

SCIENCE AND SOCIETY : A PROLEGOMENON

TO THE STUDY OF MARX'S METHOD

by

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ABSTRACT

Science and Society : a Prolegomenon to the study of Marx's method.

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This Thesis is concerned with developing Marx's method in outline. It suggests that this aim determines a definite approach to the question of method, one which is to be found in Marx's study of the 'laws of motion' of capitalist society. It argues that Marx's method is not a method of abstraction, but it is grounded on a critique of abstraction arising out of the forms of its subject matter, viz., the capitalist mode of production. It also argues that there is an immanent relationship between form and content, method and substance.

The Introductory Remarks attempt to develop a critical assessment of some of the most important contributions to our present understanding of Marx's method, and to argue the case for a reappraisal of Marx's method along the lines of inserting it in his concept of modern society.

The Chapters grouped in Part I are intended to discuss the possibility of this approach to the study of Marx's method by examining the methodological assumptions underlying the views of A. Smith and

D. Ricardo, together with Marx's critique of them; and Hegel's concept of method, and the role it plays within his philosophy as a whole.

Part II discusses Marx's concept of method in outline, as it develops out of the most essential forms of capitalist society, understood as an organic system of social reproductive relations. Marx's method, is concluded, is an aspect of this totality of social reproductive relations.

TABLE OF CONTENTS

	<u>Page</u>
Abstract	i
Table of Contents	iii
List of Abbreviations	v
Introductory Remarks	1
i. The object of this study and its relevance	3
ii. Epistemology and Method	11
iii. G. Lukacs and Method	16
iv. H. Grossman and the 'Method of abstraction'	28
v. G. della Volpe's 'determinate abstraction'	36
vi. R. Rosdolsky's 'capital in general' and 'many capitals' ...	44
vii. Marx's method as a critique of abstraction	52
PART I: THE POSSIBILITY OF MARX'S CONCEPT OF METHOD	61
Chapter 1. Marx's Critique of the Method of Classical Political Economy	62
i. Smith and Ricardo: Science and Method	63
ii. Marx and the Method of Classical Political Economy	70
iii. The Method of Classical Political Economy and its concept of bourgeois society	75
Chapter 2. Hegel's concept of method	91
i. Hegel's concept of bourgeois society	94
ii. Hegel's philosophy as a whole	106
iii. Hegel's concept of method	122
iv. Conclusions	129

	<u>Page</u>
PART II: MARX'S CONCEPT OF METHOD IN OUTLINE	134
Chapter 3. Commodities, Value and Money.	
The First Showing of the Totality	137
Chapter 4. Capital in general.	
The Immediate Production Process	153
Chapter 5. The Particularisation of Capital in General. The Process of Capitalist Circulation	16
Chapter 6. Total Social Capital. The Process of Capitalist Production as a Whole	183
i. The Specificity of Marx's study of capitalist production as a whole	183
ii. The Becoming of Profit. Profit as identical to Surplus Value	189
iii. The Becoming of the General Rate of Profit	200
iv. The Actuality of the General Rate of Profit	218
<u>CONCLUDING REMARKS</u>	244
Notes	249
Bibliography	299

LIST OF ABBREVIATIONS

- KI Marx, C. Capital Vol I, Pelican Marx Library,
Harmondsworth, 1976.
- KII,III Marx, C. Capital Vols. II and III, Lawrence and
Wishart, London, 1974.
- TSVI,II,III Marx, C. Theories of Surplus Value Vols. I,II,III,
Lawrence and Wishart, London, 1969.
- G Marx, C. Grundrisse Pelican Marx Library, Harmondsworth,
1974.
- ScL Hegel, G.W.F. Science of Logic George Allen and Unwin,
London, 1976.
- Ph Hegel, G.W.F. Phenomenology of Spirit, Oxford University
Press, 1979.
- Ph M Hegel, G.W.F. Philosophy of Mind, Oxford at the
Clarendon Press, 1976.
- EL Hegel, G.W.F. Logic, Oxford at the Clarendon Press, 1975.
- Ph R Hegel, G.W.F. Philosophy of Right, Oxford University
Press, 1973.

LIST OF ABBREVIATIONS (Cont'd)

LPWH Hegel, G.W.F. Introduction to the Lectures on the
Philosophy of World History, The Library of the
Liberal Arts, New York, 1953.

MESC Marx, C., and Engels, F. Selected Correspondence
Progress Publishers, London 1975.

INTRODUCTORY REMARKS

This thesis is concerned with examining some of the most important issues raised by Marx's contribution to a methodology for social science, that is, a science attempting to outline the essential forms of modern society. This thesis will also discuss subsequent attempts to develop a coherent and systematic concept of method out of Marx's methodological remarks. It suggests that the task of outlining Marx's concept of method determines a definite approach to the question, one which is to be found in Marx's study of the 'laws of motion' of the capitalist mode of production. This thesis attempts to outline Marx's concept of method in its essential form, for a detailed and systematic study of the many aspects of this concept is beyond its scope. I understand the ideas contained in this thesis as a necessary prolegomenon to Marx's concept of method, but not the fully-fledged concept itself.

These Introductory Remarks fulfil a threefold purpose. Firstly, I am concerned here with developing a critical assessment of what I regard as the most important contributions to our present understanding of Marx's concept of method. I shall discuss the role assumed by questions of method as well as interpretations of its positive content. Secondly, and on the basis of this critical assessment, I shall argue that there is a need to reappraise our understanding of Marx's method, along the lines of radically inserting Marx's method within the context of his concept of capitalism - and therefore away from traditional views which camouflage it as another, albeit different, epistemology. Finally,

I shall clarify the structure of the work, and, in doing so, I shall advance and summarize its conclusions.

The object of this study and its relevance

A study of Marx's method hardly requires justification, as his continued preoccupation with questions of method is everywhere at hand. Marx's work was concerned with developing a concept of capitalist society which, by reaching to all its aspects and comprehending them in their intrinsic connections, would show the tendencies leading towards its supersession. His aim was to show the reality and the necessity, or, to use Hegel's terminology, the actuality of the transformation of bourgeois society. Questions of method are essential to this project, and throughout his work Marx's strove to clarify his - and his opponents' - methodological framework. His critique of Political Economy, German Philosophy, the Young Hegelians, Proudhon, A. Wagner, etc. were, at once, a critique of their understanding of capitalist society and its dynamics, as well as a critique of their methods. And, as Marx's seeks to structure his concept of capitalist society, a concept of method appropriate to it emerges alongside. Whether questions of method were inescapable, as in his discussion of Hegel, or merely implicit, as it was the case with his criticisms of Ricardo, Marx always sought to unveil and examine the methodological foundations of these social theories. Marx's early Critique of Hegel's Philosophy of Right is as much a critique of Hegel's concept of civil society and the state, as a critique of the method underlying them, and the two are closely interwoven. The same can be argued of Marx's critique of Proudhon in the Poverty of Philosophy, his critique of Ricardo and Smith throughout his work, right up to his Marginal Notes on A. Wagner. In sum, it is clear that questions of method were crucial to Marx's project, are

everpresent throughout his writings, and played an important part in the shaping of his concept of capitalist society.

But although it is immediately obvious that Marx held a permanent concern with questions of method, it is not so immediately obvious why this emphasis on method was at the centre of his project, particularly if consideration is given to the fact that he failed to develop a complete and systematic exposition of his method. Broadly speaking, this thesis as a whole seeks to provide an answer to this problem. For the time being I suggest that Marx's emphasis on methodological questions should be grounded in the unity of form and content, method and substance, which underlies his work. Paradoxically, Marx's emphasis on method turns out to be less emphatic within this context, as it appears as a result of rather a balanced view of the relationship of form and content. This is because for Marx the methods underlying, for example, Hegel's or Ricardo's understanding of modern society are not only intrinsically related to their social theories, but, moreover, they are considered as aspects of them. In Marx's view, the method of Political Economy cannot be isolated from its conception of bourgeois society, and therefore an intrinsic relation is postulated, and adhered to consistently, between the method and the theories themselves, where method is an aspect of these theories.

Marx did not give his concept of method a detailed and systematic expression. However, innumerable remarks on method are scattered throughout his writings, and even some more or less completed pieces such as the 1857 General Introduction, or the 1859 Preface to

Contribution to a Critique of Political Economy can be found. Yet, a systematic clarification of his concept of method remained a project - among many - that never materialised.¹ Marx's concept of method must be reconstructed and developed on the basis of scattered remarks - especially those contained in Grundrisse, Capital and the Theories of Surplus Value -² and the more or less completed Introductions and Prefaces.

More importantly, perhaps, and in view of Marx's understanding of the relationship of form and content, any attempt to develop his concept of method must necessarily take as its active context the full substance of his concept of capitalist society.

Marx's preoccupation with method, together with the lack of a systematic conceptualisation of it, were bequeathed to his followers and critics. In Engels' later works, methodological questions retained a central role. Undoubtedly, Engels shared Marx's occupation with method.³ Indeed, methodological problems show themselves to be crucial to Engels' contribution to the debate which accompanied the publication of Volumes II and III of Capital,⁴ and also, as a more general world outlook, in his application of the dialectic to the natural sciences in Anti-Duhring and Dialectics of Nature. All the same, as with Marx, a systematic account of method did not come from Engels.

Marxist studies of the question of method up until the publication of Lukacs' History and Class Consciousness and Korsh's Marxism and Philosophy preserved neither the significance nor the form it had

commanded in Marx and Engels' writings. I shall not go into a detailed assessment of Marxist views on method of the period.⁵ Broadly speaking, it can be argued that in this period method signified a wide range of general philosophical issues, discussed, within the Marxist camp, by those specialists who sought to combat 'bourgeois philosophy' - as it were - in its own terrain. Within this context, they sought to extend Marxism via its application to a variety of disciplines and sciences, leading to the formation of a world outlook.⁶ Their concern was not so much with Marx's method, but with Marxist methodology, understood as the outlines of a world outlook. The difference being that whereas Marx understood all the different aspects of social life as intrinsically related to the capitalist mode of production; later Marxists saw Marx's concept of capitalist society as an intervention into a particular science, namely, that of Political Economy. Thus, for them, only the most general formulations of Marx's 'Economics' could be used in order to extend marxism to the manifold of different disciplines and sciences. The formative literature of the Marxists of the period was Engels' Anti-Duhring, and not Marx's Capital. The stress was placed upon Engels' application of the dialectical method to the natural sciences, rather than the relationship of method and substance in the context of capitalist society from which this method emerges in Marx.⁷

The 1920's witnessed a marked shift in the assessment of the role and positive content of Marx's method. The need to come to terms with imperialism, and the contradictions exacerbated by, and embodied in, the world crises made inevitable a reconsideration of Marx's study of

capitalist society. The reexamination of Marx's 'Economics' as the concept of capitalist society was accompanied by a reconsideration of Marx's concept of method. This is highlighted by the break up of the Second International. To a great extent, however, the debates over Marx's 'Economics' did not fully consider their methodological framework. Perhaps the most important debate, viz., that over Marx's schema of reproduction, in which Luxembourgh, Bukharin and Bauer, among others, participated, illustrates the restrictions placed upon their consideration of methodological problems.⁸

Lenin, on the other hand, sought a revitalisation of Marxism and a reconsideration of Marx's concept of capitalist society via a careful study of Hegel. Obviously, an overt preoccupation with method was inevitable. The full extent of Lenin's contribution to the contemporary understanding of method cannot be discussed in detail here, and is an issue in urgent need of study. In particular, a study of the 'Philosophical Notebooks', and of the connection between their contents and Lenin's political interventions which accompanied them, is sadly overdue.⁹ Nevertheless, a brief reference to Lenin's examination of Marx's method is both relevant and a necessary starting point. With the benefit of hindsight, it is clear that what would later become the conception of - and sometimes the obsession with - method of 'Western Marxism' is clearly discernible in its essentials in Lenin's comments on Hegel and his unfinished piece 'On the question of Dialectics'. Here, many of the issues, the approach, the conclusions and the limitations of contemporary conceptions of method can be perceived through the stammer of Lenin's remarks.

For Lenin, if "Marx did not leave behind him a 'Logic' (with a capital letter), he did leave behind the Logic of Capital... In Capital, Marx applied to a single science logic, dialectics and the theory of knowledge of materialism (three words are not necessary: it is one and the same thing) which has taken everything valuable in Hegel and developed it further" (Lenin CW38 p.319). This remark admirably summarises the achievements and the limitations of Lenin's approach to the question of method, and advances the central trends in contemporary notions of method.

Lenin is right when he argues that Marx's method is to be found in Capital. Today we would probably include Grundrisen and Theories of Surplus Value without doing violence to either Marx's project or Lenin's views. The method should be sought in Marx's most developed concept of capitalist society to be found in his 'Economics'. This view of Lenin marked a shift in Marxist approaches to the question of method. Lenin's idea was that Marx's method is to be found in the conjunction of dialectics and economics, a view which run counter to previous ones locating the dialectical method precisely in the separation of economics and philosophy and within philosophy as a separate discipline. Lenin anticipates what would later become the focal point of Lukacs and Korsh, namely, the relation of dialectics and economics.¹⁰

Lenin is also right in emphasising the fundamental importance of Hegel's philosophy for Marx's project, and the relationship existing between Marx's concept of capitalist society and the Logic of Hegel. As Lenin categorically affirms, it "is impossible completely to

understand Marx's Capital without having thoroughly studied and understood the whole of Hegel's Logic. Consequently half a century later none of the Marxists understood Marx" (Lenin CW38 p.180).

At the same time, Lenin's statement also expresses the fundamental weakness of his approach, that is, the understanding of Marx's method as essentially an epistemology.¹¹ For Lenin, 'logic, dialectics and the theory of knowledge of materialism' are 'one and the same thing', thus positively identifying Marx's method as epistemological. The understanding of Marx's method as epistemology permeates all discussions of it since, usually with the result that the philosophical assumptions that sustain it are seldom the object of controversy. The understanding of Marx's method as epistemology equally underlies discussions of Marx's critique of Political Economy, as well as of typically philosophical ones. Naturally, the questions that immediately arise are twofold. Firstly, what does it mean to say that Marx's method is understood as epistemology? or, what are the assumptions underlying an epistemological approach to Marx's method? The second group of questions can be put thus, what are the limitations inherent in the characterisation of Marx's method as epistemological? These two groups of questions inform the whole of these introductory Remarks. Their examination is at the same time an examination of the main contributions to the systematic reconstruction of Marx's method since the 1920's.

Returning to Lenin's remark and its implications, I want to consider two aspects of it which, in my view, reveal the antinomian character of the epistemological understanding of method. Firstly, Lenin's view that Marx's method is to be found in his concept of capitalist

society, that is, in the conjunction of dialectics and Political Economy, is undermined by his assertion that "Marx applied Hegel's dialectics in its rational form to Political Economy" (Lenin CW38 p.178). Prima facie, it is problematic to argue that Marx applied a specific philosophical conception to the science of Political Economy, since Marx's method can only be a result, and not a point of departure - especially if this philosophical framework originates in Hegel for whom method is always a result. Lenin's remark suggests that Marx had a finished method before he studied Political Economy. Lenin's critique of the analytical framework of the Second International¹² and his insistence in the historical specificity of Capital is undermined by the view that a philosophical method can be - successfully - imported for its application to a subject-matter. More importantly, it directly contradicts the view that the method is to be found in the conjunction of dialectics and Political Economy, which is Marx's Capital. In fact, the confluence of these two is precluded by the suggestion that method is prior to, and independent of Marx's 'Economics'. In conclusion, Lenin poses on the one hand the necessity of the unity of method and substance, form and content, urging the reader to find and follow the method of Marx's Capital, while on the other, this method is seen to have a distinct nature, which is prior to, and independent from, its subject-matter.

Secondly, Lenin's reduction of logic, and dialectics to epistemology, and his consequent understanding of Marx's method as epistemological, raise very important problems. The central one is that it undermines, and ultimately contradicts, Lenin's assertion of the existence of a

close relationship between Hegel's Logic and Marx's Capital, particularly since Hegel conceives of the Logic as founded in the successful critique of epistemology of the Phenomenology. Lenin's blurring of the distinctiveness of Logic and epistemology assumes a definite philosophical framework, one which is antithetical to Hegel's philosophical project. I shall also argue that Lenin's characterisation of method as epistemological is in fundamental disagreement with Marx's own concept of method. While Hegel's Logic rejects a philosophical tradition - which began with Descartes and culminated in Kant and Fichte - which reduced philosophical enquiry to epistemology, Marx, on the other hand, considered his method as historically specific, and determined by its subject-matter from which it necessarily developed. Both approaches to the question of method have much in common, but essentially, they share a critical relation to epistemology, viz., to a view of method which presents it as a set of universal rules governing cognition in general, independent of any reference to content.

Epistemology and Method

The methodological emphasis of modern philosophy has its origins in the projection of the subject as the creator of his/her world, and in the reduction of this subject to its determination as a consciousness. As Lukacs has rightly pointed out "the shift in methodology is a product of the emphasis of the 'active side' in philosophy, an emphasis to be found more clearly in Fichte and Kant" (Lukacs 1975 p.320). These can be traced back to Descartes, but receive their most developed and coherent form in Kant.¹³ In Kant, the activism of the

subject as consciousness reflects, and gives an adequate expression of, the essential forms of bourgeois society.¹⁴

Hume had taken the contradictions of empiricism to their logical conclusions by arguing that the crucial category of cause, and therefore, causal relations, could not be said to come from experience. This flows from the assumptions of empiricism, as every object is conceived of as discrete and self-subsistent. As Hume puts it, "everything in nature is individual" (Hume 1854 vol. i p.36).¹⁵ Kant's 'copernican revolution' has this as its starting point. He turned the problem round by arguing that causal - as well as other¹⁶ - relations do not originate in experience, but have to be traced back to 'pure reason.' For Kant, philosophical enquiry can only be developed on the basis of the consistent application of a single principle, viz., the principle of the separation of the thing-in-itself from the thing-for-us. The consistent application of this principle would lay secure foundations for the development of philosophy by defining its limits clearly and explicitly. Kant's conclusion is that the subject-matter of philosophy is constituted by our concepts with which we shape the world-for-us. The unity and universality of the world-for-us is given by our a priori concepts, the categories of 'pure reason'. This is the essence of the 'copernican revolution'. "Hitherto it has been assumed that all our knowledge must conform to objects... We must therefore make trial whether we may now have more success in the tasks of metaphysics, if we suppose that objects must conform to our knowledge" (Kant 1965 p.22).

For Kant, the demands placed upon philosophy by the activism of the subject ultimately necessitate the consideration of itself purely in his/her capacity as a consciousness. The subject is for Kant the knower, the consciousness which has the very forms of knowledge as its object. Kant's 'copernican revolution' has implicit within it the tendency to reduce all philosophical enquiry into a monstrous epistemology, since its true and only possible object is constituted by the subject's intuitions and concepts, that is, by the subject's own forms of knowledge. Ultimately, only the subject's knowledge can be known. Inherent within Kant's philosophy is the trend towards reducing all enquiry into that directed towards the determination of the possibilities of cognition.¹⁷

Epistemology, resting as it does, in the radical separation of the universal and the particular, of subject and object, etc., has the implication of extending its dichotomous character to the relationship of form and content.¹⁸ Kant's approach to logic is a natural extension of this separation. For Kant, logic pertains to the realm of pure concepts, taken in isolation from the contents they attempt to give expression. Consider, for example, his understanding of the principle of (non) contradiction as a "universal, though merely negative, criterion of truth, for this reason it belongs only to logic. It holds of knowledge, merely as knowledge in general, irrespective of content" (Kant 1965 p.190). The realm of logic is that of pure knowledge, i.e. of knowledge in general, and its method is constituted by the set of rules which govern cognition in general.¹⁹ Kant's logic is a formal logic, a logic concerned exclusively with form, and independent of any content. The method is the set of rules which dominate the logic.

The importance of the method within this project is obvious, as it is the crowning of the categories, as well as their ultimate foundation. This concept of method is at the roots of modern understandings of method.

Two aspects of this development should be given special attention. Firstly, the positive aspect of Kant's 'copernican revolution' consists in the fact that it makes necessary a critical examination of the forms of our thought. Kant turned his enquiry into an investigation of the forms of enquiry themselves. Also, his account of the form of enquiry led to the systematic presentation of the categories. As the method and the logic contribute, in the last instance, the unity of the world-for-us, it is only reasonable to suggest that all the forms of knowledge, and the rules of method, must be internally related, and consequently, internally consistent.²⁰

At the same time, epistemology rests methodologically on the radical separation of form, content, and subject and object. These two are directly connected. As Lukacs argues in History and Class, Consciousness, Kant's philosophy reduces rationality to the realm of thought, while the irrational has a free hand in the beyond. The abstract and formal modes of thought adequate to bourgeois society, conveyed by the discovery and application of 'laws', find again and again that neither nature, nor society, can be adequately subordinated to them. The creative and active subject thus finds its subjectivity reduced to the realm of 'pure thought', to the formal and abstract construction of 'laws'.²¹ His subjectivity depends on the stability of 'laws', where the heterogeneity of objectivity is subordinated, or rather, subsumed but not comprehended. The process of cognition leaves the object untouched,

and merely changes its shape-for-us. Epistemology rests on, and preserves, the separation of subject and object. By making subjectivity identical to consciousness, the object becomes its absolute opposite, endlessly recreating this opposition.

The antinomy of subject and object, of particular and universal, of necessity and contingency, of 'law' and chance, etc., is the natural conclusion of contemplative thought. But the need to go beyond these dichotomies was posed by the very notions of subjectivity and creation. This meant superseding both contemplative thought and the separation of object and subject. Kant attempted this in his practical philosophy, via trying to find a unity between man and society in the ethical principle. But as epistemology imposed a formal or abstract ethics, Kant merely recreated the contradictions of 'pure reason' within the subject.

Fichte further developed these contradictions in his philosophy. According to Fichte, the demands arising out of considering the subject as creator of his/her world, and the consideration of the subject as consciousness, are contradictory to the existence of the thing-in-itself. The need to solve this contradiction led Fichte towards 'subjective idealism'. "Fichte purified Kantian philosophy of its 'materialist deviation'", argues Lukacs (Lukacs 1975 p.243). Fichte attempts to do away with the thing-in-itself by consistently adhering to the principle that the whole world is posited by the Ego, where, therefore, everything had to be understood and comprehended.²² He poses the need for the fulfilment of the conceptual framework with which the Ego creates the world. This conceptual framework cannot be purely subjective, but has to be objective as well. As the Ego creates its world, nothing

can be outside it. This poses the need for action on the part of the subject in fulfilling or materialising his framework. This pushes Kant's practical philosophy to its logical conclusion.²³

Lukacs and Method

This detour was necessary as an introduction to my examination of Lukacs' concept of method, particularly since the problems introduced above are - according to Lukacs himself - the context from which his interpretation of method emerges.²⁴ Indeed, for him the antinomies of Classical German Idealism have - of necessity - a practical solution, and the mediation of subject and object is essentially practical. In Lukacs' view, Marx's original concept of method arises within this framework of praxis. He states, "in order to overcome the irrationality of the question of the thing-in-itself it is not enough that the attempt should be made to transcend the contemplative attitude. When the question is formulated more concretely it turns out that the essence of praxis consists in annulling that indifference of form towards content that we found in the problem of the thing-in-itself. Thus praxis can only be really established as a philosophical principle if, at the same time, a conception of form can be found whose basis and validity no longer rest on that pure rationality and that freedom from every definition of content. In so far as the principle of praxis is the prescription for changing reality, it must be tailored to the concrete material substratum of action if it is to impinge upon it to any effect" (Lukacs 1971 pp.125-6). The method is an essential aspect of this project²⁵ - one might be tempted to say, the

essential aspect - as Lukacs emphasis in History and Class Consciousness shows. This determined the way in which method was conceptualised by Lukacs. Let us begin by examining Lukacs' concept of method.

Lukacs' History and Class Consciousness aimed at revitalising Marxism through a re-examination and extension of Marx's concept of capitalist society. The latter rested firmly and securely on his method. "Orthodox Marxism, therefore, does not imply the uncritical acceptance of the results of Marx's investigations... On the contrary, orthodoxy refers exclusively to method. It is the specific conviction that dialectical materialism is the road to truth and that its methods can be developed, expanded and deepened only along the lines laid down by its founders" (Lukacs 1971 p.1). Marx's concept of capitalist society must thus be reconstructed starting from its method, and in opposition to positivist Marxism. Crucial to this, and to Lukacs' specific problematic, is the question of the relationship of Marx to German Idealism and Hegel. Lukacs' emphasis on method succeeds in reinstating to the forefront, the methodological strand explicit in Marx and Engels. But more importantly, there is a shared framework in which Lukacs poses the question of method, viz., in the conjunction of form and content, method and substance, dialectics and economics. In Lukacs this is immediately posed as the relationship between the dialectical method and commodity fetishism. Also, the forms and categories of the method are conceived as in close relationship with the forms of capitalist society, which makes impossible the consideration of one in isolation from the other. In fact, the method is successful because it maintains a privileged relation with its content. Referring to the antithetical relation of 'scientific methods' - i.e., observation, abstraction and experiment -

to Marxism, Lukacs argues that if "such methods are plausible at first it is because capitalism tends to produce a social structure that in great measure encourages such views. But for that very reason we need the dialectical method to puncture the social illusion so produced and help us to glimpse the reality underlying it" (Lukacs 1971 p.6). Not only are these 'scientific methods' an aspect of the reified structure of bourgeois society, but also, the dialectical method is an aspect of the inner contradictions of that structure,²⁶ the central contradiction being that existing between the capitalist class and the working class. In sum, not only does Lukacs shares Marx and Engels' emphasis on method, but also, and more importantly, he follows them in anchoring it to the unity of form and content, method and substance, dialectics and economics.

We shall now look at the most important categories in Lukacs' concept of method. Lukacs' perception of Marx's method has as its context the latter's concept of capitalist society. The essential forms of the method are likewise aspects of social reality. Of these, the concept of totality is the central one to Lukacs' interpretation. "It is not the primacy of economic motives in historical explanation that constitutes the decisive difference between Marxism and bourgeois thought, but the point of view of the totality... the all pervasive supremacy of the whole over the parts... the primacy of the category of totality is the bearer of the principle of revolution in science" (Lukacs 1971 p.27).

He is directly concerned with confronting the views which reproduce the factual, partial, and apparently independent and self-subsistent appearance of bourgeois society. The 'thinghood' of the commodity, expressed in the apparent self-subsistence of its objective form - which can only be the object of quantitative measurement - is the model, and

the basis, for the growing specialisation and separation of the science of society into a myriad of self-enclosed disciplines. As with the commodity, these sciences transform - or rather, deform - their social, and therefore historical, and therefore total, content into the lifelessness of the given facts. The point of view of the totality is at the centre of the method because it considers these facts as parts of the whole. This has very important implications, as the point of view of the totality is also, and necessarily, the point of view of history, and of society as a process. The point of view of the totality challenges the givenness, and the 'thinghood' of facts and poses the relatedness of all aspects of social life, and their mutual determinations.²⁷ Also, this entails the consideration of all the different aspects of social life as historically determined, and introduces the critical and radical framework of the method. The concept of the totality - which Hegel developed - introduces "the methodological possibility of acknowledging and recognising the social reality of the present in its reality and yet still reacting to it critically" (Lukacs 1973 p.203).

The unity of form and content which is at the basis of Lukacs' approach to method also demands that this totality is not solely restricted to our concepts, that is, that it is not reduced to a mere way of looking at the world, but also that it is itself the basis upon which the world is organised. The methodological concept of totality has to be grounded in the total character of the social organism, in that "concrete totality is, therefore, the category which governs reality" (Lukacs 1971 p.10). This is why the fragmentation and atomisation of capitalist society, i.e. its reification, cannot be overthrown by the mere

awareness of its existence in non-existence, its reality as negation of reality. On the contrary, the overthrow of facts can only be developed on the basis of the overthrow of the social order on which they are grounded, and from which they stem. The category of totality is, therefore, an aspect of the real concrete totality which emerges within capitalist society and signals its overthrow.²⁸

The real totality achieves its ultimate concretion with the emergence of the proletariat.²⁹ This is because the working class has no particular historical interest to fulfil, but must necessarily adopt a total view point. The real concrete totality, of which the concept of the totality fundamental to the dialectical method is a part, must necessarily entail the unity of subject and object which exists only in the proletariat. But before I take up the question of the relationship between subject and object, I shall briefly look at the relation of essence and appearance.

In Lukacs' view, the forms of capitalist society, modelled after the reified forms of commodity fetishism, impose a distinction between the appearance and the essence of things. The forms of commodity fetishism, by transforming social relations into relations between things, lead to the conception of science as the contemplative, abstract, and immediate measurement of purely quantitative relations - themselves external to the objects.³⁰ The givenness and self-subsistence of these objectified relations is represented in 'science' as technical measurement. The dialectical method must penetrate behind these rigidified structures and show them as having their ground in processes, i.e., in specific social relations of production. This does not mean that

the apparent forms are mere illusions, and that consequently they can be simply ignored. On the contrary, they are the necessary appearances of the social forms, and Marx's view of commodity fetishism shows them as such. This should be the starting point of the dialectical method. The subordination of appearances under the concept of totality must lead to the dissolution of their rigidified form, and to their true understanding as relations and processes. As Lukacs puts it, "the simultaneous recognition and transcendence of immediate appearances is precisely the dialectical nexus" (Lukacs 1971 p.8). The second crucial form of the method is the dissolution of the fixity of appearances and their transcendence in the direction of the essential relations of the whole and the parts.³¹ It is important to note that the relationship of essence to appearances is developed as itself an aspect of the totality, as it directly emerges from it, and, at the same time, is subsidiary to it.

