which incorporates a given technology may be rendered unprofitable if its rivals are able, subsequently, to begin production using more up-to-date and cheaper techniques and equipment which allow them to sell at lower prices. The losses inflicted in this way on the firms which made the older, outmoded investment must be one of the factors tending to depress profitability when advance in methods of production raises productivity. But it cannot be, as Fine and Saad-Filho seem at times to claim, the most abstract and fundamental force acting on the overall rate of profit of industrial capital.

Marx’s law of the tendency of the rate of profit to fall is based upon the conceptual distinction between the organic and the value compositions of capital [OCC and VCC].\textsuperscript{55}

They reach this conclusion via a complex and not completely clear argument, namely that on their definition,

\textsuperscript{52} See Fine and Harris 1979, also Fine 1983, for earlier discussions of the distinction between OCC and VCC. Most other commentators define the OCC in the same terms which Fine and Saad-Filho use as the definition of their VCC. The latter also use a third ratio, the technical composition of capital (TCC); the physical ratio of material inputs to labour, but this plays no effective role in their analysis.

\textsuperscript{53} Fine and Saad-Filho 2004, p. 106.

\textsuperscript{54} See Green 1986 for a valuable discussion of some of the key issues posed by the categories used by Fine and Saad-Filho to analyse the composition of capital, and the implications of this approach for their explanation of tendencies affecting the rate of profit.

\textsuperscript{55} Fine and Saad-Filho 2004, p. 110.
the OCC measures the results of accumulation by exclusive reference to the sphere of production, i.e. (surplus) value creation, whilst the VCC measures and reflects the process of accumulation in the sphere of exchange, i.e. surplus value realization...56

By having an OCC category which is isolated from circulation and realisation, the intention of Fine and Saad-Filho is to locate the fundamental tendency of the rate of profit to decline in the production process, and, as I noted above, to identify it with the undermining of profitability of firms with older means of production as they lose out in competition with the newer technology of more up-to-date rivals. This contrasts with the more common orthodoxy that the fundamental downward pressure on the rate of profit derives from a rise in constant capital (c) relative to labour (v).

I have mentioned the lack of concern of Fine and Saad-Filho with Marx’s account of the nature and roles of money. Oddly, one of the fundamental questions which led Marx devote so much attention to the nature of money in the early chapters of Capital, is raised by Fine and Saad-Filho in their chapter on the transformation problem. ‘Why’, they ask, ‘do the dominant relations of production give rise to the value-form, and how do values appear as prices in practice and change over time?’57 They then go on to argue that Marx, in his discussion of transformation, does not express v and c in money terms, in other words, that the OCC ratio of v/c is not a monetary expression. They condemn the usual treatment in the literature which assumes precisely that c and v are expressed in money terms. It is incorrect, they argue, to talk about differences in value composition ‘as if c and v were quantities of money... This is not the case for Marx’.58 The implication is that they think that in Marx c and v must here refer to labour-times! But this is no way possible. In Marx, there is a relation between socially-necessary labour-time and money, but money is the form of expression of abstract labour. Capitals deal with their labour-force in terms of hours of concrete labour and wages paid. Abstract labour as the substance of value, measured in hours of socially-necessary labour-time, is not directly accessible to consciousness of capitalists or workers. Abstract labour is expressed only indirectly in monetary form. In their suggestion that that in the v/c formula, capital and labour should be defined in non-monetary terms, we see clearly how far Fine and Saad-Filho have been led astray by the dream of finding a pure organic composition of capital at the

56. Ibid.
point of production, free from the complicating effects of circulation, and not requiring specification in monetary terms.

Fine and Saad-Filho write that,

the OCC connects the rate of profit with the sphere of production, where living labour produces value and surplus value. In contrast, the VCC links the profit rate with the sphere of exchange, where commodities are traded and where the newly established values measure the rate of capital accumulation.  

Notice the imprecision of the terms being used: ‘connect’, ‘links’. Some difficulties are being evaded here. The VCC registers changes in the value and price of labour and means of production inputs and thus reflects alterations in the capital/labour ratio resulting from changes in productivity. However, VCC is still a measure which refers to a production process – and, once a new VCC is established, as competition forces other capitals to lower their prices, this new VCC will become established as the OCC of a new phase of production. This, in turn, is followed by a new VCC as further rounds of technical advance again alter productivity and costs of production. This point is obvious when we take a re-production perspective, and see, as Marx did, a sequence of repeated cycles: production → circulation → production → circulation, etc. Fine and Saad-Filho’s analysis is too focused on a single phase of production at a given OCC, followed by productivity change, and a repricing process which is registered in VCC. Their procedure is misleading, and it is vital to focus on the production-reproduction sequence, not on production treated as an isolated moment.

This seems elementary – but Fine and Saad-Filho take a different course for two reasons which seem to them decisive. Firstly, a production-linked OCC is important because it pins the source of surplus value and profit firmly down to unpaid labour. This helps Marx to substantiate his claims that machines do not create value, that surplus value and profit are not due to unequal exchange.

To drive home this argument is a central concern of their book, which seeks at every point to challenge the orthodoxy of mainstream economics that profit is the product of a combination of the three factors of land, capital, and labour. Secondly, they argue that OCC as a production-based concept, uncontaminated by circulation processes, is essential to a Marxist political economy, in order to

59. Ibid.
60. Fine and Saad-Filho 2004, p. 133.
clarify ‘the tensions created by the integration of production with exchange’.61 And also to suggest that the transformation problem is closely linked to the thesis of a tendency for the rate of profit to fall, since both transformation and tendency centrally involve the composition of capital.

But how do they achieve a circulation-free concept of the constant capital/labour ratio? Marx, they argue, got it right. His OCC is only concerned with the effects of the differing rates at which raw materials are transformed into outputs... he is less concerned with how the inputs $c$ and $v$ have previously obtained their prices, and more concerned with how differing organic compositions affect the process of price and profit formation.62

Marx, they suggest, is comparing two sectors of production A and B in which A uses more labour than B to work up more raw materials $c$, irrespective of the cost of these raw materials. They then argue that prices will rise above value in a sector in which either (a) a given quantity of labour works up a greater quantity of raw materials – regardless of its cost – or (b) the use of a greater quantity of labour in production will create more value and more profits than a lesser quantity, (again regardless of the cost of raw materials) the commodities produced will command a higher price relative to value.63

Marx, they say,

is primarily concerned to isolate the impact of prices of the different quantities of labour necessary to transform the means of production into the output – regardless of the value of the means of production being used as raw materials.64

Two aspects of this treatment are questionable. (a) In discussing constant capital they focus on raw materials – the OCC, they write, ‘is only concerned with the effect of the differing rates at which raw materials are transformed into outputs’.65 It seems, at this point in their argument, that fixed capital (machines, factory buildings, etc.) is excluded from their definition of constant capital. Note also the reduction of $c/v$ to raw material/labour in the following:

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63. Ibid.
64. Fine and Saad-Filho 2004, p. 133.
raw materials and labour enter the production process with given values, and this leads to a definite ratio of constant to variable capital.66

Yet, earlier in the book, it is allowed, as Marx explained, that wear and tear on machinery involve, in effect, a transfer of value to commodities produced. ‘The value of constant capital does not vary during production (only labour creates value)’.67 (b) This instability in the definition of constant capital is associated with another strange move by Fine and Saad-Filho. As the quotations above indicate (from pp. 106 and 132), they seem to define capital and profit in terms of current flow, and exclude considerations of the stock of capital. In their account, the ‘c’ under discussion is not the whole stock of constant capital, but the flow of value transferred during the production process from constant capital to commodity. It follows that they define rate of profit as the marginal surplus-value return on the flow of constant capital and wage costs, not surplus-value divided by the total stock of capital engaged in production. But, for any given capital, what matters is how large the rate of profit is on total capital advanced. A profit could be high in flow terms, yet the business on the rocks, if a very large sum has had to be tied up in machinery and plant in order to produce this profit.

One is left with the impression that, in Fine and Saad-Filho’s text, the capital/labour ratio is being asked to do too much analytical work. To identify a static, atemporal \( \frac{c}{v} \) ratio, they are forced to abandon reference to the outstanding stock of capital whether for individual capitals or for capital as a whole. Their argument stresses, ‘the unchanging values of commodities (including labour power) during production’.68 This supposed stability of the OCC as production takes place is crucial to their argument. And it is clear that, for a firm which has invested in a given array of means of production, the amount of money advanced does not alter during production. But money-capital involved is the total tied up in a given stock of capital, not just, as in Fine and Saad-Filho, the flow of capital absorbed by the costs of current production. But, as Marx correctly insists, the value of the means of production can be eroded if there is a general cheapening of the elements of constant capital which takes place during the period of productive life of a given stock of means of production (machinery, raw materials, etc.).

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Review Articles

Revolution and Counterrevolution: Class Struggle in a Moscow Metal Factory, Kevin Murphy. Oxford: Berghahn Books, 2005

In his fine study, Kevin Murphy grapples with the central question posed by the Russian Revolution, namely, ‘how a movement based on egalitarianism and freedom [was] transformed into a system based on exploitation and repression’ (p. x). This is a question that must exercise all who are committed to achieving a socialist society in the twenty-first century, and the book sheds penetrating light on the processes whereby a revolution that began as an idealistic effort to bring an end to war, to class inequality and to autocratic power turned into one of the twentieth century’s most savage tyrannies. Like many others before him, Murphy opts to explore this question through an examination of the role of the working class in the revolution, but he chooses a novel point of entry into the subject in concentrating on workers in a single Moscow factory: the Hammer and Sickle works – known as the Guzhon works until 1922. Such a study has become possible only since the opening up of the archives following the fall of the Soviet Union. Murphy examines the history of the Hammer and Sickle workers from the founding of the factory in 1883 to the end of the first five-year plan in 1932. This focus on the revolution in one factory permits him to trace continuities and discontinuities in the experience of workers across the divide of 1917 in a way that is still rare in the literature. The study is at its richest for the 1920s, when archival material becomes abundant, and is particularly noteworthy for its judicious assessment of the extent of working-class support for the Left Opposition (1923) and the United Opposition (1926–7) in their valiant efforts to block the rise of Stalin. Murphy’s study has many merits, as I hope will become evident from my review, but my main purpose here is to engage critically with the book’s larger argument, since it seems to me to mark a step back from work that has begun in recent years by Marxists of an independent spirit to re-evaluate the early years of the Bolshevik rule in a less extenuatory fashion.  

Murphy’s account is subtly informed by what might be called the classical Trotskyist narrative. On the basis of his experience of the 1905 Revolution, Trotsky developed his theory of permanent revolution. According to this, the weakness of the Russian bourgeoisie forced the proletariat to take the lead in carrying out the bourgeois revolution. But, once in power, the proletariat would not stop with the realisation of bourgeois tasks but would be impelled to push the revolution in the direction of socialism, thereby unleashing a ‘permanent’ dynamic that would precipitate socialist revolution beyond the boundaries of the Russian empire. Trotsky’s theory was based on the premise that capitalism had already

created the material preconditions for a new socialist economy on a world scale. The First World War signified, in his words, ‘the greatest historic convulsion of an economic system perishing from its own contradictions’, heralding both the break-up of the nation-state and of capitalism as an economic system. Almost a century later, it is hard to concur that capitalism had exhausted its historic potential so early in the twentieth century and it is equally doubtful that in 1917 the conditions existed to create socialism on a world scale. Trotsky later argued that the failure of international revolution to break out was a contingent matter, to be explained in ‘subjective’ rather than ‘objective’ terms. It was a consequence of the political failure of revolutionary leaderships, rather than of the supposed ‘advantages of backwardness’ that quickly became fetters on the Bolsheviks’ capacity to move beyond the tasks of developing industry, reforming agriculture, and integrating the ‘nation-state’, which had been classically associated with bourgeois revolution. Moreover, his theory of permanent revolution was based on the optimistic assumption that the ‘privilege of historical backwardness’ had vested the Russian proletariat with the capacity to exercise hegemony over the process of permanent revolution. Once again, Murphy’s book illustrates the extraordinary militancy and organisational capacity of Russian workers in the revolutions of 1905 and 1917. But, ninety years on, what looks just as remarkable is the astonishing failure of the working class to maintain any form of hegemony beyond the moment when the Bolsheviks seized power. For Trotsky, this was again a contingent matter: a situation brought about as a by-product of the collapse of economy and society after 1917 and of the harsh exigencies of civil war. But it was more than that. The Civil War brutally exposed the intrinsic social and political weakness of a working class that was only recently formed and was but a tiny proportion of the population. Trotsky had written perspicaciously about the capacity of the Leninist party to substitute itself for the working class. Yet his account of the degeneration of the Revolution fails to register the ease with which a small, centralised party, backed by a Red Army, could politically expropriate genuine working-class organisations. And the subsequent experience of ‘socialist’ revolutions in China, Yugoslavia, Vietnam, Cuba and elsewhere was to confirm that parties and armies, not soviets and factory committees, were the key agencies of revolutionary transformation in the twentieth-century ‘socialist’ revolutions to come. This was principally, in my view, because the level of productive forces capable of sustaining democratic socialism on a global scale and, in particular, the transformation of the world’s population into a majority of proletarians, had by no means been achieved.

There is no explicit reference to any of this in Murphy’s account. But he takes for granted that socialist revolution was a possibility in Russia in 1917–28; that the working class was capable, notwithstanding its size, inexperience, and the appalling socio-economic backwardness of Russia, of developing and sustaining historically new structures of socialist democracy; and that it was essentially secondary factors, notably the collapse of the economy and the outbreak of civil war and failure of international revolution, which created the conditions in which Stalin could hijack the Revolution. He purports to show how Hammer and Sickle workers fell under Bolshevik leadership for the first time in 1912 and how that leadership was destroyed by police repression and the catastrophic First World War. Following the February Revolution of 1917, workers at the factory initially supported the Socialist-Revolutionary (SR) Party but were won over to the Bolshevik programme.

Following October, however, the Hammer and Sickle workers, along with the Russian working class as a whole, were ‘declassed’, as Bolshevik activists went off to fight in the Red Army and experienced workers were made jobless or forced back to the countryside. So desperate were the times that Hammer and Sickle workers became disgruntled with the Bolshevik régime, but their protests remained economic rather than political in character. With the NEP, the Bolsheviks re-established an organic relationship with the working class. From 1923, however, a struggle unfolded for the soul of the Party, in which the Stalinists, using a variety of dirty tricks, systematically consolidated their power over the working class. The struggle culminated with the First Five-Year Plan (1928–32), when the bureaucracy expropriated the working class politically and carried out a counter-revolution and, thus, established itself as a new ruling class. The particular analysis of Stalin’s ‘revolution from above’ differs from Trotsky’s, but the basic account of the relationship of the working class to the Bolshevik Party is broadly structured according to his narrative.

There are important elements in this narrative that are unexceptionable. I would want, in particular, to agree that the Russian working class showed itself to be by far the most creative social class during the Revolution, even though I am sceptical that the Russian working class had the capacity to exercise hegemony over the revolutionary process as a whole. I would also want to insist, against many recent scholars, that Leninism did not lead directly to Stalinism and that the paths advocated by Trotsky or Bukharin, though not capable of leading to socialism in any meaningful sense, might have avoided the horror of Stalinism. Nevertheless, times have moved on and it seems to me that crucial elements of this narrative need to be interrogated. First, we know much more about the relationship between the working class and the Bolshevik Party in the years after 1917: we know that the danger of ‘substitutionism’, about which Trotsky had warned so eloquently, manifested itself long before the mid-1920s. It is arguable that within less than one year, the soviets, in whose name the Bolsheviks claimed to take power, had been ruthlessly subordinated to the Party. This was not due primarily to the ‘declassing’ of the proletariat, but to the fact that the Party proved to be a far more effective agency of government than the multifarious, decentralised organs of working-class power. Second, we now know much more about the authoritarian methods of the early Bolshevik state and new knowledge forces us to take much more seriously continuities as well discontinuities between Leninism and Stalinism. Third, the greater hindsight that has come from the collapse of the Soviet Union places the Russian Revolution in a radically different historical perspective. It no longer appears as a harbinger, in however deformed a fashion, of the future, but as a revolution closer to those of the nineteenth than the twentieth century, insofar as it was constituted through a ‘seizure of power’ as a single political act. More generally, the centralist, statist, productivist model of socialism that Bolshevism came to represent is not one that has relevance for socialism in the twenty-first century, when it is precisely the curbing of the expansionary dynamic of capitalism that has become vital to the continuance of the planet.

Before engaging in detail with Murphy’s findings, however, it is important to address an objection that has been made against efforts to reassess the standard Trotskyist narrative. According to this, my aforementioned comments simply reflect the loss of confidence that has characterised the Left over the past quarter of a century.3 There may be some truth in this, since history writing is always bound up with the politics of the present. Nevertheless,

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as Murphy himself contends, the opening of the Soviet archives does mean that we now know much more about aspects of the Russian Revolution that were formerly occluded by Stalinism. What one makes of such knowledge, of course, depends, in part, on one’s politics. Advances in knowledge do not necessarily bring advances in historical understanding. Sometimes work by long-dead scholars who had limited access to the documentary record is far more valuable than recent work that fully exploits the riches of the archives. In the Soviet case, for example, Moshe Lewin’s, Lenin’s Last Struggle (1967) or Stephen Cohen’s Bukharin and the Bolshevik Revolution (1974) – to take works by two historians who are happily far from dead – still stand head and shoulders above many post-Soviet works on the same subjects. Nevertheless, precisely because historiography is itself bound up with the ebbs and flows of history, there is no way that some ‘truth’ about the past can be preserved in aspic. The Russian Revolution is now a historical event in the same sense as the French Revolution. In 1917, as is well known, the Bolsheviks looked anxiously for guidance to the example of the French Revolution, but relied in doing so on up-to-date scholarship, such as Alphonse Aulard’s Histoire politique de la Révolution française (1901), rather than prevalent political myths about the Revolution. Socialists today should do likewise: that is, re-examine their understandings of the Russian Revolution in the light of recent work and not feel duty-bound to cling to tenacious ‘defences of October’.

The Hammer and Sickle works was a substantial metalworking plant in Moscow, which employed about 3,000 workers by the time of the First World War. It was a large plant by the standards of Moscow’s metalworking industry, where far more factories were medium or small in size than in the capital, St Petersburg. Murphy does not explain why he chose this particular factory for his study and it is, in some respects, a curious choice. It was never a stronghold of Bolshevism in the same way as the Dinamo or AMO metal works, both of which were located in the same Rogozhskii district of the city as the Hammer and Sickle works. One could argue, however, that it was more politically representative of the Moscow working class than the two former factories, since, even in 1917, the Bolsheviks never enjoyed the same overwhelming support of workers in the city as they did among workers in the textile belt in the provinces around Moscow or in the capital Petrograd. What strikes me as significant, though not Murphy, is that the Hammer and Sickle works was a bastion of the Socialist-Revolutionary Party, later of the Left SRs. Murphy never poses the question why SR influence at the plant was so substantial and so long-lasting. I am generally sceptical about attempts to explain the differing political allegiances of Russian workers in terms of their varying degrees of proletarianisation, but there does seem to be a link between the generally rather strong influence of the SRs in Moscow and the rather large proportion of workers in the city who had ties with the land, although possession of land in the countryside per se was not incompatible with having a long record of service in industry. By 1917 it is reckoned that only one quarter of the workforce at the Hammer and Sickle works had close ties to the land by 1917. Rather paradoxically, in the light of the view that workers with ties to the land returned to their villages during the Civil War, the effect of the Bolshevik Revolution was to increase the proportion of workers at the plant with such ties, so that, by 1927, three-quarters of the workforce had land holdings. This question invites more

4. Grunt 1976, p. 34.
consideration than Murphy gives it. Indeed, he makes little of social distinctions between workers, except with respect to gender in general. Chapter Four provides an illuminating discussion of the position of women workers, of working-class religious affiliation, and of problems of alcoholism and hooliganism, but, in large part, the book ignores the perspectives opened up by social historians in the 1970s and 1980s. We thus get little sense of the social backgrounds of the Hammer and Sickle workforce, the nature of the work they did, their pay and conditions, or the ties between family, community and workplace.

In 1883, Iulii Petrovich Guzhon, a French citizen, petitioned to open the Moscow Metal Works and for the next thirty-four years ruled the factory with a rod of iron. Murphy neatly characterises him as personifying ‘both the paternalism and the intransigence of Russian corporate liberalism’ (p. 11) and as enjoying a ‘reputation as a tough and outspoken defender of his class’. Guzhon was chair of the Society of Works and Factory Owners, the Moscow employers’ organisation, from 1907 to 1917, and a member of the Council of Congresses of Representatives of Trade and Industry. Generally, industrial relations in the Moscow region were more paternalistic than in St Petersburg, for the city and its outlying regions were dominated by the textile industries whose bourgeoisie was older and more independent of government than its counterpart in the capital, where metalworking and engineering industries were preponderant. Guzhon, however, was a metalworking entrepreneur, very much a capitalist in the European mould, who was bent on driving up productivity and imposing tighter labour discipline. Despite paternalistic initiatives, such as setting up a school for workers’ children in 1895, he championed an abrasive style of management. Murphy mentions this, but does not consider its significance for the propensity of workers at the Guzhon works to strike. He suggests that Guzhon workers had an impressive record of militancy, but the evidence for this is not clear-cut. Their failure to support the general strike of October 1905 and their decision to strike for just one day on 23 April 1912 in protest at the massacre in the Lena goldfields may indicate that the combination of stick and carrot used by Guzhon served to depressed militancy at the plant prior to 1912.

The Lena massacre of 1912 led to a revival of the labour movement throughout Russia following the ‘years of reaction’ from 1907. Murphy attaches great weight to the fact that a Bolshevik cell was formed at the Guzhon works some time in spring 1912. It may have been this cell that encouraged the workers to engage in a one-day strike in protest at the Lena massacre, but the stoppages that followed – which Murphy interprets as reflecting Bolshevik influence – were all economic in nature and confined to individual shops. The Okhrana, the secret police, report of a strike in the steel shop on 17 May 1912, states that it was ‘completely economic without any leadership from the representatives of the revolutionary underground’, and stressed divisions between seasonal workers and permanent employees. Significantly, the Guzhon workers did not strike on May Day. It is doubtful that the Bolsheviks established any substantial influence at the plant in this period, if only because the cell had been smashed by the Okhrana within a couple of months. Such repression was typical, but Murphy attaches great explanatory weight to it, even suggesting that it accounts for the weakness of the Bolsheviks at the factory in summer 1917. As he goes on to show, however, the crushing of the Bolshevik cell did little to dent workers’
militancy. In 1914, SRs at the factory led political strikes at the plant that ‘moved the Moscow Metalworks to the forefront of the Moscow political movement’ (p. 26).

From August 1914, production at the Guzhon works expanded hugely to meet the needs of the War — the factory becoming the major producer of tin and sheet metal in the Central Industrial Region. Working conditions deteriorated significantly. Despite the loss of a significant number of skilled workers owing to conscription, Guzhon workers staged a number of strikes, including ‘the best organized of the wartime strikes’ in May 1916 (p. 33). Most were in protest at worsening wages and conditions, but they also included a number of political strikes, including one to oppose the prorogation of the Duma in September 1915. The leaders of these were the SR activists at the factory. Murphy stresses their ‘conservative, patriotic stance’ and argues that, in 1916, they refused to involve the factory in five political strikes. But he never considers the possibility that the SRs’ combination of economic militancy and hostility to tsarism, combined with a reluctance to jeopardise the fortunes of the Russian army, may have chimed rather well with the sentiment of a majority of workers. In May 1916, for example, when Guzhon threatened to impose a lockout, the workers’ leaders turned to the workers’ groups of the War Industries Committee for assistance, which suggests that in Moscow, as in St Petersburg, sizeable numbers of workers snubbed Bolshevik calls to boycott elections to these groups and successfully forced the defencist leaders of the workers’ groups into taking more militant action on their behalf.

The February Revolution threw Guzhon and his managing director, V. Andarenko, onto the defensive. Initially, they opposed the eight-hour working day and agreed to implement it only under duress, claiming that it was a betrayal of the Allies and of the soldiers at the front. In summer 1917, the Guzhon work became a national cause célèbre when a bitter dispute between workers and management led to the government taking the plant out of Guzhon’s control. Murphy gives a lively but incomplete account of this dispute that began in May, when workers in the form-casting and bolts shops demanded that their French managers be removed. This not only led to a standoff with management but also (a point not emphasised by Murphy) to conflict with white-collar workers at the plant who deplored the attacks on individual managers. The conflict then became entangled with a wage claim, which was referred to the central conciliation chamber. To the fury of Guzhon and Andarenko, the latter supported the claim, causing them to threaten to shut the plant down. The factory committee, which was dominated by SRs but which came to include a handful of Bolsheviks in the course of the dispute, mobilised to resist closure and for a few

6. Only in a footnote does Murphy address the question of the standard of living of Guzhon workers during the War, citing statistics that suggest a sharp fall in real wages by almost a half between 1913 and March 1917. If this was the case, it was untypical. Using a wider range of sources, Diane Koenker calculates that the real wages of Moscow metalworkers actually rose between 1913 and 1916, although this did not mean that there were not ample grounds for working-class disaffection, including long working hours, problems of supply, and endemic standing in queues. Murphy’s wage data may not include the cost of living subsidy that was paid on top of monthly earnings. Koenker 1981, pp. 84–7; Iz istorii 1981, p. 36.


days actually occupied the plant. On 29 June, the Factory Commission [заводское совещание], the Moscow branch of the Special Council of Defence, created in August 1915 to meet the needs of the war effort, ‘sequestrated’ the factory. Over the next two months, it invested almost one million rubles in the plant and output rose by more than one-third. The mood of the workers reportedly improved and the factory committee became involved in searches for fuel and for skilled workers. Workers’ optimism did not last long, however, for ravaging inflation soon eroded the wage gains that had been made.9

Murphy concludes, reasonably, that this dramatic and well-publicised conflict, reveals that ‘Guzhon workers’ anger exceeded the level of workers’ militancy in other factories’ (p. 52), but he does not stop to consider why this apparent victory for workers’ direct action did not lead to a rapid transfer of support from the SRs to the Bolsheviks. After all, the Bolsheviks were the principal party that backed the slogan of workers’ control of production. Murphy entitles this section of his account, ‘The Ascendancy of Bolshevism’, but, although Guzhon workers did eventually come out in favour of soviet power, this formulation avoids consideration of why SR hegemony at the factory persisted for so long. Only in August did Bolsheviks begin to pick up support, after Mal’kov, a talented workers’ leader, was sent to the factory. And, even by mid-September, Guzhon was still one of a handful of factories where Bolshevik influence was relatively weak. This was seriously out of line with developments in the city as a whole. On 24 September, in the second citywide elections to the municipal Duma, the SR vote crashed to 14.1%, admittedly on a low turnout of only 38% of the electorate, while the Bolshevik vote soared to 51.5%.10 One reason for the slowness of the ‘Bolshevisation’ of the Guzhon plant may be that the slogan of workers’ control of production simply had less purchase there, since the plant had already been taken out of the hands of private capital. Moreover, one could argue that it was the Factory Commission, rather than workers’ direct action, that had saved the workers’ jobs. Another reason may be that the individual qualities of SR leaders, such as Lebedev, Arapov and Kormilitsyn, continued to matter to the workers more than their formal party-political affiliation, not least because these leaders shifted rapidly to the left in the course of the summer to take up positions not substantially different from those of the Bolsheviks. I suspect that one reason why Murphy never confronts the issue of the popularity of the SRs is that he cleaves to the dubious notion that the SR and Menshevik parties were inherently ‘petty-bourgeois’ parties incapable of representing workers’ interests. All one can say is that hundreds of thousands of workers in 1917 did not see these parties in that way.