The third form of the dialectical method which Lukacs discusses is, perhaps, the most complex of them all. This is the relation of subject and object. This is essential to Lukacs' project, as the totality, to be real, must comprehend all areas of society and knowledge. It cannot be purely an object, but also a subject. But for it to be subject, the totality must relate to itself, it must know itself to be subject. This is ultimately the standpoint achieved by the proletariat "because for the proletariat the total knowledge of its class situation was a vital necessity, a matter of life and death, because its class situation was a vital necessity, a matter of life and death, because its class situation becomes comprehensible only if the whole of society

can be understood, and because this understanding is the inescapable condition of its actions. Thus, the unity of theory and practice is only the reverse side of the social and historical position of the proletariat. From its own point of view, self-knowledge of the whole so that the proletariat is at one and the same time the subject and object of its knowledge" (Lukacs 1971 p.20). In this way, that is, via the mediation of the proletariat as a class which is conscious of itself as the total subject, Lukacs proposes to transcend the separation of subject and object which characterises non-total science, for Lukacs, it is through the self-mediation of the proletariat, its consciousness of itself, that the dichotomy of the knower and its object, theoretical and practical reason, are superseded. In this process, the preconditions for the overthrow of alienation are located in the emergence of the proletariat.³²

Having introduced the context and main elements of Lukacs' concept of method, I shall now attempt to discuss it as a whole, and essay some critical comments. To begin with, it appears to me that Lukacs' concept of method is important not only because it unveils the philosophical and social framework which form the background to Marx's concept of method, but also because he points out that the latter is, necessarily, antithetical to epistemology. Lukacs' retracing of the philosophical basis of modern conceptions of method is important not only because of its contribution to the history of ideas, but also because by grafting his study of Marx's method onto this philosophical background he succeeds in clarifying the specific problems which made the emphasis on method necessary. Further, through the analysis of the contradictions of this modern conception of method, he shows that Marx's method cannot be

considered as epistemological, that is, as a set of rules of cognition independent of any content, but, on the contrary, that it must be considered as grounded in the unity of form and content. It was precisely the separation of form and content which determined a formal method in Kant.³³ At the same time, the latter claimed for itself universal validity which could only be maintained if it were to materialise, or fulfil, itself in the objective as well as the subjective.³⁴ Fichte followed this path and attempted to unite form and content, and subject and object - albeit via subjectivising the objective.³⁴ He projected this formal method in the direction of its object. Marx's method is located within this tradition, but as a radical shift of its premises, viz., as a critique of it. As Marx's method is not grounded in the separation of form and content, but on their unity, it follows that Marx's method is not epistemological, but a critique of epistemology.

Having drawn these conclusions, Lukacs now has to show how this shift in the concept of method disposes with the formal and abstract character given to it by German idealism, and also how it is to be developed on the basis of the unity of form and content. However, I shall argue that Lukacs is unable to completely abandon the epistemological concept of method, and as a result he fails to develop further his project of fully reconstructing Marx's concept of method. I shall adduce some evidence to this end.

It seems to me that there is a tension in Lukacs' writings between his aspiration to overcome the antinomies of epistemology, and the ultimately epistemological concept of method in operation, the aim of History and Class Consciousness is to transcend the distinction between theoretical

and practical reason which beset German Idealism and stands in the way of the unity of form and content, method and substance. Lukacs is aware that the way to achieve this requires considering the subject as also object, and the object as also subject. This implies that the subject must overcome the 'contemplative' nature to which it was reduced to by Kant's 'copernican revolution'. This means that the subject must be also considered as object, as immersed in the objective material world.³⁶ Broadly, it is in human labour - which is in general considered identical to praxis - that the unity of form and content, subject and object, is realised.³⁷ This means that the subject cannot be considered as given - as in pure reason where it is given as a particular mind, as a set of rules of cognition - but as becoming. This, says Lukacs, "extends the discussion to the point where it goes beyond pure epistemology. The latter aimed only at investigating only the 'possible conditions' of those forms of thought and action which are given in 'our' reality" (Lukacs 1971 p.140). Despite this, Lukacs ultimately preserves this distinction between knowledge and praxis. Thus the unity of subject and object - which for Lukacs takes place with the materialisation of the proletariat - is the consequence of the revolutionary praxis of the proletariat, viz., the overthrow of capitalism. Knowledge shows here an ambiguous relationship to praxis, as knowledge precedes praxis.³⁸ As Lukacs puts it, "the worker is forced to objectify his labour power over against his total personality and to sell it as a commodity. But because of the split between subjectivity and objectivity induced in man by the compulsion to objectify himself as a commodity; the situation becomes one that can be made conscious" (Lukacs 1971 p.168). It appears that ultimately the proletariat's mission to destroy capitalism is an effect and a consequence of its particular epistemological position.³⁹

This is also reflected in the normative character of the concept of method developed by Lukacs, especially with regard to its central concept of totality. I have already argued that the category of totality constitutes the essence of Lukacs' approach not only because it helps to establish a critical standpoint against reified, particularised, science, but, more importantly, because inherent in this category is the unity of form and content, and subject and object. "In brief" - says Lukacs - "the essence of the dialectical method lies in the fact that in every aspect correctly grasped by the dialectic the whole totality is comprehended and that the whole method can be unravelled from every single aspect" (Lukacs 1971 p.170).

This is not original to Lukacs. The point of view of the totality can be ascertained in Kant.⁴⁰ Fichte went further by posing the need for a systematic deduction of the categories put forward by Kant.⁴² The problem for Fichte's subjectivism was how to make this system of categories also objective. His solution was to pose nothing outside the Ego. But as the totality remained an 'ought', and insofar as Lukacs takes up this problematic, he has to show how his concept of totality is also a concrete existence. Despite all his efforts, the category of totality retained the this-sidedness of a category of cognition. "Only in this context which sees the isolated facts of social life as aspects of the historical process and integrates them in a totality, can knowledge of the facts become knowledge of reality. This knowledge starts from the simple (and to the capitalist world), pure, immediate material determinants described above. It progresses from them to the knowledge of the concrete totality, i.e., to the conceptual reproduction of reality" (Lukacs 1971 p.8).⁴²

Lukacs reaches this point and goes no further. But at this point two different ways of developing his argument can be evinced as they cross and intermingle in his thought. On the one hand, there is a tension towards advancing further along the lines of developing the method as the unity of form and content. This implies working towards placing the method within its social and historical determinations,⁴³ towards the development of the concrete totality. Methodologically, it also implies developing further the critique of epistemology and epistemological method. On the other, there is also a tension towards retreating into the this-sidedness of the epistemological separation of form and content, inherent in the normative character of the method as a system of rules of cognition, and with the category of the totality restricted somehow to an aspiration,⁴⁴ an ought. These two lines of argument are sharply presented in The Young Hegel,⁴⁵ but the Ontology of the Social Being definitely favours the second one.⁴⁶

It seems to me that Marx's concept of method can only be fully reconstructed along the first line of argument which is implicit in Lukacs' thought. This is because of the approach implicit in his reasoning, namely that Marx's method is not another epistemology, but a critique of it. It also seems to me that there is plenty of evidence that Marx considered the question of totality as essential to his method. Marx's concept of totality is from the outset a concrete one in that it is not an epistemological aspiration, but the concrete actuality of its subject-matter, namely, capitalist society. As Marx puts it, "while in the completed bourgeois system every economic relation presupposes every other in its bourgeois economic form, and everything posited is thus also a presupposition, this is the case with every organic system. This organic system itself, as a totality has its presuppositions and

its development to its totality consists precisely in subordinating all elements of society to itself, or in creating out of it the organs which it still lacks. This is historically how it becomes a totality" (G.p.278). One only has to look at passages like this, or to the subtitle of Capital III, to realise the centrality of the concept of totality in Marx's method, as well as its concrete character.

Finally, two brief points need to be made in connection with this. Firstly, and given my conclusions above, it becomes clear that an examination of Hegel's concept of method is very important here. Perhaps the reader might have found this lacking in the above discussion, especially as Lukacs repeatedly points out his and Marx's indebtedness to Hegel. My reasons for examining Hegel's account of method separately are as follows: firstly, I am of the opinion that given the significance^{of} Hegel's concept of method it merits a separate discussion. Secondly, it appears to me that although Lukacs has greatly clarified Hegel's relationship to Marx, ultimately Hegel's method is considered as a contributor to a 'materialist theory of knowledge'. This view, I have argued above, is problematic. Thirdly, I shall study Hegel's method separately because it is grounded in Hegel's understanding of modern society, and therefore necessitates some reference to Hegel's philosophy as a whole.⁴⁷ The unity of Hegel's philosophy is given in his efforts to come to grips with the contradictions of bourgeois society, and his logic and method should be examined in this context. Hegel's contribution to Marx's method is made possible not by the mere epistemological adequacy of the former's dialectic, but by the unity of their subject-matter, viz., bourgeois society and its contradictions.

This brings me to my second point. Lukacs rested his concept of method on Marx's notion of commodity fetishism. This is crucial for his concept of totality as the apparently objective, quantitative, relations between things are shown to be essentially social reproductive relations. The systematic nature of these relations is immediately posited. But as I have argued above, this mere positing of the totality is not by itself an adequate ground for the method. Marx's concept of method is grounded on the concrete totality of social reproductive relations under capitalism. This requires a further development of commodity fetishism in the direction of capital as a concrete totality.⁴⁸

H. Grossmann and the method of abstraction

Lukacs' diagnosis of the rigidification of Marxism by the theorists of the Second International was shared by many left intellectuals in the 1920's and 30's. Henryk Grossmann (1881-1950) agreed with the diagnosis, and the emphasis on method, but developed an understanding of Marx's method radically different from that of Lukacs. The starting point for Grossmann's analysis was the contradictions of the Marxism of the Second International, and his attempt to revitalise Marx's theory of capitalist crisis. Grossmann criticised two widely held views on this subject. On the one hand, there was the view which argued that capitalism develops according to 'natural laws', which, although irregular and uneven, ensure that capitalist relations can be reproduced ad infinitum - should we say ad nausea? Naturally, from this perspective socialist revolution can only arise from outside the economic sphere, and, given the framework behind this view, it could

only arise from the ethical sphere. "It is patently wrong" - says Hilferding - "to regard Marxism and socialism as identical... The Marxist conception of history formulates the general laws while marxist economics applies them to the epoch of commodity production... But recognition of the necessity for socialism does not mean in any way handing down moral judgements, nor is it a precept for practical conduct. It is one thing to recognise a necessity, another to place oneself at the service of that necessity" (Hilferding 1974 p.20 Band I).

For Rosa Luxemburg, on the other hand, capitalist development is inherently contradictory, and punctuated with crises which lead to its final breakdown. Luxemburg locates the limits to capitalist development in its need for non-capitalist markets, and its striving to absorb them.

Grossmann criticises both these views. He stresses that the separation of the 'natural laws' of society from the 'ethical attitude simply echoes a separation of theory and practice which stunts the former, and results in incorrect practice. In this sense, Grossmann rejects neo-kantian interpretations of Marxism which distinguish absolutely between fact and values, theory and praxis.⁴⁹ He criticises Luxemburg for locating the limits to capitalist development outside capitalism itself.⁵⁰ In his view, the underconsumptionism which underlies her analysis leads to the analysis of crisis in terms of 'factual', 'transcendental phenomena' affecting Marx's thought from outside. What he sees as common to both views is the externality of the limits to capitalist development and the separation of Marx's thought from the historical processes it intends to explain.

Grossmann's attempt to revitalise Marxism argues that the answers to these - and other - problems, are to be found in Marx's Capital, which is organised around its method. For in his view, the Marxists of the Second International had one-sidedly concentrated their attention on Capital vol. I, with the result that Marx's theory of value and his examination of the production process were transformed into ahistorical and abstract formulations. Theory was reduced to abstract generalisations whose 'application' to real developments depends on the 'facts' of the moment. In practice, this approach blunted Marx's understanding of capitalist society of all its critical and revolutionary aspects. For the Marxists of the Second International, Marx's abstract theories had to be complemented with the body of facts to which the world was reduced. Although Rosa Luxemburg had helped to maintain and develop the study of Marx's Capital, she had - paradoxically - also undermined this by adhering to the 'Fragment Theorie' which argued that Marx's work was essentially incomplete. Thus, in connection with the reproduction schema she had argued that the "realisation of the surplus-value outside the two main classes of society appears as indispensable as it looks impossible. At any rate, the second volume of Capital offers no way out", and she adds "if we should now ask why Marx's Capital affords no solution to this important problem of the accumulation of capital, we must bear in mind above all that this second volume is not a finished whole but a manuscript that stops short half way through" (Luxemburg 1971 pp.165-6)⁵¹.

Against this, Grossmann argues that Marx's work is, in essence, complete and blames the generalised failure to understand this on the lack of study of Marx's method. This focused Grossmann's work on Marx's Capital and its method. "In the analysis of Marx" - remarks Grossmann -

"it is necessary above all that theoretical consideration points to the opposite basic presupposition: the material left by Marx which we possess - leaving aside some details of exposition - is finished in its essentials. Therefore we must ground the difficulties derived from the problems of each of the specific aspects and specific theories of Marx' system in the following ruling principle: the difficulties are not overcome with additions or mechanical and external complements, but with the totality of the material, according to the internal logic of the system as a whole" (Grossmann 1979 p.69). The 'internal logic' is obviously the method, and the key to the understanding of capital as a whole. The method must be recovered.⁵²

Yet the specific concept of method to which Grossmann adheres , contradicts the general direction of his criticisms. While he points out the need to relate Marx's method to Capital, and therefore to capital, he on the other hand introduces a distinction between the content of the theory and the form of the theory, thus reinstating the dichotomy he explicitly attempts to overcome.

In Grossmann's view, Marx's method is a method of abstraction. He quotes Marx's statement in the Preface to the First Edition of Capital vol. I to the effect that "in the analysis of economic forms neither microscopes nor chemical reagents are of assistance. The power of abstraction must replace them both" (KI p.90).⁵³ The difficulties encountered in applying the methods of the natural sciences to society and its economy should not discourage the social scientist, as he/she can replace them with the power of abstraction. The nexus between the

methods of the natural sciences and Marx's own is obvious to Grossmann.⁵⁴ With the aid of abstraction, Marx is able to manipulate its material into a scientific object. According to Grossmann, Marx begins his analysis of capitalist society not with phenomena,⁵⁵ but with a conceptual capitalist production. "The real world of concrete, empirically given appearances is that which is to be investigated. However, in itself, this is too complicated to be known directly. We gain an approach to it only by stages. To this end we make numerous simplifying assumptions that enable us to gain cognition of the object of knowledge in its inner structure. This is the first stage of cognition in Marx's method of approximation" (Grossmann 1929 p.vi). This first stage is not one that begins with phenomena and follows relations, but one which begins with an abstraction. Grossmann draws on Marx's critique of Political Economy in order to support his interpretation.

Marx distinguished Classical from Vulgar Political Economy on the basis that the former attempts "directly, leaving out the intermediate links, to carry through the reduction and to prove that the various forms (of surplus-value AB) are derived from one and the same source." (TSV p.500). This radical reductionism leads Classical Political Economy into the essence of bourgeois society. Moreover, it is pointed out by Grossmann Marx not only adhered to this methodology, but went as far as to criticise Ricardo for not being abstract enough.⁵⁶ The problem with Classical Political Economy's method is not located in its radical reductionism, but in its inability to retrace their abstraction to the world of phenomena, with the result that their abstractions appear to contradict it, as with Ricardo's theory of value and his recognition

of the existence of a general rate of profit. Here, in the process of mediations which leads from the abstract to the concrete, Grossmann locates the original contribution of Marx. The 'first stage of cognition' must, insofar as it results in abstractions, have a 'provisional character'. This shows the need for a second stage. "Any simplifying assumptions will go together with a subsequent process of correction that takes account of the elements of actual reality that were disregarded initially. In this way, stage by stage, the investigation as a whole draws nearer to the complicated appearances of the concrete world and it brought into consistency with it" (Grossmann 1929 pp.vi-vii).⁵⁷ This is, in brief, Grossmann's interpretation of Marx's concept of method.

There are several problems with Grossmann's account, the central one being that he does not emphasise adequately, that Marx criticises not only the inability of Classical Economics to retrace the steps from abstraction to the concrete, but he also criticises the methodology which led Classical Economics to form abstractions.⁵⁸ In fact, these abstractions were criticised for their formality and lack of historical and social determinations. Furthermore, it is not that the particular type of abstraction utilised by the classical Economists was defective or one-sided, but that all abstraction is necessarily formal and ahistorical. The failure of Classical Economics resided both in their inability to move from the abstract to the concrete, as well as in their abstract method. In fact, the abstract method, in its formality and ahistoricity determined their inability to explain phenomena. Marx's critique of the method of Classical Economics is also a critique of abstraction.

To summarise Grossmann's interpretation of Marx's concept of method, he says that Marx's method is a method of abstraction which proceeds by creating an object for itself through simplifying assumptions. This object is thus constituted as the 'pure', 'essential' forms of capitalism. In the case of the structure of Capital, for example, "Marx - in order to obtain, as it were, the sphere of production in its pure, chemical state - isolates the sphere of production from the perturbing effects of the sphere of circulation... (which is -AB) a result of the simplifying assumption that commodities exchange at their values" (Grossmann 1979 p.51). So that later, through several approximations, the totality of capitalist production can be reconstructed.

Grossmann's account of Marx's method remains within the dualism of epistemology and its distinction of form and content, substance and method. He explicitly recognises the epistemological nature of his account of method.⁶⁰ In his account the relationship of methodological abstractions, simplifying assumptions and the procedures of approximation on the one hand, and the real processes on the other, remains unexplained.⁶¹ This contrasts with Marx's own concept of method which demands that the methodological forms be explained by their relations to the subject-matter itself. This again posits the unity of form and content.⁶²

There are several aspects of Grossmann's account of method that I want to discuss, as they will help to focus my examination of Marx's concept of method. Firstly, there is a group of problems connected with Grossmann's account of method as preceding the actual investigation of the subject-matter. Insofar as method fixes the object of the theory,

it must be necessarily considered as primary.⁶³ This poses the problem of the source of this method, as well as the problems connected with its validation. In relation to the source of the method, it is clear that there is a strong element of 'scientism' in Grossmann's assumptions, namely, the idea that the method of the natural sciences can and must be applied to society. This also ties in with Grossmann's uncritical attitude to the method of abstraction of Political Economy. Explicit in Smith, and implicit in Ricardo, is the Humean project of applying the Newtonian method to the study of moral subjects.⁶⁴ In relation to the problems of validation of this method, Grossmann's account is less than satisfactory. The recognition of the separation of essence from appearances, and the complexity of phenomena are themselves a statement on the need for a scientific approach, and thus, a method. But if this is posed outside social and historical determinations, the method remains abstract and formal, and its nature essentially epistemological. Given the inability of thought - note, thought in general, ahistorical thought as 'pure' activity - to grasp the complexity of phenomena, the need is posed for a search for some degree of correspondence. But if the question of the relationship of essence and appearance is posed historically, the abstract nature of bourgeois thought is posed as itself an aspect of bourgeois society. But here it is not that thought in general is inadequate and one-sided, but a historically specific thought, which is essentially abstract. In the latter case, the need for method is not, at once, a need for an epistemological method, but one which is grounded on the unity of form and content.⁶⁵

Secondly, there is a group of problems connected with Grossmann's understanding of Capital. Despite the limitations of Grossmann's concept of method which I have outlined in part, he manages to develop

an understanding of Marx's 'Economics' which has been the source of a renewed interest in Marx's theory of crisis, and other aspects of the 'Economics'.⁶⁶ This has to do with Grossmann's view that Marx's concept of capitalist society forms a unity, with an 'internal logic' which can serve as the basis for the examination of many problems and developments. This is a very important contribution of Grossman to contemporary studies on method. But his understanding of Capital is not without problems, again, related to the question of method. The main limitation of his approach is constituted by his view that the schema of reproduction provide the key to the understanding of Marx's Capital as a whole. I cannot go into this in any detail, but I shall advance the view that the schema of reproduction constitute one moment in the development of Marx's concept of capitalist society, methodologically, this moment is located in the movement from Marx's consideration of capital as an aggregate of many, but similar, capitals, into his consideration of capital as a concrete totality. The central role Grossmann attaches to the reproduction schema imprints upon the whole of his analysis a formal and abstract character. This is also reflected in his concept of method.⁶⁷ This is compounded by the whole perspective provided by the Grundrisse, to which Grossmann originally did not have access.⁶⁵ I shall take this up again later in connection with Rosdolsky's account of method.

Della Volpe's 'determinate abstraction'

It would be useful in connection with these arguments to look briefly at Galvano della Volpe's (1897-1968) views on Marx's method. Although as far as I am aware no direct contact took place between him and

Grossmann, the essence of their approaches is not dissimilar. Della Volpe's study of Marx's method betrays a 'scientism' similar to that I have criticised in Grossmann, with its uncritical acceptance of abstraction as the central determination of method. What makes looking at Della Volpe interesting in this connection is that the philosophical framework implicit in the views which situate Marx's method as a method of abstraction are here explicitly and consistently discussed. By its very nature, the 'scientism' of these notions of method enforces a certain degree of naivete in respect to its philosophical assumptions, but Della Volpe discusses them in the open. Della Volpe's project is, of course, much wider than the question of method, but it conforms nonetheless the central aspect of his reading of Marx.

His position shows a twofold intention. The first arises from his interest in Marx's early Critique of Hegel's Philosophy of Right which he identifies as a critique of 'a priori' abstraction and hypostatisation. The second being a recovery of the heterogeneity of the empirical grounded on a re-examination of Galileo Galilei's scientific contribution.⁶⁹ This twofold intentionality is united in Della Volpe's concept of 'determinate abstraction', which in his view constitutes the crucial category of Marx's method, as the principle of a 'logic' or 'science' of both the natural and the social sciences.

Della Volpe's critique of 'a priori' abstraction has as its purpose to denounce the formality of abstraction, or 'pure concepts' which in his view leads to the problem of hypostatisation, that is, of the subjectification of the concept and desubjectification of the subject.⁷⁰ Della Volpe's criticism, however, is directed against a Hegel sterilised

and impoverished, and actually looking more like Kant and Fichte,⁷¹ this is perhaps a reflection on the hegelianism of Croce and Gentile, which forms the background to Della Volpe's philosophy. In fact, I shall argue that Della Volpe fails to develop an adequate critique of abstraction, and through his 'galileanism' he develops a concept of method which explicitly re-establishes the epistemological dualism of form and content.

Throughout Della Volpe's work the central issue appears to be the contradiction between the homogeneity of abstraction, and the heterogeneity or particularity of reality, a standpoint specific to Kantian philosophy. This poses the need - consistent with the premises - that a form of mediation be found. And due to the this-sidedness of abstractions it inevitably turns out to be epistemological, that is, concerned with the formation of concepts. Della Volpe does not attempt to criticise these premises, and their antinomic nature, but on the contrary - and against Hegel - he seeks to re-establish this dichotomy, and preserve it as the materialist basis for a unitary logic, that is a logic comprehending both the natural and the social sciences. Squarely within the Kantian tradition, Della Volpe constructs this logic, and its method in particular, as an epistemology.⁷² The heterogeneity of reality, and the homogeneity of abstraction are therefore subjected to some form of mediation and differentiation within epistemology. As he puts it, "the confluence of these two radical instances - of reason, unity or dialecticity on the one hand, and of matter, multiplicity or discreteness on the other - that is manifested in the logical-gnoseological form of a dialecticism" (Della Volpe 1980 p.155). Della Volpe's intention is not to question the premises of this dichotomy in the direction of its resolution, but, on the contrary, to preserve and develop it as the only

form tolerant of matter; and therefore as the only possible logical basis of materialism. This is partly why Hegel had to be sterilised first, as he had followed the opposite path by challenging the premises of this dualism.

For Della Volpe the "correct method may thus be depicted as a circular movement from the concrete to the abstract and thence back to the concrete" (Della Volpe 1980 p.188). This path moves from the imagined concrete - ruled by the heterogeneity of the real, expressed in the law of non-contradiction, viz., a table is a table - to the universality of concepts via the formulation of hypothesis. This results in a variety, and therefore heterogeneity, of concepts, which is expressed in the antinomies of dialectical reason.⁷³ For Della Volpe, the formation of concepts does not take place through the subsumption of particulars under - necessarily a priori - universals, but through the determination of equivalence which leaves the particulars untouched. The contradiction of heterogeneity and homogeneity reappears in dialectical reason as the contradiction between the universality of concepts and the variety of concepts. This contradiction does not pose the need for its supersession, but on the contrary, leads back into the concrete as a variety of hypothesis which can be proved or disproved experimentally - and hence, for Della Volpe, practically.⁷⁴ This eventually leads to the formation of laws. This is, in essence, Della Volpe's concept of method, the concrete-abstract-concrete circle.

Moreover, for Della Volpe, this concept of method is also Marx's. The correct method

"is symbolised by the methodological circle of concrete-abstract-concrete expounded by Marx in his 1857 Introduction and applied with maximum rigour and success in Capital ... Marx's application of this methodological circle to the 'moral sciences' (economics) marked the first establishment of the universality of this scientific materialist method...[viz., AB] that there is one logic, there is only one method, that of modern science understood and expounded in the materialist sense" (Della Volpe 1980 p.202).

In conclusion,

"the logical structure of economic law in the Marxist sense consists in : a) the concrete, given problem; b) the hypothesis, or establishment of a non absolute normative mean of the antecedents or conditions of the given consequent; c) the criterion of practice, which validates or verifies the hypothesis, thereby converting it into a law" (Della Volpe 1980 pp. 195-6).⁷⁵

Della Volpe, thus, does not develop a critique of abstraction, but he replaces the 'a priori' abstraction with determinate abstraction, that is, abstraction according to his method. He seeks to preserve the dualism which conformed his starting point. Thought is always universal and abstract, and matter is always particular. The question of the proper abstraction is predicated upon the method, as the epistemology which validates it. But insofar as he holds on to this concept of method, he fails to understand Marx's method as constituted upon a

critique of abstraction.

Thus, even when he follows Marx's remarks closely, he misses their central point. For Della Volpe, Marx's methodological critique of Political Economy does not constitute a critique of abstraction, but merely, a critique of the type of abstraction of Political Economy. The method whereby "the full conception is evaporated to yield an abstract determination,"⁷⁶ is with Della Volpe philosophically validated. As he puts it, what "is evaporated is the cognitive value of the conception and not its content" (Della Volpe 1980 p.187). The problem rests not with abstraction itself, but solely with this particular type of abstraction, one which could be made more adequate by placing it within a historical context. What is needed is real, instead of a priori, abstractions. It "means quite simply that this category is indeed an abstraction, but historical and not a priori" (Della Volpe 1980 p.181).

By starting from the premise that all thought must necessarily be abstract - a conception which Hegel compared to the 'Mosaic Legend of the Fall of Man' - Della volpe closes himself from the outset to an understanding of Marx's method as a critique of abstraction. Marx's method is constituted upon a critique of the bourgeois thought which produces abstractions, as well as a critique of the society of which this thought is an 'adequate' aspect. Consider, for example, the category labour, Marx argued that as a generality, that is, as an abstraction, it can be seen in every society as the simple relation of man to nature. But this abstraction is not the product of the necessary this-sidedness of thought in general - which is, by the way, another such abstraction.

As the "simple abstraction, then, which modern economics places at the head of its discussions, and which expresses an immeasurably ancient relation valid in all forms of society, nevertheless, achieves practical truth as an abstraction only as a category of modern society" (G p.105). Or again, this "example of labour shows strikingly how even the most abstract categories, despite their validity - precisely because of their abstractness - for all epochs, are nevertheless, in the specific character of this abstraction, themselves likewise the product of historical relations, and possess their full validity only for and within these relations" (G p.105). From the perspective of Della Volpe's reading of Marx, he understands him as saying that we can salvage these abstractions simply by reconstructing them within a proper historical context. However, Marx is pointing out that abstraction itself is a product of bourgeois society, and not a bump in our heads. Abstraction is a reflection of a society where social relations are transformed into relations between things, and vice versa. As Marx repeats, "the abstraction of labour as such is not merely the mental product of a concrete totality of labour. Indifference towards specific labours corresponds to a form of society in which individuals can with ease transfer from one labour to another, and where the specific kind is a matter of chance for them, hence of indifference" (G.p.104).

Della Volpe's 'reading' of a new kind of abstraction - a real, determinate abstraction - in Marx⁷⁷ does not do justice to Marx's argument which shows that abstraction is itself a product of specific social relations. But even within Della Volpe's framework, it is not clear why we must

attempt to 'historicise' abstractions such as labour, and not others such as abstraction, thought in general, etc. It is not clear why bourgeois society eternalises labour, capital, etc., and not thought, abstraction, knowledge.

This is also evident in Della Volpe's views on the question of the relation of categories. For him, "what is at issue here is the problem of how to reconcile the essential historical character of the economic categories with the non-chronological character or ideality of their order" (Della Volpe 1980 p.190). According to Marx, the categories should be studied from the point of view of their systematic relationship in capitalist society. These categories are not simple particulars, i.e., individual and self-subsistent, but exist only in systematic relations. "In the succession of economic categories" - Marx says - "it must not be forgotten that their subject - here, modern bourgeois society - is always what is given, in the head as well as in reality, and that these categories express the forms of being, the characteristics of existence" (G p.106). This contrasts with Della Volpe's pursuit of a 'mean' between the universality of thought and the particularity of nature. "This is a one - and twofold - movement that produces abstractions" says Della Volpe, "which, since they are historical and determinate satisfy the unitary but functional instance of reason and therefore constitute hypothetical normative means of antecedents and consequents" (Della Volpe 1980 p.193). For Della Volpe, the attempt to 'historicise' the abstractions renders them as determinate abstractions.

Rosdolsky's 'capital in general' and 'many capitals'

Rosdolsky's The Making of Marx's Capital has an explicit methodological intention. "The main aim of this" - the author tells us - "has been of a methodological nature. We set out from the position that previous research was excessively concerned with the material content of Marx's economic work, and exhibited far too little interest in the scientific method of investigation" (Rosdolsky 1977 p.445). His study was prompted by the realisation that the Grundrisse was "of fundamental importance for Marxist theory" since it posed anew the question of Marx's method and its relation to Hegel. In the light of contemporary Marxist theory, this statement can hardly be denied. Moreover, the spell of Grundrisse must be broadened to include practically every aspect of Marxist theory.

Rosdolsky's commentary of Grundrisse centres around the methodological distinction between 'capital in general' and 'many capitals'. This distinction is important for the understanding of the Grundrisse, but also, it remains crucial for the comprehension of Capital and Theories of Surplus Value. For Rosdolsky, this pair of categories unify the whole of Marx's concept of capitalist society.⁷⁸ This distinction had already been recognised by Grossmann,⁷⁸ but Rosdolsky carries it further. On the basis of Grundrisse - to which Grossmann did not have access at the time he wrote Die Akkumulation... - Rosdolsky places greater emphasis on the methodological significance of this distinction. Grossmann had chosen to emphasise one particular area of investigation, namely the reproduction schema, whereas Rosdolsky attempts to draw its implications for the whole of Marx's Economics. But, more importantly, Rosdolsky

disagrees with the 'hypothetical' nature given to these categories in Grossmann's approach, and attempts to establish a closer connection between these categories, and the content of Marx's work. Thus, in his own admission, Rosdolsky attempts to rid these methodological categories of their 'external-mechanistic' form by weaving Marx's method with his concept of capitalist society.⁸⁰

Rosdolsky's The Making of Marx's Capital remains extremely faithful to Marx's enquiry and exposition. His detailed and careful treatment of Marx's thought is self-effacing and low-keyed. In fact, one of the great merits of Rosdolsky's book rests on his ability to bring Marx's own problems into the open. This allows him to penetrate into the essence of Marx's concept of method as developed in his 'Economics', and the impact the book has had is well deserved. Rosdolsky's The Making of Marx's Capital paves the way for a radical appraisal of Marx's understanding of capitalist society, and its method. Also, many of the themes which derive from the debates of the 1920's and 30's, that I have attempted to highlight above, are preserved in Rosdolsky, who gives them a greater consistency by carefully grounding them in Marx's 'Economics'.⁸¹ This is very important to Rosdolsky's project. He understands the philosophical background to the question of method, particularly as far as Marx's relation to Hegel is concerned, and he does not overlook its significance. But he refuses to accept that the discussion of these questions involve leaving aside Marx's concept of capitalist society. He rightly refuses to accept anything but the internal connection of these questions, and this is perhaps his greatest achievement.

However, Rosdolsky's specific concept of method is not without problems. I shall argue that Rosdolsky's methodological organisation of Marx's 'Economics' around two concepts - even taking into account the central role of, and the comprehensiveness of 'capital in general' and 'many capitals' - fails to translate adequately the complexity of the process of mediation developed in the 'Economics'. This, in my view, and despite Rosdolsky's intentions, results in that his account fails to exhibit Marx's 'Economics' as an organic whole.⁸² And because the totality of Marx's methodological mediations is not adequately brought out, the concepts of 'capital in general' and 'many capitals' remain abstract and formal, as they appear to be imposed upon the subject-matter, rather than to flow freely from its content.

The starting point for Rosdolsky's analysis of Marx's method is the 1857 Introduction which characterises method as the ascension from the abstract to the concrete where the concrete is the sum of all determination. Rosdolsky's account of this process is different from previous ones in that he argues that this ascension from the abstract to the concrete is not unilinear, but rather, one which 'occurs several times',⁸³ a circle of circles rather than an ascending line. Also, he argues that this process needs to be studied from the perspective of the totality. In Rosdolsky's account, this process of mediation finds its ultimate synthesis in "the view of the bourgeois economy as an organic whole".⁸⁴ He also develops a more nuanced view of the relation between its essence and its appearance. These two aspects are interconnected. Previously, the emphasis on the distinction of essence and appearance had favoured an epistemological view of method, seen as a set of rules validating the transition from the one to the other --

a detour rather than a transition. Now, with Rosdolsky's emphasis on the totality tendencies are expressed pointing beyond this epistemological conception. Rosdolsky's inability to achieve this synthesis undermines these tendencies, and highlights his contradictions.

Rosdolsky defines 'capital in general' in a merely negative manner. As a level of analysis, or abstraction, 'capital in general' excludes the study of competition of capitals and the credit system. Contrari sensu, 'many capitals' is a level of analysis which comprehends competition and credit. Competition, the crucial determination of this distinction, is "the relation of capital to itself as another capital, i.e. the real behaviour of capital" (Rosdolsky 1977 p.42). How are we to understand these concepts? How are we to arrive at these levels of abstraction? Rosdolsky's attempt to answer these questions results in a variety of - often contradictory - conceptualisations.

Prima facie, Rosdolsky's derivation of 'capital in general' appears irrefutable. Since competition does not create the laws of capital, but merely 'realises' them, i.e., it renders them visible, it follows that the laws of competition are in some way different from the laws of capital. Therefore, if we want to understand the laws of capital, we should abstract from the laws of competition. This is, according to Rosdolsky, the path followed by Marx who chose to abstract from competition in order to exhibit the 'pure laws of capital'. But again, abstraction is here the operative word, as competition is not a natural medium where capitals interact - very much as the water is to goldfish. The assumed distinction between 'many capitals' - the bodies - and competition - the medium - is problematic. In fact, the two cannot be separated as 'many capitals' are not independent entities which are

later persuaded to interact, but are only in and through this interaction. Competition, therefore, is 'many capitals', and vice versa. Thus, if Rosdolsky's argument is followed, and starting from 'many capitals' we abstract from competition, we are not left with 'capital in general', but with nothing. If it is concluded that competition cannot be abstracted without at the same time abstracting from 'many capitals', the relationship between the latter and 'capital in general' is far from clear. Unless, of course, some form of abstraction is presupposed.

Rosdolsky puts forward several conceptualisations of 'capital in general'.

- 1) Firstly, 'capital in general' is presented as that common quality of all capitals in which "the particular character of the capitalist mode of production is expressed" (Rosdolsky 1977 p.43). That is, it is the quality of being 'self-expanding value' that defines capital, and therefore also 'capital in general'. This is itself based on the wage-labour-capital relation. However, as it attempts to define capital in opposition to other modes of production, it thereby assumes capital as one, i.e., 'capital in general'. Here, therefore, 'capital in general' is not derived but presupposed.

- 2) Secondly, 'capital in general' is presented as a class, defined by a particular attribute, just as "when we look at man physiologically for example as distinct from the animals" (G p.852). In fact, identical to 1), this conceptualisation of 'capital in general' rests on its indifference to variety,

relies on a purely mental, apriori abstraction, and therefore, it presupposes what it wants to explain.

- 3) Thirdly, 'capital in general' is considered as the aggregate of individual capitals. This conceptualisation of 'capital in general' is different from 1) and 2) because it does not presuppose it, but takes it as a result.⁸⁵ But a result of what? In fact, it is a result of a process of abstraction, as abstraction assumes the identity of the capitals it aggregates, that is, it compares them only in respect to quantity, and leaves aside their qualitative difference. It rests on the homogeneisation of all capitals which permits their subsequent aggregation. It does not presuppose a 'capital in general', but it does indeed presuppose a set of rules through which it can be obtained. It is an abstraction relying on an 'external-mechanistic' method.
- 4) Also, 'capital in general' is conceptualised as a whole, distinct from the individual capitals. "The aggregate capital of society is therefore to be understood as a whole, as a real existence different from particular capitals" (Rosdolsky 1977 p.48). Here 'capital in general' explicitly assumes the existence of its opposite, and is posed as real itself, not as a mere mental abstraction.
- 5) Finally, 'capital in general' is defined as a process. Rosdolsky quotes Marx to the effect that 'capital in general' is neither

"a particular form of capital, now one individual capital as distinct from other individual capitals, etc....[but] the process of its becoming" (Rosdolsky 1977 p.44). This is the only conceptualisation of 'capital in general' which can be made consistent with the claim that it is derived from individual capitals. It poses a starting point constituted by 'many capitals' followed by the dissolution of their apparent self-subsistence and independence. It breaks away from their fetichistic form of appearance - 'thinghood' - and reduces them to their essential being, viz., as a parts of a totality, a system of historically specific social reproductive relations. As this totality, 'capital in general' can only be understood as an organic whole, as a system of mediations. Here, 'capital in general' is derived not from a mental abstraction, that of many capitals according to a previously established method of abstraction, but by showing them as parts of the organic whole, that is, precisely by criticising their abstraction, i.e., their apparent self-subsistence.⁸⁶

Further, not only is 'capital in general' ambiguously conceptualised in Rosdolsky's account, but this is also the case with 'many capitals'. This latter concept is indifferently referred as 'individual capitalists', 'branches of production', 'modes of existence of capital', 'functions of capital', etc. These not only have different meanings, but also, their roles within Marx's 'Economics' are different. The concept 'individual capitalists' or 'individual capitals' refers to the

phenomena of competition and price-formation. 'Branches of production' is connected with the reproduction scheme and the formation of the rate of profit. The concepts 'modes of existence of capital', or 'functions' or 'fractions of capital' relate to questions of circulation, the circuits of capital and distribution. They all have in common being parts of the whole. As such, they are units of capital in a general sense, but their differences are crucial to the understanding of capitalist society developed by Marx.

There are a number of conclusions to be drawn from this examination of Rosdolsky's account of method. To begin with, the methodological conceptualisation of 'capital in general' and 'many capitals' appears to be a great deal more complex and problematic than Rosdolsky argues they are. As a direct consequence of this, Rosdolsky is unable to subsume all the methodological mediations of Marx's 'Economics' under this pair of concepts. The very idea of rendering the whole complexity of Marx's concept of method in terms of a pair of concepts is, in my view, unsatisfactory. The result, in Rosdolsky's account, is that Marx's method can only be made consistent as a method of abstraction, whereas its proper nature is to do with a critique of abstraction.⁸⁷ Thus, 'capital in general' and 'many capitals' remain abstract and formal, and ultimately indifferent to the content of Marx's 'Economics'.⁸⁸

On the other hand, Rosdolsky has greatly advanced the study of Marx's method, particularly as he poses the question of the totality, as the organic whole which is capitalist society, and attempts to ground his concept of method on it. The lack of synthesis shows him unable to

develop this concept, and correspondingly this understanding of method. But he poses the need for this approach, as one which reflects Marx's concept of method out of the internal organisation of Marx's 'Economics', reflecting different moments in the reproduction of capital as an organic whole.⁸⁹

Marx's method as a critique of abstraction

It is time to gather together some of the arguments flowing from these critical remarks, and to define some of the questions I shall be looking into.

The views I have discussed above are very important in terms of studying Marx's concept of method, and also, they are important in terms of locating a substantial number of studies which have more recently concerned themselves with Marx's method. It has become fashionable to open any study of Marx's work, or aspects relevant to it, with a statement of what the author believes to be Marx's method. This has, usually, a variety of aims. Sometimes, it consists of a statement of the author's intentions, or the structure of the piece, or general views on Marx, or an exposition of the principles of Marx. I cannot even begin to discuss these remarks. As a whole, they show a common basis, which I have attempted to outline via the concepts of method of Lukacs, Grossmann, Della Volpe and Rosdolsky. I believe the central problems are present in their work. Whenever possible, I have directed the reader to similarities existing between the authors discussed, and other accounts. This I have done in footnotes.

The central point of these Introductory Remarks is to question the views which define Marx's method as a method of abstraction, and to argue that Marx's concept of method, if correctly understood, can only be fruitfully studied as a critique of abstraction. This poses a number of other determinations. To begin with, a concept of method as a critique of abstraction is antithetical to an epistemological understanding of method.⁹⁰ Further, I have attempted to demonstrate that the various views which situate Marx's method as a method of abstraction - albeit an improved, corrected one, etc. - are explicitly or implicitly grounded in epistemology. There is, of course, a wide range of views based on this approach, they show a variety of emphasis not totally unrelated to the different problems which emerge from the attempt to apply this model to Marx's thought. The common feature of these interpretations consists in their distinction of subject and object, consciousness and material existence, and the many attempts to establish a bridge between them. Within epistemology, however, the diversity is deceptive, as the proposed mediation of subject and object is always that of consciousness, preoccupied with establishing the conditions for true or valid knowledge. Herein the significance of method, and the search for one which can secure true knowledge.⁹¹

Method is thus construed as a set of universal rules of thought and procedures which, if applied adequately, can produce true knowledge.⁹²

The importance given to method is not echoed by the form in which it is validated in epistemological approaches, as a universal set of rules of thought, independent of its content. This universality is the 'philosophical' counterpart as well as the scientific validation, of

the apparently natural and universal forms of bourgeois society which Marx explicitly criticised. In no way can Marx's efforts be described as being directed to the creation of yet another method of abstraction, but instead, they were concerned to criticise all abstraction. Marx's study is directed to the determination of the becoming, actuality and passing away of capitalist society.⁹³ For Marx, everything has to be studied in the context of social and historical determinations, and specifically - given his subject-matter - in the context of the totality of the forms of capitalist society.⁹⁴ Marx poses the 'abstract' nature of Political Economy as a necessary outcome of the development of capitalist relations of production.

Method is not free from these determinations, and must be specific, both historically and in relation to its subject-matter. This implies challenging the apparent universality of epistemological method, as a method of thought in general, thought as such. The epistemological separation of subject and object, as well as the abstract methodology which results from it, have to be seen as products of the abstraction and 'thinghood' which is at the roots of bourgeois society. Hegel had already opened up this critical path.⁹⁵ Marx expanded on it by studying the forms of bourgeois society in their interrelations and specificity, of which thought is an aspect. The separation of mental and manual labour, the fetishism of commodities, money and capital, the ossification of the revenue-forms, the obliteration of quality in favour of quantity, the apparent coincidence of capitalist production with production in general, etc., are all aspects of Marx's project.

This directly poses another determination of method, namely, that it can only be grounded in the unity of forms and content.⁹⁶ Since no

universal method applying to thought in general is accepted as valid, method must be specific to its subject-matter. It does not arise from the rules of thought in general, but from the forms of its content. This poses also the unity of the method and the substance of Marx's study. Marx's concept of method does not therefore consist in the application of an external set of rules, but in the immanent development and mediation of the forms themselves. Marx's method is the setting forth of the most essential relations of bourgeois society. The method conceived in this way does not require an external validation, in the form of an external adequation to its subject-matter, since it is an aspect of the subject-matter itself. This goes against well entrenched notions of it,⁹⁷ and this is the main reason for these long Introductory Remarks.

Traditionally, the originality of Marx's concept of method has been described as a novel use of abstraction. This view has been particularly - though not solely - favoured by those who have sought to define Marx's method in the context of his 'Economics'. More often than not, these views remain naive to the philosophical framework which any method of abstraction assumes. Also, a continuity between the method of Political Economy and Marx's is argued for, in the context of the continuity of their social and economic theories. Marx is seen to have largely accepted the abstractions of Political Economy, but developed a new method of moving from these abstractions to the reproduction of the concrete in the mind. This went hand in hand with an uncritical attitude towards the question of the relationship of Marx to Political Economy which placed Marx in direct line of continuity to the latter,

instead of understanding it as a critique of it.⁹⁸ In fact, Marx is critical of the abstractions of Political Economy not because they are partially defective, but because they are abstractions. Della Volpe is here the exception which proves the rule as he draws out in an impressively consistent manner, the philosophical foundations of the understanding of Marx's method as a method of abstraction.⁹⁹

The attempt to develop Marx's method as a method of abstraction was important insofar as it left aside - unwittingly rather than purposively in most cases - the rarified atmosphere of philosophical discussions in order to concentrate on Marx's own work in some detail, in particular, on Marx's 'Economics'. Its limitations stem from the fact that an underlying epistemological framework was largely presupposed and reinforced in its apparently philosophy-free analysis of the 'Economics'. While on the one hand the real import of Marx's method was brought to the surface through the detailed study of the forms of Marx's concept of capitalist society, where his understanding of the unity of form and content, method and substance was implicit - cf. the studies of Rubin, Grossmann and Rosdolsky; on the other hand this understanding was obscured whenever a method of abstraction approach was superimposed.

These determinations imply a shift of the understanding of Marx's method away from traditionally accepted views, a shift based on a critical assessment of these views which at the same time preserves what they have contributed to it.

This is what I have attempted to do in these Introductory Remarks. If my preliminary conclusions are correct, it means that Marx's concept

of method centres around a critique of abstraction, that it attempts to clarify and study the most essential forms of its subject-matter, i.e. the forms which pervade all aspects of social life as capitalism progresses along the process of real subsumption of labour. It also means that there is a relation, moreover an immanent relation, between form and content, method and substance. In sum, it means that Marx's concept of method must be sought in his 'Economics', as it constitutes his most mature and unified conceptualisation of capitalist society. This approach to the question of method rests on the internal unity of Dialectics and Political Economy.

This approach to the question of method is also different in other respects, two of which I want to stress here. Firstly, it is obvious that this concept of method understand it as a result, rather than as a presupposition. It is not an a priori, belonging to thought in general, but, on the contrary, it arises and develops out of the subject-matter itself. The question arises as to how this method can help to a better understanding of Marx's work, and modern society. This leads me to my second point, viz., that the method should not be taken to be normative, in the sense of a given set of rules. The forms of the method are forms of the subject-matter itself. They are, therefore, not universally valid, but specific. This method cannot secure knowledge - true or otherwise - of any sort by itself. At the same time, the method helps to understand Marx's work, and modern society, as well as specialised areas of investigation, and can, to a certain extent, guide research. But this is possible only insofar as the most essential forms of capitalist society, which constitute Marx's method, subordinate to themselves the whole of society. In this,

limited sense, it can be argued that Marx's method is both a result and a beginning, and not a norm, but a guide.

In what preceded, I have tried to impress upon the reader the need to develop a concept of method alternative to traditional, epistemological ones. These Introductory Remarks have, I hope, posed the possibility of developing this concept of method, but they have not posed its actuality.

The possibility of Marx's concept of method is discussed in Part I. Chapter I examines the methodological assumptions underlying A. Smith and D. Ricardo, and Marx's critique of them. Chapter 2 studies Hegel's concept of method. It discusses the nature of Hegel's method in the context of his views on bourgeois society, developed in his philosophy as a whole, but particularly in the Logic.

Part II develops Marx's concept of method in outline. Consistent with my preliminary conclusions, and in an effort to develop them further, Marx's concept of method is developed out of the most essential forms of capitalist society as a whole, as an organic system of social reproductive relations. The totality of capitalist production, or capitalist production as a whole, constitute the central determination of Marx's concept of method.¹⁰⁰ Marx repeatedly stressed this, and specially in Grundrisse where I have taken the following passage that admirably illustrates this point. Referring to Smith's 'hidden hand', he goes on to remark:

"It has been said and may be said that this is precisely the beauty and greatness of it, this spontaneous inter-

connection, this material and mental metabolism which is independent of the knowing and willing of individuals, and which presupposes their reciprocal independence and indifference. And certainly this objective connection is preferable to the lack of any connection, or to merely local connection resting on blood ties, or on primeval, natural or master-servant relations. Equally certain is that individuals cannot gain mastery over their own social interconnections before they have created them. But it is an insipid notion to conceive of this merely objective bond as a spontaneous natural attribute inherent in individuals and inseparable from their nature. This bond is their product. It is a historic product. It belongs to a specific phase of their development. The alien and independent character in which it presently exists vis-a-vis individuals proves only that the latter are still engaged in the creation of the conditions of their social life, and that they have not yet begun, from the basis of these conditions, to live it" (G pp.161-2).¹⁰¹

The process of capitalist production as a whole constitutes the subject-matter of Marx's 'Economics'. The reification of these social relations appears as the power of capital, a power which is in essence the alienated social product of capitalist society, and which imposes itself upon society as an external force. This reification also results in the apparent independence and self-subsistence of the different processes of capitalist production as a whole. Marx's 'Economics' shows capitalist

society as a totality of social reproductive relations. This requires that the reified form of the different aspects of this totality be stripped from their apparent self-subsistence, and be shown as parts of the whole.

Marx's concept of method can be described as a development towards the totality, as the methodological counterpart of the totality of social reproductive relations. It refers to, and develops the system of these relations, the mediations of its forms and processes. Marx's 'Economics' and its method is the systematic development of the different aspects of the totality as parts of the whole.

Chapter 3 studies commodities, value and money, and argues that they constitute the first showing of the totality. Chapter 4 examines the forms of the immediate process of production and 'capital in general' as it emerges from it. It considers 'capital as one'. Chapter 5 studies the particularisation of 'capital as one' in the process of capitalist circulation. Chapter 6 concentrates on the process of capitalist production as a whole and total social capital.

PART I: THE POSSIBILITY OF MARX'S CONCEPT OF METHOD

In the next two Chapters I shall attempt to clarify some aspects of the methodological premises of Classical Political Economy - especially in Adam Smith and David Ricardo - together with Marx's critique of them; and the concept of method emerging from Hegel's philosophy. This route to the study of Marx's method is made necessary not so much by the requirements of establishing the contributory sources, as well as the historical continuity or discontinuity existing between these social and methodological views and Marx's, but by the need to reestablish the possibility - as a first step towards establishing the validity - of studying Marx's method not as a method of abstraction but as a critique of abstraction. This detour is also made necessary by the almost universal acceptance of the views which situate Marx's method squarely within the realm of epistemology.

Chapter 1: Marx's Critique of the Method of Classical
Political Economy

In this Chapter I cannot discuss Marx's methodological critique of Classical Political Economy in all its complexity. Particularly as this would necessarily involve a thorough discussion of the concept of bourgeois society developed by Smith and Ricardo. If my approach to the question of method is valid, Smith and Ricardo's views on modern society are the necessary framework in which their methodological assumptions needs to be set. But this would go beyond the scope of this work. Also, there is a considerable body of literature which has discussed these issues in some detail. Although traditional views emphasise a direct methodological continuity between Classical Political Economy and Marx,¹ lately this has been challenged in an attempt to bring into attention the critical nature of Marx's study 2. I shall therefore rely on this a great deal and try to concentrate on those aspects of Marx's critique that directly concern my argument.

I believe that there is still work to be done in trying to dislodge Marx's concept of method from the method of abstraction of Classical Political Economy. This chapter is concerned with this problem. It argues that Marx's assessment of the method of Classical Political Economy hinges around this critique of abstraction. I shall argue that the methodological assumptions of Smith and Ricardo have their origin in a specific philosophy, and that Marx's critique of their method is essentially directed against their method of abstraction. Finally, I shall argue that Marx's critique places the method of Smith and Ricardo within the context of their overall conception of society.

1. Smith and Ricardo, Science and Method

One assumption common to Marx and historians of economic thought is that Smith's Wealth of Nations (1776), and Ricardo's Principles of Political Economy and Taxation (1817), represent the turning point marking the transformation of Political Economy into a science. Smith's Wealth of Nations is universally regarded as providing the foundations for the science of Political Economy. This is based not only on Smith's contributions to the different areas of Political Economy, but, more fundamentally, in his contribution to their systematisation. Although there is an obvious continuity in economic thinking which extends to Smith's predecessors,³ his crucial contribution is said to consist in the systematic organisation of these ideas.⁴ It can be concluded that what is specific to Smith must lay in his systematic approach and method, which was later given greater internal coherence and rigour by Ricardo's contribution.

However, it is not easy to determine with exactitude what constitutes Smith and Ricardo's method, especially as they did not make this explicit.⁵ Their methods have to be developed from their writings, and this has resulted in many conflicting interpretations. Here I cannot review all these interpretations, but merely outline the two main trends in the literature concerned. One of these perspectives attempts to find the basis of Smith's methodology in universal, psychological assumptions concerning human nature, and the nature of scientific enquiry. It concentrates on the notions of surprise, wonder and admiration, as introduced by Smith in his Philosophical Essays. Firstly, it is argued, we feel surprise when we confront a phenomenon which does not fall into

the expected pattern. Secondly, we feel wonder which forces us to make an intellectual effort to solve the lack of connection between that object and others. Finally, admiration arises when the equilibrium is restored.⁷ Ultimately, this approach contributes very little to our understanding of Smith's method, as these principles constitute a very imaginative and general description of the subjective stages undergone by the observer, but they say very little about the form and content of the enquiry itself.⁸ These principles are grounded on a psychological conception of human nature which is necessarily subjectively presupposed.⁹

Another perspective which can be identified in the literature attempts to unveil Smith's methodological contribution by studying his relationship to the Scottish Enlightenment, and the Physiocrats, and their broader conception of historical processes. Smith's development of Political Economy into a science is seen as a consequence of his historical understanding of society as a process of development, a result of causes and effects, capable of being explained by laws.¹⁰ It is a conception of history which relates the progress of mankind and the development of their institutions, to their mode of subsistence. This 'theoretical or conjunctural history' - as it was denominated by Stewart - was developed by A. Smith, J. Miller, A. Ferguson, and W. Robertson - in Scotland, but it has its intellectual origins in Montesquieu L'Sprit des Lois. The essence of this approach was aptly summarised by Robertson, for whom, "in every enquiry concerning the operation of men when united in society, the first object of attention should be their mode of subsistence. According to that varies, their laws and policies must be different" (Robertson, 1777, I:324).

The extent to which Smith's Wealth of Nations partakes in this tradition is on the surface. Specifically in relation to method, Smith's historical approach to Political Economy accounts for his study of the laws

operating in society, and the attempt to bring the variety of phenomena under historical principles. This emerges from Smith's remarks about method. In the Lectures on Rethoric and Belles Lettres, he contrasts the Aristotelian and Newtonian methods, and argues that the latter is the correct one. The passage needs to be reproduced in full:

"There are two methods in which a didactic writing containing an account of some system may be divided. Either, first, we lay down one or a very few principles by which we explain the several rules or phenomena, connecting one with the other in a natural order; or else, we begin with telling that we are to explain such and such things, and for each advance a principle either different or the same with those went before.

"In the same way, in Natural Philosophy, or any other science of that sort, we may either, like Aristotle, go over the different branches in the order they happen to be cast up to us, giving a principle, commonly a new one, for every phenomenon, or in the manner of Sir Isaac Newton, we may lay down certain principles, primary or proved, in the beginning from whence we account for the several phenomena connecting all together by the same chain. The latter which we may call the Newtonian method, is undoubtedly the most philosophical, and in every science, whether of Morals or Natural Philosophy, etc., is vastly more ingenious, and for that reason, more engaging than the other. It gives us pleasure to see the phenomena which we reckoned the most unaccountable all deduced from the same principle (commonly a well known one) and all united in one chain, far superior

"to what we feel for the unconnected method, where everything is accounted for by itself, without any reference to the others" (Smith 1963 pp.139-40).

I apologise to the reader for this lengthy quotation, but it brings together Smith's notion of method, and it explicitly recognises the admiration he, and his generation, felt for the Newtonian experimental method.¹¹ Also, it places great emphasis on synthesis and system.

In order to show the different aspects of Smith's concept of method, it will be useful to trace very briefly some of the elements and assumptions in Smith's thinking back to Hume. Hume attempted to apply Newton's method to the social sciences, or science of morals. His Treatise on Human Nature bears the subtitle 'being an attempt to introduce the experimental method of reasoning into moral subjects'. Newton's method had shown that important advances could be made if phenomena were to be explained in terms of cause and effect and their relationship. The problems it encountered had to do with the complexity of the phenomena of Nature, that is, "we meet with no cause but what is itself to be considered as an effect, and we are able to link but few links in the chain" (McLaurin, 1748, p.17). Two methodological devices served to surmount the problems connected with this complexity. Firstly, the experimental method helped to isolate different effects and their causes. Secondly, analogy, assuming the existence of an order in both the world and mind, permitted the determination of unobservable causes through reasoning. These problems were magnified in Hume's attempt to apply this method to society. Society is not only characterised by a greater complexity, but, more importantly, where Newton assumed the

simplicity and uniformity of the universe in its relatedness, as well as the reliability of our sense-perceptions, Hume was drawn towards opposite assumptions.¹²

This comes out clearly in Hume's views on necessary connection. For Hume, all ideas are derived from impressions. While the whole of our experiences and perceptions can be traced back to impressions and ideas, the latter can be divided into sensations - which come from the senses as a result of unknown causes, and reflections from our ideas. The ideas bear a resemblance to the impressions from which they originate. The basic unit is the simple impression which admits of no further division, and from which all our perceptions originate, compound impressions can only exist as additions of simple ones. This is very important, because for Hume, "everything in nature is individual" (Hume, 1854, I:36). Of course, the recognition of compound impressions as having their origins in something other than the addition of simple ones would lead to "the flattest of all contradictions, viz., that it is possible for the same thing to be and not to be" (Hume, 1854, I:35). The problem for Hume was to explain the relations of our ideas and impressions, since, for example, if the relation between cause and effect cannot be observed, how can it be established? Hume distinguished four elements in causality, namely, contiguity in time and space, succession, priority in time of the cause over the effect, and necessary connection. All, with the exception of necessary connection, he found to be observable. But, given that for Hume all ideas originate in perception,¹³ how is necessary connection to be explained? Hume's answer points in the direction of a psychology of mind, for, "after frequent repetition I

find that upon the appearance of one of the objects, the mind is determined by custom to consider its usual attendance" (Hume 1854 I:200).¹⁴

Smith's methodological conceptions reflect this perspective, he faithfully follows Hume on the question of the nature of necessary connection.¹⁵ But at the same time, he correctly emphasises the need to understand relations and connections in society. Ultimately, Smith's idea of synthesis and system are made compatible with Hume's individuality of being,¹⁶ relations as obeying a predetermined, natural pattern by presenting "Systems in many ways resemble machines. A machine is a little system, created to perform as well as to connect together, in reality, those different movements and effects which are already in reality performed" (Smith, 1811, V:116-7). On the other hand, there is an underlying tension in Smith, as he tries to make this synthesis and system depend upon, and reflect, society. In his Essay on Astronomy, he draws a connection between the four systems of Astronomy he had distinguished, and developments in society, and specifically he argues that in civil society we "seem to require some chain of intermediary events, which by connecting them with something that has gone before, may render the whole course of the universe consistent and of a piece" (Smith, 1811, V:89). This seems to point out the central problem in Smith's methodological remarks, namely that existing between the individuality and self-subsistence of all being and the tendency in society towards synthesis. This finds its apparent solution in his concept of the 'hidden hand'.

Ricardo recognises the continuity existing between his thought and Smith's.¹⁷ The influence of Smith is also asserted indirectly via Say, whom, in

Ricardo's view, "has succeeded in placing the science in a more logical and instructive order" (Ricardo, 1926, p.2). Through Say, Ricardo also receives the influence of the French Rationalists. Less concerned with philosophical issues than Smith and lacking the latter's academic training, Ricardo did not explicitly discuss his method. His methodological framework is to be extracted from his writings, in particular the Principles of Political Economy and Taxation. Without a doubt, some degree of continuity does exist between Smith's methodological assumptions and Ricardo's. The mere fact that Ricardo did not explicitly consider questions of method attests to this. Ricardo's contribution to the scientific character of Political Economy resides in his greater coherence and rigour, in his clarification of the principle of value and his attempt to explain all economic phenomena from this principle.

The greater rigour and coherence of Ricardo are said to have put Political Economy on a scientific footing. Ricardo's ability to abstract from the multiplicity and complexity of particulars and concentrate on the central principle of society is at the centre of his contribution. This approach to Political Economy is not new, what is significant is that Ricardo seems to follow it rigorously, helped, no doubt, by his concept of value, the principle from which all phenomena can be explained. In conclusion, Ricardo's contribution consists simply in the supreme role he attributed to abstraction. As Rubin aptly puts it, "Ricardo's method of abstract analysis is precisely what gives his theoretical thinking its consistency and intrepidity and endows him with the power to trace the working of each tendency of economic phenomena to its very end. This method allowed Ricardo to overcome Smith innumerable contradictions and to construct a logically more integral and cohesive theory of value and distribution" (Rubin, 1979, p.242-3).