Murphy paints a bleak picture of conditions at the Guzhon works during the Civil War. Nationwide between 1917 and 1920 the number of factory and mine workers fell from 3.6 million to 1.5 million. Over a million workers left the towns for the villages, several hundred thousands departed for the Red Army and tens of thousands left to take up administrative positions in the soviet, trade-union and party organs. In Moscow, the workforce halved. By 1920, the real value of the average worker’s income was reckoned to be 38% of the 1913 level, and this was made up largely of food rations, free housing,

9. In addition to Murphy’s account, this summary relies on Ekonomicheskoi polezhenie 1957, pp. 423–50; and V. Meller’s article in Shestnadtsat’ zavodov, 1933.
transport, clothing and other goods. According to Murphy, ‘a desperate, individualistic and apolitical atmosphere permeated factory life’ (p. 73). However, it is a moot point whether this economic collapse led to a ‘declassing’ of the proletariat. Factories such as Guzhon were vital to defence and continued to operate through the Civil War, albeit at a drastically reduced level. Indeed, in late 1919, only 9% of factories in Moscow with 100–500 employees and only one of 65 enterprises with more than 500 employees were not operating. And although many ardent supporters of the Bolsheviks had left, experienced workers were still very much in evidence. Murphy repeats the Bolshevik canard that there was a strengthening of ‘petty-bourgeois elements’ in the working class in this period, and uses it to explain worker discontent. Yet, when the Bolsheviks complained about ‘declassing’, they were essentially complaining that workers were not behaving as they expected them to do.

Murphy, rightly in my view, sees food supply as the critical problem affecting the urban population in these years. Recent scholarship agrees that this constitutes the key to understanding the changing relationship between the régime and both the urban and rural populace. Here is a good instance of the way in which new knowledge changes historical understanding, for it is instructive to refer back to a seminal work, such as Volume Two of E.H. Carr’s *The Bolshevik Revolution* (1952), and see how little attention he pays to food supply and grain requisitioning, compared with the minor issue of the doomed effort to set up state farms. Murphy rightly presents the Bolsheviks as inheritors of a grain crisis they had not the capacity to resolve. This had deep structural roots in a crisis of marketing that originated in the First World War and was compounded after 1918 by a shrinkage in the lands sown to seed. Any government would have had mammoth problems tackling a crisis of this magnitude, and it is a credit to the Bolsheviks that they were not totally overwhelmed by it. Moreover, they clung broadly to policies – of a state monopoly on grain, fixed prices for the peasants, and rationing – that had begun in the First World War. Nevertheless, it is not convincing to present the Bolsheviks as simply victims of a crisis that was not of their making. For if the basic policies they followed were ones that were already in place, they almost certainly made a bad crisis worse by seeking to eliminate the market totally and to concentrate distribution of basic consumer goods entirely in the hands of the state. There may have been no optimal set of policies that could have stimulated the peasants to grow and sell enough grain to keep the Red Army, the urban population and grain-deficit provinces fed, in the absence of manufactures for exchange or a currency that retained its value. Nevertheless, by deliberately choosing to bypass consumer co-operatives, which had been heavily involved in food supply in 1917 and which enjoyed the confidence of the peasantry, and to channel food supply through the organs of the Food Commissariat, the Bolsheviks compounded the crisis. The latter policies sprang from an ideology that was profoundly antipathetic to any concession to markets and profoundly statist in its orientation – a point to which I shall return.

15. For a fuller discussion, see Smith 2002, pp. 76–85.
Murphy contends that the bulk of worker discontent during the Civil War was economic in nature; but the experience of Moscow cannot be assumed to be typical. As the new capital, the place visited by foreigners, Moscow was better supplied than other cities, even than Petrograd. 16 Yet this did not prevent worker unrest erupting when rations were not fulfilled. At the Guzhon works in 1920, there were six one-day strikes in the rolled metal shop and a weeklong stoppage in the form-casting shop in protest at the inability of the food-supply authorities to fulfil ration entitlements. Murphy argues that such discontent was not politically charged: the fact that only 100 workers ‘cared enough’ to vote in May 1919, when LSRs won the factory-committee election, ‘reveals workers’ apolitical attitudes during the civil war, as personal survival supplanted revolutionary agendas’ (p. 161). Yet precisely because the government had taken upon itself responsibility for the supply of consumer goods, its failure to fulfil ration norms was bound to have political implications. In Petrograd, discontent over ration levels easily spilled over into attacks on the privileges enjoyed by party and government officials:

the communists receive high salaries and food rations, eat three dishes in their canteens, while we are given slops as though we were pigs. 17

In Moscow, too, at least by 1920–1, anger over the inequities and abuses in the ration system led to criticism of the privileges of the party élite and widespread demands for ‘equalization of rations’. 18 The Bolsheviks saw the hand of the opposition parties behind all such protests. When any dispute erupted, their knee-jerk response was to arrest any workers known to be SRs or Mensheviks. While it is doubtful that the latter parties were in a position to instigate labour protest on any extensive scale – they had been deprived of effective leadership and organisation – it was not difficult for them to get workers, agitated at the desperate shortages of food or rampant unemployment, to support demands for free soviets, free trade unions, freedom of speech and assembly, and a rejection of dictatorship. Such politicisation of strikes was, it seems, more common in Petrograd and provincial cities, such as Tula or Nizhnii Novgorod, than in Moscow. But there is evidence that, in the capital too, workers who had supported the Bolsheviks in 1917 responded positively to denunciations of the new ‘commissarocracy’. Nevertheless, if it only took a handful of oppositionists to politicise economic discontent, it only took decisive intervention by the Bolsheviks – sending in agitators, strengthening party cells and, above all, sending in emergency supplies of food – to dispel working-class support for the opposition. Doubtless a minority of workers believed that the régime had betrayed the Revolution, but the attitudes of the majority were more volatile and contradictory. Once the Civil War resolved itself into a straightforward conflict between Reds and Whites from late-1918, workers, with whatever misgivings, recognised that only a Bolshevik victory could save the Revolution. They might hate war communism and resent the fact that the régime rode roughshod over their basic rights, but they still perceived it to be fighting to defend soviet power and had no desire to jeopardise the fortunes of the Red Army. 19

17. Iarov 1999, p. 49.
19. The relationship between the working class and the régime was much more conflictual
Murphy contends that the historiography of labour in the Civil War is fixated on the question of the use of terror by the Bolsheviks to suppress working-class protest. This has certainly been a theme, although, in my view, it has been but one element in a larger controversy about the extent to which labour protest in these years had a political coloration, and about the extent to which it posed a serious challenge to the régime.20 I think Murphy is correct that labour unrest in the Civil War was broadly economic in character – often capable of being defused by carrots rather than sticks – but he significantly plays down the preparedness of the régime to repress the working class it claimed to represent, whether by confiscating ration cards, lockouts, mass dismissal of strikers followed by selective rehiring, or by the use of armed force. Again, episodes of repression were more common in the provinces than in Moscow.21 But instances of heavy-handed tactics in the capital are not hard to find. One group of workers who were a constant thorn in the side of the régime were those at the Aleksandrovskie railway workshops. Following a protest at non-payment of wages, the authorities sacked the entire workforce on 31 March 1918 and sent twelve Menshevik and SR workers for trial to a revolutionary tribunal.22 In August 1920 – i.e. after the Civil War had ended – tram workers in Moscow went on strike and were all fired, the authorities subjecting them to ‘re-registration’ to decide who should be taken back. No opposition party members were involved in this dispute.23 Again, on 25 March 1921, Bromley workers, once stalwarts of the Bolshevik Party, passed a Left SR resolution supporting the Kronstadt rebels (the only instance of support for the rebels in the capital). The Cheka accused them of ‘demagogically blackening with filth the Communist Party and soviet power’, arrested the Left SR leaders, shut down the plant, and announced that an entirely new workforce would be taken on.24 Historians such as Jonathan Aves and Vladimir Brovkin may focus too narrowly on such incidents, but the Bolsheviks’ belief that any protest against them was *ipso facto* an expression of petty-bourgeois reaction – underpinned

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20. The following emphasise the use of repression against the labour movement and – more importantly – exaggerate the political character of much working-class discontent. Aves 1996; Brovkin 1994; Bernshtam 1981. Sakwa 1988, is more subtle, but tends also to stress coercion. For a critique of this perspective see Rosenberg 1985, and the comments by Moshe Lewin and Vladimir Brovkin that follow his piece. See also Rosenberg 1989; and McAuley 1991.

21. In 1920 – after the Civil War was over – the chairman of the provincial party committee in Ekaterinoslav reported: ‘In September the workers here rose up against the formation and despatch to the countryside of food detachments… We decided to pursue an iron policy… We closed down the tram park, fired all workers and employees and sent some of them to the concentration camp, some (of the appropriate age) we sent to the front, and others we handed over directly to the Cheka. This had a beneficial effect and the flow of workers into the food detachments intensified.’ Pavliuchenkov 1997, p. 157.


as it was by an acute sense of beleaguerment – enabled them to use repression with
insouciance.

This touches on what, to my mind, has been the most important development in the
post-1991 historiography, one to which Murphy makes no reference. This is the return of
‘ideology’ as the key to explaining the evolution of Bolshevism in the early years. I am
unhappy at what I take to be the tendency of this historiographical trend to inflate the role
of ideology as a causal factor to the point where historical explanation collapses into a form
of ideological determinism.25 Nevertheless, Murphy’s failure to consider the role of ideology
and his unreflective assumption that everything is to be explained in terms of ‘circumstances’
strikes me as the biggest weakness of his book. As already argued in relation to food-supply
policy, even if there were massive constraints upon the Bolsheviks’ scope for action, they
enjoyed some room for manoeuvre. They had, after all, seized power in order to recast
socio-economic and political structures from top to bottom and were determined to push
revolutionary change as far as they possibly could. Far from being victims of implacable
historical forces, they struggled to act upon the situation in which they found themselves
and did so on the basis of their beliefs and assumptions.

We can perhaps best see how ideological assumptions and commitments interacted with
the exigencies of circumstance by analysing one of Lenin’s least polemical texts: ‘The
Immediate Tasks of the Soviet Government’, which was approved by the Central Committee
of the Bolshevik Party on 26 April 1918.26 This document was written before the outbreak
of full-scale civil war in late May 1918; indeed Lenin assumes that civil war – by which he
has in mind the conflict with Denikin’s Volunteer Army in southern Ukraine in February
1918 – is over. With unflinching realism, he turns his gaze on an ‘exhausted people’, ‘hunger
and unemployment’ and, crucially, the appalling level of labour productivity. His purpose
is to advocate a set of practical policies designed to stem the economic crisis, above all, in
industry. Yet this is not a text that can be read simply as a pragmatic response to dire
circumstance. First, each of his proposals for tackling the economic crisis is contentious,
not only between Bolsheviks and Left SRs (on whom he heaps his scorn), but within the
Bolshevik Party itself, especially among the Left Communists. The text must thus be read
as an intervention in a political debate about the best way forward. Second, the practical
policies advocated derive from a political evaluation of the current conjuncture. Lenin still
cleaves to a perspective of ‘state capitalism’, i.e. he has as yet no inkling that the government
will soon rush to nationalise the whole of major industry. He contends that Russia is in a
period of transition from the stage where the

most oppressed and downtrodden… obtained complete freedom to overthrow
the exploiters and to begin to take stock of things and arrange life in their own
way to the stage of consolidation, in which labour discipline has become central.27

In this transition ‘methods of administration’ must take priority over ‘methods of
suppression’. The slogans of the moment are:

keep regular and honest accounts of money, manage economically, do not be lazy, do not steal, observe the strictest labour discipline.\textsuperscript{28}

'Iron discipline', especially, is vital to the realisation of the main objective, which is:

the introduction of the strictest and universal accounting and control of the production and distribution of goods, raising the productivity of labour and socializing production in practice.\textsuperscript{29}

Incidentally, while Lenin alludes to this as a period of 'waiting for new outbreaks' of the international revolution, he nowhere suggests that the international revolution has any bearing on Russia's capacity to move towards what he calls the 'final victory of socialism'. Although Lenin still insists that methods of administration are learned by ordinary people through experience, this is much less of a theme than in \textit{State and Revolution}. In fact, it is in obvious tension with his new emphasis on the role of 'real organisers' and experts in industry. Indeed, he is unapologetic that coercion will be necessary.

It would be extremely stupid and absurdly utopian to assume that the transition from capitalism to socialism is possible without coercion and without dictatorship.\textsuperscript{30}

When Lenin makes such statements, we should not necessarily take them at face value. After all, he revelled in rhetorical excess and tended to present his latest thinking – however much it might be a reluctant concession to exigent reality – as his final word. Nevertheless, it is not difficult to discern behind this analysis of the current conjuncture certain fundamental assumptions about what socialism means and how it will be achieved. First, his conception of socialism is now highly statist. There is no longer any reference to the ultimate withering away of the state, as in \textit{State and Revolution}. The essential feature of socialism, he writes, is 'comprehensive state accounting and control of the production and distribution of goods'. He assumes that 'all property belongs to the state' and the fact that people still 'regard the procurement of bread and clothes as a “private” affair' is dismissed as a hangover from the 'rotten past'. Here, the state clearly refers to the central organs of administration, not to local soviets. In a telling detail, he welcomes the fact that functional departments of the soviets are now merging with the (centrally organised) commissariats. Second, Lenin perceives that the advance to socialism is fundamentally determined by an 'unprecedented progress of the productive forces'. This necessitates that the most advanced techniques of capitalism, such as Taylorism, along with the historically new idea of 'socialist competition' (this is the genesis of a quintessentially Stalinist practice), be used to raise the appalling levels of labour productivity. Significantly, Lenin makes not a single mention of trade unions or factory committees. This conception of the transition to socialism, with its prioritisation of the forces over the relations of production and its attendant belief that

\textsuperscript{28} Lenin 1969, p. 405.
\textsuperscript{29} Lenin 1969, p. 403.
\textsuperscript{30} Lenin 1969, p. 420.
the social organisation of labour inherited from capitalism can be put to socialist ends, came to be known much later as ‘productivism’. Third, despite a reference to ‘taking a step backwards’, Lenin presents his call for coercion as a matter of principle, not as an unfortunate deviation from principle dictated by necessity. Dictatorship, he writes, is an inevitable feature of ‘large-scale machine industry’, for this requires ‘absolute and strict unity of will’. In ideal conditions, the subordination of workers will be ‘like an orchestra obeying its conductor’, but in present conditions it means that ‘people unquestioningly obey the single will of the leaders of labour’. He concludes, triumphantly:

There is absolutely no contradiction in principle between soviet (i.e. socialist) democracy and the exercise of dictatorial powers by individuals.

Finally, in a revealing comment, he writes: ‘Our aim is to ensure that every toiler, having finished his eight hours task in productive labour, shall perform state duties without pay’. Clearly, the agent here is the Party. The idea that it might be for working people themselves to decide if and how they perform state duties never enters Lenin’s head. No historian would deny that labour discipline was a massive problem facing the Bolshevik government and it would be naïve to imagine that it could be tackled without some degree of coercion. Yet Lenin never presents coercion as a problem for socialists. It fits absolutely into the statist and productivist vision of socialism he upheld at this time; one that was already very far from what millions had envisaged socialism to be in 1917.

With the New Economic Policy, statism and productivism came to dominate Bolshevik strategy, although Bolshevism in this period continued to encompass alternative impulses and visions. With the NEP, subsidies to state enterprises were slashed and enterprise directors were put under pressure to reduce costs by cutting piece rates and increasing output norms. If Russia were to be dragged out of economic backwardness, labour intensification, cuts in piece rates, highly differentiated wage scales, and a general increase in the authority of management were crucial. Such policies were hardly likely to meet with the approval of many workers. Bill Chase quotes Hammer and Sickle workers complaining, for example, about the restoration of management hierarchies: ‘the working class was boss only in 1918–19’. The years 1922–3 saw a huge rise in the number of strikes nationally. At the Hammer and Sickle works a rash of works disputes was recorded by the OGPU in these years, mainly caused by delays in the payment of wages, cuts in rates and the raising of output norms. In a speech on 25 September 1923 to the Central Committee, F.E. Dzerzhinsky cited the Hammer and Sickle works as an example of ‘a certain worsening of the workers’ mood in recent months’; and a Cheka report for November–December 1923 cited two of the biggest economic strikes in Moscow as taking place at the factory. Murphy may be right to argue that such militancy was compatible with a ‘partial healing of
the rift between workers and the state’ (p. 86), but he provides little evidence for his claims that party and trade-union organisations championed the cause of labour in these years (p. 114). It was not unusual for trade unions to support workers’ demands or to contest management decisions through the rates-and-disputes commissions and the courts, but his assertion that ‘during early NEP the party repeatedly lent its authority to employees’ grievances’ (p. 86) is unsubstantiated.

The OGPU monthly reports on political conditions in the Soviet Union, intended for the eyes of the Politburo alone, are a source that has become available since 1991, one that offers compelling insight into the relationship between the régime and populace. These reports contain detailed information on the number of strikes. They show that stoppages fell sharply in 1924, rose slightly in 1925 and then rose significantly in 1926. The number of strikes by the mid-1920s may have risen above the 1922–3 level (although these years were not covered by OGPU data, so we rely on data published in 1928, which almost certainly underreport the number of strikes for the early NEP years), but the number of strikers was well below the early years.37 By the mid-1920s, stoppages had become small in scale and short in duration. The Hammer and Sickle works bears this out, with strikes over wages and output norms continuing through the 1920s, but on an ever-decreasing scale. The sharp fall in the number of strikers and days lost owing to strikes after 1923 suggests that the régime had some success in channelling conflict through the rates-and-dispute commissions. In 1923, for example, despite the high number of stoppages in the city, no less than 40% of the Moscow workforce was involved in disputes that fell short of strikes and, in 1924, this rose to 45.9%.38 Strikes may thus cease to be a good indicator of working-class disaffection after the early 1920s. Murphy connects productivism very much to the rise of Stalin, arguing that the trend commenced only in 1926 with the ‘regime of economy’, followed by ‘rationalisation of production’ in spring 1927. Only at that point did ‘intensification of the labour process, real wage reductions, and the exploitation of the Soviet worker’ become ‘integral components of the Stalinist industrialisation strategy’ (p. 104).

We can agree that the tempo of rationalisation intensified hugely in these years but, as Lenin’s text makes clear, the desire to rationalise production was there from the first, even if achievement fell well short of aspiration. Murphy argues that by 1928, the ‘working class was on the offensive’ (p. 107) and that ‘the final year of NEP was potentially most explosive’ (p. 106). Vladimir Brovkin has made a similar argument, claiming that by 1928–9 worker and peasant unrest had precipitated a ‘major social and political crisis’.39 Yet neither provides convincing evidence for this large claim. Prima facie, it seems likely that by 1927 the increasing tempo of rationalisation intensified worker discontent. Murphy dwells on two ‘short economic strikes’ at the Hammer and Sickle plant in early 1928 – in far more detail, incidentally, than he devotes to the bigger and longer disputes of the early 1920s – yet fails to establish that they carried the political significance he ascribes to them. Certainly, by

37. These generalisations are based on Sovershenno sekretno, vols.1–7, 2001–4. Data for 1922–4, which almost certainly underestimate the number of stoppages, are taken from Kir’ianov 1998, p. 23.
1928, the NEP system was unravelling but the ‘crisis’ of the NEP was provoked much more
by the peasantry than by the working class. Neither he nor Brovkin provides compelling
evidence that the régime felt threatened by rising levels of labour militancy. If a crisis in
relations between the régime and the working class did break out, it was in the following
year following the announcement of a cut in rations in March 1929.

That said, Murphy’s book is at its finest when dealing with working-class politics in the
1920s. He explores with subtlety the extent of support for the Left Opposition and the
United Opposition, the Stalinist response to dissent, and the consequences of the stifling
of opposition for the relationship between the state and the working class. He shows that, in
late 1923, workers at the Hammer and Sickle plant became drawn into the debates triggered
by the Left Opposition, the Rogozhskii district being one of the latter’s strongholds in the
city. Nevertheless, it may be stretching things to claim that ‘working-class support for the
Trotskyist opposition was formidable’ (p. 165). In Moscow as a whole, 630 party cells had
voted for the Central Committee line by the end of 1923, compared with 178 for the
Opposition.40 At the same time, although I remain unconvinced that the crisis in relations
between the régime and the working class was as severe by 1928 as Murphy contends, I
think he may actually underestimate the extent to which endemic economic grievances
translated into sympathy for the United Opposition’s attacks on economic inequality,
bureaucratic privilege, and absence of democracy in 1926. In the spring of that year, non-
party worker conferences in Moscow expressed substantial disaffection at persisting poverty,
dismal living conditions, and stressful working conditions; this easily tipped – as it did
during the Civil War – into attacks on the privileges enjoyed by the ‘new masters’.

‘Lunacharsky’s wife has diamond rings on her fingers and a gold necklace. Where
has she got them?’ ‘Who can rate the chances for socialism when a worker earns
40 rubles and expends much physical energy, whereas those in power earn 300
rubles?’41

Such criticism, centring on the absence of equality and collectivism, reflected the gap
between worker aspirations and the realities of the NEP. Nevertheless, as Murphy shows,
sympathy for the Opposition was inchoate and the Stalinists were brutally effective in
stamping out organised support for it.

Murphy seems loath to explore the motivations of the minority of workers who were
supporters of Stalin’s programme. He suggests that, by 1928, workers no longer wished to
join the Party and those who wanted to leave its ranks were prevented from doing so. His
data, however, show a consistent rise in party membership at the Hammer and Sickle
works, from just 60 in 1921 to perhaps 700 by 1928. And what he calls the ‘marginal’
growth of the factory party cell by 128 members as a result of the third ‘Lenin levy’ of
November 1927 was in fact higher than the growth that followed the first levy in 1924,
although not as high as the growth that followed the second levy in 1925 (pp. 86, 116,
166). Chase tells us that, in the wake of the first Lenin levy, the proportion of Communists
at the Hammer and Sickle works rose to 18% and that the majority who joined the Party

had ten to fifteen years of experience in industry. This proportion may have shrunk slightly in ensuing years, but it still represented a wedge of support for the party leadership in the workplace. Stalin played to the latent nationalism of the burgeoning ranks of young recruits to the Party who, while parroting the rhetoric of class and internationalism, deeply resented the notion that Russia was incapable of lifting itself from backwardness. Murphy, however, fails to register patriotism as a factor influencing worker attitudes, reluctant perhaps to construe worker identity in any terms other than those of class. This is not to question his critique of Chase and others, who argue that Stalin’s ‘revolution from above’ drew on substantial working-class support. I think he is absolutely right that the ‘majority of party and non-party members had withdrawn in weariness or apathy from the political realm’ (p. 180) and that this was crucial to the ascendancy of Stalinism. But he does not elaborate on how apathy could produce a situation where by late 1928 there was only ‘a narrow gap between widespread working-class resentment and open revolt’ (p. 113). Apathy and resentment are not necessarily incompatible, but they are unlikely to engender political crisis of the scale he portrays: ‘a rapidly deteriorating political and economic emergency that suddenly called into question the regime’s ability to rule’ (p. 113).

I began with a critique of Murphy’s organising narrative, so it is perhaps incumbent to conclude by sketching one of my own. It would run something like this. There was never a ‘golden age’ when the Bolsheviks enjoyed solid support from the working class. Enthusiasm for the Bolsheviks was short-lived, a matter of a few months during the autumn and winter of 1917. It is doubtful that one could ever speak of a ‘dictatorship of the proletariat’ but, if one could, it was certainly over by the second half of 1918. Thereafter one sees the slow emergence of a ‘dictatorship of the party’ or, if one prefers Trotsky’s terminology, a ‘dictatorship of the bureaucracy.’ That said, the first wave of working-class opposition to the régime peaked early – in spring 1918 – and the resolution of the Civil War into a straightforward conflict between Reds and Whites, following the crushing by Whites in November 1918 of SR attempts to set up governments loyal to the Constituent Assembly, firmly up support for the Bolsheviks. Workers’ economic discontent continued at a high level through the Civil War and could, rather easily, take on a political coloration. It was in 1921, not in 1928–9, that a second wave of politicised peasant and worker discontent led to the most serious crisis faced by the régime prior to the late 1980s, although in Moscow this crisis was much less serious than elsewhere, which is the reason I have passed over it.