2. Marx and the method of classical Political Economy
as a whole

Marx's critique of Political Economy is directed against the latter's overall conception of bourgeois society. The critique of the method of Political Economy is an aspect of this. A consideration of the methodological assumptions of Political Economy cannot be separated out from its theories of modern society. For the purpose of this work, I shall concentrate on method, as opposed to the content of the theories themselves, but I hope to retain their essential and intrinsic unity.

Marx's most fundamental criticism directed against Political Economy stresses the latter's ahistorical and abstract view of capitalist society. For Political Economy, the forms of capitalist production are identical to production in general, something Marx repeatedly challenges throughout his writings.¹⁹ In essence, Marx's critique of the method of Political Economy is very simple, he is concerned with emphasising that the capitalist form of production constitutes a specific form, showing elements in common with other modes of production, as well as elements specific to itself. Far from constituting production in general, capitalist production is a limited form of production, with its own internal contradictions. Capitalist production is a specific, particular, and therefore limited form of production.

Marx defines capitalist production as a particular concrete form of social production. This, not merely in the sense of a technique for transforming the shape of objects, but in the all inclusive sense of the form in which a social organism produces and reproduces its existence. Capitalist production is also essentially contradictory.

This is another way of saying that as a specific, determinate, form of production, capitalist production has its own inherent limits. Marx directs our attention to the capitalist forms of production understood as historically determined, i.e., as limited. The specificity of capitalist production is at the centre of Marx's approach, it constitutes the starting point, as well as the aim of his enquiry. This is the real context in which his remarks concerning production in general must be understood. "Production in general is an abstraction", says Marx, "but a rational abstraction insofar as it really brings out and fixes the common element and thus saves us from repetition" (G p.85). This is not the essence of his method, but, on the contrary, it constitutes a method he often criticises in Classical Political Economy. Production in general is a common element 'sifted out by comparison', but the concern of Marx's enquiry is always the specific, historically determined, limited, forms of capitalist production, "whenever we speak of production, then, what is meant is always production at a definite stage of social development" (G p.85).

The view of the Classical Economists, in contrast, is limited by their consideration of capitalist production as itself production in general. They are therefore dealing with natural, and eternal, forms of production. Ricardo, in particular, took for granted all the forms of capitalist production and directed his undivided attention to the subsumption of all the phenomena of society under the principle of the labour theory of value.²⁰ Ricardo presupposes the developed conditions of capitalist production as the natural conditions, and therefore, he eternalises them.

The methodological counterpart of this ahistorical view of capitalist production is constituted by the abstract character of their theories.

As the forms of capitalist production are the natural forms, so the forms of the enquiry deal with principles and common elements isolated from all difference and determination.

Marx considered the abstract method of Classical Political Economy a scientific achievement. Abstraction here plays an important role. "Classical Political Economy", says Marx, "seeks to reduce the various fixed and mutually alien forms of wealth to their inner unity by means of analysis and to strip away the form in which they exist independently, alongside one another. It seeks to grasp the interconnections in contrast to the multiplicity of outward forms" (TSV III p.500). This Marx considers necessary since it leads them to the "inner connection, the physiology, so to speak, of the bourgeois system" (TSV II p.165). The scientific nature of this undertaking resides not so much in the methodological assumptions that are made, but in the coincidence of the needs of production with the capitalist forms of production.²¹ The transitory coincidence of the capitalist forms of production with the development of the forces of production lends the method of abstraction of Political Economy its historical necessity, as well as its scientific character, and also its apparent natural and eternal character.

Smith partly achieves this standpoint as he surveys the bourgeois system. He is able to look systematically for the basis of modern society in labour. Thus he begins by grounding value on labour. At the same time, he tried to study the forms of appearance of capitalist society, to describe and classify these forms. "The one task interests him as much as the other and since both proceed independently of one another, this results in completely contradictory ways of presentation: the one expresses the intrinsic connections more or less correctly,

the other, with the same justification - and without any connection to the first method of approach - expresses the apparent connections without any internal relation" (TSV II p.165). Ricardo does achieve this standpoint as he seeks to explain all economic phenomena on the basis of the theory of value as determined by labour time. Ricardo attempts to reduce the whole of bourgeois society to its underlying principle.

But the historical necessity and scientific character of Classical Political Economy's method of abstraction is itself limited and historically determined. Marx's assessment of this method critically places its forms in the wider context of their content, he links the abstract character of Classical Political Economy to their social theories and the developments taking place in society. Although the abstract procedure of Classical Political Economy leads to the principle of bourgeois society, insofar as this abstract and reductionist method fails to account for difference, it remains one-sided. Marx's critique of the method of Classical Political Economy begins with this awareness. Classical Political Economy fails to integrate back all the elements it had one-sidedly abstracted. This shows up in a number of ways, but Marx puts the emphasis on the inability of Classical Political Economy to explain the appearances of bourgeois society. Having arrived at the principle of bourgeois society via abstraction, Political Economy is unable to explain phenomena in terms of this principle without contradiction. And the appearances of bourgeois society cannot be subsumed under their law.

Also, the radical reductionism of Political Economy treats the "general abstract form as identical with any of its particular forms" (TSV III p.92). The reduction of forms to principles irons out their specific qualities. Thus for Ricardo, surplus value is treated as identical to

profit. The intermediary links and connections are necessarily lost in this reductionist method. Classical Political Economy, says Marx, "often attempts directly, leaving out the intermediary links, to carry through the reduction and to prove that the various forms are derived from one and the same source...classical economy is not interested in elaborating how the various forms come into being, but seeks to reduce them to their unity by means of analysis, because it starts from them as given premises" (TSV III p.500).

These limitations of the method of classical Political Economy are not an accident, but a necessary result of its abstract and reductionist character. Abstraction is by its own nature formal and self-subsisting. It is unable to refer back to relations and processes because its very procedure denies their existence. In fact, this abstract, reductionist method merely expresses the methodological counterpart of Classical Political Economy conceiving of "capital, i.e. production designed to appropriate other people's labour, (not) as a historical form, but as a natural form of social production" (TSV III p.500). This is the fundamental reason why Classical Political Economy fails to subsume economic phenomena under its presumed law. It is of the essence of abstraction that relations are reduced to principles and social relations are mystified as a natural order. The problem with the method of Political Economy does not solely consist in its inability to transverse the space between principles and phenomena but, more fundamentally, in what this is a result of, namely, the method of abstraction. At the same time this method of abstraction is for Marx 'historically necessary' and 'scientific' because it is an aspect of the abstract character of capitalist society itself, and of its aspiring to be production in general.

3. The Method of Classical Political Economy and its
concept of bourgeois society

In the last section I gave a brief account of Marx's fundamental criticism of Classical Political Economy and its method of abstraction, and pointed out that this method is itself an aspect of bourgeois society from which it emerges. Marx's critique of Political Economy also attempts to draw a connection between the method and the general developments taking place in society.

Smith's important contribution to the development of Political Economy is to have related value and wealth to labour, and thus to the productive process.²² He sought to find in labour the source and determination of wealth and value; and in specific quantities of labour, the source and determination of specific values. The merit of this view has to do with putting into a truer perspective the relationship existing between the social process of production and the processes of exchange and distribution, by making production the basis on which exchange and distribution should be determined. Thus, it challenges the latter's apparent independence and self-subsistence. Having taken this crucial step in the direction of a scientific understanding of bourgeois society, Smith's concept of value nonetheless suffers from lack of precision and consistency resulting in an ambiguous notion of value.

Traditionally, this ambiguity has been put down to Smith's failure to develop his argument in a consistent manner, this consistency understood as having a purely discursive nature. I shall argue that this is a one-sided view which can only be fully weighted when set against the context of Smith's social theory. The ambiguity in Smith's concept of

value consists in his subscribing to three different notions of value, notions that are not fully compatible with one another. On the one hand, value appears as determined by the quantity of labour necessary to produce a commodity, or what is the same, the quantity of labour embodied in the commodity. On the other hand, value is said to be determined by the quantity of labour by which the commodity can be exchanged in the market, that is, the quantity of labour the commodity commands in the market. These two conceptualisations of value are usually referred to as the labour embodied, and the labour commanded theories of value. Also, Smith elaborated a concept of value whose determination lies in the addition of the different components of the commodity, namely, wages, profit and rent. This is an extension of the labour commanded notion of value, one which, however, merits separate study due to its incorporation of the 'trinity formula'.²³

The problem for students of Smith has been to make sense of these different concepts of value. Attention should be paid to the historical context which informs Smith's theory. Leaving aside for the moment the 'addition concept of value', it can be argued that in a society of independent producers where the products of labour belong to the producer in their entirety, the labour embodied and the labour commanded notions of value could indistinctly and coinjunctly operate, without posing any major problem.²⁴ The labourer would receive in exchange for his/her products commodities embodying quantities of labour equal to his/her expenditure of labour. In a society of these characteristics the labour embodied in the commodities is equal to the labour these commodities are exchanged for in the market. Also, in a society of these characteristics, an ambiguity in relation to these two notions would not amount to any lack of consistency, but instead,

it would reflect a lack of distinction in real relations. Moreover, it is an accurate reflection of a society where distribution and exchange are immediately one with production.

Smith's society, however, was one in transition from one dominated by the process of formal subsumption of labour under capital, and into the process of real subsumption.²⁵ With capitalist accumulation, the pattern of social reproductive relations changes rapidly, a class appropriates the means of production, effecting as its counterpart the transformation of craftsmen and serfs, into wage-labourers. This process of separation of the worker from the means of production necessitated, in the case of Britain, the formation of a landed gentry, monopolising the land. The worker, who has nothing to sell but his/her labour, becomes a 'factor of production', and his labour power a commodity. Three main classes emerge from this process, the landowners, the bourgeoisie, and the proletariat. Production and distribution are no longer in immediate unity. The worker sells to the capitalist not his labour and the products of it, but his labour power, that is, his ability or capacity to perform work. As an aggregate, the social wage-labourer exchanges his labour power for the necessities of his reproduction, which are less than the aggregate product of its labour. This difference resolves itself into the profits of the capitalists, and the rent of the landowners. The forcible separation of production and distribution expresses itself in the separation of trinity formulas of distribution from labour notions of value.

The essential features of this transition are at the centre of Smith's studies of value and profit. Smith argues that the labour embodied and

the labour commanded notions of value are indistinctly applicable to that "early and rude state of society which precedes both the accumulation of stock and the appropriation of the land" (Smith, 1977, p.150). This identity of production and distribution is also recognised by Smith, as in "this state of things, the whole product belongs to the labourer, and the quantities of labour commonly employed in acquiring or producing any commodity is the only circumstance which can regulate the quantity of labour which it ought commonly to purchase, command or exchange for" (Smith, 1977, p.151).²⁶ This picture undergoes fundamental changes with the accumulation of stock. The capitalist now provides the worker with his/her means of subsistence and raw materials, and expects a share in the products of labour. As a result, "the whole produce of labour do not always belong to the worker"(Smith, 1977, p.152), "something must be given for the profits of the undertaker who hazards his stock in this adventure" (Smith, 1977, p.161). Also, the landowners claim a share in the produce on the basis of their monopoly over the land. "As soon as the land of any country has become private property the landlords like all other men, love to reap where they have never sowed and demand a rent over its natural price" (Smith, 1977, p.152). These developments obviously upset the immediate relationship of the labour embodied and labour commanded determinations of value. The separation of distribution and exchange from production reflects itself in Smith's ambiguity as to the operation of these concepts. He is not completely clear as to whether profits and rent are additions or deductions from the produce of labour. The problem being that if rent and profits are considered as deductions, it follows that the claim of the capitalist and the landowner must have a form of legitimation different from that of labour, that is, they must have their own, separate source of legitimation.

Smith's legitimation of profit as a reward for risk incurred by the capitalist is compatible with profit being considered as a deduction from the produce of labour. This is the case with his idea of profit as a fulfillment of the expectations of the capitalist. Neither Smith, nor Ricardo felt impelled to justify rent.

Smith also argued that profit and rent could be considered as additions to the produce of labour. He argued that with the accumulation of stock the quantities of labour necessary to produce a commodity are not the only factor which determines their value, but an 'additional quantity' must be due for profit and rent, and he concluded that "wages, profit and rent are the three original sources of all revenue, as well as of all exchangeable value" (Smith, 1977, p.155). This concept of value determination is evidently incompatible with the labour embodied concept of value, but can be made compatible with the labour commanded notion of value insofar as the latter breaks away from the immediate unity it enjoyed with the labour embodied notion of value. Thus, it can be argued that the quantities of labour a commodity commands in the market is now greater than - and therefore different from - the quantities of labour expended in the production of the commodity.

The relationship between a theory of value and a theory of distribution and the apparent independence of profit from labour are further obscured with the development of an average rate of profit which relates to the size of capital employed. As Smith observes, the capitalist "could have no interest to employ a greater stock rather than a small one, unless his profits were to bear some proportion to the extent of the stock" (Smith, 1977, p.151). This intensifies the break between

production and distribution, as profit now appears to be determined independently, but also it opens the way for an examination of distribution according to patterns of its own which can be the object of laws.

To sum up, at the centre of Smith's notion of value is the process of separation of production and distribution, as a reflection of changes taking place in society, and this expresses itself in the uneasy relation existing between a labour theory of value, and a trinity formula of distribution. This tension leads in the direction of their apparent independence and self-subsistence as processes.

I have already characterised the transitional character of the processes Smith was describing and studying. Marx's characterisation of these processes emphasises two aspects of it. In the formal subsumption of labour under capital, the latter develops out of productive relations which are not its own product, it includes the proletarianisation of the peasantry and the artisan class, and their incorporation into the market, as well as the other side of the coin, viz., the concentration of the private property over the means of production in the hands of the capitalist class. Smith's characterisation of bourgeois society needs to be located within this context. This can be seen briefly in the changes undergone by the labour process which Smith studies and describes. The manufacture system implies the decomposition of the handicraft into its partial operations, and yet each single operation "retained the character of a handicraft, and is therefore dependent on the skill, strength, quickness and sureness with which the individual worker manipulates his tools" (Marx, KI pp. 457-8). In manufacture,

the means of production are still in the hands of the workers, and technological innovation arise for them and from them.²⁷ Also, and directly related to this, the capitalist was beginning to be defined as a class, but the distance between him and the master of the craft, or the worker for that matter was not so great,²⁸ although it was growing fast.²⁹

In the course of this process, the worker becomes dependent on capital for his/her subsistence, the peasant doubling as part-time craftsman becomes a full-time proletariat. At the same time the profit of the capitalist begins to differentiate itself from the wages of the master, and the interest of the merchant. The development of the three classes workers, capitalists and landowners is paralleled by the separation of the processes of production and distribution, and the apparent independence and self-subsistence of the trinity formula overshadows the labour theory of value.³⁰ The "mystification inherent in the capitalist relation emerges at this point" (Klp. 1021), a process which finds expression in Smith's ambiguity and lack of consistency in his treatment of value, and the one-sidedness of his method.

Smith - argues Marx - "moves with great naïvete in a perpetual contradiction. On the one hand he traces the intrinsic connection existing between economic categories of the obscure structure of the bourgeois economic system. On the other, he simultaneously sets forth in the connection as it appears in the phenomena of competition. One of these conceptions fathoms the inner connection, the physiology so to speak, of the bourgeois system, whereas the other takes the external phenomena of life, as they seem and appear, and merely describes

catalogues, recounts and arranges them under formal definitions. With Smith both these methods of approach not only merrily run alongside one another, but also intermingle and constantly contradict one another" (TSVII p.165). Marx is here referring himself to the ambiguity which besets Smith when determining the relation between the processes of production and distribution, as discussed above. This ambiguity consists in that Smith argues that labour is the source of all wealth, and thus places the production process as the central factor in determining values, while at the same time he presents the process of distribution as independent from the process of production in the guise of an 'adding up theory of value', together with a subjective notion of profit, where the latter is seen as unrelated to value and surplus-value.

The methodological issue here also has to do with the relationship of essence and appearance, or the relationship of the intrinsic forms of bourgeois society to their form of appearance. Marx criticises Smith for not seeking to understand any systematic relation between the two - which is for Marx a distinctive feature of a proper scientific enquiry. Smith's approach is also limited by his philosophical assumptions. This is certainly the case with his belief in the individuality of being, and the difficulties that arise from this perspective in attempting to study relations and processes. Also, the search for a common denominator, or abstract principle capable of explaining all the phenomena of society seem to encounter all sorts of difficulties when applied to the question of the consequences of the accumulation of stock on the social forms

of intercourse. Essentially, Smith fails to represent adequately the process of transition from the formal subsumption of labour under capital into the process of real subsumption. The only attempt to understand the system of social relations is fraught with the limitations of the abstract reduction to law, as well as the difficulties in reconciling the law with phenomena. But the problem does not lay solely in Smith's philosophical presuppositions, as the contradictions of his understanding of the development of bourgeois society, and of his method, need to be set in the context of the processes he was trying to grapple with.

Marx sees Ricardo's contribution to Political Economy earmarked in the tendencies and problems Smith had confronted. Ricardo, argues Marx, "steps in and calls to science: Halt", before undertaking a rigorous examination of the foundation upon which Political Economy was developed. He concludes that the principle of political economy is the determination of the value of particular commodities by the labour time necessary for their production.³¹ On the basis of this principle, Ricardo goes on to examine "whether the other economic relations or categories contradict this determination of value or to what extent they modify it" (TSV II p.164).

Ricardo's method is therefore characterised by his singling out of the principle of bourgeois society. The simplicity of this method has often led to the description of his contribution as consisting solely in the introduction of logical consistency into Smith's ambiguous notions of value. A problem-solving type of intellectual continuity is thus easily established between them. Marx's methodological critique of Ricardo, in contrast, attempts to make explicit what is specific to

his contribution by relating Ricardo's methodological presuppositions to his view of modern society. If the contradictions and ambiguities found in Smith are said to be the methodological counterpart of the contradictions of his conception of bourgeois society, and of the tendencies identified by Marx as the process of transition from the formal into the real subsumption of labour under capital, Ricardo's method and its limitations correspond to the process of real subsumption of labour under capital. This process is characterised by the reproduction of capitalist relations on the basis of the products of capital itself. Capital here appears to develop out of itself, and from itself as its own preconditions.³² Again, it is necessary to place Ricardo's method within the context of his conception of capitalist society. According to Marx, Ricardo's relation to Smith is irreducible to mere logical consistency; instead, it reflects a wider, and more complex set of relationships.

Crucial to the development of the process of real subsumption is the development of the factory system, and the consequent spreading up of the separation of the workers from the means of production. New technology is introduced, but now, this does not directly arise from the workers, neither works in their support, but instead it is directed to replace workers, speed up production, and introduce a new, essentially capitalist, discipline in the labour process.³³ At the level of phenomena of society, capital acquires an objective form in machinery and the factory system, and therefore, it begins to appear alongside labour as a source of value. Capital appears to reproduce itself on the basis of its own preconditions. As Marx describes it, with the 'production of relative surplus value the entire real form of production

is altered and a significantly capitalist form of production comes into being... the mystification implicit in the relation of capital is greatly intensified here" (KI p.1024).

For Marx, Ricardo's method is an aspect of his understanding of bourgeois society. As Marx puts it , "Ricardo's method is as follows: he begins with the determination of the magnitude of value of the commodity by labour time and then examines whether the other economic relations and categories contradict this determination of value or to what extent they modify it. The historical justification of this method of procedure, its scientific necessity in the history of economics, are evident at first sight, but so is, at the same time, its scientific inadequacy. This inadequacy not only shows itself in the method of presentation (in a formal sense) but leads to erroneous results because it omits some essential links and directly seeks to prove the congruity of the economic categories with one another" (TSV II pp.164-5).

Marx sees the 'scientific necessity' of Ricardo's method as resting upon the consideration of value as the principle of bourgeois society, but this also implies that Ricardo treats capitalist production as production in general, that is, as natural. "He wants production for the sake of production and this with good reason... production for its own sake means nothing but the development of human productive forces, in other words the development of the richness of human nature as an end in itself" (TSV II p.118). To the extent that Ricardo's conception favours the interests of the industrial bourgeoisie, and that the latter's interests are temporarily coincidental with the interest of the species, Ricardo's viewpoint assumes historical necessity.

Ricardo's principle is this, that "the value of a commodity, or the quantity of any other commodity for which it will exchange, depends on the relative quantity of labour which is necessary for its production" (Ricardo, 1926, p.5).

I have already argued that Smith had arrived at the concept of value by placing labour at the source of social reproductive relations in society. As he found this to be inconsistent with the growing accumulation of capital, he moved away from his emphasis on the production process, and into the adding up concept of value, which rested firmly on the distribution process. In fact, Ricardo's approach to the question of value shows important differences with Smith's, especially as he approaches the question of value not from the perspective of 'An enquiry into the nature and causes of the Wealth of Nations', but instead, "to determine the laws which regulate this distribution (rent, profit and wages) is the principal problem in Political Economy" (Ricardo, 1926, p.1).³⁴

There are several clarifications to be made in connection with this principle. Firstly, Ricardo is concerned with variations in the exchange value of commodities, and therefore, he is merely concerned with variations in the magnitudes of value of commodities in exchange.³⁵ Ricardo is concerned exclusively with relative values. But, as Marx points out, Ricardo never investigates the substance of value, nor the form of value. He does not examine why and how are two different kinds of labour reduced to relative magnitudes, and he never examines why it is that the quantities of labour assume the form of values.³⁶ Ricardo's study of value is made from a purely technical point of view, having assumed that relative values are determined by quantities of labour, he never bothers to examine

how and why this comes about. His concern is not with the way in which values are formed, but with determining some measurement for the changes in value of commodities.

These problems with Ricardo's notion of value are a reflection of his reduction of value to an ahistorical, eternal principle, as a pure relation of magnitude between different commodities, and therefore, a purely technical relation.³⁷ Ricardo fails to see that value is an expression of specific, historically determined socially reproductive relations, where labour is carried out by independent producers, and whose production is regulated through the exchange of their commodities in the market. Thus social relations of production take the form of relations between commodities in the market.

Furthermore, the principle of value must of necessity undergo fundamental modifications with the development of capital, and the separation of the worker from the means of production. I have already argued, when dealing with Smith, that the separation of production and distribution, and the development of the trinity formula of distribution, reflecting the formation of three classes in society, leads to the apparent independence of the forms of distribution. Here, the determinations of value change into their opposite, as the labourer produces not only value, but also surplus value, which is manifested in profit and rent. These forms of distribution appear to assume a form of being independent from value. These transformations led Smith to his supposed ambiguity, proposing different determinations of value. For example, there arises the problem of how to make compatible a theory of value with average rates of profit, that is, how is it that capitals of equal magnitude,

but employing different quantities of labour, can expect to draw equal amounts of profit? Ricardo does not deal with these contradictions, since he immediately subsumes all the phenomena of capital, and among others, the forms of distribution, directly under the assumed principle.³⁸ This is because Ricardo assumes from the outset the developed conditions of capitalist production, and therefore, he assumes a general rate of profit. "Instead of postulating this general rate of profit, Ricardo should rather have examined how far its existence is in fact consistent with the determination of value by labour time, and he would have found that instead of being consistent with it, prima facie, it contradicts it, and that its existence would therefore have to be explained through a number of intermediary stages, a procedure which is very different from merely including it under the law of value" (TSV II p.174).

In conclusion, Ricardo assumes the principle of bourgeois society to be the determination of exchangeable values by labour time. This principle could lead into the 'physiology' of the capitalist mode of production, but is not adequately explored by Ricardo, for whom it remains not a category of the production process, but a category of exchange. Ricardo examines neither the form, nor the substance of value, but only its magnitude, and then proceeds to subsume under its principle all the other categories and forms of bourgeois society.³⁹ Thus for Marx, Ricardo's Principles 'suffer from faulty architectonics', having postulated the principle of value, he immediately goes on to postulate the whole of capitalist society. Thus, from the very outset in the first chapter of the Principles "not only are commodities assumed to exist but also wages, capital, profit, the general rate of profit and even, as we shall see, the various forms of capital as they arise from

the process of circulation" (TSV II p.168).

In the light of what has been argued, Marx's methodological criticisms of Classical Political Economy can be said to be centred upon the intrinsic limitations of the latter's method of abstraction. This contradicts traditional accounts stressing an immediate line of continuity between Classical Political Economy and Marx's concept of method,⁴⁰ and in particular, a direct line of continuity between Ricardo's method of abstraction and Marx's method.⁴¹ Furthermore, it suggests that Marx is critical of abstraction itself, rather than merely with Ricardo's use of it. It also suggests that Marx's criticisms point to the fact that his method is not grounded on a method of abstraction, but, instead, on a critique of abstraction.⁴²

It is true that Marx praises Ricardo's method of abstraction as 'historically necessary' and 'scientific'. As he puts it, "Ricardo...consciously abstracts from the form of competition, from the appearance of competition, in order to comprehend the laws as such" (TSVII p.106). Moreover, Marx castigates Ricardo for not being abstract enough. Ricardo, he argues, "must be reproached for not going far enough, for not carrying his abstraction to completion, for instance when he analyses the value of a commodity, he at once allows himself to be influenced by considerations of all kinds of concrete conditions. On the other hand," Marx continues, "one must reproach him for regarding the phenomenal form as the immediate and direct form of exposition of the general laws, and for failing to interpret it. In regard to the first, his abstraction is too incomplete, in regard to the second, it is formal abstraction which in itself is wrong" (TSV II p.106). Marx's assessment of Ricardo has been

traditionally interpreted as suggesting that between these two forms of abstraction lay a third, a correct, his form of abstraction. My argument has tried to show that this interpretation is mistaken, and that a different interpretation is possible, viz., one that studies Marx's method as a critique of abstraction.

I have argued that Marx's criticisms of the method of Ricardo centre upon the latter's method of abstraction, i.e., his reductionism, his inability to relate principles to phenomena, his inability to reveal the social relations behind the technical concepts, his inability to develop a historical account of society, his failure to reveal the interconnections between the abstractions and the real world. All these are criticised by Marx as a necessary result of Ricardo's method of abstraction.⁴³ Marx's methodological critique of Political Economy constitutes an element of his critique of abstraction.

CHAPTER 2: HEGEL'S CONCEPT OF METHOD

Marx's indebtedness to Hegel is explicitly recognised throughout his writings. In particular, his defence of Hegel in the Preface to the Second German Edition of Capital Vol. I shows that this extends also to his later writings and thought, but also, that the crucial relation between Hegel's philosophy and his concept of capitalist society is to be sought in the question of method. Having criticised those who treated Hegel as a 'dead dog', Marx goes on to state, "I therefore openly avowed myself the pupil of that might thinker, and even, here and there in the chapter on the theory of value, coquetted with the mode of expression peculiar to him. The mystification which the dialectic suffers in Hegel's hands by no means prevents him from being the first to present its general forms of motion in a comprehensive and conscious manner. With him it is standing on its head. It must be inverted, in order to discover the rational kernel within the mystical shell" (KI p.103). Despite the definite air of this assertion, the determination of the rational kernel in Hegel's dialectic did not receive a clear formulation in Marx.¹ Rather, Marx's relation to Hegel's philosophy can be best described as a continuous struggle, present throughout Marx's work, yet never managing to obtain his undivided attention. Although flashing through at several - crucial - points, this relation remained in the background of Marx's study of the laws of motion of capitalist society.

It is not surprising, therefore, that the question of Marx's relation to Hegel has tantalised several generations of Marxists; interminably rehearsing Marx's and Engels' arguments and their itinerary, forever

probing into their methodological and philosophical worthiness, and developing entire philosophical outlooks out of the few available remarks. These contributions have greatly clarified the issues involved. In terms of my preoccupation with method, however, I want to briefly mention three areas where the study of the relation between Marx and Hegel has been somewhat limited, resulting in a definite approach to method which I have criticised in the Introductory Remarks.

Firstly, I would like to argue that advancement of our understanding of this relation has been hindered by the widely held view that Marx's critique of Hegel was, to a large extent, completed in his Early Writings.² In fact, the Early Writings do not exhaust the wealth of mediations of Marx relation to Hegel. Moreover, because they constitute only a part of Marx's own development, they cannot be made to stand on their own, outside their particular station within Marx's theoretical development as a whole.

Secondly, the view that Marx had successfully completed his critique of Hegel in the Early Writings assumes that Marx faced the study of capitalist society with a well-developed philosophical outlook. It is argued that Marx's superiority over classical Political Economy consists in his prior conversion to the dialectic, which he successfully applied to economics. I have already argued against this contention above.

Thirdly, students of this question have failed to develop an understanding of Hegel's philosophy as a totality, a unity comprehending his political and social philosophy, as well as the philosophy of nature and logic. In particular, the relationship existing between Hegel's social and political

philosophy and the logic have not received adequate attention. This is a consequence of the conception of dialectic as an appliance, and as epistemology. To a large extent, the artificial separation of the Logic from Hegel's views on bourgeois society legitimises the lifting of the dialectic out of its social context, as a set of rules of knowledge in general.

These are the three areas in which the study of the relation of Marx to Hegel is limited. The problems introduced here point towards the fundamental problem of the limitations of an epistemological approach to the question of method. Conceiving of the method as epistemological leads to the failure to pose all these questions. If the method is considered as a set of abstract and normative concepts determining a priori the possibilities of knowledge, a discussion of method need not be related to social theories or historical developments. If the method is conceived of as essentially epistemological, then Hegel's dialectic can be discussed in isolation from specific social forms. If the method is not understood as arising from, and being determined by, its subject-matter, both historically and theoretically, then the discussion of Marx's method is made dependent exclusively upon a prior philosophical standpoint. Instead, I shall argue that the understanding of Marx's relation to Hegel, and in particular, their methodological connection, depends upon an understanding of Hegel's method on the basis of its role and place in his philosophy as a whole, and particularly his conception of society and its forms.³ It will be clear from a consideration of Hegel's philosophy that the method is constituted by the essential forms of the subject-matter, and that since Hegel's subject-matter is bourgeois society, his method is necessarily connected to the essential forms of society and their systematic organisation.

As I pointed out in the Introduction to Part I, this chapter is not intended as an enquiry into intellectual sources, but an attempt to establish the possibility of the study of Marx's concept of method not as a method of abstraction, but as grounded on critique of abstraction. This chapter therefore does not deal with the methodological aspects of Marx's relationship to Hegel, but, instead, it attempts to concentrate on developing Hegel's concept of method. Hegel places his method as an aspect of his philosophy as a whole, and as arising of the essential forms of his subject-matter. In this sense, Hegel's concept of method must be examined in opposition to epistemology and abstraction.

1. Hegel's concept of bourgeois society

The process of consolidation of capitalism in Germany had as its main contradiction that existing between the need to develop German society along capitalist economic forms, and the need to unify it into a simple nation-state. The specific dynamics of early capitalist consolidation in Germany show that these requirements were in fundamental contradiction, since the most important obstacle to capitalist development was constituted by Germany's political and economic fragmentation.⁴ This political and economic fragmentation was a consequence of the uneven transformations brought about by the 13th century trade revolution. In the South and West, it effected a rapid process of transformation away from purely personal relations of dependence, and into hereditary forms of ownership; as well as the flourishing of free towns, the rise of a merchant class and the emergence of a threefold differentiation in the countryside of absentee landowners, independent farmers and the peasantry. In the North and East, the

development of hereditary forms of ownership brought about the strengthening of the power of the nobility, and its increasing identification with the state. By the 16th century, these trends were halted and reversed. The opening of overseas trade, the blocking of the Danube by the Turks, etc., undermined this process of transformation with uneven effects. In the South and West this resulted in economic stagnation and political conservatism. The spread of commodity production had broken down feudal rule, but it had failed to develop in full a process of homogenisation of social relations. The result was "a multiplicity of small cities amidst a maze of dwarfish princedoms" (Anderson, 1974, p.250). In the North and East, the outcome was the emergence of a distinct ruling class, the Junkers, rapidly assimilated to the state. As a cohesive class, directly involved in production, and with strong egalitarian elements, the Junkers provided the class base for a homogeneous, hegemonic rule.⁵

Thus, the consolidation of German capitalism required the mediation of the developed economic conditions of the South and West, and the strong political centralism of the North and East. This mediation was the consequence of the changes brought about by the wars with Revolutionary France. In the South and West, French occupation sparked off a swift development of capitalist relations, homogenising the region. In the North and East, it prompted a process of reforms which included the abolition of hereditary serfdom, the institution of local government in the towns, the centralisation of state intervention in economic affairs, and the increasing embourgeoisment of the junkers. A new pattern of social relations emerges, predominantly capitalist in nature.

The reaction which followed these reforms, far from being a return to feudalism expressed the consolidation of capitalism in Germany. This is the character of the changes imposed, for example, upon the peasantry and the artisan class after 1906. The emancipation of the peasantry led to a rapid increase in the concentration of land ownership. As Mehring points out, "the whole emancipation cost the peasantry 1,533.050 morgen of land, 18.544.768 talers in capital payment, and a further 1,599,992 talers and 260.069 bushes of corn in annual rent" (Mehring 1975, p.153). Similarly, the impoverishment of the artisan class was the direct counterpart of the transformation of the guild into capitalistically exploitative manufacture. The emergent bourgeoisie was promptly assimilated to the ruling class. In Germany, paraphrasing Garaudy, the bourgeoisie achieved political power not through a social revolution, but via the infiltration of the state.⁶ Hegel's philosophy has these social forms as its subject-matter. He argued, in contrast to those who fervently expected a social revolution, that the transition to modern society had already taken place in Germany, and therefore he saw his task as that of understanding the new society. That this trend is more pronounced in his later writings - such as the Philosophy of Right - is no accident, as it reflects the consolidation of bourgeois forms.⁷

In order to outline Hegel's conception of bourgeois society, I shall concentrate on the question of the relationship of civil society to the state. Hegel's discussion of civil society and the state centres around the forms and limits of bourgeois society, and studies the nature and character of these limits. For Hegel, the central contradiction of civil society is that existing between the individual pursuing his/her own ends, and the community, viz., the contradiction between the person and

the citizen. In civil society this contradiction appears as a dichotomy, the person and the citizen being two aspects of the individual, but appearing as two different worlds, necessarily incompatible with one another. Hegel examines this central contradiction by discussing the different attempted mediations between these two worlds and, by looking at the specific forms of civil society, he posits the supersession of this dichotomy and the realisation of the true community.⁸ Hegel is therefore concerned to single out the development of a conception of social interaction out of the isolation of the individual - when I say the development of a conception or concept, I mean not only the development of an awareness of an object, but also, the transformation of the individual and his/her object into the social being, and the systematic interaction of reproductive relations.

Before entering into an examination of civil society, Hegel discusses the standpoints of Property and Morality as they attempt to provide the individual with a lift into social self-consciousness. Hegel posits the limits to these standpoints. Private property represents a system of social relations where the will of the individual is expressed in and through things. In property, argues Hegel, "my will has a definite existence in the thing" (Ph.M. p.244). Contract is the mediation of wills through things which results in the confounding of the natural qualities of the thing with the social forms they express in their interaction. "In this way is put into the thing or performance, a distinction between its immediate, specific quality and its substantial being or value - meaning by value the quantitative terms into which the qualitative feature has been translated. One piece of property is thus

made comparable with another and may be made equivalent to a thing which is (in quality) wholly heterogeneous. It is treated in general as an abstract, universal thing or commodity" (Ph.M p.245). In property, the individual wills are expressed in the abstraction of things and their commensurability. Morality represents the attempt by the individual to impose upon the rest his/her own values as a limited form of achieving some degree of communality. This effort stops short of its goal since in moral action the individual remains so in nature. This is evidenced in the dual limits of morality, namely the existence of unintended consequences, and self-profiting as the motivation of individual action. For Hegel, morality results in a variety of intentions.

Having shown the limits of these two standpoints Hegel goes on to examine civil society which he describes as a conglomerate of individuals pursuing their own moral and material interests. In order to locate the contradictions of civil society and its limits, it is necessary to move beyond the standpoints of Property and Morality, that is, behind the individuality of moral action, and the thing-like expression of wills in exchange. Hegel is concerned to find in civil society the forms of communality shown in its dynamics, for behind the appearance of pure individuality characterising civil society, and its atomistic nature, where individuals "have in their consciousness and as their aims not the absolute unity, but their own petty-selves and particular interests" (Ph.M.p.256), there takes place, nonetheless, a process of mediation where "the substance is reduced to a general system of adjustments to connect self-subsisting extremes and their particular interests" (Ph.Mp.257). Hegel's attempt to analyse civil society beyond the mere appearances of individual moral actions and intentions⁹

together with the abstractness of exchange, is rewarded with an inkling into the growing economic interdependence of the System of Needs, the development of the division of labour, and its necessary counterpart, viz., the growing homogenisation of labour.¹⁰

This view of Hegel's of civil society and its place in bourgeois society owes a great deal to the Classical Economists Smith, Stewart, and the historian Ferguson, all of whom Hegel had read and discussed.¹¹ Hegel's characterisation of Political Economy is not far from Marx's. For Hegel, "Political Economy is the science which starts from this view of needs and labour but then has the task of explaining mass relationships and mass movements in their complexity and their qualitative and quantitative character. This is one of the sciences which has arisen out of the conditions of the modern world. Its development affords the interesting spectacle of thought working out the endless mass of details which confront it at the outset and extracting therefrom the simple principles of the thing, the Understanding effective in the thing and directing it" (Ph.N. p.127). Hegel's sympathy with Political Economy is effected by the latter's ability to discover regularities and extract laws out of the apparent arbitrariness of civil society.¹² At the same time, Hegel firmly describes Political Economy as a science of the Understanding, that is a science which is yet to develop into a dialectical form, one which remains at the level of facts and thinghood as opposed to relations.¹³ Also, Hegel wants to say that Political Economy is a science of civil society which remains tied to civil society and its forms, such as the abstractness of exchange and the variety of moral intentions. Political Economy is the field "in which the understanding with its subjective aims and moral fancies vents its discontent and moral frustration" (Ph.R p.127).

Given Hegel's concern with the development of communality, it is not surprising that he does not go into a more detailed examination of Political Economy, i.e., into the mechanism of prices, the market, distribution and circulation, etc. Rather, he is concerned to bring out the essential forms of civil society, as well as the contradictions at work in it.¹⁴ This can be studied in Hegel's view of the relation of civil society and the state.¹⁵

The problem here is how to reconcile the individualism and atomism of civil society, with an organic conception of the state as embodiment of true communality.¹⁶ I want to argue that Hegel approached this question with a two-fold concept of state, which, unfortunately, has not been adequately brought out by commentators on Hegel. One concept of the state refers to the 'state institutions', or 'state apparatuses', such as Administration of Justice, Police, Corporation, and Formal Right. This is referred to by Hegel as 'state external'. This reflects forms of communality out of civil society, but it is still immersed in particularity and therefore appears as external to the individuals themselves, as an external superimposition, or superstructure. The second concept of state refers to the state as true communality, and it is, in contrast to the state external, not very well developed by Hegel.

Hegel's development of the concept of the state from civil society refers exclusively to 'state external'. Here, Hegel's view of bourgeois society advances beyond that of Political Economy, mainly because Hegel conceives of civil society neither as an eternal nature of men, nor as harmonious and devoid of contradiction. Smith's 'hidden hand' reflects

the view of a society which ruled by the laws of the market place would create the conditions for the development of mankind in a harmonious way. Although Smith admitted to the existence of contradictions in civil society - mainly as a result of competition - his pessimism as to the infallibility of the market only went as far as predicting a stagnant, but contented society. If there was history, it had achieved its fulfillment in the market. For Hegel, civil society is essentially contradictory and limited. Although it represents the material embodiment of individuality in modern times, the fulfillment of individuality in civil society is impossible unless brought under the totality of universality and reason. The first individuality is one-sided, the second, a part of the whole. Not only does "the machinery of social necessity leave in many ways a casualness about this 'men's wants' satisfaction" (Ph.M. p.263), but it also affords "a spectacle of extravagance and want as well as of the physical and ethical degeneration common to them both" (Ph.R.p.123). The dynamics of civil society, its communality, has its own internal limits and contradictions, since "the onward march of this necessity also sacrifices the very particularity by which it is brought about, and does not itself contain the affirmative aim of securing the satisfaction of individuals" (Ph.M. p.263).



Hegel not only locates the contradictions of civil society in the inner limits and contradictions of its own dynamics, but he also attempts to develop the elements of communality which coexist with, and are presupposed by, the individualism and atomism of civil society. In this sense, Hegel takes distance from the romantic critique of bourgeois society insofar as he is able to understand the progressive elements of

civil society. Hegel is concerned to project these developments in the direction of communality, onto the 'state external'. For Hegel, the differentiation and atomism of civil society rests upon, and presupposes, the existence of the state, thus, the "developed totality of this connective system is the state as civil society, or 'state eternal'" (Ph.M. p.257). The state external reflects out of civil society the tendencies towards universality present within it and attempts to expand them in the shape of "an institution which assumes on the one hand to the concrete of civil society, the position of an external universality" (Ph.M. p.263). Hegel's description of formal right illustrates the way in which the state external is a reflection of civil society, when civil society has "matured enough through the operation of natural need and free option a system of universal relationships and a regular course of external necessity, the principle of causal particularity gets that stable articulation which liberty requires in the shape of formal right" (Ph.M. p.259). It is crucial to fully appreciate that Hegel's development of the forms of state external as a reflection of civil society poses these forms as essentially historically and socially determined, and as arising out of, and being presupposed by, civil society. ¹⁷

At the same time, the 'state external' does not amount to true communality because it remains within the realm of particularity, and insofar as it is a reflection out of civil society, and its necessary counterpart, 'State external' does not amount to a supersession of civil society, but it embodies in an objectified and external form, the extension of civil society's social tendencies. Is there in Hegel's account any conception of communality which overcomes the limitations

and contradictions of civil society and 'state external'? Traditional accounts have replied to this question - which is anyway seldom posed - in the negative. Marx's own early critique of Hegel's philosophy of Right also partakes of this tradition. The essence of Marx's critique of Hegel objects to the latter's hypostasis of men in the concept of the state. I cannot discuss here the problems connected with this interpretation. In general, it seems to me that in order to fully understand Hegel's conception of the relation of civil society and 'state external', one has to take into account Hegel's insights into the workings, and limits of bourgeois society. A study of the kind outlined here would necessarily lead to the conclusion that civil society and the 'state external' are forms of a society which is yet to achieve true communality, even though the tendencies leading to it are already manifested within them, in particular in their limits, I would also argue that these implications did not escape Hegel. Consider the following passage: "Because the substance is the absolute unity of individuality and universality of freedom, it follows that the actuality and action of each individual to keep and to take care of his own being, while it is on the one hand conditioned by the presupposed total in whose complex alone he exists, is on the other a transition into a universal product" (Ph.M. p.254). In the light of my argument, I would be inclined to argue that this passage shows - as many others do as well - an inkling into true communality, the State with a capital 'S', leading beyond civil society and the state external on the basis of the working out of their own contradictions.¹⁸

Hegel was unable to define the nature of this 'transition into a universal product' further. Conditions prevalent in Germany at the

time might not have been conducive to this, although he was familiar with social and political developments in England and France. Two areas of Hegel's thought directly show this limitation. In the first place, Hegel failed to conceptualise the dynamics of civil society and 'state external' in their essential form, viz., as class contradictions. Hegel discusses this in relation to the Estates, and the Corporations. Hegel's analysis of classes in the section on the Estates is purely descriptive. He distinguishes three estates or classes: the peasantry or substantial class, the bourgeoisie or reflected class, and the bureaucracy or thinking class. At most, this represents an uncritical formulation of conditions in Germany at the time. The peasantry did constitute 80% of the population and effectively sustained the whole nation. The bourgeoisie did act as an independent class within the limits of civil society. The bureaucracy did play an important role in the economic and political unification of Germany. But these distinctions are not discussed further, nor does Hegel attempt to anchor them in the social reproductive relations.¹⁹

In the section on the Corporations, Hegel examines the organisation of one class, the labouring class. The corporations are a more advanced - perhaps the most advanced - communal mediation within civil society. Here, "the particular citizen in his private capacity finds the securing of his stock, whilst at the same time he in it emerges from this single interest, and has a conscious activity for a comparatively universal aim" (Ph.M.p.263). In the corporations, the study of the labouring class is nearer the social reproductive relations at the core of civil society. In their action, the corporations already foreshadow the tendencies towards the overcoming of the atomism and

one-sided individuality of civil society, and the externality of the one-sided universal, or 'state external'. But Hegel, again, does not go beyond this formulation.

By failing to conceptualise class relations as the core of civil society and 'state external', Hegel is restricted in his study of the tendencies leading to their supersession. It is also clear that Hegel was concerned with the role the German state played in the unification of the nation. I think that the view that Hegel transforms the state into the fulfillment of the idea, outside, or above, civil society,²⁰ misses the crucial distinction between 'state external' and 'State' as true communality I have been at pains to point out. Nonetheless, even within this perspective, it is clear that the apparent autonomy of the state, as the embodiment of the purely social tendencies of civil society - I refer here to 'state external' - requires further clarification and study.

In conclusion, I have attempted to discuss the central aspects of Hegel's understanding of bourgeois society, especially the question of the relationship of civil society to the state. Hegel shows a penetrating understanding of the forms, as well as the contradictions of bourgeois society, understood as civil society and the 'state external'. He draws from Political Economy a conception of the nature and importance of civil society, while at the same time developing an appraisal of its contradictions and the tendencies leading to its supersession. Hegel's account of bourgeois society is presided upon by the need to ascertain the forms of the emergence of true communality from the atomistic character of civil society. This is also another way of expressing Hegel's search for the totality and

its expressions. This is at the centre of Hegel's study of bourgeois society, as a process and organic unity, yet not devoid of contradictions.²¹

2. Hegel's Philosophy as a whole

Hegel's 'System of Science' (System der Wissenschaft), in the form it was originally envisaged, consisted of two parts. The first part was the Phenomenology of Spirit, published in 1807. This was to be followed by a "second part containing logic and the two concrete (realen) sciences, the Philosophy of Nature and the Philosophy of Spirit" (Sc.L. p.29). Later, this proposed system underwent two important changes. Firstly, the title of the system was dropped. Secondly, as a consequence of the growing size of the Logic - which led to its being published separately in three parts in 1812, 1813 and 1816 - Hegel did not follow up the Logic with the Philosophy of Nature and of Spirit, but instead published the Encyclopedia of the Philosophical Sciences in 1817 containing a shorter Logic, a Philosophy of Nature and a Philosophy of Spirit. The Encyclopedia was reedited with the Zusatze in 1827.

The Phenomenology of Spirit conveys Hegel's attempt to review and assess in a critical form the entire intellectual achievements of the epoch, building up to a position where his own philosophical system could be shown in all its necessity.²² Hegel's reviewing does not integrate all ideas and contributions into a 'single argument', thus the Phenomenology does not form a structured whole as the Logic does. Rather, the Phenomenology consists of several separate, though not necessarily unrelated, interventions in a number of fields.²³

Hegel does not retreat from establishing connections between the different areas, and the last section on the Absolute Idea attempts to summarise all the developments of the Phenomenology, but the latter remains, nonetheless, a collection of different studies pointing to their unity. In broad terms, though, the Phenomenology does possess a general direction. It begins with an object and reports its rise to subjectivity, a process that takes place through its opposition to another object. The results of this process are the existence of two subjects which confront each other. The Logic begins with an examination of the subjective relations which constitute the result of the Phenomenology. Following the intersubjective relations of its beginning, the Logic arrives at the position of a single subjectivity or totality. The relations between subjects of the Doctrine of Being become reflections of a single subject in the Doctrine of Essence - i.e., reflections of this single subjectivity within itself. Thus reflections replace relations. Finally, the Philosophies of Nature and Spirit reveal the self-distinctions and self-mediations of this single subjectivity in the areas of nature and society respectively. This single subjectivity is variedly denominated as Spirit, Notion, Idea, Reason and Concept. For Hegel, it constitutes the entire subject-matter of philosophy, and the content and form of his system. Consequently, no simple explanation or definition of it can, or should be, attempted here, since the system as a whole is its clarification. One point should, however, be made concerning this single subjectivity, particularly on account of the emphasis shared by traditional interpretations. It should be stressed from the outset that this single subjectivity is closely related to, dependent upon, and a reflection of, Hegel's conception of society along the lines discussed in the previous section.

I shall discuss this throughout this chapter.

It is important to clarify Hegel's concepts of subject and subjectivity lest the summary of Hegel's system presented above remains unintelligible. I have stressed the distinctiveness of the enterprise of the Logic, as the development from intersubjectivity to a single subjectivity. For Hegel, the result of the Phenomenology and the beginning of the Logic rest upon the relationship of opposing subjects. Thus, he claims that the Logic begins with the relationship of Science to itself. The Logic begins with the science which knows itself to be a process, a subject, because its opposite is also a subject, and consequently relation to another is relation to self, their differences being purely of content. This is the crucial distinction between the Phenomenology and the Logic. As opposed to the Phenomenology, the moments in the development of the Logic "no longer fall apart into the antithesis of being and knowing, they are the True, in the form of the True, and their difference is only the difference of content. Their movement which organises itself in this element into a whole, is Logic, or speculative philosophy" (Ph.p.22). Hegel stresses that in the Logic the different moments are posed as parts of the whole, this being its distinctive characteristic. But in order that this movement towards a single subjectivity be made possible, the subjects must overcome their one-sided condition of being subjects vis a vis objects. This is the station of the subject as a knower, and is considered for Hegel only part of the movement, a limited moment which must be overcome. For Hegel, therefore, subject and subjectivity have an import which cannot be reduced to the knower, or subject in the epistemological sense. This requires elucidation, in particular when set against the background of modern, essentially

epistemological, conceptions of subjectivity. As it can be seen from the passage quoted above, an elucidation of Hegel's notion of subjectivity is, at the same time, a prolegomenon to his Logic.

The wider implications of Hegel's notion of subjectivity can be identified in all their radicalism when set against Kant's notion of subject and subjectivity. Since I have already touched upon this in the Introductory remarks, I shall here restate my argument briefly. The starting points for Kant's Critical Philosophy were, on the one hand, the premiss that everything in experience is particular, and on the other, the notion that the True must necessarily be Universal. His argument was that it is impossible to know the True, since universal, and therefore unconditioned and undetermined. To know is essentially to condition, and determine, and it follows almost by definition, that the True, or Universal, is unknowable.

The strict separation of the Universal from the Particular has a further, important, consequence for philosophical enquiry. As the phenomenal forms cannot be said to be grounded in the Universal, for how can the particular arise from the universal?, the finite from the infinite?, the conditioned from the unconditioned? If the thing for us cannot in any way be said to originate from the thing in itself, the inescapable consequence is that the phenomenal forms must, of necessity, originate in us. This results for Kant in a "new method of thought, namely, that we can know a priori of things only what we ourselves put into them" (Kant, 1965, p.23). Thus, the true object of philosophical enquiry is constituted by our own forms of knowledge.

The phenomenal forms cannot be known to be connected to their essential being, as the Universal cannot be conditioned. Instead, "pure intuition is nothing but the mere form of sensibility which precedes the real appearances of objects, in that only through it are they in fact made possible. The forms of knowledge are therefore projected into the world and return, filled in with content as Experience" (Kant, 1965, p.23). Philosophical enquiry is thus reduced, insofar as its subject-matter is concerned, to our forms of knowledge, i.e., into a monstrous epistemology, since only our knowledge can be known. Kant's Critical philosophy is concerned to reduce the object of philosophical enquiry to the determination of the possibilities of cognition.

From this it can be seen that Kant's philosophy accords a prominent role to the subject, as the creator of his/her world, but only in its capacity as knower, since it is precisely this quality which organises, and to a large extent, creates his/her world. This is further developed in Fichte's philosophy. In sum, the notions of subject and subjectivity are, within the confines of Kantian philosophy, reduced to the knower and his/her forms of knowledge. Two points arise from this. Firstly, it is quite clear that this subject is largely presupposed to be so, i.e., the becoming of the subject is absent from Kantian philosophy, it is rather an eternal, ahistorical assumption. Secondly, the categories and concepts advanced by the knower - given the separation of form and content - are also given, and are as such, abstractions.²⁴

"In my view, which can be justified only by the exposition of the system itself, everything turns on grasping and expressing the True, not only as Substance, but equally as Subject" (Ph.p.10). This is the programme of Hegel's philosophy, viz., to show that Substance is Subject, or

or what is the same, is in truth actual only insofar as it is the movement of positing itself, or is the mediation of its self-othering with itself" (Ph.p.10). From this, it is clear how crucial is Hegel's notion of subjectivity for the whole of his philosophy, as well as how different is his notion from Kant's. For Hegel the process of self-othering which determines the actuality of being can be represented by saying that this being is subject, that is, a process of self-relation and reflection. From this it follows that the show of this being consists in its own process of self-mediation, of which show is an aspect of. This notion of subjectivity led Hegel to conclude that "knowledge is only actual, and can only be expanded, as Science or as System" (Ph.p.13) and, more importantly, that the "True is the whole". But the whole is nothing other than the essence consummating itself through its development. Of the Absolute it must be said that it is essentially a result, that only in the end is what it truly is; and that precisely in this consists its nature, viz., to be actual, subject, the spontaneous becoming of itself" (Ph. p.11).

Kant's notion of subjectivity centred around the knower, as the epistemological subject, separated from its object, and creating his/her own world out of knowing. Thus the subject in Kant's philosophy never becomes, i.e., it is not the result of a process of mediation, but a given. Hegel's concept of subject is founded on the rejection of this approach. For Hegel, to assume a subject is precisely to transform the subject into an object, as the sole basis for its subjectivity, namely its becoming, is lifted from it.²⁵ Paradoxically, Hegel attempts in the first three chapters of the Phenomenology to show that epistemology, with its emphasis on the subject as knower in fact

objectivises the subject into a fixed, rigidified, cognitive capacity.²⁶ For Hegel, the subject has a wider and more concrete meaning than for Kant. For him subjectivity represents the movement whereby an object has found its limits through its relating to another, and has returned back into self, to again reflect itself in another and therefore to become a subject in this permanent self-otherness and return to self as a permanent becoming. Subjectivity is a result, the result of many determinations, which is at the same time a beginning. Subject has sublated its state of mere fixity and apparent unrelatedness, and presents itself as a process.

Whereas for Kant all subject is consciousness and vice-versa, for Hegel while all consciousness is subject, not all subject is consciousness. Hegel's notions of subject and subjectivity have a wider and more complex meaning. Hegel's subject is not merely epistemological as it points to a process wider than that of establishing the possibilities of cognition, that is, it points to the determinations of the development of culture and society as a process of self-mediation, and as the context, content and form of Hegel's enquiry. Here, the epistemological structure of epistemology must necessarily be overcome, as subject is in permanent becoming.

The subject which is presupposed in Kant's philosophy is a thinking being, and this thinking is of a special nature. Thinking is coincidental with the free activity of the individual consciousness because it precedes any content or experience. Thinking and the thinker are free and given from the outset. But this freedom is illusory, as much as this subjectivity, since thinking as a pure form, separated from any content and preceding it, is essentially formal. Hegel denies

validity to this view because of its formalism. For Hegel, thought is determined in its content and form by its subject-matter. As he puts it, "in point of contents thought is only true in proportion as it sinks itself in the facts, and in point of form it is no private or particular state or act of the subject, but rather the attitude of consciousness where the abstract self, freed from all the special limitations to which its ordinary states or qualities are liable, restricts itself to that universal action in which it is identical to all the individuals" (EL.p.36). Whereas for Kant, thought is the pure activity of the mind, externalising itself freely, this is for Hegel pure nothingness, as the knower continually finds itself in its own expressions, thus producing an illusory movement. Both freedom and thought are, for Hegel, the result of a process, rather than attributes of a given knower, and as such the development of real contradictions and opposition. Thinking is for Hegel an activity which comprehends opposition and contradiction, foremost that between form and content. Hegel opposes his conception of objective thought to Kant's subjectivism. Objective thoughts are "thoughts accredited to express the essential reality of things" (EL.p.36).²⁷

This development takes place on the basis of placing knowledge as a process, which is itself a moment in the development of the subject-matter, and not the result of the application by the subject of its given rules of pure thought, i.e., devoid of all content. Also, this displaces the object of philosophy away from the establishment of the conditions of true knowledge, and into the determination of the form and content of the real itself, as well as the displacement away from the subject as individual ego, and into the species, and its development as society and culture.

This also evidences Hegel's attempt to move beyond pure abstraction, and its view of thought governed by the law of (non-) contradiction, towards a conception of thought which necessarily incorporates difference, the difference of its content. This Hegel called the 'power of the negative', as the dissolution of pure abstraction, and unlimited, unconditioned positivity. The concept, in its unity and difference of form and content dissolves the one-sidedness and formality of thought. For Hegel, this one-sidedness was determined in place and time, and represented an expression of the conditions prevailing in society. The distinction of subject and object is "mainly the work of Critical Philosophy... it marks the diseased state of the age where we see it adopt the despairing creed that our knowledge is only subjective, and that beyond this subjective we cannot go" (EL. p.35). Hegel's argument for the unity of subject and object, and the view that reason is in the world has often been criticised as 'pantheistic' as well as idealist. On the basis of the ideas I have discussed, it is clear that Hegel's notion of bourgeois society is the proper ground of his philosophy. Also, it would be utterly mistaken to identify Hegel's 'reason' directly with subjective thinking of the kind he criticises in Kant. Hegel's argument is not directed to make the world a product of the minds of egos. "To say that Reason or understanding is in the world is equivalent to the import of the phrase 'Objective Thought'" (EL.p.35). Hegel foresaw this misunderstanding, as in this passage he adds, the "latter phrase however has the inconvenience that thought is usually confined to express what belongs to the mind of consciousness, while objective is a term applied, at least primarily, only to the non-mental" (EL.p.37).

Reason for Hegel is not a priori, but a result. In the Introduction to the Philosophy of World History, he begins with the assumption that reason governs the world. As he puts it, whoever looks "at the world rationally will find that it in turn assumes a rational aspect; the two exist in a reciprocal relationship" (LPhWH.p.29). This is, however, not the a priori assumption of the philosophers' mind, but the result of his enquiry. The rationality of the world is not to be regarded "simply as prior assumptions but as a preliminary survey of the whole" (LPhWH p.29). Within the context of Hegel's system, the concept of the rationality of the real is the result of the Phenomenology, and the beginning of the Logic. For Hegel, the conception that reason is in the world is a result of his enquiry into the epoch as a whole, as the conception of the development - albeit highly contradictory - of world history towards a form of community. The conception that reason is in the world has, in Hegel's obscure and sometimes mystical style, some aspects which are in need of further critical study, but in essence it proclaims the unity of subject and object not as a purely epistemological achievement, but as the breakdown of objectivity and alienation as part of the process towards community and the pursuit and awareness and development of communal tendencies. In conclusion, it is an attempt to take man outside his alienated role as knower, and put him back into the process of his/her own development as a social being, as both subject and object.²⁸ Reason is for Hegel not a purely subjective non-activity, but Substance as Subject, viz., Being as processes, and as the totality of its moments and determinations. Thus, the determinations of Objective thought are in fact the determinations of its subject-matter itself, i.e., the determinations of society expressed in thought-forms, the content of the Logic. The Logic traces the essential moments of this totality in its development towards the community.

The conclusion of this study is that the subject-matter of the Logic is Substance as Subject, and I have also emphasised here the relation existing between Hegel's understanding of bourgeois society, its contradictions, and the tendencies leading to real community; and his critique of epistemology, and the development of the unity of subject and object and the totality. The Logic reflects the life of this totality, the moments as parts of the whole, as its determinations. Crucial to this enterprise is the Phenomenology where the different aspects of the totality receive separate - though related- treatment, they are dealt as 'concept determinations' and 'shapes of experience'. It is Spirit's existence and actuality showing forth in the different spheres of social life which Hegel explores. Here Spirit consists in the totality of Spirit insofar as its moments exhibit themselves in separation, each on its own account" (Ph. p.418). Thus, the advance of the Phenomenology is nodal as at the end of its different spheres - such as consciousness, self-consciousness, etc. - consciousness is forced to abandon its results and start anew. As Hegel himself describes it, the development of consciousness in the different series prior to Religion "in its advance marked the retrogressive steps in it by modes, but continued itself again from them in a single line" (Ph. pp.414-5). Each of these lineal developments constitute a totality of different determinations, thus each chapter of the Phenomenology up to Religion forms itself into a unity of its different aspects. Also, each chapter has a different temporal structure, independent of the others and having its own specificity.