In 1921–3, the level of economic discontent in the city soared to very high levels, but tailed off substantially in 1924–5. If one is looking for a ‘golden age’ in relations between the régime and the working class, then the mid-1920s is probably the best one will find. At this point, real wages struggled to reach their prewar levels, but the eight-hour working day, improved diet, subsidised rents and transport meant that most workers felt better off. Yet this poses a problem for those Trotskyists who see the defeat of the Left Opposition as the point when the ‘dictatorship of the proletariat’ succumbed to the ‘dictatorship of the

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42. Chase 1987, p. 263.
43. For a judicious assessment, see Pirani 2003.
bureaucracy’. From 1926, as Murphy shows, levels of discontent over labour intensification and persisting poverty intensified, and, although I do not think that the build-up of tension provoked a crisis of the scale he perceives, once again economic discontent became politicised. The ideals of 1917 had bitten deep, and workers’ commitment to equality, social justice, and soviet power served as benchmarks against which they measured the performance of the Bolshevik régime, with many finding it gravely wanting.

I do not see Stalin’s ‘revolution from above’ of 1928–9 as clearly marking ‘a veritable counter-revolution in which the drive for accumulation triumphed over human need’, even though it certainly constituted a radical break in the development of the revolution. For one thing, the drive to accumulate did not begin in 1928–9: it was at the heart of the revolution against backwardness that the Bolsheviks found themselves carrying out. For another, broad democratic forms, such as soviets and factory committees, in which true workers’ power was vested, had been rendered impotent a full decade before, as the Party struggled to reverse economic collapse and political fragmentation by concentrating power in hands. Nevertheless, the process whereby the working class was politically expropriated was protracted and uneven and not completed until the ‘revolution from above’. The evolution of what is often called the ‘bureaucracy’ was even more protracted, and its ‘dictatorship’ was only consolidated with the ‘revolution from above’. Up to that point, Bolshevism contained alternative potentialities within itself, even if these were powerfully constrained by the fundamental nature of the revolution as one against economic and social backwardness. If the ‘revolution from above’ was indeed a ‘counter-revolution’, it was one of an unusual kind in that it was not the overthrow of a revolutionary régime by its enemies, but the perversion of the best ideals of the Revolution by those who acted in its name. This is not the place to address the question of the class nature of Stalinism. However, it seems to me that, so long as we jettison any lingering notion of it as a ‘workers’ state’, Trotsky’s conception of the Stalinist system as a form of ‘Bonapartism’ provides the best perspective for thinking about how this brutal dictatorship both ‘betrayed’ the best socialist ideals of 1917 and, at the same time, preserved the fundamental character of the revolution as a revolution against backwardness with non-capitalist features – the forerunner of similar revolutions to come in the twentieth century.

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Historicising capitalism represents one of the most important challenges for Marxism today. Having traditionally relied on the law of value for explaining dynamics of capitalism, Marxists have, at times, neglected the analysis of its specific historical forms. One of the important exceptions to this tendency has been the valuable work of French Marxists (Aglietta, Lipietz). In this constellation, the work of Duménil and Lévy has become one of the important beacons of contemporary Marxism combining rigorous theoretical work with rich empirical research. Their wide body of work comprises significant contributions on a variety of topics ranging from their studies, often comparative, of American and French capitalist development, of neoliberalism and imperialism, to their more theoretical work on the nature of capitalist accumulation. In their newly translated book, *Capital Resurgent*, they reassess the historical significance of neoliberalism. This welcome endeavour has resulted in a broad and historically grounded discussion of capitalism, building up towards a carefully detailed indictment of neoliberalism. In so doing, the authors revisit, from a Marxist standpoint, a prominent post-Keynesian critique of deregulated models of capitalist development predicated on financial accumulation. The book offers a useful and accessible presentation of the main themes of their impressive body of work. It privileges a comprehensive angle on this ‘story’ of twentieth-century capitalism which adds to their more economic and ‘technical’ discussions found in some of their other publications. While sympathetic to many of the arguments proposed by this book, I argue here that its failure to address more directly the question of capitalist competition somewhat weakens its historicisation of capitalism.

**Duménil and Lévy on neoliberalism**

Duménil and Lévy set themselves the task of analysing the shift towards neoliberalism, tracing the ways in which it was politically orchestrated by a series of measures adopted in the late 1970s and 1980s. According to them, neoliberalism’s ‘principal trait was restoring many of the most violent features of capitalism, making for a resurgent, unprettified capitalism’ (p. 1). This meant dismantling institutional constraints, which had previously limited the freedom of movement of capital by channelling capital towards production. Other scholars have presented this political change as a necessary response to the economic downturn that plagued the 1970s, or as a means for reinvigorating capitalist accumulation. By contrast, Duménil and Lévy argue that neoliberalism did not represent the only option for addressing this crisis of profitability, nor was it the more ‘rational’ from the standpoint of capital accumulation. It constituted, rather, a deliberate project adopted in the narrow interest of finance and with dramatic consequences for the rest of society:

> Neoliberalism is the expression of the desire of a class of capitalist owners and the institutions in which their power is concentrated, which we call ‘finance’, to

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restore – in the context of a general decline in popular struggles – the class’s revenues and power, which had diminished since the Great Depression and World War II. Far from being inevitable, this was a political action. (pp. 1–2.)

To convey that the shift to neoliberalism was a coup in the interests of finance, Duménil and Lévy argue that it represented a political fix, not a functional one, in that it offered no stable framework for the reproduction of capital. The key to this assessment rests on their analysis of capital accumulation, which they link to innovations in production and the tendency of the profit rate to fall (TPRF).² It is common to argue that the increases in productivity that characterise capitalist accumulation are governed by the pace of investments. Declining investments are then seen as a central cause, leading to low capital accumulation and structural crises. However, as Duménil and Lévy point out, the problem of productivity cannot be solved by simply increasing investments. Innovations must be of a certain type to have beneficial effects on capital accumulation. Indeed, improving the productivity of labour by introducing new techniques or machines can lead to disproportionate investments in capital for the actual gain in labour productivity. Hence, innovations need to improve both the productivity of labour and capital, otherwise they require greater and greater capital, and reduce its productivity. The difficulty here is that technical innovations improving both the productivity of labour and capital are hard to make and only come sparsely. This is why there is a tendency of the profit rate to fall. It consists in what Duménil and Lévy call technological progress à la Marx, that is progress where capital increases not only in relationship to the labor used, but also in relationship to output – less and less labor, but more and more machines. (pp. 35–6.)

These diminishing returns lower, in turn, the incentive for investing, as the amount of capital required for improving productivity rises. From this perspective, great phases of capitalist development tend to be triggered by significant productive breakthroughs. The authors point out, for example, that the development of American capitalism in the early twentieth century was related to the elaboration of new methods of labour management which increased the productivity of capital and offered new vistas for investments. But, as capitalists exhausted the opportunities opened by these innovations, the profit rate declined and interest in further investments waned. The shift to financial accumulation further accelerated the incentives to turn away from productive investments, thus lowering the chances that significant innovations would be made and accelerating the decline in the profit rate.

This characterisation of the challenges of capitalist reproduction offers two central insights into the shift to neoliberalism. The first is that neoliberalism was a political coup. This can be seen, they argue, from the fact that the postwar compromise of capital accumulation was not inherently flawed. They emphasise, for example, that the hike in

². The question of the exploitation of labour also factors into their model, but figures as a countertendency to the decline of the profit rate, initially cast in terms of the effects of investments and technical innovations on accumulation. See Duménil and Lévy 2003.
interest rates in 1979 was not justified by any fundamentals, such as public deficits. There was, in fact, nothing fundamentally wrong with the level of state intervention in the late 1970s, since significant deficits only appeared in the 1980s after the hikes in interest rates (p. 78). Similarly, the regulation of capital flows did not pose any problem and should have been maintained. Inversely, neoliberalism cannot be said to have improved the capital accumulation, even if it increased the profit and wealth of upper echelons of society. According to them, the dominance of finance since the mid-1980s has actually made it more difficult to sustain accumulation. A first reason is that firms are now confronted with growing financial commitments which hamper their ability to invest. Indeed, the steep rise in interest rates in the 1980s and growing payments in dividends in the 1990s have shrunk the flexibility of capitalist firms in making productive investments. A second reason is that finance now plays little role in sustaining production. They underline, for example, that only 5% of stock issues finance investments in production. The rest serves speculative intents. In sum, neoliberalism constituted a ‘fix’ aimed at increasing the profit of capitalists without really solving the underlying problem of capital accumulation. Neoliberalism thus stimulated rentier activities, but the productive foundations from which they draw their wealth are weakening.

This leads to a second contention, that this shift represents a ‘crime’, in that the restoration of profit margins was conducted through a vicious attack on vast sections of society. According to Duménil and Lévy, this offensive can be more generally set within the context of the crisis of American hegemony that occurred in the 1970s. Through this lens, neoliberalism partly constituted a bid to reassert this hegemony at the expense of a more stable and ‘humane’ form of capital accumulation. In other words, the structural crisis of the 1970s must be partly understood as the product of a tension between the Keynesian compromise of the postwar era and American hegemony. With the crisis of the dollar, for example, the United States were confronted with a dilemma: either they had to abdicate their central position in the world economy by transferring many of their prerogatives to international organisations (e.g. creating a true international currency to replace the dollar), or they had to take the offensive in order to reassert their dominance. In this context, they orchestrated an attack, not only to reaffirm the place of the United States as a hegemonic power but, more generally, of an Anglo-Saxon form of capitalism based on financial accumulation. In the end, neoliberalism turned into a concerted political attack by the American state and the wealthier classes of various countries seeking a new form of governance that favoured finance. In pushing forth this agenda, they exploited the structural crisis of the 1970s (p. 212). Instead of implementing measures for correcting Keynesianism, upper classes thus staged an offensive aimed at depressing wages and liberalising capital. This resulted in an accentuated imbalance in the distribution of wealth and heightened the volatility of world markets that affected large portions of the economically most vulnerable parts of society. This argument points to a central contradiction of neoliberalism. While it addresses the demand for high profits, it does so at the risk of undermining the system as a whole. The forces benefiting from neoliberalism, Duménil and Lévy argue, have thus been caught in a bind since their power rests on exploiting crises through which they assert their power and garner capital at the expense of fragile economies. Yet, at the same time, it also weakens the foundations for capitalist accumulation (pp. 182–3).
The crisis of Keynesianism and the limits to capitalism

There is much to appreciate in this book. Not only is it filled with insightful charts – always a strength of Duménil and Lévy’s work – but it also ingeniously combines a theoretical understanding of capitalism with an appreciation for the way class struggle shapes capitalist reproduction. Class struggle here not only plays a crucial role in explaining how the crisis of the 1970s was experienced, but also in illuminating its particular outcome. Thus, stressing the fundamentally political nature of the shift towards neoliberalism and its clear class content offers a useful standpoint for historicising neoliberalism and moving away from determinist readings of the development of capitalism. Yet, despite these solid premises, there are significant limitations in the way Duménil and Lévy define this ‘political’ turn in the regulation of capitalism.

To start off, one might wonder whether the argument made here succeeds in showing that the Keynesian compromise of the postwar period was not condemned by the crisis of the 1970s. The difficulty partly lies in the somewhat inverted form of crisis theory offered here. Traditionally, Marxists view crises as an inherent product of capitalist development. Duménil and Lévy, however, assert that capitalism works well as long as private finance is not left in control of macroeconomic processes, that is, the general level of economic activity and employment to which we may add financial stability. (p. 197.)

Hence, it is only the tendency of capitalists to move away from a certain ideal type of capitalist growth, emphasising research and development and productive investments, which produces crisis. For this reason, the authors purport that there was nothing fundamentally flawed with the postwar model of capitalist development. This, however, makes it difficult to specify what exactly the problem was in the 1970s. Why would capitalists stray away from such a virtuous cycle and stop investing in production in order to privilege finance? This point remains generally underdeveloped in the book. Although the authors refer to the decline in the profit rate from the mid-1960s onwards, which can be presumably related to the difficulty there is in innovating and improving the productivity of capital, it is never really clear how the argument about Keynesianism fits with their discussion of the TPRF and the crisis of the 1970s. Therefore, their discussion of the TPRF serves more to specify what is wrong with financial capitalism (i.e. the move away from productive investments), than as a true explanation for why this tendency could also be observed in a ‘productive’ form of capitalism. Ultimately, the multifaceted and structural crisis of the 1970s they allude to is never clearly articulated to Keynesianism (Chapter 3). Instead, the causes of the crises are attributed to external sources such as interventions by the American state, the pressure of financial capitalists, or the fact that Keynesianism was inadequately implemented. While not entirely wrong, such explanations remain limited in their ability to historicise the crisis in relation to its social context.

A promising argument in the book, which comes closest to achieving this, pertains to the question of regulation and the protection of inefficient companies from competition. As Duménil and Lévy point out, firms that invest little in improving productivity tend to have smaller margins of profit. They form a sector of the economy that is particularly vulnerable in times of economic upheavals; one which can accentuate difficulties if a large portion of
these firms go bankrupt. The unequal development between advanced firms with high productivity and a traditional sector making few investments but benefiting from state protection in order to survive, is thus a source of major concern in this reading. Illustrative of this point is their remark that the key to the success of Swedish social democracy rested on its refusal to offer any preferential treatment for non-productive companies (p. 187).

But, while pointing to vulnerable sectors of the economy can help explain how a minor crisis can take inordinate proportions, it plays little role in their analysis of the TPRF, or in their account of the downturn itself. In its present form, the argument only establishes that there is a sector of the economy more vulnerable in times of crisis, and that the larger it is the greater are the risks of a sustained crisis.

Pushing the argument a bit further would lead back to the more controversial issue of competition, a path notably charted by Robert Brenner. For Brenner, crises emerge from heightened competition which results from all sorts of adjustments that help unproductive capitalists remain in business, crowd the market and, thus, undermine the ability of all firms to make profits. It is this competition which leads to a downturn in profit. This, of course, is an argument Duménil and Lévy refuse to follow, since intensified competition, they contend, is more a consequence of crisis than its cause. But having rejected this argument, they have little on which to pin down the problems of Keynesianism. More fundamentally, accepting that competition reduces profit margins would also invalidate their notion that policies favouring production can somehow overcome the contradictions of capitalism. As Brenner points out, increases in productivity are not sufficient to incite capitalist investments. They also need to have the possibilities of realising profits by selling their products at decent prices. Hence, the question of realisation in a context of overproduction, something neglected by Duménil and Lévy, can offer a more adequate picture of the crisis of the 1970s. It is only because they ignore this point that they can presume that Keynesianism can be a stable form of accumulation over the long run.

Rethinking the nature of the neoliberal shift

It is important to stress here that the issue of competition not only concerns the question of the intensification of capitalist contradictions and the downturn in profits, but also relates directly to the issue of social change under capitalism. As is often the case among Marxists, Duménil and Lévy focus primarily on the relation between capital and labour to understand these changes. Through this lens, neoliberalism appears essentially as an attempt to intensify exploitation. While this is, no doubt, an important part of the story, their neglect of the specific forms of capitalist competition that prompted the shift to neoliberalism leads them to downplay the qualitative changes in the nature of capitalism that were introduced by neoliberalism. Hence, for Duménil and Lévy, this agenda was somewhat of a return to the unregulated capitalism of the nineteenth century: the product of ‘Capital’s resurgence’ freeing itself from any social responsibility. It consisted in a political attack, motivated by a desire to re-establish finance as the cornerstone of capital accumulation. The

problem with this argument, however, is that it conflates various elements of neoliberalism which would gain by being distinguished and produces an overly coherent image of the project that informed this shift.

Part of the issue here is that their analysis primarily rests on a correlation established between the measures associated with neoliberalism and the fact that income from ‘financial’ sources rose rapidly in the late 1980s and 1990s. They deduce from this the conclusion that neoliberal measures were adopted with the explicit aim of producing the latter. Such a *cui bono* argument, based on who benefits from social changes, inevitably leads to a teleological explanation of the shift in that it relies on its consequences to establish the cause behind it. Ultimately, *cui bono* arguments are thus relatively weak because they rest on circumstantial evidence, rather than focusing on the agency of specific actors involved in implementing these measures. This often results in analyses which tend to have a conspiratorial flavour. It gives the impression that social outcomes are the product of carefully crafted plans imposed in a top-down fashion by a dominant class that has a clear sense of its common interests, knows exactly how to reach its objectives, and is in control of the consequences of its actions. Yet, saying that financial strategies became increasingly popular in the wake of the conditions created by neoliberalism is not to show that ‘finance’ was the instigator behind it. One can wonder, for example, whether the policy of high interest rates, orchestrated by the Federal Reserve under Paul Volcker, the symbolic ‘coup’ of neoliberalism, was really aimed at supporting financial capital itself. Considering that the rise of the stock market was a later development and that the true explosion of financial capital occurred in the mid-1990s, the extent to which finance was directly involved in this policy shift remains to be proven. This is not to claim that the argument is necessarily wrong but, rather, I wish to point to the need for problematising more precisely the motivations of the agents behind this shift. By neglecting to do so, Duménil and Lévy push a wide variety of actors under the general designation of finance and thereby abstract from the politics of capitalist competition. The role of struggles among and within classes in shaping the form of capitalist accumulation is thus considerably reduced, despite the desire of the authors to make it a crucial component of their analysis, because the agenda of neoliberalism seems to reflect inherent interests of capitalists irrespective of the specific historical contexts in which they are embedded. An example of the paradoxes this can create is Duménil and Lévy’s own reference to the fact that some financial sectors in the US suffered mightily in the aftermath of the Volcker shock, as defaults on interest payments mounted rapidly (p. 103). What does it mean then to say that the shock was implemented in order to serve the interests of financiers?

On this question, it is not a coincidence if Duménil and Lévy considerably extend the notion of finance in order to account for the complexity that exists in reality. Finance is broadly defined here as:

> the complex of upper capitalist classes, whose property materializes in the holdings of securities (stock shares, bonds, Treasury bills, etc.) and financial institutions (central banks, banks, funds, etc.). (p. 16)

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Finance is thus defined in abstraction from any specific actor or discernable sector of the economy. It refers to a type of accumulation and, thus, comprises a vast array of actors who employ financial strategies. In casting their net widely, Duménil and Lévy wish to avoid strict definitions of finance, notably those associated with conceptions based on fractions of capital. This is, in a way, understandable, since capitalists feeding off this financial model of accumulation are quite diverse. Dot.com companies, for example, have used the stock market to establish themselves (e.g. Amazon) as well as to finance research and development. Similarly, companies associated with production, such as General Motors, have also been highly involved in financial strategies. As Duménil and Lévy note, these firms now buy each other's shares and have themselves become important players in the financial boom. However, in adopting this vague conception of finance, the explanatory dimension of their argument is weakened because it is no longer clear who is behind this turn towards neoliberalism – except to say that people who have benefited from it can be said to have played a part in it. Diverse capitalists are thus grouped under a single category, finance, and assumed to share similar interests. But such a loose category only blurs the politics that often oppose these actors to one another. This has the curious result that Duménil and Lévy end up generalising a rationality, traditionally associated with a financial fraction of capital, to all actors who benefited from finance.

In the end, the argument holds together on the basis of a set of quantitative trends that chart the development of neoliberalism, but left aside is a whole sociology that lies behind these numbers and which needs to be addressed more concretely. This is not to deny the richness of the trends portrayed by Duménil and Lévy, but it is to suggest that their interpretation is not as evident and straightforward as the authors sometimes imply. Hence, while they make a solid case that capitalists have generally shifted towards more financial strategies of accumulation, the explicit political argument they make falls somewhat flat because the politics behind this shift are never clear. They are deduced from trends rather than demonstrated through a historical account. The 'resurgence of capital' can, thus, seem evident from the increasing exploitation of labour by capital, but the qualitative dimensions of this shift is never really addressed.

Since its beginning, neoliberalism, as other regulatory frameworks which preceded it, has been driven by diverging and, often, contradictory considerations that reflect the intense and complex struggles over the nature of liberalisation. Addressing these politics behind neoliberalism would require a more direct engagement with the question of competition among capitalists without which the question of exploitation loses its sociological grounding. The urge for accumulation is not simply an inherent product of capitalist greed, but is a function of the competition among capitalists for profit and power, partly through exploiting labour for this purpose. For this reason, it would be wrong to see in neoliberalism a highly coherent and homogenous project shared by the dominant capitalist group. On the contrary, it is a conflict-ridden dynamic which opposes not only capital to labour, but also various sections of the capitalist class fighting over the nature of capitalist accumulation. These struggles do not simply concern the conflict between finance and production, categories which are often highly problematic when used as means

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to define social interests, but financial actors competing among themselves for advantageous regulations. It is interesting in this regard that Duménil and Lévy, as many others, assume that salient political conflicts necessarily oppose social actors from different economic sectors, such as production and finance, as if the greater distance between them accounted for more diverging interests. Yet, one could make the case that capitalists, being mostly dependent on the regulations that pertain directly to their activities, tend to enter into political conflicts which often oppose them to other capitalists in the same sector. In that regard, one could conceive that financial measures adopted under neoliberalism had as much to do with battles among financiers, as with an attempt on the part of financiers to assert control over production in itself. Deregulation of the financial industry or the access to Euromarkets for American bankers were all issues that pinned various financial actors against one another, even if they could have significant consequences on non financial actors.

Hence, by relying on their aggregate numbers, Duménil and Lévy capture the tail end of this process, but systematically imbue unintended effects with causal efficacy. The ‘attack on production’ is thus seen as a project, rather than the result of adjustments by all sorts of capitalists repositioning themselves in a new context of accumulation. While this has resulted in a greater emphasis on speculative investments, this does not mean that neoliberalism was initiated for the purpose of imposing financial interests over productive ones. It would be wrong, for example, to point to the end of the autonomy of the manager as a case of finance winning over production. Managers dealing with shareholders have always had to compete amongst themselves for keeping their positions. The type of strategies they adopted, such as using massive layoffs, had as much to do with their own initiatives in this competition, than with dictates that would have come from shareholders. Hence, what has changed is not simply that shareholders have now ‘won’ the battle to assert their own interests over managers but, more broadly, that managers compete differently to justify their position and, therefore, have seen their own interests evolve. The unprecedented rewards managers get today should serve as a striking reminder of this fact. In short, they have not been pushed away from some alleged ‘natural’ inclination towards production.

Taking into account the question of capitalist competition and the political struggles it generates can help problematise the various forms of liberalisation. The ‘liberalisation’ of finance, for example, took different paths depending on the nature of financial markets. While the United States followed the path of disintermediation, partly in relation to the Euromarket, Britain was launching its ‘Big Bang’, opening various financial industries, previously cloistered, to competition – a course that was only fully adopted in the US in the 1990s. These differences are not simply coincidental or marginal, but indicate differences in the politics of neoliberalism, which has taken various forms which need to be taken in to account. Pointing this out is not a simple a matter of highlighting variations in this general move towards finance. The crucial issue is that financial strategies enter in conflict with one another, which makes it difficult to define such a thing as ‘the interest of finance’. Hence, the notion that finance as a whole stood to benefit from this shift glosses over the intense rivalries and conflicts over the nature of this financial turn. It is this central conflict that needs to be added to the more classic discussion of the struggles between capital and labour in order for us to get a clearer picture of the nature of class struggles which led to neoliberalism.
Conclusion

Part of the message in Duménil and Lévy’s book is that greater intervention from the state can help alleviate capitalist crises and solve some of the underlying contradictions in capitalism that produce volatile social conditions. Against a neoliberalism plagued by its lack of incentives for productive investments, and a deregulated and volatile financial sector, they stress the importance of a return to a form of Keynesianism privileging production and insulating institutions from the influence of finance. However, as Brenner pointed out, the crisis of Keynesianism cannot be understood simply as reflecting problems in its implementation. It resulted from a fundamental fact about capitalist competition, overproduction and the way it undermines the smooth reproduction of capitalism. By neglecting this point, Capital Resurgent points to important trends, but can never capture the specificity of these changes or their significance because of its unwillingness to tackle the question of capitalist competition in a more direct way. Hence, the much needed critique of the social effects of neoliberalism, which the book charts admirably, tends to be weakened by the vague historicisation of capitalism. The result is a critique of neoliberalism which might sway people who already share such a point of view, but not the sceptical reader.

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Twelve years after Marx's death and a few months before Fredrick Engels died, the third volume of Marx's Capital, edited by Engels, appeared in December 1894. Two years later, Eugen von Böhm-Bawerk, a well known representative of the Austrian school of marginalism, published the first comprehensive critique based on all three volumes of Capital. In December 2004, exactly 110 years after Engels’s edition of Capital’s third volume appeared, the same text was published as Volume 15 of the second section of the complete works of Marx and Engels (MEGA). This second section contains Capital and the works preparatory to Capital in chronological order. Numerically and chronologically, Volume 15 is the last one of this section. Because some earlier volumes are still unpublished, readers have still to wait some time until the second section will be actually complete. For a further critique of Marx, readers of this MEGA volume will not have to wait so long: radically breaking with the new 1993 editorial guidelines of the MEGA, this volume contains a strongly slanted ‘introduction’, written by Bertram Schefold, a neo-Ricardian economist, presenting a devastating critique of Marx as if it were an undisputed judgement of contemporary economic science. I will discuss this introduction in the last part of my review.