This structure changes in Religion where all these lineal developments are "gathered up into a single bundle, at the same time combined

symmetrically so that similar differences in which each particular moment took shape within itself meet together" (Ph. p.415). Like a pack of cards, all the different spheres, enjoying up to now different temporal and logical structures, fall into a single totality, gaps are filled in, and moments which within each structure had been over or under emphasised now assume their proper place and meaning. From separate spheres, they now assume their role as parts of the whole, viz., Spirit, which "does not allow the principle of each individual moment to become isolated and to make itself a totality within itself, on the contrary, gathering and holding together all these moments within itself, it advances within this total wealth" (Ph.p.414). Totality thus becomes a single, self-moving subjectivity which is the content and form of the Logic.

So far we have concentrated upon clarifying the content of the Logic via determining its subject-matter. At the same time, something was advanced as to the form of the Logic, namely the totality as its overriding form, as well as content. This was made necessary because of the close unity in the Logic of form and content, but now before going into the concept of method proper, it is necessary to say something as to why the life of the totality finds its expression in the Logic, or, again, why is the Logic the necessary form of the totality?²⁹

From the outset, it should be emphasized that Hegel's concept of logic differs fundamentally from, for example Kant's. As I have already pointed out, Kant's concept of Logic is essentially formal, as pure

form separated and independent from any content. Logic is for Kant knowledge in general, the rules of pure thinking independent from their possible contents. Logic consists in a formal set of rules of pure thought preceding any content and given as special attribute of individual consciousness, the most important of them being the law of (non-) contradiction. For Hegel, Logic was conceptualised in a radically different manner, as the expression of the most essential forms of its subject-matter, viz., the totality. It is not given, but a result, and it does not arise from the pure forms of the individual ego, but from the forms of the subject-matter itself. Also, Hegel's conception of logic reflects the contradictions and oppositions of the relations of this totality. It is not therefore that Logic is a form of expression adequate to our understanding of the totality, but, instead, that it emerges from the movement and contradictions of this totality itself. The specificity of the Logic as a form of expression of this totality can be symbolised in its dialectical form.

Within Marxism, objections have been raised against a logic of this kind. In particular, objections have been directed not so much to the project itself, as to the apparent inadequacy of the medium of the logic. Hegel's Logic, from this perspective, appears as the crowning of his idealism. In his Critique of Hegel's Doctrine of the State, Marx rehearsed this criticism. "Hegel's true interest is not the philosophy of Right but logic. The task of philosophy is not to understand how thought can be embodied in political determinations but to dissolve the existing political determinations into abstract ideas. The concern of philosophy is not the logic of the subject-matter but the subject-matter of the logic" (Marx, 197, p.73). Prima facie, this criticism seems to find its target as, for example, when compared with Hegel's

obscure passages like this, "Logic is to be understood as the system of pure reason, as the realm of pure thought. This realm is truth as it is without veil and in its own absolute nature. It can therefore be said that this content is the exposition of God as he is in his eternal essence before the Creation of Nature and of finite mind" (Sc.L.p.50). Undoubtedly, a strong tendency to project this totality in religious terms is present throughout Hegel's writings. What interests me more are the essential aspects of Hegel's conception, but this also requires a criticism and clarification of Hegel's ambiguity and mysticism. In other places Hegel seems to argue in different terms, though not different meanings. Consider for example the following passage, "a Nation conceives of God in the same way it conceives of itself and its relationship to God, so that its religion is also its conception of itself" (LPhWH p.105).³⁰ This however does not undermine the radicalism of Hegel's approach to logic, particularly when compared with Kant's.³¹

This can also be argued of the criticism that centres around the supposedly abstract character of the logic, in the sense of it necessarily being driven to ignore difference, particularity and the diversity of real existence. Thus, for example, Lukacs argues that there is a materialist and an idealist ontology in Hegel which must be separated in order to construct a 'materialist ontology'. This separating out in Hegel requires, in his view, of the separation of ontology from logic in Hegel's philosophy. The idealist elements of Hegel's philosophy are to be found in his logic. The main problem with Hegel's conception of logic as Lukacs sees it consists in its necessary homogeneous form, which disables it vis a vis the heterogeneity of the real world. This distinction is followed by the

criticism that Hegel 'logicises' the material world by subsuming the latter under the homogeneous forms of the logic which smother the heterogeneity of reality. "Logic - Lukacs argues - "is one of the most important homogeneous media that human practice and the work of thought have created", but the heterogeneity of material existence is irreducible to this homogeneity, yet for Hegel "these heterogeneous points of departure seem to become extinguished in the homogeneous medium of logic, that this homogeneous medium seems to congeal into an immanently closed and self-pointed system, whose homogenised character provides the foundation for its universality" (Lukacs, 1978, p.48).³² Leaving aside the question of whether Lukacs' ontology can ever get off the ground if this distinction is consistently applied,³³ it should be argued that this understanding of logical categories and their abstract character is at loggerheads with Lukacs' earlier assessments in The Young Hegel, and History and Class Consciousness where the attempt is made to determine this form of abstraction as having a specific historical context, linked to the fetishism of bourgeois society.³⁴

I have already argued that, for Hegel, the logic is not a medium, and as such external and general, but the necessary form of expression of the essential form and content of the subject-matter. The abstract and homogeneous character of the logic, as Lukacs sees it, is therefore not an attribute of logic as such, in general, neither of thought as such, but, if present, a reflection of the essential forms of the subject-matter. In Hegel, this response takes the form of distinguishing a real from a purely epistemological abstraction, as a first step in the direction of subsuming abstraction under the forms of the totality. This emerges from the following passage which I shall

quote at length:

"No complaint is oftener made against the notion than that it is abstract. Of course it is abstract, if abstract means that the medium in which the notion exists as thought in general and not the simple thing in its empirical concreteness. It is abstract also, because the notion falls short of the Idea. To this effect the subjective notion is still formal... What are called notions, are in fact specific notions, such as man, house, animal, etc., are simply denotations and abstract representations. These abstractions retain out of all the functions of the notion only that of universality; they leave particularity and individuality out of account and have no development in these directions. By doing so they just miss the notion" (EL.p.229).

That is, abstraction is not an attribute of thought, but of a particular form of thought, i.e., thought in general. Not all notions must be necessarily abstract in this sense. Abstraction refers to thought in its element of pure universality, when taken out of its social context and mediations and made to stand as independent and self-subsistent. Abstraction is not an attribute of notions, but the reflection of the abstract forms of bourgeois society. It is debatable whether this historical grounding of abstraction is present in Hegel's philosophy, but the general direction of my arguments above point in this direction. It cannot be denied, however, that Hegel's conception of logic points clearly towards an understanding and a critique of abstraction.

These considerations lead us to Hegel's concept of method. Method comprehends, for Hegel, the essential forms of the Logic, and, given the status of the Logic, also the fundamental forms of the System.³⁵

3. Hegel's concept of method

For Hegel, the method is the totality of the essential forms of the logic, and therefore by extension, the forms of its subject-matter. It is important to have this in mind when moving from the logic as a whole to method as its universal form, since their umbilical cord is one of the most significant contributions made by Hegel to modern concepts of method, and particularly, to Marx's. Hegel's method cannot be properly understood if it is not set against the context of the Logic. Having criticised the a priori, formal and subjective logic propounded by Kant, Hegel, by contrast, understands and develops the method on the basis of the unity of form and content as parts of the whole. The method is, therefore, a result, not a presupposition.³⁶ Also, method does not merely amount to a form of cognition, or proof of certainty, but instead, it is immanently related to the structure of the subject-matter.³⁷ The method is specific to its subject-matter, and must change in accordance with changes in the latter. In what follows I shall explore these aspects of method.

The method is the condensation of the most important relations, and the result of, the Logic. Method and Logic develop side by side, as the Logic develops the relations of the totality into a structured whole. Insofar as the Logic reports the development of the relations of its subject-matter into a whole, viz., into a totality, the method is

directly connected as it reflects the most essential forms of this process. From this perspective, the method is privileged in relation to the relations of the different spheres of this totality. Hegel recognises, as it logically follows from his conception of method, that different sciences have specific methods, appropriate to the forms of their subject-matters. The method of the Logic, on the other hand, although it is also specific, occupies a special position as it expresses the essential forms of this totality. As such, it can serve as a guide to the study of the different spheres of this totality when taken in their independence.³⁸ This guidance is not normative, that is, it is not a form of proof, except as the development of specific sciences closely reflect the development of the whole. It is the unity of the subject-matter, that is, society, which allows for the method to serve as the starting point for the sciences of the specific spheres.³⁹ The method of the Logic is not to be applied indiscriminately to any subject, even taking into account its special position, but it can only serve as a guide to the development of special sciences. In the final analysis, Hegel poses the existence of different methods arising out of the different subject-matters, while at the same time conceiving the method of the Logic as the universal form of their existence.

To Hegel, the method is a form of cognition only "insofar as the form is the soul of all objectivity and all otherwise determined content has its truth in the form alone" (ScL.p.825). Hegel's method is not merely epistemological because cognition is no longer considered as an external medium bringing into a precarious and biased relation the subject and the object. Hegel rejects the view that "the method likewise occupies the position of an instrument, or of means standing

on the subjective side, by which this side relates to the object" (ScL.p.827). By grounding his method on the forms of the subject-matter itself⁴⁰ Hegel places it firmly on the unity of form and content, rather than on form alone. Thus, method "is both the manner peculiar to cognition, to the subjectively self-knowing Notion and also the objective manner, or rather, the substantiality of things" (ScL.p.826). This in acute contrast to Kant, for whom, "an absolute whole of knowledge according to principles in general is what alone can procure for it a special kind of unity, namely, that of a system" (Kant, 1971,p.116). Hegel's conception of method precludes a determination of it outside the relations and moments of its content.⁴¹

Perhaps the most general form of the Logic is the dialectic. The dialectic is the most universal form of being as a process. In this general and abstract form, it reflects the movement of Substance finding its limits through negation, and returning to self as the negation of the negation, the totality of these moments constitutes Substance as Subject. Dialectic is therefore the most universal, and consequently abstract, form of the process whereby Substance becomes a system of relations. This results in the dialectic being presented throughout the development of the Logic, and presiding over the entire system of relations of concepts. In sum, the dialectic plays an important role in the Logic. At the same time, being presented as a general and universal form, it is also formal in the sense that it overrides the particularity and individuality of the different relations. The meaning of the dialectic is in inverse proportion to its omnipresence.

To Hegel, the dialectic is central to his approach as it conveys the power of the negative. "All that is necessary to achieve scientific progress" - Hegel argues "is the recognition of the logical principle that the negative is just as much positive" (ScL.p.54). This amounts to the recognition that being, if actual, has limits. Something absolute would necessarily be unknowable, unconditioned. Actuality - which is for Hegel synonymous with concrete existence - is founded on the negative as much as on the positive; it is the unity of the two, a unity which remains essentially contradictory.⁴² Dialectic is the power of the negative, its product is the whole enterprise of the Logic, as the expression of Substance as Subject.

But dialectic also needs to be recognised in its limits which lay in its general and abstract form. The dialectic itself does not escape the power of the negative. If dialectic is presented as the sole form of Hegel's method, it is elevated into a method. This approach misses the implications of the dialectic's general form, and of the need to penetrate beyond this universal form, into the particular forms of the different moments of the process whereby Substance becomes Subject. An extreme formulation of this one-sidedness is the view which reduces Hegel's method to the triadic formulation of thesis, antithesis, synthesis. Reduced to this triadic form, the dialectic is at its poorest, as the power of the negative is reduced and rigidified into a series of steps or formulas. Hegel rejected this in no uncertain terms. As he puts it, "that the whole form of the method is a triplicity is, it is true, merely the superficial, external side of the method of cognition" (ScL.p.836).⁴³ The same can be said of the argument which reduces Hegel's method to a procedure or formula, in isolation from

the content or subject-matter. By focusing on a single pair of categories, such as essence and appearance, content and form, the method is impoverished as the power of the negative is reduced to an external procedure.

This is the crucial issue here, because by this reductionism the link between form and content is lost, and Hegel's method is imperceptibly transformed into an epistemology, i.e., a set of rules concerning thought in general yielding its own proof and certainty. The conclusion must be that although the dialectic is the most universal form of the method, the latter is not, nonetheless, exhausted by the dialectic.⁴⁴

Another question in relation to the forms of the method of the Logic is that of the structure and organisation of concepts, that is, their systematic relationship. It is clear that for Hegel the organisation of the subject-matter poses definite demands to the organisation of concepts and categories of the Logic. In particular because the Logic does not convey the whole variety of relations of the totality, but only its most essential relations. The moments in the development of the totality are presented as this totality develops out of itself, they are moments in the self-development of this whole. Therefore, the different relationships structured in the Logic can only be the result of the content's own self-differentiation. This does not only posit the existence of some relation between the categories of the Logic, but, rather, it poses a specific relation, as they must necessarily be posited as parts of the whole. Their relation is a systematic one.

Consequently the systematic character of the Logic is not an exogenous imposition of the author, but an expression of the subject-matter itself. Also, and given the essential character of the Logic this systematicity is neither complete - as it does not reflect all the relations of its subject-matter - nor merely arbitrary.⁴⁵ By the same token, it would be mistaken to see Hegel's systematic methodology as complete, and universally valid, deduced logically from concept to concept, as the systematic form of the method must necessarily change in relation to changes in its subject-matter.⁴⁶ A careful path should be tread between correctly assessing the actuality of the systematic relations of the logic, and avoiding absolutising them, and thus transforming them into a normative chart.⁴⁷

The movement of the categories of the Logic is circular, or rather, a circle of circles, a spiral. If the movement is described as the negation of the original positive, followed by the negation and the return to self, the movement of the whole appears as circular. In as much as the movement involves a return to the original positive, it is a retrogression. On the other hand, because the positive must always embark upon a negation, the movement is also a progression.⁴⁸ This movement is not a repetition, but a circle of circles, a spiral.⁴⁹ Through the negation, the positive becomes richer and richer. Every negation thus involves a supersession as well as a preservation of its original content, very much in the way we come to know ourselves as individuals through our reactions and relations in society. The result is, therefore, never identical to the beginning. What needs emphasising is how the movement is intrinsically dependent on the

totality. The fact that the result is never identical with the beginning implies that the result is always a more concrete being, as it includes many determinations. In the Logic, negation does not involve pure nothingness, but self-relation, as moments of a single totality. The movement expresses the dissolution of objectified distinctions into the differentiation taking place within a single whole. The movement of the logic, and therefore, of the method, is predicated upon a totality of relations and categories.

The circular nature of the movement of the logic also points to another form of the method, viz., the question of the beginning. To Hegel, the beginning could not be mediated, nor immediate. The impossibility of distinguishing the immediate from the mediated, or rather, the impossibility of holding on to one category in isolation from the other makes a beginning with either an impossibility. Since every determination is a negation, the beginning of the logic cannot be an object, since by implication it is already mediated - since object, i.e. determined. The beginning is not an immediate object, but immediacy itself. "Consequently, it must be purely and simply an immediacy, or rather, merely immediacy itself" (ScL. p.70). If Hegel is right, the beginning is always necessarily abstract and universal, since to begin with the concrete implies to accept it uncritically, thus making the enquiry redundant. Also, it implies the uncritical givenness of the subject.⁵⁰

Thus, in the Logic, Hegel begins with 'pure being', i.e. being that has sublated all difference and it has momentarily - although it appears it has permanently - achieved the standpoint of pure identity to self. This pure immediacy is the result of the Phenomenology and

the beginning of the Logic, it is "the certainty which on the one hand, no longer has the object over against it, but has internalised it, knows it as its own self - and on the other hand, has given up the knowledge of itself as of something confronting the object of which it is only the annihilation, has divested itself of its subjectivity and is at one with its self-alienation" (ScL.p.69).

4. Conclusions

The processes and relations of the method and the logic are thus shown to be immersed within an overall system of relationships and mediated whole, viz., they are shown themselves to be parts of the whole. The method, in its ultimate essence constitute the fundamentals of this totality, in its becoming and actuality. All the forms of the method discussed so far point to their ground in this totality. This is why the method is so crucial to Hegel's philosophy as it is concerned with the concepts of totality and community, concepts which, from the perspective I have assumed, should be seen as synonymous. This approach which necessarily rests upon Hegel's own perception also serves to explain the relative underdevelopment of this concept of totality in Hegel's own writings. With Hegel, the concept of totality reveals its compelling necessity, but not the actuality of this necessity. Hegel points out the need to go beyond civil society and the 'state external' in the direction of the true community, but he is unable to go further than describing and analysing the contradictions in them which lead in the direction of a true community, but not yet the forms of the latter. This is also reflected in the Logic, and consequently in

the method. This can be illustrated by a brief reference to the category of Reciprocity, which is the highest point of the Doctrine of Essence. In the latter, Hegel develops the transition from an inter-subjective relation, into a systematic reflection within a single totality. Reciprocity is the highest development of this process, and it also constitutes the highest relation of bourgeois society.

For Hegel, reciprocity overcomes the one-sidedness of causality as it is expressed in Mechanism. "Mechanism consists in this externality of causality, where the reflection of the cause into itself in its effect is at the same time a repelling being" (ScL.p.569). The apparent self-subsistence of cause and effect, as well as the implicit passive and active roles which they denote, are sublated in reciprocity, where they show as parts of the whole. There are obvious nexus between civil society and Mechanism, in the former, man appears as both means to others and as end to him/herself, as passive and active, cause and effect. In reciprocity this independence and self-subsistence is challenged, and as a first step, man is seen as cause and effect, passive and active, means and end, and these extremes are mediated as parts of the whole. In reciprocity, man is not an independent, self-subsistent being, but a part of society which is conceived as the totality of self-reproductive relations. From relations between apparently self-subsistent subjects - torn apart into their variety of roles, Hegel arrives at a single subjectivity, shown as necessary in reciprocity. This is, for example, the character of the Corporations, mediating in a limited way between the subjects, and breaking down their one-sided

individuality by reciprocal relations, showing that the subjects' subjectivity is in their species, and therefore, their actuality in the totality. This transition is not completed either in the logic of the philosophy of mind. The community is necessary, but not yet actual. It is shown to be necessary in the limits of civil society and the 'state external' and in the power of the negative. It also shows in a limited form in the dynamics of the Corporations. Overall, the community, or totality, is in its becoming, not yet its actuality.

As Hegel traces the becoming of the single subjectivity, he distinguishes three forms of totality as a result of reciprocity. Firstly, he refers to totality as passive substance, which contains all relations within a single whole merely by not differentiating between the different parts, or, what is the same, by simply pointing out the necessity for the existence of a common framework on the basis of which all these different parts can exist.⁵¹ The first form of the totality emphasises simple universality, or purely external boundaries or limits, which include all being inside them without working out the internal relations and contradictions. Simple universality is tantamount to abstract community, that is, one which is presupposed in the productive relations of individuals, but which is at the same time not fully actual as it remains a mere presupposition. It is also abstract community because all differences are abstracted. Abstract community is that which is merely presupposed or assumed.⁵²

The second form of totality is introduced by Hegel as the 'causal substance' of individuality. This form of totality is governed not by abstraction of all difference, but, on the contrary, by the sole recognition of difference, and its fixation into a whole, in this

form, "the self-identical determinateness is likewise posited as the whole, but as self-identical negativity - the individual" (ScL.p.571). Whereas in the previous form of totality difference was mere diversity, that is, it was subordinated to the overall identity which was assumed; here, the difference is recognised not in its relation to identity, but as fixed in negativity. This results in the individual being immediately transformed into a totality. This expresses the totality as the representative, or representativity, of the individual instance which is fixed in its negativity and difference.⁵³

The third form of totality is particularity, where both the simple adversality and the immediate individuality or representative, find their actuality as parts of the whole. As Hegel puts it, this "their simple identity or particularity, which contains in immediate unity the moment of determinateness of the individual and the movement of reflection into self of the universal" (ScL.p.571). Bourgeois society, as a society is merely presupposed in the apparent independence and self-subsistence of the individuals. This third form of totality stresses the one-sidedness of this situation, as it contains the movement of the individual beyond itself as pure individual, as well as beyond the abstract universality of his/her property rights, where his individuality and universality are suspended. Particularity points to a concrete totality where the individual is actual only as species, as a part of the whole. Hegel's argument stops here, with the positing of Particularity as the mediation of abstract Universality and representative Individuality. Thus, the totality as particularity is posited, but not developed beyond its being the

identity of universality and individuality. The true community is

shown as necessary, but not given a concrete expression.

Hegel concludes the doctrine of Essence in the Logic by saying that

"these three totalities are one and the same reflection, which is a negative self-relation, differentiates itself into these two, but into a perfectly transparent difference, namely into a determinate simplicity or simple determinateness, which is their one and the same identity. This is the Notion, the realm of subjectivity or of freedom" (ScL.p.571).

In the pursuit of this concrete totality, and true community, Hegel's philosophy develops as a whole. The method conveys this in a compelling manner, as the conclusions arrived at by Hegel, viz., the necessity of a concrete totality, and the contradictions of its becoming. This concept of method, and the fundamental one of totality, are at the centre of Hegel's philosophy. This method is deeply rooted in the forms and contradictions of bourgeois society, and not in any external epistemological innovation. This insight into Hegel's philosophy as a whole makes possible, though not yet actual, a study of the question of method in Marx which does not consider it as another epistemology, but as a critique of it.

PART II: MARX'S CONCEPT OF METHOD IN OUTLINE

The central conclusion arising from the two previous chapters can be put thus: any conception of method which develops in opposition to abstraction must necessarily be grounded in the unity of form and content. From this perspective the method is one with the main forms of its content, as the forms which arise out of this content. It follows from this that method cannot precede the enquiry into the forms of the subject-matter. Any enquiry into Marx's method must therefore be an aspect of his study of capitalist society, and the former can neither be prior to, or independent from, the latter. A study of Marx's method is at the same time a study of his conceptualisation of capitalist society. A concern with form is also a concern with content, the two being inextricably linked. At the same time, the need to deal with method implies an emphasis on form rather than on content; all the same, the content cannot be entirely left aside, and here it will be examined insofar as it immediately determines form.

Furthermore, the enquiry will deal with form as method, that is, with forms in their relation to the totality. Method refers to the essential relations of the subject-matter, viz., to relations or mediations as aspects of the whole, and in their relationship and mediation within that whole. This conceptualisation of method is now simply being advanced, since it can only be presented in its actuality as it arises from the content itself, and in this case, as it arises from Marx's examination of capitalist society.

The subject-matter of Marx's enquiry is the capitalist mode of production as a historically determined form of production around which society as a whole is organised and reproduced. Capitalist society is for Marx a historically specific system of social reproductive relations. This subject-matter is most clearly and succinctly spelt out in Marx's Preface to the Contribution to the Critique of Political Economy, first published in 1859. There Marx states how the form and content of his subject-matter took shape in his enquiry, as he was led to the "conclusion that neither legal relations nor political forms could be comprehended whether by themselves or on the basis of a so-called general development of the human mind, but that on the contrary they originate in the material conditions of life, the totality of which Hegel, following the example of English and French thinkers of the 18th century, embraces within the term 'civil society': that the anatomy of this civil society, however, has to be sought in political economy" (Marx, 1970, p.20). His subject-matter was also defined in terms of the general form of his enquiry, concerned as it was with the "totality of these relations of production which constitutes the economic structure of society, the real foundation on which arises a legal and political superstructure and to which correspond definite forms of social consciousness" (Marx 1970, p.20). This is, in general terms, the stated direction and essential form of Marx's enquiry into the laws of motion of capitalist society. The direction is provided by the recognition that the structure of capitalist society is constituted by its social reproductive relations, while the form is given in the understanding that these social reproductive relations conform a whole which they themselves are related. In

conclusion, it is the whole, or totality, of capitalist social reproductive relations which constitutes the content and form of Marx's enquiry.

My enquiry into Marx's method focusses on the development of this totality of capitalist social reproductive relations within Marx's work, and will seek, by studying the forms and categories as they relate to this whole, to clarify the scope and nature of this method. This systematic whole of social relations of production is not presented by Marx straight away. It constitutes the result of his enquiry. The reason for this is that the system of social relations of production is not an a priori, epistemological construct, but on the contrary, the content and form of the subject-matter itself, and as such it must develop immanently within the enquiry itself. Also, because it is a system of relations and mediations it can only be comprehended as a result, the result of a process by which this totality is itself constituted.

This is also another way of saying that capital is subject, that is, a system of social relations of production and reproduction, a 'circle of circles, a spiral.' The development of this totality shows different moments. Thus this study represents the study of several limited totalities which show themselves to be parts of the whole. My enquiry examines these different moments as aspects of the whole in its becoming and actuality, thus unifying these different totalities into a process.

CHAPTER 3: COMMODITIES, VALUE AND MONEY.

THE FIRST SHOWING OF THE TOTALITY

Marx's studies on commodities and value have received well-deserved - though sometimes one-sided - attention.¹ In particular, the relationship existing between the opening chapters of Capital Vol. I, and Marx's method has been the subject of intense debate.² That this degree of attention is well-deserved is clear from the importance of the contents discussed, but also, due to the effort Marx put into the exposition of his ideas in these opening chapters.³ For the purposes of my enquiry, and given the restrictions of length, I feel this relieves me from discussing these topics in detail beyond pointing out their direct bearings on the concept of totality, and the forms of the social organism they convey, and briefly discuss the main methodological mediations involved. In this section, therefore, I shall be solely concerned with a brief examination of these issues, unfortunately leaving out a wealth of methodological concepts contained in the debate on value. I shall review the concepts of commodities, value, abstract labour and money because these concepts, in their interrelations, reveal that the central concern of Marx is with the social organism, i.e., with social reproductive relations insofar as they form a totality. This is indeed crucial for the question of method. I shall argue that these concepts and their interrelations constitute the first showing of the totality.

The capitalist mode of production⁴ arises on the basis of the development of commodity exchange and production, as the counterpart of the process of formation of wage-labour.⁵ The ultimate product of the development of commodity exchange is money, the "first form of appearance of capital"(KI p.247). The further development of money leads into the

transformation of money into capital. Money has an existence broader than capital. Money as capital represents a specific transformation, whereby money as a general form of value becomes money as capital. This is a typical case of 'aufgehoben', as a process of transformation where money both preserves itself and undergoes important changes in order to become capital. The way I have described the process of transformation of money into capital can be aptly applied to the understanding of Marx's discussion on value, and its place in his conceptualisation of capitalist society as a whole.

Marx begins his examination of value in Capital Vol. I with wealth in the form in which it appears in capitalist society, namely, as an 'immense collection of commodities'. A single commodity is taken up and analysed as it represents this general form of wealth. The commodity is, therefore, under direct scrutiny, i.e., the commodity which is at the same time a commodity, and any commodity. The commodity is analysed as a representative or elementary form of this wealth.⁶ The analysis of the commodity reveals its two-fold form. The commodity is a use value, i.e., an object of utility, and has an exchange value. For it to be exchanged - and therefore be a commodity - the object must not only satisfy particular needs, but also it must bear some proportionate relation to the commodity for which it is to be exchanged. Marx then concentrates on the aspect of the exchange value of the commodity.⁷

Exchange value shows itself to be only the form of appearance of an underlying relation.⁸ The study of the mediations taking place in the exchange of commodities, viz., their equation, points to the

existence of a common ground or value, of which the exchange value constitutes its expression. The commodity is a use value and a value, and has exchange value. Exchange value is intrinsically related to value as its form of expression,⁹ but Marx proposes to examine "value independently of its form of appearance" (K.I p.128), that is, to penetrate beyond exchange values and into their common ground. Having left aside the examination of use values, the common ground of exchange values consists in that all commodities are products of human labour. Undoubtedly, commodities are first of all products of concrete labours, e.g., the labour of the shoemaker, the carpenter, etc. But these concrete labours are directly relevant only insofar as the particular use values of the commodities are considered, that is, specific to them. But commodities are also the product of human labour in general, "they are merely congealed quantities of homogeneous human labour, i.e., of human labour expended without regard for the form of its expenditure. All these things now tell us in that human labour power has been expended to produce them, human labour is accumulated in them. As crystals of this social substance, which is common to them all, they are values" (KI p.128). Marx's efforts to penetrate beyond the form of expression, i.e., exchange values, and into what is meant to be expressed leads to his posing exchange values as the forms of appearance of values, which are themselves manifestations of the 'social substance', namely, abstract labour.¹⁰

The relation between abstract labour and values demands further consideration. Since it has been argued that values themselves manifest abstract labour, it follows that they are not immediately identical to it. Rubin (1978) has persuasively argued that "Marx considers value as the unity of the form of value, the substance of

value, and the magnitude of value. 'The crucially important task however was to discover the inner necessary interrelationship between the form of value, the substance of value and the magnitude of value' (Capital, 1st. ed. p.240)" (Rubin, 1978,p.115). From this perspective, abstract labour is an aspect of value, as its substance, a concept loaded with the expression of the social mediation between individual concrete labours, already denoting a process. Rubin draws out the distinction between the 'physiological' and a 'sociological' account of abstract labour. The 'physiological' account emphasises the fact that all labour constitutes an expenditure of brain, muscles, etc.¹¹ The 'sociological' account, favoured by Rubin, highlights the significance of this equation of labour in a society where the social reproductive relations take the form of relations between commodities in the market. In this latter sense, labour already includes an indirect form of mediation of all individual labour into a homogeneous mass. Two different processes are implied in these two accounts. whereas the 'physiological' account of abstract labour simply denies all difference between individual labours, the 'sociological' account, instead, comprehends these differences insofar as it includes a process of mediation,¹² bringing together these individual labours on account of, rather than despite their individuality.¹³ This is very important in order to properly identify the relationship of abstract labour and value. the key point is that abstract labour should be considered as labour in general, as homogeneous labour, but also as endowed with the capacity to develop individual labours. As such, it can be more usefully considered in its 'sociological' form, to use Rubin's expression.¹⁴

Rubin's interpretation puts the emphasis in considering abstract labour as a process. But essentially, everything turns on examining the kind of abstraction which is assumed in abstract labour. The rejection of a purely 'physiological' account of abstract labour is at the same time a rejection of abstraction considered as reductionism. I mean by this the understanding of abstract labour as a purely mental expression of the lowest common denominator of all labours.¹⁶ Although this reductionism may form an element of the concept of abstract labour, it is not compatible with the latter being considered as expressing a social and historical process. But if it is to be incorporated within the study of capitalist society, it must be in the form of being socially and historically determined. The question is not, therefore, whether abstract labour denotes a process, but how and why does it denote a process? This is because abstract labour not only represents a 'mere substance' or 'substratum', as the stuff of which all labours are constituted, but is the expression of definite mediations of these labours, as many determinations of abstract labour.¹⁷ Abstract labour denotes a process of continuous mediation and self-mediation. The congealment of labours into abstract labour does not take place through the mere addition of individual labours, but instead, through their mediation into a whole, via qualitative and quantitative determinations. As such, abstract labour develops into a self-relating whole, where the crystallisation of all labours is effected.

But this process, which includes the production of use values as commodities, as well as their exchange in the market, takes shape through the relations between commodities in the market, and therefore it must necessarily take the form of values, and their

forms of appearance, exchange values. The concept of abstract labour, while denoting a process, a self-relating process, is thus subordinated as an aspect of the self-valorisation of value, incorporating this process in its qualitative and quantitative aspects, as well as its form of expression.¹⁸

Similarly, Marx's analysis of the magnitude of value implies a process, that of the averaging of the individual durations of different individual labours into socially necessary labour time.¹⁵

Finally, Marx turns to an analysis of the form of expression of value, i.e., to exchange value and its development into the money-form.¹⁹

Marx's study following the development of the simple form of value up to commodities leads to the isolation of a single commodity as a universal equivalent, as directly social labour. Marx discusses money as the general form of value, as opposed to its particular form i.e., commodities, and he shows how to follow the transition from the particular to the general form via the internal contradictions of the value form.²⁰ Money is, therefore, the ultimate product of commodity exchange.²¹

Money as the general equivalent is the result of the development of commodity exchange and the first form of appearance of capital. The development of commodity exchange is itself determined by the division of labour in conditions of private appropriation of the means of production. The social mediation of different labours takes place in the market through the exchange of commodities. The commodity reflects this distinction between the individual labours and their social mediation in the contradiction of its two aspects, use value and value. The social mediation of the different commodities operates through the

explicitation of the social character of individual labours in the relation of individual commodities to the total social abstract labour. This social validation necessarily takes place through the value form, in the capacity of exchangeability of commodities, viz., their exchange values. The exchange value has two poles - the equivalent and the relative forms, where the value of a commodity A is expressed in the use value of commodity B. The contradiction of use value and value leads to the determination of a universal equivalent, that is, a single commodity expressing the exchange values of all the other commodities.

Money assumes the general form of this social mediation, its generality against which the particularity of different commodities is mediated. The apparent independence of these different commodities, and the objectivity of their 'natural form' is suspended in the general form. Money as the universal equivalent expresses this general form of value, its homogeneous shape as opposed to its differentiation. This is not to say that the contradictions of the value form disappear, but instead, they are reproduced as the separation of purchase and sale.²²

So far we have looked at money as the result of commodity exchange, but in order to become capital money has to undergo a process of transformation which nevertheless preserves some of its elements. What has been described above is the process whereby the social mediation in a society of independent producers takes the form of objective relations between commodities in the market, and how this social mediation results ultimately in money as the universal equivalent, as the progressive embodiment, in a single commodity of the mediated validation against which all commodities must be measured, and their particularity suspended in.²³ In this process, money as the universal equivalent increasingly

appears as a form external to, and independent from, the commodities themselves.²⁴ Thus, parallel to this, the social mediations become increasingly objectified in money, as a power which appears in a wholly external and self-subsistent form.

With the transformation of money into capital, the totality of social relations which is crystallised out of the movement of commodities in money has assumed a wholly independent form, and moreover, a form which appears to have a movement of its own. It develops into a self-relating subject, as the self-differentiated objectification of the social powers of society. "Value, therefore, now becomes value in process, and as such, capital" (KI p.256.)

Marx studies the transformation of money into capital by looking at the circulation of commodities where the universal equivalent serves as the middle term in the exchange of two commodities, as represented in the formula $C - M - C$. Here money disappears with the finalisation of the transaction, as the end of exchange is consumption. However, in the reversed formula $M - C - M$, the end of the transaction is not consumption, but the survival of the money form. Here the capitalist "releases the money, but only with the cunning intention of getting it back again. The money is, therefore, not spent, but merely advanced" (KI p.279). The differences between these two formulas express the differences between money as the universal equivalent, and money as capital. While their differences are extremely important, it is nonetheless true that money as capital develops necessarily on the basis of the development from the simple exchange value or simple form of value, to the money form or money as the universal equivalent.²⁵ These two shapes of money reflect the historical process in which capital becomes.²⁶

More important for this discussion of method are the forms assumed by money as capital. For Marx, the crucial difference between money as the universal equivalent and money as capital is the latter's survival in the process of circulation.²⁷ Here, money has not only assumed a wholly external and independent form, but also, it appears to have a self-relation. Money is now exchanged for commodities in order to exchange these commodities for more money than the original amount. Where in the formula $C - M - C$ money disappeared after the transition, in the formula $M - C - M$ the commodity appears as the fleeting moment, as the necessary means whereby money can be preserved and maintained in circulation, and also augmented in its quantity.

Money as capital is described by Marx as subject,²⁸ a description which stems from its different determinations. To quote an important passage on this:

"The independent form, i.e., the monetary form, which the value of commodities assumes in simple circulation, does nothing but mediate the exchange of commodities, and it vanishes in the final result of the movement. On the other hand, in the circulation $M - C - M$ both the money and the commodity function only as different modes of existence of value itself, the money as its general form of existence, the commodity as its particular or, so to speak, disguised mode. It is constantly changing from one into the other, without becoming lost in this movement; it thus becomes an automatic subject.... In truth, however, value is here the subject of

a process in which, while constantly assuming the form in turn of money and commodities, throws off surplus value from itself considered as original value, and thus valorises itself independently" (KI p.255).

Let us look at the determinations implicit here. Firstly, and perhaps the crucial determination, in the formula $M - C - M$ money emerges as the starting point, as well as the result of every movement, thus starting a new movement.²⁹ The overall movement is, therefore, circular, as the starting point and the result consist in an identical form, different only insofar as the quantities are concerned. Secondly, as a circular movement, money as capital appears to have no determinations, and apart from the need to be constantly exchanged for commodities in order to preserve itself in circulation, there appears to be no obstacles to the uninterrupted renewal of the circle, "the circulation of capital is an end in itself, for the valorisation of value takes place only within this constantly renewed movement. The movement of capital is therefore limitless" (KI p.253). Thirdly, it follows from the fact that this movement is circular, having money at the beginning and the end of the movement, that this movement appears as a self-relation. Money now appears, not as the result of exchange, but as its precondition and determining factor. The process of circulation now appears as a movement of capital itself.³⁰ Insofar as this self-relation refers only to quality, the quantities being necessarily different in the beginning and the result, this self-relation is, fourthly, a self-reproductive relation. It is a movement whereby money as capital is suspended and negated in the commodities, from which it

returns as a greater quantity of capital. It reproduces itself in this process in an expanded scale. It can, therefore, be correctly described as subject, or self-moving substance.

As Marx argued in the passage quoted above, the real subject is value, and in fact the movement of money as capital is an expression of the process whereby value assumes the form of money in its attempt at an independent valorisation. Value as the systematic unity of the social reproductive relations - examines as the form, substance and magnitude of value, and their unity - necessarily assumes an independent form in money, a necessity given by the value form. This necessity also results in the self-subsistence and externality of the powers of society as they appear as the self-movement of money, and its preservation in circulation. The subject-like form of money, and the different determinations of its movement reflect the externalisation of the social powers and the dynamics of this totality of social reproductive relations, into the movement of money as capital, as an expression of the self-valorization of value, i.e., value in process, capital.³¹

The apparent self-expansion of money as capital as a pure self-relation is reinforced by the character of circulation. Money appears to expand simply by virtue of changing its form. The movement of value as represented in circulation is essentially formal, and as such, it is abstract and one-sided.³² But in order to explain the self-valorisation process, it is necessary to look into the grounds of this process of self-expansion of money as capital.³³ I have argued above that the process of circulation which denotes money as capital is a process in which money is constantly suspended in the commodities for which it

is exchanged, but it returns back to its money form, and as such it is constantly preserved in circulation. Money appears therefore as a pure self-relation. In fact, if we look into this process of circulation more closely, it becomes apparent that money as capital can only preserve itself in circulation if it is constantly being exchanged for commodities. Also, because the circulation of money and commodities takes place solely through exchange, that is, it constitutes a change of form of value into commodities and money, the grounds for the self-valorisation of value are not provided in the process of circulation alone, viz., in a mere change of form. The content of circulation has to be examined. As Marx puts it, in "its pure form the exchange of commodities is an exchange of equivalents, and thus, it is not a method of increasing value" (KI p.261).³⁴ Consequently, the grounds of this process of self-expansion have to be sought in the production process, i.e., in the production of new value. "Circulation does not carry within itself the principle of self-renewal. The moments of the latter are presupposed to it, not posited by it. Commodities constantly have to be thrown into it anew from the outside, like fuel into a fire. Otherwise it flickers out in indifference" (G.p.255). This means that capital as a whole is not the mere aggregation of its different processes, circulation, exchange and production, but their contradictory unity as parts of the whole, on which they are posited.

It seems to me that it is crucial to grasp this concept if the method is to be understood. In particular, it is crucial to grasp how these processes mutually posit each other as parts of the whole. Thus the process of circulation of commodities and money posits the process of

production of commodities, and at the same time it occludes it, because the self-expansion of money appears to be independent, a mere metamorphosis. Thus Marx argues that the circulation of commodities and money in its "immediate being is therefore pure semblance. It is the phenomenon of the process taking place behind it" (G.p.255). This semblance is, however, a necessary form of appearance, it is the product of a real process, one which I have described in its essentials. This does not make the study of the process of circulation of commodities and money redundant, even less a false starting point. Particularly since "capital cannot therefore arise from circulation, and it is equally impossible for it to arise apart from circulation. It must have its origins both in, and not in circulation" (KI p.268).

In terms of my examination of method, the study of the circulation of commodities and money develops the first showing of the totality, the systematic whole of social reproductive relations which is capital. It also points out its fetishistic character. It reveals a social process which arises behind the backs of the individuals pursuing their own wills and intentions, and which develops into an objective power standing against the producers.

"Circulation, because a totality of the social process, is also the first form in which the social relation appears as something independent of the individuals, but not only as, say, in a coin or in exchange value, but extending to the whole of the social movement itself. The social relations of individuals to one another as a power over the individuals which has become autonomous, whether conceived as a natural force, as chance, or in whatever other form,

is a necessary result of the fact that the point of departure is not the free social individual. Circulation as the first totality among the economic categories is well suited to bring this into light" (G. p.197).

The analysis of the circulation of commodities and money constitutes the first showing of capital. By defining the specific limits of circulation, its one-sidedness and formality, it points the way for an examination of the process of production of value and surplus value. However, having outlined the fundamental form of capital in its becoming, Marx now sets up the processes of production and circulation for examination in their immediacy, that is, in isolation from their mediations, before he goes on to outline the 'process of capitalist production as a whole'.

But before I move on to consider the methodological implications of Marx' study of these processes in their immediacy, I want to discuss briefly some arguments against considering capital - at least in its first showing - as a totality. Colletti's article "Bernstein and the Marxism of the Second International" contains an outstanding criticism of the way in which the theory of value and commodity fetishism have often been arbitrarily separated in both Marxist and non-Marxists interpretations of Marx. In particular, Colletti challenges the view which reduces abstract labour to its mere 'physiological' dimension, and consequently, it reduces its nature to a mere mental generalisation. Instead, he argues that "the process whereby abstract labour is obtained, far from being a mere mental abstraction of the investigator, is one which takes place daily in the reality of exchange itself" (Colletti 1972 p.84). But in his view, the real significance of this

abstraction is the suspension --or better, obliteration - of all individual concrete labours. Abstract labour is 'alienated labour' where labour becomes "a process in itself, independent of the man who carries it" (Colletti 1972 p.85). In sum,

"abstract labour is not only that which is common to all human productive activity, it is not only a mental generalisation, rather it is in itself a real activity, if of a kind opposed to all concrete useful kinds of labour. More precisely, unlike all the others, it is an activity which does not represent an appropriation of the objective natural world so much as an expropriation of human subjectivity, a separation of labour 'capacity', or 'power' conceived as the totality of physical and intellectual attitudes, from man himself" (Colletti 1972 p.87).

Colletti's view of abstract labour is appealing, especially when set against the traditional views he criticises, but his emphasis on the fetishistic form of abstract labour seems to bar an assessment of its content, because what is objectified in abstract labour are the social powers of society, and the self-movement this objectification barely expresses is the result of the totality of self-reproductive relations. Fetishism points not so much to the effacement of individual subjectivity, as to the fact that the social powers of man appears as individual, independent and self-subsistent.³⁵ In fact, and paraphrasing Marx, this objectification of the social powers is due to the fact that the 'point of departure is not the free social individual', rather, the latter is yet to be created. For Colletti, abstract labour is fetishistic in both form and content, as the

expropriation of - previously free - individual subjectivity. Though it is true that form and content might be separated absolutely, and that abstract labour plays no role in a communist society, it remains crucial to understand the significance of the content of abstract labour as a path to recognising the inner contradictions of capital.

From a similar perspective, Elson (1979) criticises the 'capital-logic' approach for "taking capital not as a one-sided abstraction, a category of analysis, but as an entity; and understanding the historical process of form determination as the self-development of this entity" (Elson 1979 p.144). Although recognising that Marx also 'succumbs to this illusion', as for example in his treatment of the substance of value, she suggests that we replace this characterisation for one which takes immediately into account flesh and blood individuals. Thus, she suggests, we should consider the "substance of value as human self-activity, the human energy embodied in commodities" (Elson 1979 p.159). Precisely this is what Marx had in mind, although he is concerned with studying the full wealth of its determinations rather than as an effect of human self-activity in general, or as free individual subjectivity. If the self-development of this entity refers to the alienated powers of society, to the totality of social reproductive relations - albeit in the objectified and contradictory form of capital - it then becomes apparent why Marx succumbed to this illusion. The danger persists not so much in upholding the dreaded self-development of the concept, as in the ability to appropriate our social historical products, whether it be abstract labour or thought, by doing away with their one-sidedness, and their limited and objectified character, that is by creating the free, social individual.

CHAPTER 4: CAPITAL IN GENERAL. THE IMMEDIATE
PRODUCTION PROCESS

In Capital Vol. I, the movement from the circulation of commodities and money into the production process has an air of logical inevitability. As circulation can create no value, it is obvious that our attention should focus on the process of production of value, as the suspected ground of the process of circulation.¹ However, the movement is somewhat more complex and problematic than suggests itself at a first reading. In fact, the previous examination of commodities, value and money resulted in 'value in process', or money as capital, already hinting at the process whereby the growing alienation of the social powers into capital becomes an apparently self-relating, self-subsisting subject. The examination of the 'immediate process of capitalist production' assumes, on the contrary, that one aspect of this process can, and must, be separated out. The word immediate is operative here. In this context, the movement from a provisional whole to one of its aspects in its immediacy requires some further clarification.

To begin with, the examination of commodities, value and money rather than attempting to present a study of capitalist circulation, seeks to develop an analysis of the becoming of capital, as 'value in process'. As was concluded in the previous chapter, Marx's analysis of the commodity develops the concept appropriate to the becoming of an organic process of social mediation -albeit objectified and fetishised in the apparently natural and independent relations of commodities. This emerging organic whole is given conceptual expression in the examination of abstract labour, value and money. Value reflects this emerging organic whole in the seemingly discrete contradiction of use value and exchange value.

Abstract labour constitutes the ground of this contradiction, as the process of unity of the contents of the different mediations. Finally, money, as the general form of value, reflects this contradiction in an embodied form. Money is the objectification of this emerging organic process. This analysis poses the preconditions of capital from the perspective of capital, but not yet as capital's own positing.² It represents the growing alienation of the social powers of society in money.

The crucial distinction here is that existing between money as money and money as capital. The transformation of the former into the latter expresses the growing subjection of living labour to its alienated product. But Marx's discussion of this transformation in Part 2 of Vol. I of Capital may convey a mistaken formality, as it is presented in the formal distinction existing between C - M - C and M - C - M. The formality of this distinguishing stands for a wealth of historical processes - such as those depicted in Capital Vol. I Part VIII on the question of original accumulation.

In the study of commodities, value and money, Marx is concerned to present systematically and schematically the preconditions of capital from its own perspective. Capital is here considered as a result, as well as a beginning, or, what is the same, as a result as well as a presupposition. Money, as the first form of appearance of capital reflects the preservation of value in circulation. For this preservation to take place, money must pose its mediations, and consequently it must pose its origins in labour. In order to preserve itself in circulation it must be constantly exchanged by commodities, and must therefore posit the production of these commodities. By positing its origins in

labour, value seeks to maintain itself through the movement of circulation. But this positing takes place precisely by negating itself, and disappearing in, production. This typically reflects - too typically perhaps - the process whereby merchants find their source of commodities blocked by wars, invasions, etc., and decide to induce the production of those, or other, commodities themselves. In order to create the conditions for continued circulation the merchants are forced to become involved in a production process. By positing its origins in production money becomes capital, value becomes value in process, thus generating the conditions of its own existence. As Marx puts it, once money arrives at the end of the circulation process, it

"must now again posit the point of departure of circulation which lay outside circulation, was presupposed to it and for which circulation appeared as an external penetration and internally transforming movement, this point was labour; but it must do so no longer as a simple equivalent or a simple objectification of labour, but rather as objectified exchange value, now becomes independent, which yields itself to labour, becomes its material, only so as to renew itself and to begin circulating again by itself. And with that it is no longer a simple positing of equivalents, a preservation of its identity, as in circulation; but rather multiplication of itself....Money as capital has lost its rigidity, and from a tangible thing has become a process"

(G.p.263).

The first conclusion is, therefore, that we are not witnessing a simple movement from circulation to production, but one from circulation and exchange, from the perspective of capital,³ but not yet posited by it,

and into the process of production as posited by capital, or, in other words, this is a transition from the circulation of commodities to the production of capital.

The second point is that Marx studies the process of capitalist production in its immediacy. This needs some consideration as it implies separating out one aspect of capital, and especially after money becomes money as capital precisely by integrating the production and circulation of commodities. With money as capital, the production process is now subordinated to the needs of money's self-preservation and expansion. Yet, Marx takes a different route, that is, the examination of the process of production in its immediacy, rather than capitalist production as a whole. Also, Marx will later study the process of circulation of capital in its immediacy as well.

It is important to grasp the distinction Marx establishes between the process of capitalist production as a whole, and the immediate process of production. This distinction runs throughout my study of method. The study of the process of capitalist production as a whole consists of the development of the systematic unity of all the processes of capital, that is, production, exchange, distribution and circulation. This is the subject-matter of chapter 6. In contrast, the study of the immediate process of production shows itself as one aspect of the total production process. It is immediate because outside this whole, and because it appears as self-subsistent and independent.

Coming back to my argument, the problem can be put thus, the study of the circulation of commodities and money would necessarily lead into the study of capitalist production, but not necessarily into the study

of the process of production in its immediacy. In this section I shall attempt to show what is the nature and significance of this immediacy, and I shall advance some views as to why Marx found it necessary to study capitalist production in its immediacy, that is, in isolation from the other processes of capitalist production as a whole.

This immediacy is frequently grounded on purely epistemological basis. The immediacy of the process of production, we are told, is the result of a purely mental process of abstraction, justified entirely on the need to present the different processes of capital in a clear and accessible manner. It is thus assumed that the process of production is better understood in its immediacy. Prime facie, some of Marx's statements would appear to support this approach. For example, Marx begins Capital Vol. III stating that in "Book I we analysed the phenomena which constitute the process of capitalist production as much, as the immediate production process, with no regard for any of the secondary effects of outside influences" (KIII p.25). To regard outside influences' to mean the other processes of capitalist production as a whole is, however, at variance with the whole thrust of Marx's argument in the 'Economics' which is intended to reveal the internal mediations of capitalist production as a whole, and its contradictions. Also, Marx's study of production in its immediacy cannot be grounded subjectively and contingently. The views criticised here disregard the real relations of the subject-matter in favour of externally imposed, subjectively derived, rules.

The immediacy of the capitalist process of production is itself a result of the development of capitalist production as a whole.⁴ For Marx, immediacy is a methodological proposition only on the basis that it is

also, and primarily, a moment of the real development of capital. The isolation of the process of production from production as a whole is a real process, as opposed to a purely epistemological assumption. Consider Marx's statement in the 1857 General Introduction, nothing "is more common than the reproach that the political economists view production too much as an end in itself, that distribution is just as important... As if the rupture had made its way not from reality into the textbooks, but rather from the textbooks into reality, as if the task were the dialectical balancing of concepts, and not the grasping of real relations" (G.p. 89-90. The immediacy of the study of capitalist production has to be grounded in the real relations of the subject-matter, i.e., capitalist production as a whole.

To go straight to the point, Marx's study of the immediate process of production derives its immediacy, as well as its primacy, from the fact that valorisation takes place exclusively in the production process. "This whole course of events, the transformation of money into capital both takes place and does not take place in the sphere of circulation. It takes place through the sphere of calculation because it is conditioned by the purchase of labour power in the market; it does not take place in circulation because what happens there is only an introduction to the valorisation process, which is entirely confined to the sphere of production" (KI p.302). The process of creation of new value takes place exclusively in the sphere of production, thus warranting its immediacy, as well as its primacy. As capital is self-valorisation, it allows for, and forces, a tearing apart of the different processes of capital. In particular, it forces a tearing apart of the process of production as it appears as production in general, as limitless, as production for production sake.

This is reflected in the economists' aim" to present production - see e.g. Mill - as distinct from distribution, etc., as encased in eternal laws independent of history, at which opportunity bourgeois relations are then quietly smuggled in as the inviolable natural laws on which society in the abstract is founded" (G.p.87).

This immediacy, however, is relative, and not absolute as it appears. The production process of capital cannot be absolutely separated from the unity of the processes of capitalist production as a whole. In fact, this immediacy does not do away with the related processes of circulation, exchange and distribution, but merely formalises them⁵. As Marx notes, in Book I the process of capitalist production was analysed as an individual act, as well as a process of reproduction. The changes of form and substance experienced by capital in the sphere of circulation were assumed without dealing upon them" (KII pp.356-7). I shall take up the question of the formalisation of the circulation process in the next chapter. Insofar as the immediacy of the production process, it becomes clear that its context cannot be done away with, but only formalised.⁷ The whole of capitalist production is always present in the discussion of its individual aspects, but assumed as merely formal, that is, it is present, but not actual. Still, through its immediacy and its limits, the totality of capitalist production forcefully shows itself.

Production is here considered in isolation from reproduction, that is, as an individual act. This has a further consequence - which I shall explore here in view of its significance for method - viz., in the examination of the immediate process of production capital is considered as a single entity. This is because in the process of valorisation,

all capital - leaving aside quantitative differences - is capable of self-valorisation. Capital is here considered as an undifferentiated whole.⁸

Marx therefore approaches the immediate process of capitalist production in order to study the forms of capital's valorisation. Thus, he conceives of the production process as the unity of the labour process and the valorisation process. This unity presupposes the transformation of the labourer into the free worker, that is, the transformation of labour into the commodity labour-power, and the concomitant process of development of money into money as capital, i.e., value in process. It depicts the subordination of production to the production of capitalist valorisation.

Marx discusses two aspects of the process of production of capital:

a) the exchange between labour and money, and between money and raw materials and means of production;

and,

b) the unity of the labour process and the valorisation process.

Here I shall concentrate on the latter.

In essence, the labour process is conceived of as changes of form taking place in the interaction between productive activity, the object of labour and the instruments of labour. The activity of the worker is

objectified in and through the raw materials and means of production. These change their form. The labour process, taken by itself, posits the fluidity of these changes of form, effected by the activity of the worker. As Marx summarises it, "what on the side of the worker appears in the form of unrest now appears, on the side of the product, in the form of being, as a fixed, immobile characteristic"(KI p.283). This is, of course, a very abstract formula, an abstraction which corresponds to Marx's idea that we "can consider the labour process independently of any specific social formation" (KI p.283), that is, as a pure relation of man to nature.⁹ It is debatable, even within Marx's own writings, whether such abstract formulation of the labour process can be sustained.¹⁰ It seems to me that what Marx is at pains to emphasise is precisely that capitalist production is limited, i.e. it is not production in general, and also, that this abstraction is itself a concept belonging to the Classical Economists, rather than Marx's own. As use value and exchange value cannot be isolated from each other, in the same way, the production of use value and exchange value is, under capitalism, one process.¹¹

This already shows the main point here, namely that under capital the production process constitutes a unity of the labour process and the valorisation process. Under capital the labour process becomes subordinated to the valorisation process. That is, the labour process must result in a commodity, having a use value and a value, as well as surplus value. The commodity or mass of commodities resulting from this labour process must have a value which is greater than the value of commodities which entered into its production. The changes of form which takes place in the labour process are subordinated to this valorisation.¹²

The process of production of valorisation encompasses two distinct, yet inseparable processes, viz., the preservation of the value of the raw materials and means of production, and the creation of new value. The activity of the worker both preserves the old value, and creates new value. This evidences the unity of the two aspects of labour. The worker preserves the old value insofar as he exercises concrete labour, thus changing the form of its object by making it fluid, unrest, and then objectifying it into a new form. At the same time, insofar as this labour partakes of abstract labour, i.e., it is a general, socially mediated, expenditure of labour power, it creates new value.¹³ It is very important to keep this distinction in mind, as it evidences the changes the process of valorisation effects upon the labour process. Whereas in concrete labour the worker uses his materials and tools in order to objectify his/her labour in a particular product, i.e., his/her product; the demands of the valorisation process turn this upside down. Insofar as the valorisation is concerned,

"it is not the worker who makes use of the means of production but the means of production that make use of the worker... as something which creates value, as something involved in the process of objectifying labour, the worker's labour becomes one of the modes of existence of capital, it is incorporated into capital as soon as it enters the production process" (KI p.988).

The labour process becomes the instrument of the valorisation process. The valorisation process which "is essentially the production of surplus value, i.e., the objectification of unpaid labour" (KI p.99).

In conclusion, the

"product of capitalist production is neither a mere product (a use value), or just a commodity, i.e., a product with an exchange-value, but a product specific to itself, namely surplus value. Its product is commodities that possess more exchange value, i.e., represent more labour than was invested for their production in the shape of money or commodities. In capitalist production the labour process is only the means; the end is supplied by the valorisation process or the production of surplus value" (KI pp.1001-2).

Note that surplus value as considered here, i.e., within the immediate process of production, is only a product, a result. It is the excess of the value created over the value required to begin production.¹⁴ It is not yet capital, as it needs to relate back to social capital. The need to study surplus value as immediate result is justified in the need to examine surplus value in isolation from the revenue forms, and surplus value is thus posited as the ground for the revenue forms.

Surplus value has two forms. Absolute surplus value rests on the extension of the working day. As surplus value is the excess of value created over the reproduction of the working class, obviously, the longer the working day - other variables being equal - the greater the amount of surplus value. Relative surplus value rests on the reduction of necessary labour time, that is, the labour necessary for the reproduction of the working class, as a constituent part of total labour time, thus increasing excess labour time. The increase in absolute

surplus value has definite physiological and physical limits, but relative surplus value has less definite limits. The history of capitalism shows how it originally relied to a great extent on the extraction of absolute surplus value, but - given its limits - it necessarily gave way to the extraction of relative surplus value. This necessitated greater subordination of the labour process to the valorisation process. Capitalists increasingly intervene and reorganise the labour process in order to increase capitalist valorisation. Capital thus revolutionises the labour process in order to further subordinate living labour to objectified labour.¹⁵

This process leads to machinery and the factory system as the form appropriate to capital.¹⁶ This is extensively described in Marx's 'Economics'. "The production process" - Marx writes -

"has ceased to be a labour process in the sense of a process dominated by labour as its governing unity. Labour appears, rather, merely as a conscious organ, scattered among the individual living workers at numerous points of the mechanical system, subsumed under the total process of machinery itself, as itself only a link of the system, whose unity exists not in the living workers but rather in the living (active) machinery, which confronts his individual, insignificant doings as a mighty organism. In machinery, objectified labour confronts living labour within the labour process itself as the power which rules it, a power which, as the appropriation of living labour, is the form of capital" (G.p.693).

The intellectual powers of the worker, previously exercised and developed in the labour process, are increasingly alienated, a process exemplified in the development of the 'natural sciences' as separate sciences, in the isolation of research and development in industry, and in the formation of a scientific community.¹⁷

Although the immediate product of the capitalist process of production is surplus value, in fact, as the latter consists in the growing isolation and objectification of the social powers of labour as a power standing against the living workers, in consequence, the product of the capitalist process of production is the social relation itself, as well as its objectification. Capital's product is the capital-labour relation itself, that is, the increasing subordination of living labour to its objectification.¹⁸

CHAPTER 5: THE PARTICULARISATION OF CAPITAL IN GENERAL.
THE PROCESS OF CAPITALIST CIRCULATION.

Circulation is introduced in Capital prior to the study of the process of production and in relation to commodities and money. This study of circulation is different from the examination of the capitalist process of circulation which Marx develops after the study of the process of capitalist production. In terms of the organisation and structure of Capital we have to differentiate between the analysis of simple circulation in Vol. I p.I, and the analysis of capitalist circulation in Vol. II.¹ The limitation of the analysis of circulation in Vol. I consists in that there only the circulation of money and commodities are examined, together with the money-form and the commodity-form. In contrast, in Vol. II the object of study is money-capital, commodity-capital and productive-capital. It is vital to recognise this distinction because the study of capitalist, as opposed to simple, circulation "requires a different mode of investigation" (KII p.118).

This differentiation has two aspects. On the one hand, capital is a form of commodity production, and the circulation of commodities and money is therefore common to all forms of commodity production. On the other hand, capital is not simply identical to commodity production, but it is generalised commodity production. With capital, labour power also becomes a commodity. Therefore, the circulation of commodities and money is in capital dependent on the circulation of capital as a whole.

The becoming of capitalist production consists in the process of separation of the worker from the means of production and the consequent

transformation of labour into a commodity, and of the labourer into wage-labour. The study of this process requires a prior notion of commodity exchange and of the simple circulation of money and commodities.² This is required in order to examine the form assumed by labour in capitalism and it could be said that the laws which regulate the exchange of commodities and money are applicable to the capitalist insofar as he acts as a buyer and seller of commodities, including the purchase and sale of labour power.

Methodologically, the distinction between simple and capitalist circulation has three aspects.