Marx’s manuscripts

After his emigration to London, Marx started his economic studies in 1850 ‘from the very beginning’, as he wrote in 1859 in the preface of A Contribution to the Critique of Political Economy. In the first instance, this led to a huge mass of excerpts, annotations and collections of empirical data, which fill several volumes of the MEGA. But not until 1857 did Marx start with direct preparation for his grand opus. In the summer of 1857, he wrote the famous Introduction and from autumn 1857 until spring 1858 he wrote the huge manuscript the Grundrisse. While before 1850 Marx made a critical use of the existing economic theories, only in his writings from 1857 onwards we can find a critique not only of the consequences but also of the foundations and categories of political economy. The ‘critique of political economy’ was born. But it was a difficult birth: the overall structure of the project, as well as many questions of detail, had to be arrived at through a long-lasting process of writing. Thus, the well-known methodological considerations in the Introduction of 1857 are not Marx’s last word on method but only a provisional result, which was changed later in several aspects. Only during his work on the Grundrisse did Marx articulate the six-book plan (capital, landed property, wage-labour; state, foreign trade, world market)
he mentioned in the preface of _A Contribution_ and, for the presentation in the book on capital, he developed the distinction between ‘capital in general’ (which should include all the essential features of capital which appear in competition, but these features should be developed without regard to single capitals) and ‘competition of many capitals’.

According to this plan, he published in 1859 _A Contribution_ as a first part. The _Economic Manuscript of 1861–3_, Marx biggest manuscript (containing _Theories of Surplus Value_), was a direct continuation of this first part. But, during his work on this manuscript, Marx was confronted with several difficulties when he made the attempt to fulfill the double demand of his concept of ‘capital in general’: to present a certain content at a certain level of abstraction. So he had to abandon this concept: after the summer of 1863, Marx never used the term ‘capital in general’, neither in manuscripts nor in letters explaining the structure of his work. Also, the six-book plan was never mentioned again. Instead, Marx announced in several letters to his friends that he would not publish a sequel of _A Contribution_ but a self-contained work, named _Capital_, consisting of four books, three theoretical ones and a forth dealing with the history of economic theory.

Between the summer of 1863 and the end of 1865, a new big manuscript emerged, the _Economic Manuscript of 1863–5_. This was a comprehensive draft of the three theoretical books of _Capital_. For Book IV no draft exists. _Theories of Surplus Value_, which is often considered as such a draft, presents the history of only one category (with some extensions) and it is based in the original pre-1863 plan. From the draft of Book I only the last chapter ‘Results of the Direct Production Process’ has survived, but the manuscripts for Books II and III exist. These manuscripts appeared in _MEGA II/4.1_ and _MEGA II/4.2_.

The editors of the _MEGA_ and many other authors spoke of the _Grundrisse_ (1857/8), the _Economic Manuscript of 1861–3_ and the _Economic Manuscript of 1863–5_ as ‘three drafts for _Capital_’. But it is more plausible to consider the _Grundrisse_ and the _Economic Manuscript of 1861–3_ as two drafts for the beginning of the six-book project the ‘Critique of Political Economy’ and only the _Economic Manuscript of 1863–5_ as a draft for _Capital_, which no longer rests on the six-book plan and the distinction between ‘capital in general’ and ‘competition of many capitals’. Although Marx still distinguishes between inner laws of capital and their execution in competition, there is no longer a separate part in his presentation which completely abstracts from individual capitals: the relation between individual capital and total social capital plays a decisive role in all three books of _Capital_.

On the basis of the _Economic Manuscript of 1863–5_, Marx began in January 1866 to prepare the text of Book I for publication. In the spring of 1867, he travelled to Hamburg to take the manuscript personally to the publisher. Staying at his friend Ludwig Kugelmann in Hanover, Marx waited for the proof-sheets to correct them. Kugelmann and Engels also read the proofs and both told him that the section on the value-form was hard to understand and that an easier presentation would be necessary. Marx did not change the first chapter

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4. I describe the difficulties with which Marx was confronted in more detail in Heinrich 1989. A different position was formulated by Moseley 1995.
5. From the _Economic Manuscript of 1863–5_, only ‘Results of the Direct Production Process’ is translated, see Marx 1993.
but he followed the advice by adding an appendix ‘Die Werthform’, which presented the material in a simplified way. When, in the year 1872, a second German edition was necessary, Marx reworked the text of the first edition considerably. More precisely, he unified the double presentation of the value-form. The new presentation, which is also the basis for all subsequent translations, was oriented more towards the style of the simplified appendix than to that of the elaborated text of the first chapter of the first edition. Marx realised that there had been a loss in precision. In the preface to the first German edition, he wrote that the analysis of the value-form was hard to understand, because the dialectic is more precise than in the first presentation (meaning *A Contribution to the Critique of Political Economy*, 1859). This sentence was silently omitted when adding this preface to the second edition. Obviously he no longer thought that the dialectic was more precise.

The second German edition and the French translation, which Marx revised considerably, were the last texts of *Capital* he published. In 1867, when Book I was printed, Marx still hoped that Books II and III could follow very soon after as Volume II, and that Volume III, containing Book IV dealing with the history of economic theory, would also appear in the near future. Between 1867 and 1871, besides some smaller manuscripts treating topics of Books II and III, a new comprehensive manuscript for Book II emerged (the so called ‘Manuscript II of Book II’). But further work on this continuation was interrupted by the need to prepare the second German edition, to check the French translation and also by Marx’s obligations in the ‘International’, especially in writing *The Civil War in France* defending the Paris Commune and analysing its achievements.

During the 1870s, Marx wrote further manuscripts especially for Book II (all these manuscripts will appear in *MEGA* II/11, probably in late 2007). For Book III, he wrote some smaller pieces and one longer paper on the quantitative relation between the rate of surplus-value and the rate of profit (published in *MEGA* II/14). But, during the 1870s, Marx was even further away from finishing Books II and III than during the late 1860s.

**Why was Marx unable to finish *Capital***?

When one asks why Marx did not finish *Capital* during the 1870s, the usual answer is that this was due, on the one hand, to his political obligations in the First International and in relation to the 1869 foundation of the German Social-Democratic Party, and because of his worsening health on the other hand. Both arguments are correct, but insufficient.

The *Economic Manuscript of 1863–5* provided an advanced preparation for Book III, and Engels used hardly any other texts when he published Volume III. And, for Book II, not only the *Economic Manuscript of 1863–5* existed but also ‘Manuscript II’, which was a nearly complete reworking of the former manuscript. During the 1870s, despite political obligations and health problems, Marx also did a lot of scientific work for *Capital*. If his only aim had been to prepare the existing manuscripts of Books II and III for publication (that is, what Engels later did), then this should have been possible.

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7. An English translation of the appendix can be found in Mohun 1994.
But Marx had more ambitious aims regarding *Capital*, and here we find the most important cause of his inability to finish. As we know from his letters (especially to Nikolai Danielson, one of the Russian translators of Book I, who asked again and again when *Capital* would be finished), from at least 1871, Marx planned a complete reworking of the existing manuscripts. This reworking was not to be restricted to better formulations, Marx intended to include more and more new material and to restructure the existing parts of his work.

This affected especially the issues of crisis and credit. From the late 1860s onwards, Marx read a lot of new literature regarding credit and banking and it is sure that he wanted to extend the according parts of Book III. Regarding his plans on crisis theory, a letter to Danielson written on 10 April 1879 is very instructive. Marx wrote that he could not finish *Capital* until the current crisis, which manifested very special features, reached its climax:

> It is therefore necessary to watch the present course of things until their maturity before you can consume them productively, ‘theoretically’.10

Here, Marx is admitting that, regarding the theory of crisis, he is not ready with his empirical research (‘to appropriate the material in detail’ as he wrote in the postface to the second edition) which is the prerequisite for the theoretical presentation and that therefore the presentation is also unfinished – not only in a quantitative, technical sense, but in a fundamental, *theoretical* sense.

This leads to another problem. What Marx wanted to present in *Capital* was not just the capitalist system of a certain country or a certain period. In the preface of *Capital*, he stressed that, although he took a lot of examples from England, this is only the ‘illustration of the theoretical development I make’.11 At the end of Book III, he characterised this theoretical development as presentation of ‘the inner organisation of the capitalist mode of production, in its ideal average’.12 In order to present this ‘ideal average’, capitalism has to be developed up to a certain stage: it must be possible to recognise the ideal average.13 During the 1850s and 1860s, Marx thought this could be done by studying capitalism in England. In the preface to *Capital*, Marx spoke of England as the ‘locus classicus’ of the capitalist mode of production. But, in the 1870s, the USA gained importance very quickly and Marx concentrated his attention more and more to the situation in the US. On 15 November 1878, he wrote to Danielson:

> The most interesting field for the economist is now certainly to be found in the United States, and, above all, during the period of 1873 (since the crash in September) until 1878 – the period of chronic crisis.14

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13. I discuss in some detail in Heinrich 2007 what Marx’s claim to present the ‘ideal average’ means for reading *Capital*.
Moreover, in the interview Marx gave in August 1880 to John Swinton, he mentioned the developments in the USA as one of the main points for his presentation of the credit system.\footnote{Marx 1989b, p. 584.}

The other country, which played an increasing role for Marx was Russia. In the 1870s, Marx even studied Russian in order to read Russian statistics. Especially for the section on ground rent, the analysis of Russia was to play a decisive role.

It was this steadily extending plan, which Marx could not realise – even had he had fewer political obligations and better health, it would have been an extremely difficult task.

\section*{Engels's edition of Capital}

After Marx’s death in 1883 Engels edited all three volumes of \textit{Capital}. Already in 1883, Engels published the third (German) edition of Volume One, in which he included some changes to the French translation. In 1890, whilst preparing the fourth edition, he included further elements of the French translation but still not all of them, so that we have five different editions of \textit{Capital}, the four German ones and the French one.

Engels was able to publish already Volume Two of \textit{Capital} in 1885. He had the two main manuscripts, covering nearly the whole content of Book II: ‘Manuscript I’, the oldest one, was the according part of the \textit{Economic Manuscript of 1863–5}, ‘Manuscript II’ was written between 1867–71. In his preface to Volume Two, Engels mentioned six further manuscripts, which were smaller and more recent. Engels composed Volume Two out of ‘Manuscript II’ and these six manuscripts. In order to do this, Engels rearranged the material and reformulated different parts. To what extent Engels changed Marx’s manuscripts will be seen clearly when \textit{MEGA II/11} with Marx’s manuscripts related to Book II are published.

Preparing Volume Three was much harder work for Engels. This volume appeared in 1894, nine years after Volume Two. For Book III, only one comprehensive manuscript existed, that of the \textit{Economic Manuscript of 1863–5}. Editing Volume Three, Engels used this so-called ‘main manuscript’ together with four other small manuscripts. Two of these small manuscripts and further material relying to Book III were published 2003 in \textit{MEGA II/14}. The other two manuscripts will be published in \textit{MEGA II/4.3}.

In his preface to Volume Three, Engels described his difficulties and he also mentioned, that he had to rearrange parts of the material and to change sentences and formulations. So it was clear for the reader that Engels had not only added some paragraphs, which he put in brackets and signed with his initials, but that he had also changed a lot of the original manuscript of Marx. However, the extension and the importance of these changes were not made clear. Did Engels change only the style of writing or did his interventions also transform the content of the argument? And did Engels use the whole ‘main manuscript’ or did he omit some parts? After publication of the main manuscript in \textit{MEGA II/4.2} all these questions can be discussed seriously for the first time.

Even a quick view of this manuscript shows that it is bigger and much less structured than Engels’s edition of Volume Three. The manuscript is divided in seven chapters with none or very few subchapters (like the first edition of Volume One from 1867, which also
was not very structured). Engels transformed the seven chapters into seven parts and divided them into chapters and subchapters. Most of the titles of chapters and subchapters and also most of the division of the material are the work of Engels. He also did some reordering so that his edition looks much more ‘finished’ than the manuscript of Marx.

Engels changed formulations in nearly every sentence of Marx. A lot of these changes are indeed only stylistic, serving the reader in preparing a more readable text. But some of these changes and some of Engels's reordering of the material also influenced the content. How far-reaching this influence is and whether Engels's editorial decisions met the intentions of Marx or whether they brought a certain shift was heavily debated in Germany during the 1990s.  

Marx himself characterised in a letter to Engels (13 February 1866) the Economic Manuscript of 1863–5 from which the ‘main manuscript’ was a part, in the following way:

> Although ready, the manuscript, which in its present form is gigantic, is not fit for publishing for anyone but myself, not even for you.  

But, after Marx's death, Engels had to publish this manuscript and in order to do so, he had to make a lot of editorial decisions. However, many of these decisions a reader could not even recognise as such. Marx's manuscript manifested a much more open, unfinished research process with many zones of unclarity (as well referring to the content as to the final structure of presentation and ordering of the arguments) than the edition of Engels.

Let us briefly consider crisis theory to illustrate the differences. The most extensive thoughts on crisis theory can be found in Chapter 15 in Engels's edition. This chapter follows the two chapters in which the law of the tendency of the profit rate to fall is discussed. Chapter 15 has the title: ‘Exposition of the Internal Contradictions of the Law’. So the reader gets the impression that, although crisis theory is not completely finished, the rough ideas are ready and especially that crisis theory has found its place in the development of categories as an ‘Exposition of the Internal Contradictions of the Law’. Most Marxists suppose that there is a close connection between the law of the rate of profit and crisis theory. For many Marxist authors, this is also the reason why they defend so fiercely the law of the rate of profit: they believe that, without this law, a theory of crisis is not possible.

But the title of Chapter 15 which expresses so clearly the connection to the law of the rate of profit is an addition by Engels. Chapters 13–15 of Engels's edition of Volume Three constitute one single chapter in Marx's original manuscript, without any subdivisions and subtitles. Chapters 13 and 14 follow rather closely the text of the manuscript. In this part, Marx's considerations are not ready but they follow a clear line, which is very well expressed in the titles Engels gave to Chapter 13 and Chapter 14. But what then follows in

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Marx's manuscript is much less clear. Marx starts with different lines of reasoning, then he interrupts himself, starts with some new thoughts, new interruptions follow and so on. Instead of a clear line of reasoning, it is a collection of unfinished thoughts and it is not even clear where the systematic position for these remarks should be. The manuscript is rather open. In this part of the text, Engels intervened quite heavily. Not only with the title of Chapter 15, which already indicates a certain interpretation, but also by reordering the material, by erasing some parts, by structuring the material into four subchapters. What is a collection of remarks and unfinished lines of reasoning in Marx's manuscript became the body of a theory, which is still unfinished but which has a clear structure and a well-defined position in the sequence of categories. But this is an appearance created only by Engels's editorial work.

Another case is the structure of the huge Part V of Engels's edition, which is one chapter in Marx's manuscript with a few subdivisions. Again, the beginning of Marx's chapter, presenting interest-bearing capital is rather clear. Chapters 21–4 of Engels's edition follow rather closely Marx's text. Then Marx's reasoning starts to become less clear. His text changes from an almost ready presentation to the protocol of an unfinished research process. And, here, Engels started again with heavy re-arrangements. The text is extensively re-ordered. A collection of excerpts from parliamentary debates is distributed to several chapters as illustrative material. Many paragraphs changed their positions. A number of footnotes are integrated into the main text, and brackets which separate second thoughts from the main text are erased. Despite all of this, the text still looks not only unfinished but, even the main lines of reasoning are unclear. Although Marx's manuscript (in this part) is not a presentation but a protocol of a research process it is, in some respects, clearer than the text presented by Engels. Marx's text at least shows in which directions his research should go, from which points he started and where he wanted to proceed.18

Over the past few years, the critical discussion of Engels's editorial decisions and his textual changes was sometimes refused as a kind of Engels-bashing or as an attempt to drive a wedge between Marx and Engels. But criticising the traditional Marxist (especially Marxist-Leninist) view of an ‘inseparable intellectual unity between Marx and Engels’ is simply criticising a form of dogmatic metaphysics. And discussing critically Engels's edition is not equivalent to blaming him. But we have to ascertain the facts about the differences between Marx's original manuscripts and Engels's edition. Engels did not have the aim of putting together a scientific edition like the MEGA (even the scientific standards of such editions had not yet been formulated in the nineteenth century). He wanted to present a volume which was as complete as possible and which could be used as an intellectual weapon in the political struggles of the working class.19

His edition was a great achievement, which, in his epoch, hardly anyone else could have done better. But neither individuals nor their works should be put on a pedestal and admired from afar. Today a critical discussion of Engels's edition and a careful reading of

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18. In Heinrich (1999, pp. 289–302) I gave a short evaluation of the lines of reasoning we can find in this part of Marx's manuscript and what they mean for a theory of credit, credit-money and banking.

19. In a letter to Danielson (4 July 1889) Engels wrote, that it is his duty, to edit the volume in such a way that the general line of argument becomes clear (Engels 2001).
Marx’s original manuscript is necessary to get a better understanding of Marx’s analysis of capitalism. Engels himself would have been the last to oppose to such a discussion. He was sufficiently brilliant – unlike some of his modern defenders – to be able to admit to his own shortcomings, especially in questions of theory, see his letter to Johann Philipp Becker (15 October 1884). 20

The editorial apparatus of MEGA II/15

Unlike Marx’s ‘main manuscript’ of Book III of *Capital*, published for the first time in *MEGA* Volume II/4.2, the text of Engels’s edition of Volume Three is well-known and translated into a great number of languages. So the publication of this text cannot bring any new surprise. The really interesting feature of the *MEGA* volume under review is the ‘apparatus’. Each volume of the *MEGA* consists of two separate books, the ‘text’ and the ‘apparatus’, the latter presenting information about the coming into being of the text, presenting textual variations and explanations.

Up until now, an exact comparison between Marx’s original manuscripts and Engels’s edition of the third volume of *Capital* was rather hard and laborious. Here, the apparatus of Volume II/15 (and also that of Volume II/14) can give valuable help. The part ‘Entstehung und Überlieferung’ [‘Coming into being and passing on’] 21 in *MEGA* II/15 (pp. 917–45), a part which is added to every document published in the *MEGA*, informs us about the publishing process and the first reactions to the published volume, but it does not give much information about Engels’s changes to Marx’s original text. Much more detailed in this respect is the ‘Einführung’ (Introduction) of *MEGA* II/14. The apparatus of *MEGA* II/14 also contains two very fine essays on Marx’s work on Book III between 1868 and 1883 and on Engels’s editorial work on Volume Three between 1883 and 1894, which are very useful for every reader of *MEGA* II/15.

For the comparison between Engels’s edition and Marx’s original manuscripts, the apparatus of *MEGA* II/15 furnishes us with two important registers. The first is a list of paragraphs which Engels took from manuscripts he used (pp. 946–74). With this list, the extension of Engels’s re-ordering of material becomes visible, and we can easily find in every paragraph of Engels’s edition the source in Marx’s manuscripts. Unfortunately, there is no list describing the opposite direction. So it remains difficult to see where a certain paragraph of the manuscripts was used by Engels and if it was used at all – Engels did not use all of the manuscripts.

The aforementioned list gives information about the re-ordering of the material but it says nothing about content-related changes. For this purpose, we find a second list: the ‘list of additions by Engels, which are important for the content’ (pp. 975–86). These additions include much more than the texts in brackets, signed by Engels, which are visible for every reader of Volume Three of *Capital*. So, this second list is a very useful tool for a precise reader, who wants to know what is written by Marx and what is written by Engels.

But even this list does not capture all of the changes of content carried out by Engels. As the short introduction to the list says, ‘not shown are such insertions in or restrictions of

21. All translations of titles or quotations from the apparatus are mine.
Marx’s propositions, which change Marx’s text, but which present no independent thoughts of Engels’ (p. 975). As a consequence, the ‘additions important for the content’ are restricted to ‘independent thoughts’ of Engels. But even a single word inserted in a sentence can change the meaning of this sentence. Especially important are the restrictions of certain propositions of Marx carried by Engels. I will give a brief example.

Only in the short introduction to the first list is it mentioned that ‘changes, which are important for the content, the compilation of the text or its reception’ (p. 946) can be found in ‘Erläuterungen’ (‘Explanations’). The ‘Explanations’ are also a standard part of every MEGA volume, giving additional information and explanations of certain phrases, words etc. of the text. But the hint in the short introduction of the first list can easily be overlooked, so that a reader may get the impression that all important changes are mentioned in the second list.

The ‘Explanations’ (pp. 999–1262) show a lot of important changes made by Engels, but unfortunately not all of them. For example: after mentioning credit and competition on the world market, Marx wrote in the ‘main manuscript’: ‘These more definitive forms of capitalist production can 1) only be presented, however after the general nature of capital is understood, and 2) they do not come within the scope of this work and belong to its eventual continuation.’ Engels inserted here the word ‘comprehensively’: ‘These more definitive forms of capitalist production can only be comprehensively presented…’ (p 114).

The explanations of this sentence sketch out in marvellous fashion Marx’s changing plans as regards the structure of his work (pp. 1042–3). I use the characterisation ‘marvellous’, because the MEGA editors give us here, in only one-and-a-half pages, a substantial overview of the development from the famous six-book-plan (with the last book dealing with world market) to the structure of Capital. Engels’s change of Marx’s original sentence, however, is not mentioned.

But the insertion of the word ‘comprehensively’ is not a trivial. The clear statement of Marx about what he excludes from his presentation is crucially restricted: the presentation of the more definite forms of capitalist production is not excluded, only their comprehensive presentation. A qualitative difference is transformed in quantitative one and it is not clear what are to be the criteria for the parts, which are to be included and which excluded. The structure of argumentation was a crucial point for Marx, therefore his repeated attempts to re-arrange his presentation. The order of the arguments should reflect the inner connections of the presented material, the order itself bears certain information, which is lost when this order is not appropriate. In this, what Marx calls ‘dialectical presentation’ has no space for ‘just a little bit more’ or ‘just a little bit less’, there always has to be a good reason to present an argument, to introduce a new category – or not to do so.

By restricting such strong methodological statements of Marx, Engels was able to include a lot of material which he found in Marx’s manuscripts into the edited text. The reverse side of this procedure is to obscure the different methodological statuses of single arguments, to blur the difference between a ‘hard’ argument in the line of the dialectical presentation and thoughts written down for later use but which do not really fit at the point they are more or less accidentally noted.

Another change not mentioned in the explanations: Marx wrote in the ‘main manuscript’: ‘Eine Beweisform des Credits’ (‘A form to prove credit’), was changed by Engels to ‘Eine besondere Form des Kredits’ (‘A specific form of credit’, p. 360). We do not know if this was just a misreading of Engels – ‘Beweisform’ and ‘besondere Form’ looks similar especially in Marx awful handwriting – or whether Engels made the change on purpose. In any case, as a result, the content is altered substantially. Instead of sketching out a thought on the logical connection of categories, we get just a kind of enumeration.

Most of the changes definitely are listed in the ‘Explanations’. Obviously some lacunae canot be avoided when such a gigantic project (gigantic with respect to the number of texts but also with respect to the aimed precision of presentation and explanation of the texts) is undertaken. In sum, the apparatus of this volume of the MEGA is of the highest quality and it is enormously useful for the interested and careful reader.

Bertram Schefold’s ‘Introduction’ to MEGA II/15

Unfortunately I cannot appreciate in the same way the ‘Introduction’, written by Bertram Schefold, who is not a MEGA editor, but a professor of economics at the University of Frankfurt am Main.

Up until 1990, the MEGA was a common project of the Institutes for Marxism-Leninism in Berlin (GDR) and Moscow and it had to serve the official view of the ruling parties: Marx and Engels developed an always improved understanding of capitalism, their insights were adequately taken up and continued by Lenin resulting in ‘Marxism-Leninism’, which was the firm foundation of the successful policy of the Marxist-Leninist parties of the Soviet Union and the German Democratic Republic. This success story had to be repeated again and again, until these parties and the states they ruled broke down. In the MEGA, the places to present this success story were the introductions. The editorial guidelines of 1976 said about the introductions: ‘Their main task is to situate the texts of the volume in the history of the development of Marxism and by this to show the unity of Marxism-Leninism.’

In most cases, the work of the MEGA editors was excellent, but the introductions were not more than kowtowing to the ruling party. Most users of the MEGA did not even read these introductions and passed quickly onto ‘Entstehung und Überlieferung’ which provided them with really valuable information about the background of the published text. According to the new editorial guidelines from 1993, the new introductions should be short, only giving information about editorial decisions such as which texts were included in the volume and which not, why the sequence of the texts was in laid out in this way and so on. The MEGA, on this view, should only present the texts and a scientific apparatus useful for careful work on the texts. Scientific and political judgements about the texts, their importance, the quality of their insights and so forth should not be taken up by the

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edition and in the name of the edition. Such judgements should be left to the ongoing scientific and political debate.

For more than a decade, the edition followed these principles. But the introduction of Bertram Schefold is a massive deviation from them. Schefold claims to give an overview of the history of the reception of the third volume of *Capital*, but what he really does is to discuss Marx’s value theory from the perspective of neo-Ricardian economics. And, as a result, Schefold comes to the devastating conclusion: ‘Marxian value theory has been shown to be indefensible’ (p. 910).

Perhaps one might conclude that the German scientific institutions have become so conservative and narrow-minded that an edition of Marx and Engels has only a chance of further financial sponsorship when this edition simultaneously delivers a critique of the authors. But this conclusion is too simple, a form of ‘vulgar Marxism’. For an authoritarian régime, which forces its subjects steadily to confirm, so that they support the régime, such behaviour would fit, but not for a political system which can be characterised, using Herbert Marcuse’s term, as a system of ‘repressive tolerance’.

The idea to present a critique of Marx inside the *MEGA* is, in some respects, very attractive, and it could even develop some subversive qualities. A scientific edition which has such high claims of precision and of comprehensiveness as the *MEGA* is always in danger of imprisoning the authors inside the edition, of transforming them into sterile ‘classics’. So, to include some criticisms of Marx in the *MEGA* could be a way to start debates which otherwise are crushed by the solidity and the weight of the edition.

But, for such a purpose, the critical contributions should firstly be conscious that they are part of a debate, that they are founded on a certain perspective which may also be debated. Secondly, and above all, they should be interested in Marx’s text, they should have some curiosity about what Marx has to say, although they aim to criticise it. In both respects, the introduction of Bertram Schefold is virtually a complete failure. This introduction does not seem to be the result of a kind of conspiracy such as that mentioned above. For me, this introduction is simply an expression of the banal ignorance of Marx’s texts that is so typical of German mainstream academics. Most of these mainstream academics are fully satisfied with a picture of Marx they arrived at perhaps many years ago. They repeat their views and criticisms without really testing whether the picture they have in mind actually fits the texts they are criticising. Such ignorance and lack of intellectual curiosity probably would not tolerated with regard to any other important author, especially in relation to a scientific edition of his work. *Let me show in some detail what I mean by ignorance and lack of curiosity.*

At the beginning of his introduction Schefold makes the rather surprising statement that Marx would have believed that, with the foundation provided by the published version of Volume One, Volumes Two and Three of *Capital* could also be written by others (pp. 671–2). Therefore, Schefold concludes, Marx was ‘amazingly relaxed’ when he saw that he could not publish his manuscripts. In other words, Marx himself did not take Volume Three very seriously. It seems that Schefold presents this argument in order to render plausible, as he seeks to demonstrate in his introduction, that this volume is a failure. As a source for his surprising statement, Schefold only mentions Marx’s letter to Kugelmann from 28 December 1862. In this letter, Marx informed Kugelmann that the continuation of *A Contribution to the Critique of Political Economy* of 1859 would be published independently with the title *Capital* and that ‘the development of the sequel (with the
exception, perhaps, of the relationship between the various forms of state and the various economic structures of society) could easily be pursued by others on the basis thus provided.\textsuperscript{26} What Marx called here ‘the book on Capital’ already included three parts which accord with what later became the three volumes of Capital, as can be seen in several arrangement drafts in various letters and in the Economic Manuscripts of 1861–3. What ‘could easily be pursued by others’ were not Volumes Two and Three of Capital, but the books following the book on Capital in Marx’s ‘six-book-plan’ as formulated in the preface to A Contribution. In this plan, Marx hinted at what aspects, over and above the book on Capital, he thought that others could or could not complete: the development of the relationship between forms of state and economic structures of society obviously belongs to the planned book on the state and not to any part of Capital.

But not only is the quoted letter to Kugelmann no confirmation for Schefold’s statement. Even a little knowledge about the conditions of publishing Volume One of Capital shows that Schefold’s statement only displays his obvious ignorance. From the mid-1860s on, Engels tried to push Marx to publish Capital, or at least the first volume. But Marx hesitated about publishing only Volume One. On 31 July 1865, he wrote to Engels:

> But I cannot bring myself to send anything off until I have the whole thing in front of me. Whatever shortcomings they may have, the advantage of my writings is that they are an artistic whole, and this can only be achieved through my practice of never having things printed until I have them in front of me in their entirety.\textsuperscript{27}

When Marx finally gave way to Engels’s urge, he did this only because he thought that Volume Two of Capital, which at this time was to contain Book II and Book III would appear shortly after, as we can see in his letters to Engels on 13 February 1866 and to Kugelmann on 13 October 1866.\textsuperscript{28} And the fact that Marx worked during the 1870s and nearly until his death in 1883 on Books II and III of Capital makes it not very plausible that he thought, as Schefold says, that others could also do this work. Schefold, who also worked in the field of the history of economic thought, manifests here a rather astonishing degree of ignorance and lack of interest in sources which have been published for a long time now and which are well-known.

Schefold perceives Marx’s Capital only from the neo-Ricardian perspective, without noticing that this perspective, and especially the way in which Marx is perceived by it, has been heavily criticised in the past. Accordingly, the centre of his introduction is the debate about the so-called ‘transformation problem’. More than half of Schefold’s introduction is occupied with this issue and the preparations for discussing it. Marx’s transformation of values into production prices, i.e. prices which allow a single capital to reach the average rate of profit, has been extensively discussed over the last century and especially during the last decades. More precisely, the problem is the way in which Marx did the accounting from values to production prices. The thesis, already proposed during the 1970s, that values are ‘redundant’ for accounting for production prices is repeated by Schefold, who follows this

\textsuperscript{26} Marx 1985, p. 435.  
\textsuperscript{27} Marx 1987, p. 173.  
\textsuperscript{28} Marx 1987a, pp. 227–8; Marx 1987b, pp. 327–9.
thesis in a number of very special cases, which have not much to do with the arguments in Volume Three of *Capital*.

For someone who knows these discussions, they will not find any new arguments in Schefold's introduction. But for someone who is not familiar with this discussion, Schefold's text does not even serve as an introduction: it is written in a style which is accessible only to a reader who knows the debate very well. If the reader is not already familiar with vectors and matrices, she will rapidly stop reading. So it is not clear for whom Schefold wrote his text. It seems to me that the main purpose of this text is to praise the neo-Ricardian approach in general, and more particularly the contribution of Schefold to it: nearly one quarter of the literature he quotes consists of articles written by himself, most of them not dealing with Marx. This is a considerable amount for a text which claims to analyse the history of the perception of Volume Three of *Capital*.

Despite all these efforts, Schefold often neglects Marx's own argumentation. This happens even in the case of the transformation problem which is so important for Schefold. He starts the discussion of this problem with a 'recapitulation' of Sraffa, which takes up a quarter of the whole introduction (pp. 881–91). Only after this, does Schefold indicate the 'mistake' of Marx's accounting method. But what Schefold gives with a lot of mathematical help in a rather complicated way could have been said very simply (and, in the past, has very often been said simply): Marx transforms values into production prices just by redistributing surplus-value between branches. He adds to the cost-prices $(c + v)$ measured in *value magnitudes* only the average profit in order to get production prices. With this accounting method, Marx transforms only the values of the outputs, but the inputs of production, the elements of constant capital, and the commodities which the workers buy to live are not transformed. This implies that capitalists can buy inputs (and workers the means of consumption) at values, but the outputs are sold at production prices. But the remarkable point here is not only that Schefold formulates something in a complicated way which could be said in very simple words. The important point is that Marx himself already recognised this 'error':

> Since the price of production may differ from the value of a commodity, it follows that the cost price of a commodity containing this price of production of another commodity may also stand above or below that portion of its total value derived from the value of the means of production consumed by it. It is necessary to remember this modified significance of the cost price, and to bear in mind that there is always the possibility of an error if the cost price of a commodity in any particular sphere is identified with the value of the means of production consumed by it. Our present analysis does not necessitate a closer examination of this point.29

In his long-winded presentation of the transformation problem, Schefold succeeds even in citing his own rather technical Ph.D. thesis from 1971, but he does not mention something that, to the reader, may be a little more interesting, namely that Marx himself already saw the error which was discussed later so extensively.

That Marx recognised the error does not minimise it. And, of course, Marx was too quick with his assertion that a closer examination of this point was not necessary. But the fact that Marx was not so worried about this accounting error is at least an indication that he perceived value theory in a different way from the manner it is usually perceived by neo-Ricardians. For their approach, the only purpose of value theory is to provide a way to account (in principle) for exchange relations. Because accounting is the purpose, neo-Ricardians get very excited when they detect an accounting error. And also, when they discover a method of accounting for production prices without using value magnitudes, they assume that this is a heavy blow against value theory and they therefore conclude that value theory is ‘redundant’. But neo-Ricardians like Schefold do not even ask whether what they understand as ‘value theory’ is the same as what Marx understood by these words.

The neo-Ricardian critique is convincing insofar it shows that a simple quantitative ‘labour-embodied’ theory is not necessary for accounting for a static model of equilibrium production prices and an average rate of profit. But this does not prove that Marx’s value theory is identical with such a simple ‘labour-embodied’ theory. Marx’s distinction between concrete and abstract labour, his analysis of the value-form, his investigation of commodity fetishism are all issues that the neo-Ricardian approach is unable to cope with and are thus usually ignored. Moreover, it is not the case that the central point of the third volume of Capital is to present an accounting method for production prices. Instead, it is essentially a continuation of form analysis as the introductory note, with which the volume commences, already indicates. The ‘concrete forms which grow out of the movements of capital as a whole’ are what are under consideration.30

But Schefold does not recognise considerations and questions which emerge out of Marx’s text and which could put into question his own approach. And he also fails to acknowledge the secondary literature dealing with this topic. Although he speaks a lot about Marx’s Capital, as a reader of his introduction, one has the impression that he has very little real interest in Marx’s text. Schefold’s main interest seems to be to present his own neo-Ricardian approach, using Marx simply as another excuse to do so; his scientific curiosity is obviously restricted to his own issues.

Marx’s Capital deserves more curiosity and more precision in dealing with it, no matter how many criticisms one may have. The outstanding editorial quality of MEGA provides an excellent basis for any discussion of Marx’s theory. In times of authoritarian state ‘socialism’, this editorial quality was only at the cost of the introductions which served as a homages to the ruling party. In times of neoliberal dominance, where the conservatives sing the praise of free markets and social-democratic parties have abandoned even their moderate and reformist positions, it may be that readers have to suffer such triumphantal refutations of Marx à la Schefold. But so what? The critical and subversive power of Marx’s analysis cannot be imprisoned by the cages of state ‘socialism’ nor by those of neoliberal capitalism.

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References


Ideology Theory

The concept of ‘ideology theory’ was coined in the 1970s in order to designate a refoundation of Marxist research into ideology stimulated by Louis Althusser. It was distinguished from three other approaches: 1. the reduction of ideologies to epiphenomena of the economic (‘economism’); 2. an ideology-critique that focuses on the critique of ‘false consciousness’ from the standpoint of a ‘correct consciousness’; 3. bourgeois ‘legitimation theories’ from Max Weber to Niklas Luhmann, which pose the question of the capacity of ideological integration in a ‘social-technological’ way, from the perspective of domination and its self-justification.

The need for ideology theory resulted from the fact that none of these traditions were able to explain the stability of bourgeois society and its state, let alone to develop a strategy of socialist transformation capable of gaining hegemony. The approaches of ideology theory attempted to fulfill this need by inquiring into the social constitution and unconscious modes of functioning and efficacy of the ideological. Ideology theory focuses upon ideology’s ‘materiality’, i.e. its existence as an ensemble of apparatuses, intellectuals, rituals and forms of praxis.

Ideology theory should not be comprehended as a new discovery, but, rather, as a re-articulation and new re-evaluation of questions that had already been worked on by Marx and Engels and later, in particular, by Antonio Gramsci. The distinction from the approaches of ‘ideology-critique’ is not absolute: on the one hand, because these also deal with the social conditions of constitution and efficacy of ideologies; on the other hand, because ideology theory approaches also contain a component of critique, which differs, however, in that the paradigm of the truth-falsity dichotomy is transferred to the analysis of the mode of efficacy and the opposition is transformed into one of the reproduction of domination versus emancipation.

1. The term ideology was introduced in 1796 by Destutt de Tracy as a neologism (analogous to ontology) to signal an analytical science that aimed, following the model of the exact natural science (in particular, physiology), to dissect ideas into elementary component parts and – derived from the Greek sense of eidos as visual image – to investigate the perceptions upon which they were founded (Mémoire sur la faculté de penser, 1798, 324). Underlying this, following Locke, Condillac and Cabanis, is the sensualist conviction that sense perceptions are the only source of our ideas. Based on the principle of movement of D’Holbach and Spinoza’s concept of the capacity to act [potentia agendi], it is supposed to overcome the dualism of materialism and idealism. Destutt de Tracy also takes over from Spinoza the rejection of free will, so that the physiological and social determinants of ideas, feelings and actions moved into the central focus (cf. Kennedy 1994, 29, 31; Goetz 1994, 58f, 61 et sq.).

In opposition to metaphysics, and claiming its position, ideology should be exact in the style of the natural sciences and practically useful (Mémoire, 318). All other sciences are subordinated to the new ‘super-science’, which claims to establish their unity (Kennedy 1994, 18, 25). ‘This common denominator, this foundation underlying all knowledge, this origin expressed in a continuous discourse is Ideology’ (Foucault 1970, 85). It forms the foundation of grammar, logic, education, morality and, finally, the greatest art: ‘de régler la société’ (Mémoire, 287). Rational derivation of meanings and goals of action should balance out the social oppositions of bourgeois society and thus contribute to the overcoming of its class struggles in an enlightened...
representative democracy (cf. Goetz 1994, 71).

Ideology, appearing here as a non-partisan and universalistic foundational science, is nevertheless ‘inseparable from the material practices of the ideological state apparatuses’ (Eagleton 1991, 69). Destutt de Tracy introduced the concept into the debates of the Instituts national, which was created in 1795 after Thermidor as a state institution bringing together the leading republican intellectuals for the reorganisation of the system of education. The Enlightenment was thus institutionalised in the state at the very moment when Jacobinism was politically defeated. Ideology conserved the republican achievements while eliminating the plebeian elements; in the brief period of the Directory, it was accredited with the status of a state philosophy (Denays 1994, 109, 117 et sq.).

This ‘passive revolution’ (Gramsci) of the mode of science and education could only be unstable and temporary. After General Bonaparte had initially supported the ‘idéologues’, as Emperor Napoleon he accused the ‘phraseurs idéologues’ of undermining the state’s authority with rationalistic and natural right abstractions, of depriving the people of religion and salutary illusions and flattering it with a sovereignty that it could not exercise (cf. Kennedy 1978, 189). In the end, the concept became a ‘weapon in the hand of an Emperor […]’, who desperately fought to silence his opponents and to maintain a regime in dissolution (Thompson 1990, 31). ‘All the unhappiness of our beautiful France must be ascribed to ideology’, he claimed in 1812 after the defeat against Russia: ‘this dark metaphysic, which seeks in an artificial way for the foundations upon which it can then erect the laws of men, instead of adapting these laws to the knowledges of the human heart and the lessons of history’ (cited in Corpus 26/27, 145).

An echo of this semantic displacement occurs in the doctoral dissertation of the 23 year old Marx in 1840/41, when he ascribes to Epicurus: ‘Our life does not need ideology and empty hypotheses, but rather, that we live without disturbance’ (MECW 1, 68; trans. modified). Of course, it is no longer ‘the autocratic power’ that forms ‘the silent centre of the discourse that dismisses every claim against it as ‘ideology’. Rather, power and domination, together with their changing strategies in relation to ideas, come into the picture’ (Haug 1993, 9).

2. The critical-theoretical ideology concept is a coinage of Marx and Engels. The fact that they deployed it in different contexts in different ways led to the situation that three chief directions could be derived from their texts: first, a critical conception, represented in particular by Georg Lukács and the Frankfurt school, which interprets ideology as ‘inverted’ or ‘reified’ consciousness; second, a ‘neutral’ conception, formulated in particular by Lenin and dominant in Marxism-Leninism, which comprehends ideology as a class-specific conception of the world; and third, a conception that goes from Gramsci to Althusser to Wolfgang Fritz Haug and the Projekt Ideologietheorie (PIT), which understands the ideological as the ensemble of apparatuses and forms of praxis that organise the relation of individuals to the self and the world. The three interpretations can also overlap and be combined with each other.

2.1 The critique of ideology as necessarily inverted consciousness can appeal to numerous formulations in which Marx and Engels (for example, in relation to religion) speak of ‘inverted world-consciousness’, ‘independent kingdom in the clouds’, ‘distorted conception’, ‘standing on its head’ and so forth (e.g. MECW 3, 175; MECW 5, 27 et sqq.; MECW 35, 19). Ideology is accomplished by the thinker with a ‘false consciousness’ who misses the real motives impelling him; ‘otherwise’, notes the late Engels, ‘it would not be an ideological process’ (MECW 50, 164). Ideologists regard their ideology both as the creative force and as the aim of all social relations’ (MECW 5, 420). Such an inversion is compared to that of a ‘camera obscura’: ‘If in all ideology men and their circumstances appear upside-down as in a camera obscura, this phenomenon arises just as much from their historical life-process as the
inversion of objects on the retina does from their physical life-process’ (*MECW* 5, 36).

The context shows that the claim that Marx understood ideology as ‘empty reflex’ and as ‘form of consciousness [forme-conscience]’ (Althusser, *EphP* 1, 496 et sq.; cf. SLR, 294 et sq.) cannot be sustained. It leaves out the ‘historical life process’ that is at stake here: the situation of ‘standing on its head’, a characteristic of ideology, is treated as an effect of the social division of material and intellectual labour. For only by means of this can consciousness really ‘flatter itself that it is something other than consciousness of existing practice, that it really represents something without representing something real’; only now is there ‘the formation of “pure” theory, theology, philosophy, morality’ (*MECW* 5, 45), which, separated from relations, are practiced by specific intellectual groups ‘as a profession, that is, as a business’ (379; cf. 62, 92). What makes possible and produces the reversal of consciousness is the real detachment of intellectual activities from social production, their growing independence and their predominant position in relation to production.

The separation of material and intellectual labour is, in its turn, embedded in the formation of private property, classes and the state (46 et sq.), so that the *camera obscura* is to be understood as a metaphor for the ‘idealistic superstructure’ of class society as a privileged sphere reserved for the mental labour of the ideologues (89). In this sense, it has been proposed that the attention of ideology theory should not remain bound to the inner image of the *camera obscura*, but should come in from the side and investigate the material arrangement and thus the socially unconscious of the discourse of consciousness (Haug 1984, 26): ‘The detachment of consciousness is framed and constituted by the material arrangement [dispositif, in a Foucauldian sense] of social domination’ (24).

2.2 Another way of developing the ‘reversals’ of consciousness from social structures is proposed by Marx with the concept of ‘fetishism’, which he used from the 1844 *Manuscripts* onwards in order to study economic relations. The term was initially deployed for the characterisation of bourgeois economic thought, until it appeared in the appendix of the first edition of *Capital* Volume I (1867) for the first time as characteristic of the equivalent-form of the commodity itself (*MEGA* II.5, 637 et seq.). The passage was then enlarged into a whole sub–chapter in the second edition in 1872 (C 1, 163 et sqq., *MECW* 35, 81 et sqq.). Stimulated by the original meaning of ‘fetish’ used by Portuguese missionaries to describe ‘primitive’ African religions (feitico, something made or produced by humans that gains power over its makers), Marx deployed the ‘fetish character of the commodity’ in order to characterise the process in which the social connection of the producers is only established in commodity exchange and thus a posteriori and behind their backs as a foreign, reified power, in the same way that the ‘law of gravity asserts itself when a person’s house collapses on top of him’ (C 1, 168; cf. *MECW* 35, 86) ‘Their own movement within society has for them the form of a movement made by things, and these things, far from being under their control, in fact control them’ (C 1, 167 et sq.; cf. *MECW* 35, 85).

As the analysis of the *critique of political economy* ascends from the commodity to money, then to the commodity of labour-power, wages, capital and rent, the fetish concept also remains a constitutive part, until the ‘reification’ and ‘mystification’ of the capitalist mode of production is finally completed in the ‘trinitarian formula’ of capital, land and labour as a ‘religion of everyday life’ – a ‘bewitched, distorted and upside-down world haunted by Monsieur le Capital and Madame la Terre who are at the same time social characters and mere things’ (C 3, 969; cf. *MECW* 37, 817). The combination of ‘reification’ and ‘mystification’ shows that Marx’s fetishism analysis attempts to comprehend different phenomena in their interconnection: first, the efficacy of a reified modern form of domination in which the capitalist market functions as a higher power; the producers, consumers and even the capitalists themselves are at its mercy, so that the relation of supply and demand ‘hovers over the earth like the fate of the ancients, and with invisible hand allots
fortune and misfortune to men, sets up empires and wrecks empires, causes nations to rise and to disappear (MECW 5, 48); second, the self-mystifying naturalisation of this reified domination into inherent necessity [Sachzwang]: movements of things as ‘natural forms’ of social life (C 1, 168; MECW 35, 86); and finally, the production of spontaneous consent so that the producers feel themselves ‘completely at home’ in these ‘estranged and irrational forms’ (C 3, 969; MECW 37, 817). The different meanings – reification, dissimulation and ‘voluntary’ subordination – are, for Marx, not only related to each other, but are also immediately inscribed in the material arrangement [dispositif] of bourgeois domination: as ‘socially valid, and therefore […] objective thought forms’ (C 1, 169; MECW 35, 87) which are reproduced directly and spontaneously as ‘current and usual thought forms’ (C 1, 682; MECW 35, 542). The sphere of circulation is ‘in fact a very Eden of the innate rights of man. It is the exclusive realm of Freedom, Equality, Property and Bentham’ (C 1, 280; MECW 35, 186).

How Marx’s analyses of fetishism can be used for the analysis of bourgeois ideologies is contested. Unnoted by Kautsky, Plekhanov and Lenin, they play a central role neither in the tradition of ‘Marxism-Leninism’ nor in Gramsci. For Althusser, they are a relic of a pre-Marxist phase and, furthermore, ‘fictitious theory’ (EPH 1, 487, 497; cf. FM, 230). Lukács, on the other hand, makes the commodity fetish into a universal category of bourgeois society. For some, the fetishism chapter of Capital Volume I is the ‘exposure of the contents of the foundational structure of bourgeois consciousness in all its manifold forms’ (e.g., Sorg 1976, 45). Philologically, it is to be noted that Marx deploys the concept of ideology in the context of his fetishism analyses at the most indirectly: on the one hand, by means of the inversion metaphor, which refers back to the ideology concept of The German Ideology; on the other hand, through association with religion as the historically first form of ideology. According to the Projekt Ideologietheorie (PIT), the ‘objective thought forms’ support the efficacy of bourgeois ideologies in integrating the society, but do not themselves yet constitute an ideology (1979, 186). Also for Sebastian Herkommer, who understands them as real fictitious modes of bourgeois everyday life, they only become ideologies through systematic elaboration and ‘translation’ by specialised intellectuals (1985, 23 et sq., 44, 130).

Marx treated such ideologisation with the example of the ‘vulgar economists’ who ‘translate’ the ideas of economic actors into a doctrinaire language, precisely ‘from the standpoint of the ruling section, i.e., the capitalists, and their treatment is therefore not naive and objective, but apologetic’ (TSV 3, 453; cf. MECW 26,3/445), according to what is ‘useful to capital or harmful, expedient or inexpedient’ (C 1, 97; MECW 35, 15). He sees such reproduction of the ‘superficial appearance’, determined by interests, in opposition to the ‘urge of political economists like the physiocrats, Adam Smith and Ricardo’ in the ‘inner connection’ (TSV 3, 453; MECW 26,3, 445). From another perspective, The German Ideology had found a division of mental and manual labour even in the midst of the ruling classes: their ‘conceptive ideologists’ appear as thinkers ‘who make the formation of the illusions of the class about itself their chief source of livelihood’, while the ‘active members’ of this class barely have the time ‘to make up illusions and ideas about themselves’ (MECW 5, 60).

2.3 The interpretation of the ideological as a neutral medium of class interests claims to find confirmation in a passage of the Preface of 1859, where Marx distinguishes between the ‘material […] transformation in the economic conditions of production’ and the ‘ideological forms’, ‘in which men become conscious of this conflict and fight it out’ (MECW 29, 263). Following the young Lenin (LCW 1, 151), this passage was interpreted in Marxism-Leninism to the effect that the social relations could be divided into material and ideological relations (e.g., Bauer 1974, 19). The dichotomy of ‘material vs. ideological’ reduces the ideological to ‘ideas’ and thus overlooks the fact that, according to this passage, conflicts are not only made conscious but also practically ‘fought
out’ (MECW 29, 263) in the ‘juridical, political, religious, artistic or philosophic […] forms’ that are summarised as ‘ideological’. This suggests that the concept of ‘ideological form’ deployed here should be ascribed a stronger ‘materiality’ and a more independent inner logic than a rhetoric of ‘expression’ allows. In this sense, the late Engels developed the concept of ‘interaction [Wechselwirkung]’ and emphasised that the ideological (and in particular political and juridical) ‘forms of the class struggle […] also have a bearing on the course of the historical struggles of which, in many cases, they largely determine the form’ (MECW 49, 34 et sqq.). The argument indicated here can be generalised in the sense of a ‘strong’ concept of form: just as Marx deciphered in the critique of political economy the social-historical specificity of the commodity in the commodity-form with the help of a form-analysis (cf. Haug 2005/1974, 117 et sqq.), so ideological forms are to be analysed as institutionally anchored ‘forms of individuality’ and praxis (cf. Sève 1978).

Above all, the ‘neutral’ concept of ideology overlooks that Marx and Engels continuously deployed the concept of ideology critically. Antagonisms in material production make a ‘superstructure of ideological strata’ necessary (TSV 1, 287; cf. MEW 26.1, 259). It is not a determinate content of consciousness that makes intellectuals ideologues, but a determinate ‘positioning in the structure of domination’ (Haug 1984, 25), which is to be reconstructed socio-analytically, starting from the contradictions in society.

2.4 The foundation of the concept of ideology in a critical theory of the state was further developed by the late Engels, taking up the theoretical sketches of The German Ideology and calibrating them with new research (above all, that of Morgan). The state is now regarded as the ‘first ideological power over man’ (MECW 26, 392), a ‘power having arisen out of society but placing above it, and alienating itself more and more from it’ (269). Its functionaries are ‘organs of society, above society’ and ‘respect for them must be enforced by exceptional laws, by virtue of which they enjoy special sanctity and inviolability’ (270). Already in The German Ideology there was this notion of a ‘series of powers which determine and subordinate the individual, and which, therefore, appear in the imagination as “holy” powers’ (MECW 5, 245).

3. The orientation towards the conquest of state power that was established in the Marxism of the Second and the Third International enhanced a development in which the ideology critique of Marx and Engels and, in particular, its connection with a foundational critique of the state was repressed by a widely diffused neutral concept of ideology. That was promoted by the fact that The German Ideology was only published first in 1926 in an abridged form and then integrally in 1932, which thus could not have been read by the first generation of Marxists. While Antonio Labriola, close to Marx, could say that Marxist theory had once and for all overcome any form of ideology (Labriola 1908), and Franz Mehring, for example, spoke critically of the ‘Hegelian ideology’ (Karl Marx, GS 3, 29), the young Russian delegate to the founding conference of the Second International in 1889, Georg Plekhanov, spoke of ‘our revolutionary ideologues’ (cited in Jena 1989, 67). Kautsky tends more and more to a ‘neutral’ concept, e.g. when he uses ‘intellectual [geistig]’ and ‘ideological’ interchangeably (cf. 1906, 128 et sq.), and a similar tendency can be found in Eduard Bernstein’s writings, which contrast economic power to ideological power (1993/1899).

3.1 The young Lenin drew the conclusion from Marx’s distinction in the Preface of 1859 between the economic basis and ideological forms ‘that social relations are to be divided into material and ideological relations’, with the latter forming ‘merely a superstructure above the former’ (LCW 1, 151; trans. modified). Looked at from an ideology-theory approach, the concepts ‘material’ and ‘ideological’ constitute a false opposition, because it overlooks the materiality of the ideological. The definition of ideal forms of expression of class interests as ‘ideology’ furthermore opens the way to the definition of Marxism as the ‘ideology of the labouring class’ (LCW 1, 394). This poses
the problem of delimiting Marxism from other ideologies, such as, for example, Catholicism. Lenin does this with the concept of ‘scientific ideologies’, whose specificity is supposed to consist in the fact that ‘the objective truth’ corresponds to them (LCW 14, 153). Underlying this is a fundamental dichotomy between subjective and objective, which falls short of the praxis philosophy of Marx’s *Theses on Feuerbach* and corresponds, instead, to the ‘contemplative’ or ‘metaphysical’ materialism – Gramsci will call it ‘philosophical materialism’ – that is criticised in that text. In confrontation with the subjectivist agnosticism of, for example, Bogdanov, Lenin adopts a fundamental dichotomic of ‘doctrine of two kingdoms’ and takes up the position opposed to subjectivism, that of ‘objective truth, independent from humanity’ (PIT 1979, 23).

In *What Is to Be Done?* (1902), Lenin takes up from Kautsky the idea that the working class can develop spontaneously only a trade-union ‘seed form’ of class consciousness, which is still subordinate to bourgeois ideology, since this ‘is much older than socialist ideology, because it is much more complexly developed, because it has at its disposition incomparably more means of diffusion’ (LCW 5, 386–7; vgl. 374 et sqq.). Political class consciousness ‘can only be brought to the workers from outside’, from the sphere of the interactions between all classes, or the relations between all classes and strata to the state and government (420 et sqq.6). The argument contains an anti-economicist insight, which Gramsci will extensively elaborate in the sense that the hegemonic phase requires a ‘catharsis’ of group egoisms (Q 10,II, §6). However, while Gramsci proposes to elaborate critically the ‘spontaneous philosophies’ of ‘bizarrely’ composed everyday common sense [*senso comune*] (Q 11, §12), Lenin’s ‘from outside’ suggests an educationalistic relation between the working class and a separate layer of organisers and ideologues (the later ‘nomenklatura’).

‘If we can now not speak of an independent ideology elaborated by the working masses in the course of their movement itself, the question can only be: bourgeois or socialist ideology’, Lenin concludes: ‘There is no middle position here’ (LCW 5, 385 et sq.). The opposition bourgeois/socialist is inaccurate, because one pole lies on the level of the social structure while the other is located on the level of a political project. The dichotomy is linked to the reductionist postulate of ‘seeking behind all the possible moralistic, religious, political and social phrases, explanations and promises the interests of this or that class’ (LCW 19, 27), and tends towards a theory of manipulation (for example, in relation to the ‘freedom of the press’ of the rich, LCW 26, 283). Just as religion is interpreted in a pre-Feuerbachian way as ‘deceit of the priests’ (opium for the people rather than, as in Marx, of the people), the ideologue appears as a mere deceiver.

3.2 From the combination of class reductionism and educationism, Marxism-Leninism derived legitimisation to define the ‘proletarian’ ideology through the politburo of the ‘party of the working class’ and to prosecute contradiction as ‘deviation’. It was thus obscured that Lenin had implicitly developed an ‘operative’ ideology theory that is oriented to the self-determined activities of the masses and opposed to the re-ideologisation of Marxism (cf. PIT 1979, 24 et sqq.). Paradoxically, this was manifested in the fact that in the phases of upsurge of the revolutionary movements in 1905 and 1917, the concept of ideology receded behind that of hegemony. With the concept of hegemony, Lenin oriented towards driving further the movement for democracy (LCW 8, 72 et sqq.), towards the ‘purification’ of the allied strata from undemocratic and nationalistic admixture (LCW 17, 60 et sqq.) and towards the democratic functions of the unions (LCW 32, 19 et sqq.). It was a matter of the ‘discipline of conscious and unified workers, who recognise no order higher than themselves and no power outside the power of their own association’ (LCW 29, 423). This perspective breaks with all ideology in the sense of an alienated socialisation from above. Nevertheless, historically, it failed due to low social levels of development and the thus conditioned limited capacity for action of the working class, as well as due to the unfavourable international power relations. All
this favoured the tendencies towards the statification and re-ideologisation of Marxism.

3.3 Subsequently, the problem of ideology was subordinated to a 'materialist' response to the 'fundamental question of philosophy'. It opposes an economic base, which alone was ascribed the status of 'matter', to an ideology, which was defined as a 'system of social [...] views that express determinant class interests' (PhWb, 504). At the same time, ideology was also identified with the 'superstructure', so that 'ideological relations' could include both the 'forms of consciousness' as well as 'social institutions' (Bauer 1974, 23). As a result, the dualistic method led to depriving of the 'base' of its constitutive moments of conscious activity and to the identification of the ideological, sometimes with consciousness, sometimes with the superstructure in se. Even when it was recognised that 'certain appearances cannot be distinguished into the purely material and the purely ideal' (Rogge 1977, 1373), or that the idea of ideology 'as product of the reflection of the material' was not adequate to the complicated mediations (Dold 1979, 746), the debates remained within the prescribed dichotomy of material and ideal and petered out into hair splitting. According to the PIT, this 'dualistic approach' missed the constitution of ideological forms and mystified their determinateness, instead of explaining them functionally-historically on the basis of their necessity in terms of life practices (PIT 1979, 87, 91). Despite continuing reference to the 'ideological class struggle', therefore, no theory of it could be developed (83).

4. Even though Lukács sometimes used the Leninist rhetoric of a neutral concept of ideology, his chief category is that of the 'ideological phenomenon of reification' (1971, 94). He thus sought to explain the defeat of socialist revolution in the West after WWI and to redefine the aim of revolutionary theory as that of 'destroying the fiction of the immortality of the categories' (14).

Characteristic of Lukács's method is an interpretation of the commodity fetish, which makes it – differently from Marx – into the 'universal category of society as a whole' (86). With its help, 'the ideological problems of capitalism and its downfall' can be deciphered (84). Here, Lukács links Marx's fetish analysis to Weber's 'formal rationalisation', which is supposed to merge state and society into an 'iron cage' of bondage (Weber 1930/1922, 181). From the 'basic phenomenon of reification' (1971, 94), Lukács derived the 'ever more reified levels' of social consciousness. The relationships of these levels are grasped as 'analogy' and 'expression' (cf. 46 et sqq., 95, 97) and it is supposed that 'the structure of reification progressively sinks more deeply, more fatefully and more definitively into the consciousness of men' (93).

Differently from Weber, Lukács reinterpreted the process of rationalisation on the basis of an underlying Taylorism. He opposed the instrumental rationality [Zweckrationalität] that rules in singular sections of the system to the irrationality of the entire process based upon the anomaly of the market (102). From this he derived the ideological effect of a comprehensive passivisation with regard to society as a whole: the attitude becomes 'contemplative', that is, it 'does not go beyond the correct calculation of the possible outcome of the sequence of events (the "laws" of which he finds "ready-made"), [...] without making the attempt to intervene in the process by bringing other "laws" to bear' (98). From 'critical philosophy' since Kant, bourgeois thought is marked by the dichotomy of 'voluntarism' and 'fatalism'. Activity is reduced to 'the evaluation for [the single] (egotistical) interest of the necessary course of certain individual laws' (135; trans. modified).

Lukács's 'model of the diffusion of an ever more reified reification' (PIT 1979, 53 et sq.) discounts not only what Ernst Bloch famously described as 'non-contemporaneities' of social development (1990, 97 et sqq.), e.g. the coexistence of capitalist and pre-capitalist forms and the multiplicity of systems of domination, but also eclipses the heterogeneity and contradictoriness of everyday consciousness (senso comune in the Gramscian sense). It is economic insofar as it does not ascribe to the ideological its own reality: integration appears...
to follow from the commodity fetish itself, without requiring ideological powers, hegemonic apparatuses, ideologues etc. The thesis of passivisation undervalues, furthermore, the ability of bourgeois society to set free activities in private-egoistical form, and misses the ‘multi-formed dimensions of the Do it Yourself of ideology’ (Haug 1993, 227). Confronted with ‘ordinary’ people reduced to reified-passified subjects, critical intellectuals assume the function of clarifying the ‘truth’ of the social context – a concept that will influence several strands of leftist academics enduringly.

5. Gramsci, who did not know The German Ideology, published in 1932, and was not interested in the fetish analysis of Capital, based himself on, among other texts, the passage of the Preface of 1859 (also referred to by Lenin), which he translated into Italian at the beginning of his time in prison (cf. Q 2358 et sqq.). This translation already displays a particular interest for the specific reality of the ideological: where the German text speaks of the ‘ideological forms in which men become conscious of this conflict and fight it out’ (MECW 29, 263), Gramsci translates ‘in which’ with ‘on which terrain [nel cui terreno]’ (Q 2359), as if he wanted to prevent the common misunderstanding of mere forms of consciousness from the outset. The ‘ideological terrain’ that from now on will continually accompany the treatment of ideologies shows that these are anything but illusions and appearance, but rather, an ‘objective and effective reality’, the terrain of the ‘superstructures’ (Q 4, §15; cf. Q 10.II, §41; Q 11, §64; Q 13, §18). Thus he developed a theory of ideology that is diametrically opposed to the dualistic assumption of ‘material and ‘ideal’ of Marxism-Leninism. With reference to Marx’s political texts (e.g. the 18th Brumaire, Civil War in France and Class Struggles in France), he wants to show that the approach of deducing and presenting every movement of politics and ideology as an immediate expression of the structure […] must be combated as a primitive infantilism’ (Q 13, §18). Opposition to the treatment of ideology as expression of the economic, as illusion and mere appearance is pervasive. The term itself, however, oscillates between very different meanings.

5.1 A critical concept of ideology is to be found when Gramsci uses the term in opposition to the concept of the philosophy of praxis, which attempts to liberate itself from any ‘onesided and fanatical ideological element’ (Q 11, §62; cf. Q 16, §9). He criticises as ‘ideological’ the tendency emerging in the Comintern of comprehending theoretical debates as a ‘lawsuit’, ‘in which there is an accused and a prosecutor, who, on the basis of his official function, must prove that the accused is guilty and deserves to be taken out of circulation’ (Q 10.II, §24). In opposition, he demands a scientific attitude that takes seriously the opponent’s standpoint and builds it into one’s own construction. It is precisely this that he means when he speaks of having ‘freed oneself from the prison of ideologies (in the negative sense of blind ideological fanaticism)” (ibid.). While ‘economism’ overvalues mechanical causes, ‘ideologism’ is fixated on the great individual personalities and absolutises the ‘voluntaristic and individual element’ (Q 13, §17; cf. Q 19, §5). ‘Ideological’ is also the theoretical disarming of dialectics by Benedetto Croce (Q 10. II, §41.xvi).

Under the title ‘Concept of “ideology”’, Gramsci goes back to the original meaning coined by the ‘idéologistes’, for whom ideology signifies the analytical procedure of tracing ideas back to ‘sensations’ (Q 11, §63). In this sense, he asks if Bukharin is not also entrapped in ideology and claims ‘that Freud is the last of the ideologists’ (ibid.). Here he refers to the physiological foundations of the Freudian theory of drives, which were later criticised in Lacanian-influenced psychoanalysis as ‘biologism’. Gramsci also explains with the sensualistic meaning of the word why the concept of ideology implicitly has a ‘devaluing judgement’ in the philosophy of praxis, which ‘historically sets itself against ideology’ and represents its ‘definitive superannuation’, because it seeks the origin of ideas not in sensations, but analyses it historically as a superstructure (ibid.).

5.2 At the same time, Gramsci turned against the attempt to oppose ideology to the ‘objective truth’ of a science, because fundamentally the idea of an objective reality is also a ‘particular
conception of the world, an ideology’ (Q 11, §37). Science is also an historical category. If its ‘truth’ were definitive, science would no longer exist, and an objective reality without humans would be at the most a chaotic void (ibid.; cf. Q 11, §17). Nevertheless, science is conceptually distinguished from ideology: as ‘methodology’, it is not absorbed into ideology, for it is able ‘to separate objective knowledge from the system of hypothesis’ through a process of abstraction, so that the science of a social group can be appropriated while at the same time its ideology is rejected (Q 11, §38). What distinguishes science from the ideology that ‘coasts’ it (ibid.) and at the same time connects it with good sense [buon senso] is a specifically experimental attitude, ‘the theoretical […] or practical-experimental activity’ (Q 11, §34), unremitting correction and refinement of the experiment (Q 11, §37). Althusser’s critique that Gramsci misconceives the ‘epistemological break’ between ideology and Marxist theory and dissolves science into ideology (RC, 134 et sq.), can therefore not be maintained (cf. Spiegel 1983/1997, 61 et sqq.; 137 et sqq.).

5.3 Gramsci uses the concept of ideology positively for when a philosophy goes beyond the bounds of the intellectuals and is diffused in the great masses (Q 10.II, §41.i). In this context, ideology signifies the ‘element of the masses of any philosophical conception’ (Q 10.II, §2), its ‘moral will’ and its norm of behaviour (Q 10.II, §31). The fact that philosophy becomes a ‘cultural movement’ and brings forth a ‘practical activity and a will’, could also be described as ‘ideology’, if it is ascribed with ‘the higher meaning of a conception of the world which is implicitly manifested in art, in law, in economic activity in all individual and collective expressions of life’ (Q 11, §12). When philosophies become ‘ideologies’, this means that they assume the ‘granite fanatical compactedness of the “beliefs of the people”, which take on the same energy as the “material forces”’ (MECW 3, 182 et sqq.). Contrary to the reflection theory metaphors of ‘expression’ and ‘appearance’ that were widely diffused in Marxism, he defined ideologies as ‘practical constructions’ which are ‘anything but arbitrary’, but, rather, represent ‘real historical facts’ (Q 10.II, §41).

Gramsci himself refers to a polysemy of the concept of ideology, which is applied both to ‘arbitrary elucidations of determine individuals’ as well as to the ‘necessary superstructure of a determinate structure’ (Q 7, §19). Consequently, one must thus distinguish between ‘historically organic ideologies, which […] are necessary for a determinate structure, and arbitrary, rationalistic “wished” ideologies’. If the latter produce ‘only individual polemical “movements”’, the former ‘organise’ the masses, ‘forming the terrain upon which humans move, conscious of their position, struggle, etc’ (ibid.).

5.4 Gramsci attempted on numerous occasions to define the ideological as the ‘entire ensemble of superstructures’ (Q 10.II, §41.i). The ‘ideological terrain’, which Gramsci had already introduced in his translation of the passage from the Preface of 1859, is specified as the ‘objective and effective reality’ of the super structural (Q 10.II, §41.XII). Marx’s statement that men become conscious of their conflicts on the ‘ideological terrain of the juridical, political, religious, artistic, philosophical forms’, must be developed with the entire ensemble of the philosophical doctrine of the meaning of the superstructures (Q 11, §64).

The terminological ambiguity of the concept of ideology is a symptom of the fact that it represents, for Gramsci, a transition to the elaboration of the more specific categories of his theory of hegemony. The identification of ideology and ‘superstructures’ is to be understood as the foreground of his wide concept of the ‘integral state’, with which he brings together the two decisive functions, usually separated, of ‘political society’ and ‘civil society’, violence and hegemony (Q 6, §88; cf. Q 6, §155). Just as Gramsci subordinated the question of utopias and (rationalist) ideologies to the problem of the elaboration of an enduring collective will (Q 8, §195), he wants to treat the ‘meaning of the ideologies’ in the context of the ‘war of position’ and ‘civil hegemony’ (Q 13, §7; cf. Q 11, §12). Thus his theory of ideology turns into a theory of the
intellectuals: the ‘ideological panorama’ of an epoch can then only be transformed if ‘intellectuals of a new type can be brought forward who come directly out of the masses and stay in contact with them, becoming their “corset braces”’ (Q 11, §12). He characterised the connection between structure and superstructure achieved by ‘historically organic ideologies’ also as an ‘ideological bloc’ (Q 1, §44), which he then successively substituted with ‘historical bloc’ (Q 10.II, §41.I). Gramsci also applies this category to individuals and their inner relations of forces (Q 10.II, §48). This can be fruitfully taken up as a contribution to a theory of the subject in ideology theory (cf. Hall 1988, 56).

5.5 Gramsci was particularly interested in the positively organising function of the ideological. In this, he neglected the structures of alienated socialisation, which Marx and Engels proposed as the core of the ideological (cf. PIT 1979, 80). This can be seen, for example, in the lack of an analytical distinction between ideology and culture. On the other hand, however, the perspective of ideology critique that is often lost in the application of the term of ideology is fundamentally maintained in the context of the philosophy of praxis: whereas ideologies aim ‘to reconcile contradictory and oppositional interests’, the philosophy of praxis is the ‘theory of these contradictions themselves’ and at the same time the expression of the ‘subaltern class who want to educate themselves in the art of governing’ (Q 10.II, §41).

Correspondingly, Gramsci provides worthwhile hints as to how ideology-critique can be further developed on the basis of a materialist ideology theory. First, it is an important part of Gramsci’s concept of a critique of everyday consciousness [senso comune], whose main elements he sees provided, in his Italian context, by the popular religion of Catholicism (cf. Q 11, §13). To work critically on the coherence of people’s worldviews implies a continuous critique of the way ideologies exploit the incoherences of ‘common sense’. Second, ‘ideology critique, in the philosophy of praxis, invests the entirety of the superstructures’ (Q 10.II, §41.XII; cf. Q 13, §18). It attempts to intervene in this structure effectively, in order to induce a process of distinction and change in the relative weight: ‘what was secondary […] is assumed as principal, becomes the nucleus of a new ideological and doctrinal complex. The old collective will disaggregates into its contradictory elements’ (Q 8, §195). Cultural studies elaborated these thoughts in terms of discourse theory as ‘disarticulation’ and ‘re-articulation’ of ideological formations (cf. Hall 1988, 56). Ideology-critique becomes effective as an ‘interruptive discourse’ that does not unmask the ideological bloc of the opponent from outside, but intervenes in it, in order to decompose it, to reshape it and build effective elements into a new order (Laclau 1981; evaluated in PIT 1980, 37).

6. The ideology-critique of the ‘Frankfurt school’ sets out in particular from the Lukács of History and Class Consciousness, without familiarity with Gramsci’s considerations on ideology and hegemony in the Prison Notebooks, which were first published in 1948. For Lukács, the proletariat becomes capable, precisely due to the most extreme reification, of recognising in the crisis the totality of society and thus to break through the reification structure. This perspective, however, is lost for Max Horkheimer and Theodor W. Adorno under the conditions of Stalinisation of the Soviet Union and the emerging hegemony of American Fordism. What is retained is the concept of ideology developed within the paradigm of the commodity fetish, which is declared, however, to be no longer effective.

6.1 Dialectic of Enlightenment is in the first place concerned with the efficacy of a ‘new’ positivist-technocratic ideology based on the omnipresence of the stereotype enforced by technology (Horkheimer/Adorno 1995/1944, 136). Instead of appealing to ‘truth’, it is pragmatically oriented to the business purpose and ‘conceals itself in the calculation of probabilities’ (145, 147). It limits itself to elevating ‘a disagreeable existence into the world of facts by representing it meticulously’ and thus fulfills the positivistic ‘duplication’ of a consistently closed being (148, 151 et sq.). The fatal context of
alienation then becomes clear when the dominated develop an ‘evil love’ for that which is done to them: ‘Immovably, they insist on the very ideology which enslaves them’ (134).

The concept of this new ideology oscillates between positivistic reflection of the given and manipulation (deception and business). Its apparatus is identified as the ‘culture industry’. As Adorno (1963) explained, this was supposed to close off the interpretation that it was a case of a ‘culture that arises spontaneously from the masses themselves’: ‘the masses are not primary, but secondary, they are an object of calculation; an appendage of the machinery. The customer is not king, as the culture industry would have us believe, not its subject but its object’ (1991, 85). This approach has been accused of the assumption of a ‘perfect’ context of manipulation (e.g. Kausch 1988, 92) in which active cultural activity and subversive oppositional decoding is excluded (cf. Hall 1981, 232; 1993, 516); capitalist society is comprehended as a ‘monolith of a dominant ideology’ without contradictions in itself (Eagleton 1991, 46). One could explain this with the procedure of transferring categories from Taylorist production immediately onto the culture industry: the latter appears to be a mere continuation of ‘what happens at work, in the factory, or in the office’ into free time, in order ‘[to occupy] men’s senses from the time they leave the factory in the evening to the time they clock in again the next morning’ (Horkheimer/Adorno 1995/1944, 131, 137). The functional definition can be made fruitful for the investigation of structural analogies. In this generalisation, however, it misses both the contradictions in the hegemonic apparatuses as well as the efficacy of compensatory oppositional worlds: ‘under monopoly all mass culture is identical’ (121).

6.2 Instead of using the analysis of the ‘culture industry’ for the further development of an ideology theory, Horkheimer and Adorno draw the conclusion after their return from exile in the USA of declaring socialisation through ideologies to be irrelevant. This appears to be plausible insofar as they have previously limited the concept of ideology to a classically bourgeois-liberal form of ideology: characteristic is a concept of justice developed from commodity exchange as well as an ‘objective spirit’ reflected in it that has been disconnected from its social basis (IFS 1956, 168 et sq., 176). In an implicit opposition to Gramsci, they declare: ‘Ideology can only be meaningfully discussed in terms of how a spiritual dimension [ein Geistiger] emerges from the social process as independent, substantial and with its own claims’ (176; cf. Adorno, GS 8, 474). The task of ideology-critique is then to confront ‘the intellectual dimension with its realisation’ (169/466). This concept of ideology, which is linked to relatively petty-capitalist market relations and the ‘grand narratives’ of idealist philosophy, is indeed hardly adequate for an analysis of both fascist ideologies and the culture industry in the USA. Horkheimer and Adorno take this weakness as a reason to dismiss the concept of ideology altogether in the name of ‘simply immediate’, allegedly ‘transparent’ power relations as well as manipulatively thought out mere means of domination (168 et sq., 170; 465, 467). This can be seen as a regression from the material richness of their own investigations of the ‘culture industry’ into a conception of instrumentalist manipulation. A translation of the culture-industry investigations into the terms of ideology theory still remains to be undertaken.

The dismissal of the concept of ideology is however not definite. Adorno’s Jargon of Authenticity not only refers with its original German subtitle ‘Zur deutschen Ideologie’ to the classic work of Marx and Engels but also uses the concept throughout. Focusing on Heidegger’s ontological jargon of ‘authenticity [Eigentlichkeit]’ and its discursive diffusion in post-fascist Germany, Adorno’s critique targets ‘ideology as language, without any consideration of specific content’ (1973a/1964, 160). When, in Prisms, he explains the differences between a ‘traditional transcendental critique of ideology’ and his concept of immanent critique, he describes the latter according to the dialectical principle ‘that it is not ideology in itself which is untrue but rather its pretension to correspond to reality’ (1967/1955, 32 et sq.; GS 10.1, 27 et sq.).
For *Negative Dialectics*, ideology ‘lies in the implicit identity of concept and thing (1973a, 40). Identity is the ‘primal form [Urform] of ideology’, and ideology’s power of resistance to enlightenment is due to its complicity with identifying thought, or indeed with thought at large (1973b/1966, 148; cf. GS 10.1, 151). Critical theory intersects here with Althusser’s concept of ‘ideology in general’, which approaches the ideological evidence of ‘identity’ by means of Lacan’s psychoanalytical theory of the ‘imaginary’. Both approaches also share the weakness that the concept of ideology, by its identification with human acting, thinking and feeling in general, risks losing its connection to the specific alienated structures of antagonistic class societies.

6.3 Following Herbert Marcuse, according to whom ideology is now incorporated in the process of production itself (1972, 22 et sqq., 188 et sqq.), Jürgen Habermas displaces ideology into technology (1970). He thus also comes to the diagnosis that the ‘late-capitalist’ societies have lost their possibilities for the formation of ideology and have instead developed a functional equivalent: ‘In place of the positive task of meeting a certain need for interpretation by ideological means, we have the negative requirement of preventing the emergence of efforts at interpretation onto the level of the integration of ideologies. […] In the place of “false consciousness” we today have a “fragmented consciousness” that blocks enlightenment by the mechanism of reification’ (1987, 355). Also here a narrow understanding of the ideological (as totalising and ‘false’ representation of order) leads to the positing of an opposition between it and fragmentation, instead of treating the latter as an integral component part of ideological socialisation.

By erecting his social theory on the opposition of ‘instrumental’ and ‘communicative’ reason, Habermas carries out two complementary strategic modifications: on the one hand, following Weber’s ‘value rationality’, he reintroduces a positive, neo-Kantian revaluation of morality and religion, which are called upon as component parts of the ‘life world’ against the ‘system world’ (1984, 345 et sqq.; 1987, 326et sqq.); on the other hand, ‘ideology-critique’ increasingly becomes a deprecatory term, with which he attributes to Horkheimer and Adorno together with Nietzsche, Horkheimer and Adorno together with Nietzsche and Heidegger an anti-modernist and potentially totalitarian ‘rebellion against all normativity’ (1987, 106 et sqq.), which places the ‘achievements of occidental rationalism’ diagnosed by Weber in question (131 et sqq.). Even if Habermas and Axel Honneth in some ways differentiated the analytical instruments of critical theory, this occurs at the price of cancelling its radical potential for critique and carrying it over into a normative discourse.

7. While Althusser criticised in Gramsci’s ‘historicist’ theory a lack of distinction between ‘ideology’ and ‘science’ (RC, 134 et sqq.), his own ideology theory is based in essential aspects on Gramsci’s notes on ‘civil society’ and on ‘hegemonic apparatuses’. As Althusser himself admitted, (L&P, 142; SLR, 281), his distinction between the repressive state apparatus and the ideological state apparatus is formed following the model of Gramsci’s differentiation of ‘political society’ and ‘civil society’, coercion and hegemony (Q 6, 88; cf. Q 6, §155); the ISAs reproduce the relations of production under the ‘shield/cover [bouclier]’ of the RSAs (L&P, 150; SLR, 287); even the treatment of the ideological apparatuses as state apparatuses would not be comprehensible without Gramsci’s enlargement of the traditional Marxist concept of the state into the concept of the ‘integral state’; their ‘plurality’ emphasised by Althusser presupposes Gramsci’s pluralisation of the ‘superstructures’ (in opposition to the then usual singular term ‘superstructure’). Althusser refers to Gramsci when he declares that the distinction between ‘public’ and ‘private’ institutions is secondary and claims that their ideological ‘functioning’ is decisive (144/293). The insight that the resistance of the subalterns can gain a hearing in the ideological state apparatuses by using the contradictions that exist there or conquering ‘combat positions’ (147/284) takes up in its turn implicitly elements from Gramsci’s considerations on the ‘war of position’.

However, whereas Gramsci was primarily interested in the ‘working upwards’ of a subal-
tern class into the storeys of the superstructures, Althusser’s attention is directed to the ideological subjection under the capitalist order accomplished by the ISAs. He justifies this with the primacy of the bourgeois class struggle in relation to that of the workers’ movement and with the asymmetrical relations of force implied by this (185/266). Hegemony unfolds despite its spontaneous origins into forms that are integrated and transformed into ideological forms. New in comparison to Gramsci are particularly the concepts of the subject and the voluntary subjection [assujettissement] that Althusser develops on the basis of the psychoanalysis of Jacques Lacan. Psychoanalytical categories enable him to understand the ideological as an unconscious, ‘lived’ relation and to illustrate the dynamic and active character of ideological subjugation. At the same time, the integration of Lacanian psychoanalysis exposes Althusserian ideology theory to the tension between the historically specific ISAs concept and an unhistorically conceived ‘ideology in general’ – a contradiction, which led to divided receptions (cf. Barrett 1991, 22, 109) and finally contributed to the disintegration of the Althusser school.

7.1 The methodological point of departure for the ISA essay, first published in 1970, is the question concerning the ‘reproduction of the conditions of production’ – on the one hand, of the commodity of labour-power, on the other, of the relations of production. Althusser is interested in particular in the point at which both of these overlap: the reproduction of labour-power proceeds not only by means of wages, but also by means of ‘qualification’, which is predominantly produced outside the apparatus of production in the school system and involves ideological subjection [assujettissement] (L&P, 132; SLR, 274). On this basis, Althusser comprehends the school as the dominating ISA, because like no other it can draw upon an obligatory attendance for so many years (156 et sqq./289 et sqq.). An ‘empirical list’ includes, beyond this, the religious, familial, juridical, political, trade-union, cultural and information ISAs (143 et sqq./282). Even though a RSA also produces ideological effects and repression also plays a role in the ISAs, the specificity of the ISAs is that they ‘predominantly’ aim at the voluntary subjection of those addressed. Unification occurs not, as with the RSAs, by way of centralisation but rather through the ‘dominant ideology’, which establishes the (sometimes) ‘teeth-gritting’ harmony between the RSAs and ISAs and between the ISAs themselves (150/287).

Already in his earlier writings, Althusser had opposed determinism with the concept of ‘overdetermination’ and the Hegelian model of expressivist totality with the concept of a heterogeneously composed ‘structured whole’ (FM, 193). Against the idea of a linear and homogenous temporality, he suggests that every social level has its own relatively autonomous temporality (RC, 100 et sqq.). These approaches are also to be found in Althusser’s ideology theory. The ISAs vary, on the one hand, regarding the different ‘regional’ specificities; on the other hand (apart from the power relations reigning in them), regarding the effectiveness of their ideological integration. Instead of being a mere ‘expression’ of a foundational economy, the ideologies have their own ‘materiality’: individuals are moved by a system, that goes from its particular apparatus to material rituals to everyday practices of the subject and produces ideological effects there: ‘kneel down, move your lips in prayer and you will believe’ (L&P, 168; SLR, 301; taken from Pascal’s Pensées, Aph. 944). If ideology was originally comprehended by Destutt de Tracy as the analysis of ‘ideas’, these are now re-interpreted as integral elements of ideological practices and rituals (168/302).

7.2 Althusser’s ‘point of view of reproduction’ (128/270) has been criticised as a ‘functionalism’ that disregards the contradictions and struggles in the ideological in favour of considering the stabilisation of domination (e.g. Hall 1983, 63; Lipton 1993). Althusser responded to such objections already in the ‘Postscript’ to the ISA essay, by emphasising the primacy of the ‘class struggle’ and referring to the emergence of the ideology of the dominated classes outside of the ISAs (L&P, 185; SLR, 313 et sqq.). In ‘Remarks on the Ideological State
Apparatus' (1976), he introduced the concept of 'proletarian ideology', which is formed under the primacy of (and against) the bourgeois class struggle and calls upon individuals as militant subjects (SLR 263 et sqq.). This raises, on the one hand, the problem that different contradictions and struggles are subsumed reductively to 'class struggle'. This prevented Althusserianism from opening itself towards a theoretical elaboration of gender relations. On the other hand, the professed primacy of class struggle remains unproductive because the ideological is primarily thematised as a phenomenon formed from above and organised through apparatuses. It is certainly an advance that Althusser analysed the dimension of socialisation from above neglected by Gramsci. However, on the other hand, this aspect is absolutised, so that the interface between ideology and the contradictory composed forms of everyday consciousness falls out of view. Non-ideological material and its ideological organisation are not distinguished. Thus Althusser cannot make his reference to the emergence of ideologies outside the ISAs theoretically productive. ‘The ISAs produce their rituals and practices almost out of nothing, that is, without recognisable connection with the practices and thought forms of those who are subjected’ (PIT 1979, 115).

While ideology and hegemony in Gramsci signify a consensus-oriented dimension of socialisation that traverses all instances of the ‘integral state’, Althusser’s ISA concept focuses upon determinant state apparatuses. Stuart Hall criticises a neglect of ‘private’ institutions, which, for example, played a significant role in the ideological preparation of neoliberalism (1988, 46 et sq.). According to Pierre Bourdieu, the ISA concept misses the economy of the culture producing institutions, their character as culture industry as well as the material and symbolic interests of the actors (1982, 51, 24). Nicos Poulantzas holds the distinction between RSAs and ISAs to be too schematic: it assigns functions in an essentialist way and thus misses that a number of apparatuses ‘can slide from one sphere to the other and assume new functions either as additions to, or in exchange for, old ones’ (1978, 33) – for example, when the military becomes a central ideological-organisational apparatus and functions chiefly as the political party of the bourgeoisie. Stimulated by Michel Foucault, he argued that Althusser’s binary opposition of repression and ideology is one-sidedly fixated on the negative functions of prohibition and deception and misses the state’s ‘peculiar role in the constitution of the relations of production’, thus becoming unable to understand adequately the bases of the dominant power in the dominated classes: the state is effective in the economic itself and produces the ‘material substratum’ of the consensus that binds the subalterns to domination (30 et sq.); additionally, it places techniques and strategies of knowledge at the disposal of the rulers, which are certainly built into ideologies, but at the same time go beyond them (32); finally, the state also works on the ‘spatio-temporal matrices’ according to which social atomisation and fractionalisation occurs (65 et sqq.).

7.3 In direct opposition to the reduction of ideology to false consciousness or manipulation, Althusser emphasises its meaning as lived and believed reality: it is ‘fundamentally unconscious’, its representations are ‘usually images, sometimes concepts, but they impose themselves on the majority of humans above all as structures’ (FM, 233). Even when people use it, they are entrapped in it, ‘the bourgeoisie must believe in its own myth before it can convince others’ (234). This thought is developed further in the ISA essay in subject-theoretical terms: ideology in general is defined through the function of constituting concrete individuals as subjects. Corresponding to the double meaning of the term (subject/subjected), ‘subject’ means the subordinate individual who (mis-)understands him or herself as autonomously self-determined – subjected in the form of autonomy (L&P, 169, 148; SLR, 302 et sq., 310 et sqq.). Althusser thinks this voluntary subjection with the image of the call (interpellation, literally: call and interrogation) by a superior ideological instance, which he names SUBJECT: it interpellates the small subject as an identity of its own, with name and social status (God calls Moses as ‘Moses’); the small subject confirms with its answer the interpellated identity (Moses answers: Yes,
Lord, I am here’); and thus recognises itself in the calling SUBJECT (179 et sq./308 et sq.), so that it gains ‘the absolute guarantee that everything really is so, and that on condition that the subjects recognize what they are and behave accordingly, everything will be all right’ (181/310). Subjects constituted in this way now function as a rule ‘on their own’, except for the ‘bad subjects’ who are given over to the custody of the RSA (181/310 et sq.).

The presentation of a temporal succession (from individual to subject) is chosen for didactic clarity, for in reality ideology has ‘always already [toujours-dejà]’ called individuals as subjects (172/306 et sq.). Althusser demonstrates this with the ‘ideological rituals’ with whose help the child already before its birth is ‘expected’ by a (familial) order and through which it must become the ‘sexual subject (boy or girl) which it already is in advance’ (176/307). The observation can serve as an indication that ideological subjection does not occur uniformly, but, rather, that it should be investigated as ‘a process split into two genders’ (cf. Frigga Haug 1983, 653 et sqq.). It serves Althusser, however, as proof for the theoretical assumption that ideology is without history and ‘eternal, just as the unconscious is eternal’ since both inwardly cohere (L&P, 161; SLR, 295). Here, he refers to Sigmund Freud’s description of the unconscious as without contradictions and ‘timeless’ (Vol. XIV, 186 et sq.). The concept of an ideology in general, mediated by Lacan’s structuralist interpretation of psychoanalysis (cf. L&P 189 et sq.), leads to treating the human – following Aristotle’s zoon politikon (Politics, 1253a) – as an ‘ideological animal’ (L&P, 171; SLR, 303). Thus, the ideological, against Marx’s location of it in class-antagonistic societies, is once more relocated in the individual and comprehended as an unhistorical-anthropological essence.

In this over-general version, ideology represents ‘the imaginary relationship of individuals to their real conditions of existence’ (162/296). Taken in itself, the formulation could be made fruitful for a determination of the relation between the ‘imaginary’ forms of everyday understanding and their ‘ideological’ processing. However, the concept taken over from Lacan of the ‘imaginary’ is oriented not to an investigation of objectively mystified forms of thought and praxis of bourgeois society (cf. Marx’s concept of ‘objective thought forms’; MECW 35, 85), but moves away from them and towards unhistorical level of a narcissistic ‘mirror stage’, in which the small child ‘jubilantly’ recognises itself in the mirror as an unitary image, even though the child’s motor activity still functions to a large extent non-uniformly (Lacan 1977, 1 et sqq.). ‘Recognition [reconnaissance]’ in the mirror is thus from the outset accounted for as a ‘misrecognition [méconnaissance]’, an ‘alienating identity, which will mark with its rigid structure the subject’s entire mental development’ (4). Althusser’s ideology in general extends to ego formation in general and thus coincides with social praxis and the capacity to act as such. Against the omni-historical and omnipresent ideological subject form, only ‘science’ resists, but only at the price of disengagement from the human life process: as a process independent from subjects. ‘The negation of the ideological by science remains abstract: without a standpoint in human praxis itself’ (PIT 1979, 127).

7.4 Althusser’s contradictory combination of historical-materialist ideology theory and Lacanian psychoanalysis has been criticised from opposed sides. Michele Barrett accused him of a ‘colonialist’ integration of Lacan in Marxism that marginalises the meaning of the unconscious (1991, 104 et sq). According to Rosalind Coward and John Ellis, the materiality of ideology does not lie in the ISAs but in the ideological praxis of subject production itself, which can only be analysed by psychoanalysis, not by Marxism (1977, 69).

Slavoj Žižek identifies ideology with a ‘fantasy’ anchored in the economy of the unconscious, which structures our social reality itself and supports the ideological interpellation as a specific ‘enjoyment-in-sense’, ideological jouissance (1994, 316, 321 et sqq.). Judith Butler also argues along this line, when she comprehends Althusser’s model of interpellation on the basis of a preceding psychological ‘founding submission’, which she interprets as ‘a certain desire to be beheld by and perhaps
also to behold the face of authority’ (1997, 111 et sqq.).

On the other hand, the PIT, following the approach of ‘critical psychology’ (Klaus Holzkamp and others), argued that Althusser’s ideology in general was caught in the problematic psychoanalytical opposition of a ‘needy individual’ and a necessarily ‘repressive society’ – a dichotomy, in which the formation of self-determined capacity to act could not be conceptionalised (1979, 121 et sqq.). Instead of developing the ‘celestialised forms’ of the ideological out of the ‘actual relations of life’, which Marx called the ‘only materialist and therefore scientific method’ (C 1, 494, fn 4; MEWC 35, 374), or, ‘instead of developing from the actual, given relations of life the forms in which have been apotheosized’, Althusser foists on all human action and thought a ‘unsocial foundational structure’ that replaces concrete analysis of the current conditions of action with a reductionalist procedure: ‘in the night of the subject-effect all practices are grey’ (PIT 1979, 126).

8. After the dissolution of the Althusserian school, ideology theory suffered a deep going crisis in the course of which the concept of ideology was successively displaced by that of ‘discourse’ and ‘power’. According to a division proposed by Jorge Larrain (1994, 68 et sqq., 85 et sqq.), Althusserian ideology theory decomposed into three main currents: first, a line around Michel Pêcheux developed a materialist discourse theory in the context of a communist class project; second, a ‘middle’ neo-Gramscian line around the early Ernesto Laclau and Stuart Hall (‘Hegemony Research Group’) integrated linguistic and semiotic approaches into an ideology theory in order to be able to analyse neoliberalism, right-wing populism and popular culture; third, under the influence of Foucault, somewhat later there was constituted a poststructuralist line around Laclau and Chantal Mouffe, who now accused Marxism of ‘essentialism’ and replaced the concepts of ideology, culture and language with that of discourse as the paradigmatic principle of constitution of the social.

8.1 The discourse concept was initially developed by a group around Paul Henry and Pêcheux in the framework of Althusserian ideology theory. The task was seen as bringing together linguistics and Lacanian psychoanalysis with Althusser’s model of interpellation, in order to be able to explain the production of evidences of meaning (Pêcheux 1975, 137). Identification with a ‘preconstrued’ meaning (effet de préconstruit) occurs through language (88 et sq., 243). The ‘discourse formation’ defines in the framework of a dominant ideology what (corresponding to the rules of an speech, a sermon, a programme etc) ‘can and must be said’ (144 et sq.). The evidence of meaning corresponds to the illusion of an immediate transparency of language (that a word ‘has’ a meaning, directly signifies a thing etc; 137 et sq., 146). Insofar as individuals are called upon as subjects of ‘their’ discourse, the constitution of the subject and that of meaning coincide in one and the same process (137 et sq., 145).

In order to incorporate Althusser’s remarks on ‘proletarian resistance’ (cf. SRL, 263 et sqq.) more strongly in terms of ideology theory, Pêcheux proposed to enlarge the standpoint of reproduction with the conceptual couple of ‘reproduction/transformation’ (Pêcheux 1984a, 61 et sqq.). The modification can be interpreted as an attempt to break out of the ‘eternity’ of the Althusserian ‘ideology in general’ without placing it in question explicitly: if bourgeois ideology called out to an ‘autonomous’ subject, proletarian ideology called out to the ‘militant’ subject (Pêcheux/Fuchs 1975, 164, 207). For this, Pêcheux proposes the concept of ‘de-identification’, that is, a ‘transformation of the subject-form’, in which the evidences imposed by the ISAs are reversed: ‘The “eternal” ideology doesn’t disappear, but rather, functions to a certain extent reversed, that is, upon and against itself (‘à l’envers, c’est-à-dire sur et contre elle-même’; Pêcheux 1975, 200 et sq.; cf. 1984, 64). This does not mean the exit from subjection, but a permanent ‘work in and with the subject-form’, so that within the subject-form this can at the same time be placed in question (1975, 248 et sq.).
This anti-ideological ‘counter-strike [contre-coup]’ regards, on the one hand, the appropriation of scientific knowledges (200 et sq., 248), on the other hand, the political perspective of the ‘non-state’, which is supposed to make it possible to overcome representative politics in the proletarian revolution with a revolutionary mass democracy (1984b, 65). This means, at the same time, an ‘ideological de-regionalisation’ which drives politics beyond the limits of parliamentarism and creates a politics of the ‘broken line’ which – without the certainties of the master and the knowledge of the pedagogues – consists in endlessly displacing the questions at stake (66). Here Pêcheux refers to Lenin’s praxis and the Chinese Cultural Revolution in which the ‘multi-formed network of the […]’ dominated ideologies immediately begins to work in the direction of the non-state through the de-identification of the juridical ego-subject and the de-regionalisation of ideological functionality (ibid.).

8.2 Laclau was initially concerned to distinguish the material of ideological struggles from elaborated class ideologies: the single elements have no necessary relation to class, but obtain it only through their articulation in an ideological discourse whose unity is produced by a specific interpellation (1977, 99, 101). We should distinguish between interpellations as class and popular-democratic interpellations in which subjects are called upon as the ‘people’ against the ruling power bloc (107 et sq.). ‘Class struggle at the ideological level consists, to a great extent in the attempt to articulate popular-democratic interpellations in the ideological discourses of antagonistic classes’ (108). The defeat of the workers’ parties by fascism was connected, according to Laclau, to their limitation to a large extent to proletarian class discourses, while the Nazis developed a populism that was able to occupy the contradictions between the ruling power bloc and the ‘people’ and to incorporate them into a racist anti-democratic discourse (124 et sq., 136 et sq., 142).

While Pêcheux sought to develop further the dimensions of ideology-critique of Althusserian ideology theory in his concept of ‘proletarian ideology’, Laclau based himself upon a model of interpellation that functioned ‘in the same way’ for ruling ideologies and for the ideologies opposed to these of the oppressed (101, fn 32). By neutralising ideology as a practice that produces subjects (ibid.), the way was free to replace it with the concept of discourse. This occurred in the poststructuralist turn in which Marxist theory was bade farewell in the name of an in principle indeterminism of the social (Laclau/Mouffe 1985, 85 et sqq.). Whereas Laclau had earlier emphasised the necessity of linking popular-democratic ideologies with the class discourse of the workers’ movement, in order to avoid the alternative between left radical sectarianism and social-democratic opportunism (1977, 142), the centrality of the working class was now regarded as an ‘ontological prejudice’ (Laclau/Mouffe 1985, 87). That Gramsci and Althusser related the materiality of the ideological to the social superstructures was interpreted as an essentialist a priori assumption (109). Ideology is replaced by discourse, which is defined as a ‘structured totality’ of articulation activities that, in turn, are supposed to include both linguistic and non-linguistic elements (105, 109). With this comprehensive definition it is tautologically established that there is no object that is not ‘constituted discursively’ (107). The concept of discourse has here absorbed into itself so many meanings from the different fields of ideology, culture and language that it becomes analytically unuseful (cf. Sawyer 2003).

8.3 Stimulated by Laclau’s studies on right-wing populism, Stuart Hall investigated how Thatcherism ‘set out to and has effectively become a populist political force, enlisting popular consent among significant sections of the dominated classes, successfully presenting itself as a force on the side of the people’ (1988, 40). What is to be explained is ‘an ideology that has successfully penetrated, fractured and fragmented the territory of the dominated classes, precipitating a rupture in their traditional discourses (labourism, reformism, welfarism, Keynesianism) and actively working on the discursive space’ (42).
From this perspective, Hall criticised different concepts of ideology: the Leninist equation with the dominant class consciousness misses the ‘internal fractioning of the ideological universe of the ruling classes’ as well as the specifically new combination of ‘iron regime’ and populist mobilisation from below (41 et sqq.). Just as language is ‘multiply accentuated’ (cf. Volosinov 1973, 65 et sqq.), so also is the ideological ‘always a field of overlapping accents’, so that the representation of fixed class ideologies is to be replaced by the concept of ‘ideological field of struggle’ and the task of ‘ideological transformation’ (Hall 1983, 78 et sqq.). The critical conception of ideology as ‘false consciousness’ misunderstands that the ideological ‘reversals’ analysed by Marx in Capital are not ‘false’ but rational in the context of real levels of reality that are one-sidedly generalised (72 et sqq.). The sphere of circulation with its values of ‘Freedom, Equality, Property and Bentham’ (C. 1, 280; MECW 35, 186), deduced by Marx from the contract relation of exchange, is a reality without which capitalism could not function; the experience of the market, of the wage packet, of the penny in the automat etc is for anyone ‘the most immediate, everyday and universal experience of the economic system’ (Hall 1983, 72, 75). Inasmuch, both reformist and revolutionary ideologies ‘are ways of organizing, discursively, not false but real, or (for the epistemologically squeamish) real enough, interests and experiences’ (1988, 46). The most important question regarding an ‘organic’ ideology is ‘not what is false about it but what about it is true’, i.e. what ‘makes good sense’, which is usually ‘quite enough for ideology’ (ibid.).

Althusser’s theory of the subject cannot, as Hall further shows, analyse how ‘already positioned subjects can be effectively detached by their points of application and effectively repositioned by a new series of discourses’, since the ‘transhistorical speculative generalities of Lacanianism’ neglect the appropriation of the respective concrete ‘languages’ through its fixation on the first entrance into language as constitutive for the subject (50). Gramsci’s concept of hegemony is best suited to the analysis of neoliberalism, because he deals with the central problem of the consent of the masses without the mistaken path of a false consciousness and mediates ideology with the contradictory composition of everyday understanding [senso comune] (53 et sqq.).

Hall’s criticisms of concepts of ‘false consciousness’, class reductionism, and of ‘transhistorical’ psychoanalytical accounts led him to go back to a ‘neutral’ conception in which ideology signifies the ‘mental context’ that ‘different classes and social groups deploy in order to make sense of, define, figure out and render intelligible the way society works’ (1983, 59). Against the critical meaning in Marx and Engels, he wanted to use the concept in a ‘more descriptive’ sense ‘in order to refer to all organised forms of social thought’ (60). With that, of course, both the ideology-critique aspects in Gramsci and also its foundation in material hegemonic apparatuses are once again excluded from the concept of ideology. That corresponds to a diffuse relation to both ‘culture’ and also to ‘discourse’ (cf. Koivisto/Pietilä 1993, 242 et sqq.). A dissolution of the ideological in discourse, as it is practised by Foucault and Laclau/Mouffe, is nevertheless refused by Hall: this would lead to a new ‘reductionism’ that could not thematise the relationships between the horizontal powers of civil society and the vertical powers in the state (1996, 135 et sq.; cf. 1983, 78; 1988, 51 et sqq.).

8.4 The dissolution of the Althusserian school and the ‘crisis of Marxism’ were intimately intertwined with various ‘supranonnations’ of ideology theory by theoretical approaches of discourse and power. Most of them referred in particular to Foucault, who had already in 1969 dissolved ideology into the concepts of ‘knowledge’ and of ‘discursive practice’ (1972/1969, 185 et sqq.). He reacted, as Dominique Lecourt has shown (1972, 114 et sq.), to Althusser’s For Marx and Reading Capital, in which the ideological is not yet comprehended as material instance of ideological apparatuses and practices, but in general terms, as a necessarily ‘imaginary’, ‘lived’ relation to the world. Where Althusser opposes ideology to science, which
transformed spontaneous perceptions through ‘theoretical practice’ into a ‘thought-concrete’ (FM, 186 et sq.), Foucault proposes to place in question both science and knowledge as ‘discursive formations’ (1972/1969, 186). Where Althusser develops methodological criteria of a text immanent ideology-critique with the concept of a ‘symptomatic reading’ (RC, 28 et sq.), Foucault claims to describe discourse formations in their ‘positivity’ (1972/1969, 186). In the ‘happy positivism’ (125) he propagated, he abandoned the analytical task of relating the respective formations of knowledge and science to the underlying social perspectives and of identifying the ideological forms and modes of functioning that strengthen the tendency towards subjugation under the relations of domination. Lecourt could thus describe the Foucauldian archaeology as a ‘theoretical ideology’ that is not able to think the connection between ideological subject production and social mode of production (1972, 127, 133).

Following Nietzsche, for whom the true world is a ‘mere fiction formed from fake things’ (Unpublished Fragments, Spring 1888, 14 [93]; KA 13/270), Foucault replaces ideology theory with a fictionalism, which totalises the perspective dimensions of social practices by declaring them to be un-truth. (cf. Dits et Ecrits, II, 280 et sq., 506; IV, 40, 44). The ideological is dissolved into a negative epistemology of ‘everything is fake’, which, in opposition to the ‘inverted consciousness’ of Marx and Engels, leaves the underlying social phenomena of ‘inversion’ out of the picture. Instead, it is Marx’s and Freud’s ideology-critique itself that is placed under suspicion of being ideological, because, on the basis of their claims to truth and perspectives of liberation, they apparently chased after a hidden essence (1970/1966, 261 et sq., 327, 340 et sqq.).

While Foucault’s point of departure was an earlier version of ‘Ideology in general’, he then stopped explicitly engaging with Althusser’s development of the ISA concept. Instead, referring back to Nietzsche, he carried over the ideology concept, now dissolved into ‘knowledge’ via an underlying ‘will to knowledge’, into a concept of ‘power’ that levels out the oppositions between a dominating power from above and a collective power to act from below (cf. Spinoza’s concept of potentia agendi). Foucault has in fact adopted a neo-Nietzschean metaphysics in which power is brought into position behind social relations, instead of being developed out of them. As can be exemplary observed in Foucault’s Discipline and Punish, the rhetoric of a pluriform ‘micro-physics of power’ (1977, 26) is contradictorially combined with a ‘monistic’ conception (Honeth 1991, 176 et sqq.) in which disciplinary power goes through the entire society right into the innermost recesses of the ‘modern soul’, without encountering any contradiction and resistance. As Poulantzas observed, the concept of relational power under-handedly becomes an all-powerful ‘Power-Master [maître-pouvoir] as the prime founder of all struggle-resistance’ as well as a ‘phagocytic essence [essence phagocyte]’ that contaminates all resistances (1978, 149, 151; cf. Rehmann 2004, 172 et sqq.). Gramsci’s distinctions between coercion and consent, political society and civil society remains just as unnoted as Althusser’s modifying distinction between the RSA and ISAs.

Postmodernism inherited Foucault’s farewell to ideology theory in numerous respects. Lyotard denounced ideology-critique as the ‘terror’ of truth (Lyotard 1984). His concept of ‘master narratives’, whose end he announced, is aimed not so much against the metaphysical novels of traditional philosophy as against the ‘emancipation of rational and working subjects’ (1984), as well as against the progressive ‘project’ that draws its legitimation not out of an origin but from a ‘future that is to be redeemed’ (1990, 49 et sqq.). The discourse of postmodernism is here blindly entrapped in its opposite; ‘it delivers the greatest meta-narrative imaginable, the narrative after every narrative, which is so clever that it always already knows everything to be non-knowledge’ (Haug 1993, 11). Jean Baudrillard expanded the concept of ideology initially to the form of material and symbolic production par excellence (1981a, 143 et sqq.), in order finally to replace it with the fictionalist categories of ‘hyperreality’ and ‘simulacrum’: the concept of
ideology belongs to an outdated concept of the sign which is supposed to conceal something real, but the sign merely conceals that it does not conceal anything because there is nothing behind it. In this sense, Disneyland, prisons conceal that the whole society is a prison etc. (1981b, 24 et sqq). Already in 1935, Ernst Bloch had pointedly summarised the corruption of critique implicit in this: ‘Fictionalism devours [...] knowledge completely’, it transforms scientific concepts or ideal convictions most skilfully into ‘share certificates which fluctuate according to the given situation’ and ‘makes doubt about the reality that is comprehensible today into one about anything and everything. It thus runs through large parts of modern thinking, easy, comfortable, faithless’ (Bloch 1990, 257; cf. GA 4, 281 et sq.; GA 10, 24).

The postmodern farewell to ideology theory has itself been described and criticised as an integral component of neoliberal ideology. Fredric Jameson understands postmodernity as a ‘force field in which very different kinds of cultural impulses […] must make their way’, however with a ‘cultural dominant’ defined as an increasing integration of aesthetic productions into the logic of late capitalism’s commodity production (1992, 4, 6). According to Terry Eagleton, postmodernism operates in the functional context of capitalism both icononastically and also in an incorporated way, because capitalism itself is divided into an anarchic market logic that permanently decomposes higher values anti-ideologically, and a systemic need for compensatory ideologies: postmodernism ‘scoops up something of the material logic of advanced capitalism and turns it aggressively against its spiritual foundations’ (1996, 133; cf. 1990, 373 et sq.). ‘No other ideological form seems to be better suited than postmodernism to defend the system as a whole, because it makes chaos, bewildering change and endless fragmentation the normal and natural state of society’ (Larrain 1994, 118).

9. The ‘Projekt Ideologietheorie’ (PIT) founded by Wolfgang Fritz Haug in 1977 carries on essential aspects of Gramsci’s theory of hegemony and Althusser’s ISA theory on the basis of a theoretical elaboration of ideology-theory approaches in Marx and Engels. By analysing the ideological powers, apparatuses and forms of praxis from the perspective of an ‘association in which the free development of each is the condition for the free development of all’ (Manifesto, MECW 6, 506), the polarisation between a ‘critical’ perspective, fixated however on the critique of consciousness (e.g. Larrain), and a concept of ideology that breaks with the critique of consciousness but instead posits a ‘neutral’ concept of ideology (e.g. Hall) is overcome with a ‘critical-structural conception of ideology’ (Koivisto/Pietilä 1993, 243). Thus an ideology-critique becomes possible which operates with a theory of the ideological as ‘conceptual hinterland’ (Haug 1993, 21).

9.1 Following Engels’s concept of ‘ideological powers’ (MECW 26, 392), the PIT distinguishes between the individual ideologies and the ‘ideological’. It comprehends the latter not primarily as something mental, but as an ‘external arrangement’ in the ‘ensemble of social relations’ and as a specific organisational form of class societies reproduced by the state (Haug 1987a, 60 et sq.; PIT 1979, 179 et sq.). It constitutes the basic structure of ideological powers ‘above’ society and thus the functioning and efficacy of an ‘alienated socialisation from above’ (Haug 1987a, 63, 68; PIT 1979, 181; 187 et sq.). Specific ideological ‘forms’ (e.g. politics, the religious, moral, aesthetic) correspond to the ideological powers. In analogy to what Marx described as ‘objective thought forms’ (C1, 169; cf. MECW 35, 87), they are to be investigated as objective formations of praxis and discourse which are pregiven to individuals and in which these must navigate in order to be capable of acting. Against the background of these processes of subjectivisation, the edifices of ideas are secondary and represent the most variable, tactical dimensions’ (Haug 1987a, 69; PIT 1979, 188).

Foundational for the ideological is the emergence of the state, linked to the elaboration of class domination, and the transfer of initially ‘horizontal’ competencies of socialisa-
tion (of labour and other forms of life competences) to superstructural instances and their bureaucratic apparatuses (62/181). The state constitutes a terrestrial ‘beyond of society’ in the sense of a ‘socially transcendent instance’ that fixes and regulates the antagonistic class interests from above (61/180 et sqq.). The genealogy of the ideological is to be differentiated by the analysis of patriarchal gender relations which were exercised in the pre-statal ‘gerontocracies’ above all via the ‘matrimonial regime’, that is, the directive of the elders over the exogenous marriage of women (cf. Meillassoux 1981/1975, 42 et sqq., 58 et sqq.). According to Haug (1993, 197), the ‘pre-statal’ patriarchy is to be considered as a type of ‘state before the state’, which essentially supports the emergence of the state and also later continues to exist as the ‘foundingational cell of the state’. The fundamental fact of the patriarchy’s disposing over female labour-power, which Marx and Engels described as the first form of property (‘latent slavery in the family’) or the ‘first class anti-theisis’ and ‘class oppression’ in monogamous marriage (MECW 5, 46; MECW 26, 173), also marks the ideological mode of functioning; while the community of genders is actually destroyed in the social reality, it is ‘illusionarily restored’ in the heaven of the ideological; the compensatory compromise character of the ideological is borne by the symbolic representation of gender relations, the familial becomes an emotional and imaginary vehicle of any subordination and supraordination, in which women represent the imaginary community of the family (Haug 1993, 197 et sqq., 200).

Concretising Althusser’s conception of the subject, Haug proposes to conceptualise a ‘sexual subject-effect’ in which social gender is imposed on individuals as areshaped ideological form that ‘they have to be’ without every fully corresponding to it: the subject ‘takes itself on [übernimmt sich]’ in the double sense this term has in German: on the one hand, that of taking up responsibility for oneself and, on the other hand, that of taking on more than one can handle, of making overwhelming demands upon oneself. Gender thus becomes ‘the most intimate form in which the order of domination is opened up to the individual’ (201). In the puritan formation from circa 1850–1950, which at the same time was the most intense period of modern racism, the ideological values of health, beauty and spirit [Gesundheit, Schönheit, Geist] were linked with sexual abstinence, while syphilis functioned as a catalyst for a medicalisation of the public’s body (1986, 126 et sqq.). “Self-control” […] becomes precisely the individual form of uncompelled subjection’ (145).

9.2 In distinction to Althusser’s concept of the ISAs, the ideological for the PIT signifies not primarily a social ‘region’, but rather the dimension of a socialisation from above which penetrates through different social levels. In distinction to Hall, it is not used as a descriptive but as an abstractive concept designed to lay out analytically different aspects of the activities of socialisation. The counter-concept to the ideological here is the perspective of a ‘self-socialisation [Selbstvergesellschaftung]’ of humans in the sense of a common-consensual control of the conditions of social life (Haug 1987a, 59; PIT 1979, 178). From here one can identify anti-ideological impulses that desacralise and ridicule verticalist interpellations in a plebeian way by unveiling their ‘naked’ class interests – see e.g. the literary figures of ‘Hans Wurst’ (literally ‘John Sausage’, the German brother of the English ‘Pickle Herring’ or the French ‘Jean Potage’), or Jaroslav Hašek’s The Good Soldier Svejk. In opposition to the verticalism of the ideological there are ‘horizontal’ forms of socialisation in which individuals regulate their social life without the intervention of superordinate ideological instances and in which they develop corresponding social experiences and competencies. The meaning of the ‘anti-ideological’ can be defined against this foil as the re-appropriation of the ‘commons’, the ‘commune’, that has been alienated in the ideological.

To be distinguished from the ideological are also the dimensions of the ‘cultural’, in which individuals, groups or classes ‘practise what appears to them to be worthwhile living.’ The analytical differentiation is necessary if we
want to observe the specificity of ideological transformation: 'cultural flowers are continually picked by the ideological powers and handed back down from above as “unwithering” artificial flowers, integrated into the vertical structure of the ideological' (Haug 1987a, 65; PIT 1979, 184). The concept of the ‘proto-ideological’ signifies in its turn the material that nourishes and supports ‘from below’ the ideologisation from above, e.g. in the form of elders that stand out against the community, of ancestor worship, of medicine men, pre-statal sanctuaries etc, which then are reorganised in the emergence of the state in ideological form (62, 64/180, 183 et sq.). Also under the conditions of ideological socialisation, self-determined ‘horizontal’ forces and forms of social cohesion are continually exposed to the reach of ideological powers, while, at the same time, ideological phenomena can also be profaned and assimilated in popular culture (65/184).

As Frigga Haug (1980) has shown in the example of female self-subjugation, individuals themselves are actively entrapped in their ideological subjection. Everyday life, which in bourgeois society is extensively marked by market competition and ‘possessive individualism’ (Macpherson 1962), creates not only the ‘reified’ thought forms highlighted by Lukács, but also unleashes multifarious private-egoistical activities and capabilities which are directed against each other. Under these conditions, ‘self-determination’ takes place as ‘social distinction’ (Bourdieu 1987/1979) from others. Identity is determined on the basis of antagonism, ‘the frightened mutually accuse each other of being cowards’ (Haug 1986, 106, 124 et sq.). The decomposition of communal solidarities functions like a ‘body of resonance’ that provides the elaborate ideological socialisation. As can be seen in an exemplary form in the genesis of law, the elaboration of the ideological can also occur under pressure from below, forcing domination into ideological form (Haug 1987a, 69 et sq.; PIT 1979, 188 et sq.). The concept of ‘compromise-formation’ can be made fruitful for the analysis of the inner contradictoriness of ideological socialisation. Freud used this concept to describe the constitution of the neurotic symptom, which is so resistant, because it is ‘supported from both sides’ (Vol XVI, 359), i.e. from the ‘super-ego’ and the ‘id’. Converted into social-theoretical terms, it signifies ‘a condensation of antagonistic forces […] in the framework of the structure of domination’. It is a contradictory form ‘in which the dominated forces are compelled […] and in which the system of domination conceals them an outlet’ (Haug 1987a, 72; PIT 1979, 190f).

The young Marx in the Economic and Philosophical Manuscripts of 1844 had already encountered a peculiar mode of efficacy of the ideological that later further escalated during the differentiation of modern societies, namely, ‘that each sphere applies to me a different and opposite yardstick […] for each is a specific estrangement of man’ (MECW 3, 310). In the modern bourgeois state, ‘man – not only in thought, in consciousness, but in reality, in life – leads a twofold life, a heavenly and an earthly life: life in the political community, in which he considers himself a communal being, and life in bourgeois society [bürgerliche Gesellschaft], in which he acts as a private individual’ (MECW 3, 154; trans. modified). This division into opposed ‘value spheres’, as Weber later formulated it (RS 1, 541 et sqq.; WL, 605), is comprehended by Haug as the ‘law of complementarity of the ideological’ (1993, 19). Relations of domination are reproduced via imaginary communities that establish a ‘complementary counter-appearance’ to capitalistic private property and the state (147,183, 199). Where in patriarchy and class society the principle of division actually rules over the common, ‘the ideological imaginary compensatorily places the common over the element of division’ (197).

By nourishing themselves permanently from ‘horizontal’ energies, ideologies (insofar
as they are effective among the masses) make possible an ‘antagonistic reclamation of community’ (Haug 1987b, 94; 1993, 84) in which the opposed classes and genders claim and interpret the same ideological instances and values (e.g. God, justice, morality) in opposed ways. The point of condensation of antagonistic interpellations is dependent on the relations of power and hegemony of the social forces. ‘In the symbolic form the antagonists are congruous. The symbolic form is that which is ‘identical in the antagonistic articulations’ (95/85). But ‘underneath’ the identical interpellative instances, the ideological is multifariously divided. The ideological powers compete with each other over where to draw the boundaries between their fields of competence, which must be ever newly fortified (cf. Nemitz 1979, 67 et sqq). In crisis of hegemony there are regularly divisions between the hallowed values of an ideological power and its necessarily ‘ unholy’ apparatus, so that the ideological ‘above’ doubles into a ‘worldly heaven and a heavenly world’ (Haug 1987b, 95; 1987a, 75 et sq.). As can be shown, for example, in the Lutheran Reformation’s deployment of the central instances Scripture/ Grace/Faith against the ‘devilish’ church apparatus of the Catholic Church, this cleavage can in specific constellations be used by oppositional movements.

The dialectic of the ideological consists in the fact that it can only compensatorily contribute to the reproduction of domination by also ‘meaning’, in however displaced a form, a liberation from domination: ‘Every ideological power articulates a relation to community, which […] is negated by class society’ (PIT 1980, 77). It is this double character that makes possible that ideological subjugation is performed in the form of self-activity, and also, on the other hand, that anti-ideological, plebeian elements can be combined with the claims of the highest ideological values: ‘Self-subordination under the celestalized communitarian powers can become a vital form of the liberation struggles of the oppressed’ (Haug 1987b, 96; 1993, 86). Of course, resistance can also be weakened again via the ideological form in which it is articulated and incorporated into the order of domination, so that, for example, the ‘sigh of the oppressed creature’ (MECW 3, 175) contained in the religious can fuse with the organisation and reproduction of oppression (1987a, 74; PIT 1979, 192 et sqq.). An ideology critique informed by ideology theory will therefore seek to decipher the elements of class-less communities re-presented in the ideological, unhinge them and win them back for the development of a capacity to act in solidarity.

9.4 An historical concretisation of ideology theory followed subsequently in a two-volume study on Fascism and Ideology (PIT 1980). While Horkheimer and Adorno abandoned the ideology concept for German fascism, because it did not correspond to their definition as a classically bourgeois-liberal form of consciousness, the PIT does not look for a specific content of ideas but concentrates from the outset on the Nazis’ practices of ideological transformation (47). The material studies show a continuous primacy of ideological arrangements, practices and rituals over the edifice of ideas (51). ‘Much more than any fascist orthodoxy, there was an “orthopraxis”, to be understood as a sequence of “performative acts” with ideological subject effects’ (74), e.g. marching, mass assemblies, collecting foodstuffs and money for those exposed to the cold [Winterhilfswerk], living in camps, company fêtes (83 et sqq., 167 et sqq., 209 et sqq., 238 et sqq.). The fascist specificity lies in the effort to occupy the entirety of the ideological and to transform, anti-democratically, the bourgeois power bloc via the articulation of struggle-life risk-faith (48 et sq., 53 et sq., 59). With the help of anti-Semitism, the multiplicity of populist [völkisch] ideological elements was early on arranged into a strict supra/sub order. The German VOLK was constituted discursively through the opposition to the Jewish GEGENVOLK, whose places were however open: ‘whoever stood against the Nazis fell into this position and that means, finally, in the domain of the SS’ (72).

‘Fascism understood in an unprecedented manner how to organise self-alienation as enthusiastic self-activity’ (77). Framed by unrestrained, legally unbound violence, all types of appealing elements, regardless of their heritage, were integrated. ‘Everything that marked
everyday life as its disruption’ was occupied, ‘any interest, any love, any idealism and any capacity for enthusiasm – everything was roped in’ (80).

In a further investigation, Haug (1986) showed with the example of the annihilation of ‘life unworthy of life’ that the Nazis’ policies of extermination did not break into psychiatry and medicine from the outside but were actively supported by the respective ideological strata. Gassing was organised as a ‘medical competence’ – the participating doctors were involved at all levels of the killing, even as regards the pushing of the gas lever; they were not forced to do so, but rather, ‘authorised’ (1986, 26 et sqq.). The question of the ideological constellation underlying the complicit perpetration of these deeds leads into an extensive network of ‘powers of normalisation’ that worked towards the ‘fascisisation of the bourgeois subject’ already a long time before 1933. In the centre of the psychological-apparatuses and of a widely ramified counselling literature is the protection of ideological subjection. This occurred, on the one hand, through the constitution of idealised images of health and beauty, which were increasingly articulated in racist terms; on the other hand, through the constitution of ‘asociality’ and ‘degeneration’ which were approved for eradication.

In his book on the ‘churches in the Nazi state’, Jan Rehmann investigated how in both the Roman-Catholic and the Protestant Churches collaboration with the Nazi state and resistance on peculiar partial issues were indivisibly intertwined with each other: ‘The same churches that acknowledge the murderous fascist state right up until the very end as divinely established authority have the capacity, like no other ideological power, of defying its attempts at bringing them into line [Gleichschaltung] and destroying their zones of influence’ (1986, 13). Both churches want to be ‘public corporations’, in and next to the state and are in the majority ready to support the ‘authority established by God’ as long as they are accepted as relatively autonomous ideological powers. However, as soon as the Nazis violate this hegemonic arrangement, there is on the side of the Catholic Church in particular a bitter ‘war of position’ (Gramsci) over ideological competencies in public education and morality, during which the NS government has to withdraw on numerous occasions, e.g. in the battle over the crucifixes in classrooms [Kreuzeskampf] and when the Catholic bishop Galen publicly denounced the practice of ‘euthanasia’. On the Protestant side, the violation of church autonomy had the effect that the traditional unity of inner attachment to state authority and to the church’s creed entered a state of crises and fell apart to a large extent, which was experienced and articulated by pastors and faithful as ‘pang of conscience [Gewissensnot]’ (111). The ‘dialectical theology’ of Karl Barth, which refused any connection with other ideological values in the name of the reformatory principle of scripture alone [sola scriptura], mobilised the contradiction between the heaven of values of the ideological and its ‘ unholy’ apparatus and showed in an exemplary fashion that resistance can be articulated effectively in the form of ideological subjection, namely, of obedient submission to the Holy Word. ‘It is precisely the authoritarian adherence to the exclusive and conditionless submission to “God’s word” that sets free forces that fascism could not integrate anymore in its church politics: the specific capacity of unflinching no-saying in opposition to the hegemonic claims of other powers’ (Rehmann 1986, 118).

Another central point of research of the PIT (1987) related to the emergence of bourgeois hegemonic apparatuses in the 17th and 18th centuries. Peter Jehle (1996) investigated the opposition to France that was constitutive for the ‘German’ constellation of the ideological with the example of Romance languages and literature in academia. The studies initiated by PIT on ideological powers in national socialism were followed by a subsequent project, from which emerged numerous studies on the position of German philosophers under German fascism (cf. Haug 1989; Laugstien 1990; Leaman 1993; Orozco 1995; Zapata Galindo 1995).
10. In ‘disciplinary neoliberalism’, as it has developed above all in the USA, the Fordist modes of regulation that were based upon a class compromise with relevant components of the labour movement and oriented toward a consensual inclusion of the subaltern classes, have been displaced by strategies of supremacy that are primarily based upon the depoliticisation and fragmentation of oppositional forces. The ‘repressive’ aspects of panoptic surveillance, incarceration and coercion play a central role (cf. Gill 2003). To the ‘atrophy of the social state’ corresponds a ‘hypertrophy of the punitive state’ (Wacquant 2002). The prognosis proposed by Foucault of an increasing ‘normalisation’ through the social pedagogisation of punishment (1977, 306) overlooked the bifurcation of social controls between the ‘self-policing’ among the ‘middle classes’, in which the offers of the psycho-market play an important role (cf. Castel/Lovell 1982), and a external disciplining of potentially ‘dangerous classes’, which is marked by ostentatious state and police violence as well as a rhetoric of evil and war (cf. James 1996, 34; Parenti 1999, 135 et sqq.).

In order to comprehend the new constellations, the ideology-theory approaches developed in the ‘social-democratic’ epoch of the 1970s and 1980s must be modified. Althusser’s thesis that the dominating ISA of bourgeois society is the school is to be revised under the conditions of the neoliberal dismantling of the public school system. Also the original approach of the PIT that fixes the ideological above all in the ‘social transcence’ of the state (1979, 180) is marked by the model of the European social state in the period of system competition and needs to be supplemented by the US-American tradition, already noted by Marx (MECW 3, 149 et sqq.) and Weber (RS 1, 215 et sqq.; 2001, 127 et sqq.), of an ideological socialisation by sects and private associations, which – even though also components of the ‘integral state’ (Q 6, §155) – are immediately linked with bourgeois business interests (cf. Rehmann 1998, 28 et sqq.).

To the extent that the ‘socially transcendent’, that is, the redistributive and compro-mise-building sectors and functions of the state are rolled back by the instrumental aspects of neoliberal class domination, the inner composition of ideological socialisation is also transformed. This is the case both for the articulation between ‘repressive’ and ‘ideolo-gical’ apparatuses as well as, within the latter, the relation between political-ethical consensus formation, on the one hand, and manipulation as well as distraction based on the media and high technologies (cf. Bourdieu 1998), on the other. While the deconstruction of the welfare state leads to the rise in crime rates, the police and security apparatus itself becomes an effective centre of articulation of ‘civil society’ (cf. Klingenberg 2001), and ‘internal security’ becomes a theme that sets the stage for electoral victories or defeats. The dominating tendencies go towards rolling back the universal ideas of a human community represented in the ideological imaginary and replacing them with obsessions with crime and terrorism. One of the modes of ideological processing is an attitude that Peter Sloterdijk has described as a cynical ‘enlightened false consciousness’ (1983, 37 et sq.; cf. Žižek 1994, 312 et sqq.).

The new ideological constellation appears at the same time to connect up with some traits of the ‘ancient’ socialisation, glorified by Nietzsche, in which the relation of violence between classes is complemented by a elitist ‘pathos of distance’ (Genealogy of Morals, I, Nr. 2; KSA 5, 259). As the social reproduction of classes occurs increasingly in separated residential locations, there is a spatial segregation in which ghettoised poverty and gated communities are no longer integrated but held at a distance. If this tendency is combined with the biotechnologies of human breeding, it could be that the class barrier will become at some stage a biological barrier so that the rulers and ruled at the same time directly represent different ‘races’. In such conditions, the ideological could once again approach the ancient paradigm of the Pergamon Altar analysed by Peter Weiss in which the victory of ‘highbred aristocratic forms is exalted over the ‘barbaric mongrels’ (2005, 8), while the aesthetic forms in which the rulers immortal-
ise themselves are gained by imitating the ruled. Similar to the paradigm of the Roman pantheon of gods, a ‘postmodern’ superstructure could rise over the relations of domination regulated by military violence – an ideological constellation, in which the particularistic differences and identity politics of the co-opted beneficiaries are celebrated and elevated. An ideology-critique with the ‘conceptual hinterland’ of an ideology theory is well advised to study the transformations in the ensemble of the ideological instances concretely in each case in order to be able to calibrate both the ‘arms of critique’ (MECW 3, 184) and the alternative proposals to the current fronts of struggle.


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Translation by Peter Thomas

Translation revised and authorised by Jan Rehmann


Common sense [senso comune], Althusserianism, anti-ideology, articulation, base, consciousness, camera obscura, Chinese Cultural Revolution, thought-form, discourse analysis, discourse theory, dispositif, ethics, eternity, false consciousness, fascism, fetish character of the commodity, fictionalism, Fordism, functionalism, spirit, social life/common being, genesis, gender, gender relations, good sense [buon senso], violence, Gramscianism, habitus, hegemonic apparatus, hegemony, heaven/hell, ideal, idealisation, identification, ideologue, ideology critique, ideological state apparatuses, illusion, imaginary, indeterminism, forms of individuality, inner world/external world, integral state, intellectual, Jacobinism, catharsis, consensus, culture, culture industry, cultural studies, Lacanismus, legitimation, Leninism, power, manipulation, mass culture, normalisation, passive revolution, philosophy of praxis, postmodernism, regulationism, religion, critique of religion, appearance, being/consciousness, sexuality, sense, representative politics, subject, subject-effect, superstructure, overdetermination, reification, paradigm, commodity aesthetics.
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