- i) Firstly, this distinction is expressed in the contradiction between the singleness of the acts of simple circulation⁴ and the generalised and systematic circulation in capitalism.
- ii) Secondly, in the pure metamorphoses of commodities all we find is a change of form,³ whereas in the metamorphoses of capital we have a simultaneous change of form and function.⁵
- iii) Finally, in capitalist circulation we move from the egological forms of simple circulation,⁶ to a conception of circulation which places the dynamic and active centre in the totality of its reproductive relations.

In conclusion, the movement from simple to capitalist circulation implies at the methodological level the movement towards the explicitation of the whole, the unity of form and function and the overcoming of a purely egological discourse.

The methodological conclusion of the examination of the Immediate Process of Production determines the beginning of the study of circulation. The study of the production process has for its object capital as one, that is, capital as homogeneous. The analysis of the production process describes the positing of capital by labour as objectified, alienated labour, as well as the increasing domination of capital over labour, to the point where the opposite appears to be true, namely, the positing of labour by capital. By subsuming labour, capital develops as a pure self-relation (M-M'). Capital appears to have emancipated itself from the obstacles and impediments which punctuated its becoming. The study of the Immediate Process of Production results in capital as a self-relation, as abstract motion which has no particularities or determinations. This is the starting point in the study of circulation. Circulation begins with the examination of capital as pure motion and goes on to analyse its determination and particularisation, finally reconstructing the unity of capitalist circulation and presenting it as a whole.

The analysis of the process of capitalist circulation in Vol. II of Capital is divided into three aspects, viz., the study of the circuit of industrial capital, the study of the turnover of capital, and finally, the analysis of the schema of reproduction. All these areas are anticipated in the Grundrisse, although a comparison between the two would immediately bring to light a number of very important differences and shifts of emphasis. The methodological differentiation between these three areas of capitalist circulation are to be advanced here. Whereas the study of the circuit of industrial capital contains the examination of the metamorphoses of capital, and the different forms and functions capital adopts in its motion, the study of the

turnover of capital approaches the motion of capital and its metamorphoses from the point of view of its periodicity. This periodicity is given by the turnover time of the different forms of capital. This is important because here for the first time the use values of commodities other than labour power are studied as a definite element in the determination of the motion of capital as a whole. From the homogeneity of the movements of value we move to the heterogeneity of the movements of capital-value which comprehends the internal contradiction of value.⁷ Also, use-value is here considered not as the given properties of material objects, but on the contrary, in terms of their social content. In capitalist society, "it is the social forms which are the decisive factor" (Rosdolsky 1977; p.78).

The study of the circuit of industrial capital and that of the turnover time are complementary and share a common methodological framework. As Marx puts it in Vol. II of Capital "in both the first and the second parts, it was always only a question of some individual capital, of the movement of some individualised form of capital" (K II p.357). What Marx means is that here the object of the study is capital understood immediately as both individual capital and total capital, or better, where total capital is taken to be identical to an individual capital.⁸

Even though Marx wanted to differentiate the methodological status of the analysis of the schema of reproduction, it seems to me that it does not go beyond the one explained above.⁹ The study of the schema of reproduction attempts to construct an abstract model which expresses the possibility of the continuous, crisis-free, reproduction of capital.¹⁰

If, in fact, no shift in the methodological framework of the study of the schemas of reproduction took place, it follows that the circulation process of capital as it was examined in the Grundrisse, Capital and the Theories of Surplus Value has a coherent methodological basis.¹¹

As I have already argued, the examination of the process of capitalist circulation begins with capital as 'pure motion'. Capital can only survive as capital, that is, expand as value, so long as it is continually being exchanged for labour power. Capital must remain in circulation and preserve itself in and by means of circulation.¹² In circulation capital therefore appears as a process, as interminable motion.¹³ In this abstract motion capital remains as a pure self-relation, i.e. it remains immediately one.

It is contained within the latter that at this stage our subject-matter is 'capital as one',¹⁴ i.e. capital as pure self-expansion.¹⁵ At the beginning of the study of circulation, capital remains in direct relation with itself throughout its motion.¹⁶ This first conceptualization of capital in circulation has the limitation that the movement of capital has no result, but the imperative of motion.

In the previous paragraph circulating capital was regarded in its immediate form of pure motion. This - it was argued - belonged to capital as one. Capital appeared as pure continuity. But the other side of this continuity are the different moments through which this continuity is established. Here circulation ceases to be homogeneous insofar as it posits itself doubly. On one side, circulation is "The constant continuity of the process, the unobstructed and fluid

transition of value from one form into the other, or, from one phase of the process into the next...On another side, while the necessity of this continuity is given, its phases are separate in time and space, and appear as particular, mutually indifferent processes" (G. p.535). Capital thus ceases to be a pure self-relation, and is posited as several forms or determinations of this self-relation. Thus capital circulates.

The second form of circulation involves a contradiction which contains the two aspects of continuity and exclusion. Capital is here posited as the unity of the two. This unity is not yet developed but merely posited or advanced. Whereas in 'pure motion' capital was posited as the absolute subject, renewing itself out of itself, in the positing of circulation as double, this absolute subjectivity is negated.¹⁷ This self-relation has now negation as its opposite moment. This is obvious in relation to production. The moment of production is inescapable in the process of capitalist circulation because capital expands only if it can be exchanged by labour power and means of production, that is only as long as its circulation is suspended. In order to proceed, capital must return to its money-form and restart the process anew. But while capital is in production it cannot be converted into money. Conversely, if capital is in the form of money it cannot expand until it has been exchanged for means of production and labour power. All these forms exclude each other. Each negates the continuity of capital through the negation and exclusion of the other forms.

Continuity and exclusion are therefore in direct contradiction and as such they form the dynamic of circulating capital. Marx gives

expression to this contradiction and its different mediations by presenting circulating capital as a circuit. More concretely, the circuit of industrial capital. Methodologically, the differentiation of circulating capital as continuity and exclusion does not imply a change in the location of the circulation process 'within the concept of capital'. Capital is still posited as one, even though the self-relation is not immediate any more, but the unity of contradictory aspects.¹⁸ The contradictory nature of circulation still belongs within the concept of capital because it is a characteristic of all capitals. "Every capital is circulating capital" (G.p.620). The separatedness of the different phases of this movement shows the possibility of crises in the abstract insofar as the possibility of capital being prevented from circulation is introduced. The separatedness of the different phases in time and space poses the possibility of a break in the circuit taking place.¹⁹

The different phases in the movement of capital are capital's different forms. As one aspect of the movement of capital exclusion implies the existence of different phases or forms of capital, as fixations or rigidifications of the total motion of capital. The process of examining capital in its two aspects of continuity and exclusion leads to the reconstruction of the abstract general form of capital's motion through the examination of its specific forms. In simple circulation Marx examines two forms of circulation, i.e., the money-form and the commodity-form. In capitalist circulation these two forms are completed with the productive form of capital and are seen as conforming a totality or circuit. Here, the fixation of commodities and money are connected to the total motion of capital. In simple circulation the acts of exchange have a contingent nature insofar as they are single, isolated acts. In capitalist circulation they become necessary by their

inclusion within the total motion of capital.

Regarded in their connection to the totality of capitalist circulation, the different forms now become also functions.²⁰ The forms of capital can only be studied as parts of the whole, thus mediating between continuity and exclusion. Form and function become intrinsically connected.²¹ The three forms of circulating capital are money-capital, commodity-capital and productive capital.²² Insofar as they are defined in relation to the whole movement they are also, and at the same time, functions, this is stressed in their denomination as, e.g. money-capital as opposed to money-form.²³

It was agreed that function as a complement to form forced upon us the presupposition of circulation as a whole in which the three form-functions introduced above relate. This relation is now not that of mere exclusion, but that of presupposition. This mutual presupposition of the three forms posits their unity in the circuit.²⁴

However, this unity has not done away with the independence of the form-functions, and thus the movement appears as alternation. It consists essentially in the repetition of each of these moments one after the other. Here capitalist circulation appears as the successive alternation of the three phases, that is, as a circuit.²⁵ The contradiction between continuity and exclusion becomes thus the contradiction between the form-functions and the circuit.

Also, the separatedness of the form-functions expresses itself in that every one of them can be the starting point for a circuit. The circuit as the alternation of the three phases shows a circular movement which

has for its beginning and its result the same form-function. This gives rise to three different circuits, the circuit of money-capital (M-C..P..C'-M') the circuit of productive capital (P...C-M-C..P); and the circuit of commodity-capital (C'-M'-C'...P). To these we now turn.

Even though every form-function appears to have equal claims to be the beginning of the circuit, Marx starts with money-capital and consequently the money-circuit. The necessity of examining first the circuit of money-capital is twofold. Firstly, this beginning is determined by the movement of capital itself, particularly since the "phases through which capital travels....begin conceptually with the transformation of money into the conditions of production" (G.p.619). Essentially capital begins with the transformation of money into the means of production and labour power, I mean essentially - or conceptually in Marx's own words - because although capital is circular, the moment of production presupposes the separation of the workers from the means of production which is given in the exchange of money-capital with labour. Secondly, the money-capital circuit is for Marx the most typically reflective of capital.²⁶ The circuit of money-capital is the most irrational and at the same time the most faithful expression of capital as a self-relation.²⁷ In M...M' all traces of the process of becoming disappear in the homogeneous form of its beginning and result, i.e. money. Money appears to create money out of itself, by merely relating to itself.²⁸ Money appears to change quantitatively through itself-relation. In conclusion, Marx's beginning with the circuit of money capital springs from the immediacy and apparent completeness of the money-circuit.

However, the circuit of money capital appears to be independent of production and circulation, and hence, independent of the other two circuits, their real relation is shown by the pressure on M' to restart production, i.e., to be exchanged again for labour power and means of production. The circuit of money-capital, therefore, despite its appearances presupposes the other circuits.

In the study of productive capital (P...C-M-C...P'), Marx's analyses only the forms of circulation and not those of production. Marx here takes production to be crises-free and concentrates solely on C-M-C. On the basis of this he draws a distinction between 'Simple Reproduction' and 'Reproduction on an extended scale'.

The circuit of commodity-capital has characteristics which differentiate it radically from the other two. To begin with, the circuit of commodity capital starts with C' as opposed to C. This beginning is made necessary by the fact that capital does not produce labour power, but it must buy it anew in every production process.²⁹ The second peculiarity of the circuit is its presupposition of permanent reproduction. Commodity-capital circuit has C three times in its circuit and presupposes that labour power and means of production are available. This leads to a third peculiarity, namely the fact that it presupposes other circuits and therefore other capitals. This constitutes its most important characteristic insofar as it posits the transcendence of the methodological framework of this section. Here 'capital as one' ceases to constitute the subject-matter of the analysis. This will be taken up later. Marx argued that it is crucial to understand the peculiarities of the commodity-capital circuit. They pose the question of the multiplicity of circuits and of their unity,

and at the same time, they pose the problem of the multiplicity of capitals. "All these peculiarities of the circuit lead us beyond its own confines as an isolated circuit of some merely individual capital."
(K.II p.101)

So far, the unity of capitalist circulation has been expressed first, as pure motion and secondly by alternation or succession - which stresses the separatedness of the moments of circulation. The development of the aspect of separatedness gave shape to the form-functions, and their co-existence in the circuit. The separatedness is still the dominant factor in the determination of three circuits, that of money-capital, commodity-capital and productive capital. The unity of the three circuits is achieved through the third expression of capitalist circulation as a whole, viz., in simultaneity.³⁰ Here the unity of capitalist circulation is conceived as the presence of capital in all its phases at the same time.³¹ Simultaneity develops directly from the circuit of commodity-capital insofar as the latter presupposed the existence of other circuits and of other capitals going through its circuit at the same time. Simultaneity poses both the question of the plurality of the circuits and of the plurality of capitals.³² Capital's continuous reproduction necessitates the uninterruptedness of production. In fact, if we examine any individual capital we shall see that at any moment in time it is divided in its moments.³³ Here capitalist circulation is determined by social reproduction as a whole.

Methodologically, simultaneity introduces radical changes in the object and the framework of the enquiry. Pure motion, or pure continuity, while posing clearly the process-like character of capitalist circulation, was unable to yield the series of mediations involved,

that is, the moment of exclusion expressed in the different forms and functions of circulating capital. There the totality of the process appeared to be indifferent to its moments. In alternation occurs the first attempt at a mediation by making continuity and exclusion compatible through their co-participation in a totality conceived as aggregation.³⁴ Alternation and aggregation go hand in hand. Simultaneity takes this form a step further; it gives embodiment to the aggregation as totality because instead of being conceived as the final result, or overall summation, it is rather developed as a moving whole. Aggregation constitutes now a totality at any given point as the simultaneity of all the different phases and forms. Simultaneity brings about a more appropriate but all the same limited form of totality. This is clearly in the necessity of developing the concept of 'many capitals' which simultaneity poses. The existence of a plurality of capitals is, however, not yet completely subversive of the conception of the subject of the enquiry as capital in general. The totality which is understood as simultaneity recognizes the existence of a plurality of capitals as well as the possibility of their summation at any one point. This contradiction is thus suspended in the form of simultaneity.

In studying how the question of the plurality of capitals is posited in simultaneity we have to differentiate between the division of capital in parts which is the necessary result of the mediation between the continuity of production and the circulation time,³⁵ and the positing of a plurality of capitals engaged in independent circuits.³⁶ Marx poses them both in relation to the discussion of the commodity-capital circuit and the industrial circuit as a whole.

In conclusion, the form of totality Marx arrives at in the discussion of the circuit of industrial capital in fact suspends the contradictions

posed by the emergence of a plurality of capitals and the aggregate social capital. This conceptualisation of total social capital recognises the existence of a plurality of capitals, but assumes them all to have an homogeneous content which is no different from the aggregate social capital. Aggregate social capital is thus a kind of representative of all capitals. As Marx puts it, the commodity capital circuit

"Claims to be considered not only as the general form of the circuit, i.e. not only as a social form into which every single industrial capital can be studied hence not merely as a form of movement common to all individual industrial capitals, but simultaneously also as a form of movement of the sum of individual capitals, consequently of the aggregate capital of the capitalist class, a movement in which that of each individual industrial capital appears as only a partial movement which intermingles with the other movements and is necessitated by them." (K.II p.99)

It was necessary to quote this at length because it shows clearly the suspension of the above mentioned contradiction. Capital is both the aggregate social capital, and at the same time is individual capital as parts of the whole, but the latter are no different from the whole. The totality is posed as the homogeneity of aggregate social capital and its individual parts. This distinction is here recognised, but at the same time seen as unproblematic. Only in the analysis of capitalist reproduction as a whole (Gesamtprozess) as the unity of production and circulation is this contradiction problematised.

Marx's analysis of the circuit of industrial capital presupposed the continuous flow of capital, its fulfillment as 'perpetuum mobile'. In this framework, Marx referred to the possibility of a breakdown in capitalist circulation. He posed this possibility, but he did not develop this aspect of his enquiry properly. The analysis of the phases or forms of capital in themselves was subordinated to the examination of their transcendence. Marx gave priority to continuity as opposed to exclusion. This was made necessary by the forms of capitalist circulation themselves, analysed from the standpoint of their immediacy, that is, as independent from the other processes of capitalist production as a whole. In its one-sidedness, the fundamental, though not yet actual, dynamic of capitalist circulation is expressed. The latter can only be predicated upon the unity of all the processes of capital. The conclusion we extract from the study of the circuit of industrial capital is that capital must always be on the move, but the moments of this movement are not posed in their mediations, viz., in their interconnections, but, instead, simply as immediate. This was clear to Marx who repeatedly emphasised the one-sidedness of the study of pure circulation.

In conclusion, the synthesis of the circuit of capitalist circulation in aggregate social capital is limited in the sense that it merely suspends the contradiction between continuity and exclusion which governs the movement of circulating capital, as a further corollary, the social analysis of the different modes of existence of capital are not examined in their autonomy and relative independence.

Methodologically, this shows clearly in Marx's remarks in the Grundrisse. Because in the latter Marx's repeatedly argues that the study or the

process of capitalist circulation belongs within the concept of capital,³⁷ but at the same time, as the development of the moments of circulation takes place, there emerges the questioning of this methodological framework. The positing of circulation posits at the same time the contradictions of capital in general, and the necessity of abandoning that standpoint. Marx's positing of circulation 'within the concept of capital',³⁸ loses its force as soon as circulation begins to reveal itself as something more than capital's pure motion, i.e. as rather the positing of motion itself.³⁹ In simultaneity this framework reveals its limitations and the 'concept of capital' must be overcome.⁴⁰ But this overcoming of 'capital in general' is not developed in the section on the circuit of industrial capital. It rather remains a requirement needed to develop the argument.

Having brought into question the concept of capital ^{in general} as a methodological framework, Marx goes on to show that any further development of the study of capital must discuss the existence of individual, qualitatively different capitals as well as their interaction. This programme - we have argued - will not be taken up until the study of capital reproduction as a totality. As Marx suggests,

"it is no longer sufficient to confine ourselves to indicating that the metamorphoses C'-M' and M-C are on the one hand functionally defined sections in the metamorphoses of capital [i.e. the transition from simple to capitalist circulation^{AB}], on the other are links in the general circulation of commodities [aggregate social capital^{AB}]. It becomes necessary to elucidate the inter-twining of the metamorphoses of one individual capital with those of other individual capitals" (K.II p.101).

Again, Marx suggests we must overcome this "formal aspect but rather consider the actual connection between the metamorphoses of the various individual capitals, in other words, if we study the connection between the circuits of individual capitals as partial movements of the reproduction of total social capital" (K.II pp.103-4).

In the study of the pure process of capitalist circulation, the development of the enquiry towards the unity of all the processes of capitalist production is brought to light and shown in its necessity. The need to locate and examine the limitations resulting from the one sidedness and apparent independence of the processes of production and circulation of capital, lead directly into the consideration of the process of capitalist production as a whole.

Within this development, the examination of the process of capitalist circulation in its immediacy constitutes, methodologically, the process of particularisation of 'capital in general'; or capital as One. Here, the homogeneity and oneness of capital emerging from the study of the immediate process of production, posits its negations and determinations. It develops the existence of a plurality of capitals,⁴¹ and while capital in general shows itself to be one of these many capitals, it sunders itself in its negations and confronts them as itself one of them.⁴² Thus, aggregate social capital' is a representative form of totality. It is indifferently the sum of all capitals, or any of them. In the study of circulation, its distinguishing takes several forms, leading to different form-functions of capital in the circuit of industrial capital, as commodity-capital, money-capital, and productive-capital. Moreover, these different forms presuppose a plurality of individual capitals. However, the latter are simply posited, but not studied.

The distinguishing of 'aggregate social capital', the synthesis of the pure process of circulation, is a formal distinguishing. This is why I refer to this process as the particularisation of capital as one,⁴³ since the difference is yet indifferent and formal. The real interaction of capitals, within total social capital is the subject of the next chapter.

CHAPTER 6. TOTAL SOCIAL CAPITAL. THE PROCESS OF CAPITALIST CIRCULATION.

i. THE SPECIFICITY OF MARX'S STUDY OF CAPITALIST PRODUCTION AS A WHOLE.

Marx left us in no doubt as to the need to give careful consideration to the specificity of his examination of the capitalist process of production as a whole. In contrast to the inquiry into the immediate productive process, the study of the circulation process of capital or even the study of the reproduction schema in Capital Vol. II which developed "that the capitalist process of production taken as a whole represents a synthesis of the processes of production and circulation" (KIII p.25); the analysis of Capital Vol. III "cannot confine itself to general reflection relative to this synthesis. On the contrary, it must locate and describe the concrete forms which grow out of the movements of capital as a whole" (KIII p.25). From the very beginning, the content and the form of Marx's study of the process of capitalist production as a totality are shown to be specific. The general determinations of this inquiry are provisionally advanced in this section. In the next section, they will be studied as they evolve in Marx's discourse.

The most important element characterising Marx's study of the process of capitalist production as a whole is precisely that which understands capital as the systematic unity of all its moments. Here, production, circulation, exchange and distribution become a single process. The unity of all the processes of capital is something more than their mere aggregation. In their mere aggregation, the different processes of capital are considered as self-subsistent and independent. Their relationship is external to them and does not alter their inherent substance. They are not only different, but also indifferent processes. In their concrete unity, on the contrary, these seemingly different

processes are posed by the movement of capital as a whole, and thus they show themselves to be moments of capital's reproduction. The different processes of capital have thus in their systematic whole, their result and presupposition.

Capitalist production as a whole comes to be developed conceptually in the study of profit, the general rate of profit, and the law of the tendency of the rate of profit to fall. "The product of capital is profit" (Gp.758), notes Marx in the Grundrisse. In profit, capital achieves its most developed form in that capital appears as pure relation to self.¹ Capital appears to expand purely through its self-relation. This self-development of capital is reflected in the general rate of profit. Furthermore, this process of self-development shows itself to be essentially contradictory - a form which is expressed in the law of the tendency of the rate of profit to fall. These concepts also presuppose the mediation of the totality. In fact, in profit capital relates to itself through the mediation of the totality. Profit is a category which belongs to social reproduction, and as such it presupposes the concrete unity of all the processes of capital. Through these concepts and their mediations "not only is capital posited as the unity of production and circulation" (Gp.745), but also, in the development of profit into revenues it "appears as a form of distribution" showing that "the relations of distribution are themselves produced by relations of production, and represent the latter from another point of view" (Gp.758). Finally, in the study of capitalist production as a whole "the movement of exchange is posited as its (capital¹⁵) own, as the inherent process of objectified labour" (G.p.745). At the same time, the development

of the concrete unity of all the moments of capital requires a specific methodological constitution, where account is taken of the need to understand all these processes as parts of the whole and the implications emanating therein.

This leads us to the second characteristic of Marx's development of the categories of capitalist production as a whole. In the study of profit, capital appears as a pure relation to itself. Here, the mediations of the becoming of capital - in particular, its relation to the production process - are further occluded. With profit the alienation inherent in capitalist relations of production achieves greater force.² Introducing the contents of Volume III of Capital, Marx remarks that the "various forms of capital as evolved in this book, thus approach step by step the form which they assume on the surface of society, in the action of different capitals upon one another, in competition, and in the ordinary consciousness of the agents of production themselves" (KIII p.25). The study of capitalist production as a whole thus involves a twofold task, that of approaching, at the same time, the most concrete as well as the most immediate forms of capital, i.e., the forms which develop in the immediate consciousness of the agents of production.

This duality of Marx's concern is easily misunderstood when it is - wrongly - conceived of as a dichotomy. If the necessity for this two-pronged examination is not brought out, two essentially different views of the study of capitalist production as a whole emerge. Either we ascribe sole reality to the study of the 'essence' of capital as evolved in Capital Vol. I., and consequently consider the analysis of capital Vol. III as dwelling in the mere 'illusory' forms of capital;

or we ascribe full reality to the concrete forms evolved in Capital Vol. III, and consequently consider the contents of Vol. I of Capital as metaphysical abstraction. Even if this dichotomy is seldom presented in this extreme fashion, and even if very few commentators of Marx would so one-sidedly become identified with either of these two positions, it is nevertheless true that the framework sustaining this dichotomy constitutes the background to many debates on the questions raised by Marx in the study of capitalist production as a whole.³

Beyond the one-sidedness of these two positions, the intertwining of the concrete forms of capital and the forms immediately present in the consciousness of the agents of production remains a necessary feature of the study of capitalist production as a whole.⁴ In the development of the categories of profit, the general rate of profit and the tendency of the rate of profit to fall, these two levels are closely knitted together, thus adding greater complexity to their examination. Profit, for example, although the form of appearance of surplus-value and - leaving aside for the moment its further development as revenue - consequently the form in which the latter appears to immediate consciousness, is by no means a mere 'illusory' form. Whereas the concept of surplus-value pertains to the examination of the immediate process of production, the concept of profit includes the totality of all the processes of capital, i.e., production, circulation, exchange and distribution. It is precisely this greater content which makes profit a more concrete form, and at the same time, a more immediate form. It is precisely because profit expresses the most complete form of capital, where capital presents itself as a pure relation

to self, that in its immediate form it occludes the becoming of capital in its different processes. In the examination of profit, these two aspects are brought together, in their inner relation. This is demanded by the specific nature of the subject-matter, the study of capital as a whole. The actual process of this mediation will be examined later in greater detail. For the moment it suffices to grasp the necessity of the simultaneous study of these two aspects, that is, to grasp the necessity of their inter-connection. Perhaps it would be useful to illustrate Marx's endeavour via a reference to Hegel's conception of the relationship of essence to appearance, even if only because Hegel explicitly criticised a view which transforms the latter into a sort of absolute antithesis. For Hegel, "essence is not something beyond or behind appearance, but - just as it is the essence which exists - the existence of appearance" (EL.p.186). An inner unity is thus established between what appears and the forms of its appearance where neither essence nor appearance have actuality outside their relationship. More positively, the aspect of essence refers us to the systematic unity of all the forms of appearance since "essence is...the sum total of the showing itself" (EL p.187).

This reference to Hegel is not accidental. At no point in the development of Marx's 'Economics' is Hegel's influence stronger.⁵ I have argued in Part I of this thesis that Marx and Hegel share a common subject-matter, the study of capitalist society in its essential forms.

This necessarily assumes a systematic study of the forms of capitalist society because bourgeois society - and this is unique to it - submits all aspects of social life to its domination, it subordinates all forms of social intercourse to the needs of capital reproduction on an expanded scale. For the first time in the history of society,

the latter's development takes the form of a systematic wholeness,⁶ albeit in an objectified manner. Hegel's Logik arises therein.⁷ Hegel's Logik treats the concepts dearly, or what is the same, it treats them historically. This requires that we bring out the historical content of the concepts. This task is very different from the arbitrary attaching of historical events to particular concepts, or to the attempt to present the concepts chronologically. On the contrary, what is required is that we study the concepts in their determinations, that we determine where the concepts begin and where they end, that is, that we study the concepts in their inter-relationships. This is the 'dialectic of the concepts', i.e. their development as an organic whole, as a systematic unity. Marx's study of 'capitalist production as a whole' has its counterpart in Hegel's 'Doctrine of Essence' in the 'Logik.' Here, the concepts are analysed as mediations, in their relation to the whole, a relation which is wholly internal, as the development of the totality.

ii. THE BECOMING OF PROFIT. PROFIT AS IDENTICAL
TO SURPLUS-VALUE.

Marx's analysis of profit begins with the study of cost-price. Cost-price refers to the value of capital spent in the production of a particular commodity, whereas the formula representing the value of a commodity includes constant and variable capital plus surplus-value, cost-price includes only constant and variable capital. That is, the value of a commodity is expressed in the formula $v = c + v + s$, while the cost-price of a commodity is expressed in the formula $k = c + v$. Two questions immediately arise: How does the concept of cost-price come to be, and why is it that Marx begins his examination of profit with cost-price? Three points need to be made in connection with these questions. The first is that cost-price is the most immediate category of capitalist accounting, and as such it looms large in classical and neo-classical economics. Therefore, Marx is tempted to begin his study of profit with cost-price as a category immediate to ordinary consciousness. My second point is that the immediacy of the concept of cost-price is telling because this immediacy is a direct consequence of the development of capitalist relations of production. What is specific to cost-price is that it blurs the distinction which exists between constant and variable capital, i.e., between dead and living labour. The generalisation of the transformation of labour into the commodity labour-power creates the conditions for the immediacy of cost-price. As labour becomes a commodity like other commodities, capital can appear to reproduce itself by merely changing into the form of commodities - means of production and labour-power, thus losing, in appearance, its essential-relation to wage-labour. The process of capitalist reproduction thus

appears as a mere expenditure of capital, and as a pure relation to self. The concept of cost-price emerges from these conditions, and it presupposes them. In cost-price the differentia specificæ of variable capital in relation to constant capital is obscured, and all expenditure of capital seems to be equally productive of new capital. Cost-price therefore encapsulates the developed conditions of capitalist production.

But if cost-price is a direct result of the conditions of capitalist production, at the same time, it does not express them. Although the content of the category of cost-price can be unveiled through analysis, in itself, cost-price does not reveal it. This is an example of the complexity of the study of capitalist production as a whole, where the concrete and the ideological forms of capitalist development need to be studied at the same time, that is, where essence and appearance are closely knitted together. While embodying and presupposing the conditions of capitalist production, the category of cost-price does not directly express them as when, for example, it poses variable capital as indistinguishable from constant capital. Therefore, cost-price serves as a beginning not only because it is immediate to ordinary consciousness, but also because this immediacy is telling insofar as it reveals its own necessity.

My final point regarding cost-price is that it leads directly to profit as its necessary counterpart.⁸ Cost-price introduces the immediate notion of profit as the excess of price over cost-price. Starting from cost-price, it is obvious to ordinary consciousness that profit is that portion of the price of the commodities which exceeds

what the capitalist spent in producing them. Further, the capitalist tends to confuse cost-price with the value of a commodity, and thus to take the profit as the excess of price over cost-price. Starting from cost-price, it is obvious to ordinary consciousness that profit is that portion of the price of the commodities which exceeds what the capitalist spent in producing them. Further, the capitalist tends to confuse cost-price with the value of a commodity, and thus to take the profit as the excess of price over the value of the commodity. The cost-price of the commodity is seen by the capitalist as the "true inner value of the commodity, because it is the price required for the bare conservation of his capital (KIII p.38). Profit appears to be independent from the production process, and as a direct consequence of the price, to arise, in the market. Also, profit relates if anything to total capital expended in production rather than only a part of it, i.e., variable capital.

The concept of cost-price introduces an immediate conception of profit as it inhabits the fetishised world of bourgeois society. This directly contradicts Marx's conclusions from the study of the immediate process of capitalist production, namely that the source of all new value lies solely in variable capital. This contradiction constitutes the subject of Marx study of capitalist production as a whole. It is posed as the 'transformation' of surplus-value into profit, or rather as the study of the processes of mediation leading from surplus-value to profit and from the study of the immediate process of production of capital, to the study of the process of capitalist production as a whole.

The first moment in Marx's development of profit poses the latter as identical to surplus-value. Surplus-value and profit are considered

in their identity insofar as it is shown that both have their common substance in unpaid labour.⁹ This moment expresses a direct continuation of the study of the immediate process of production, and its methodological framework. Insofar as profit is considered as immediately one with surplus-value, it is at first posed as a category of the immediate process of production. Here my concern is to make explicit the methodological framework involved and its limitations.

The examination of profit at this moment of the analysis constitutes the examination of its process of differentiation vis-a-vis surplus-value. Given their common substance in unpaid labour, surplus-value and profit express two different relations of that substance. These are the rate of surplus-value and the rate of profit which, according to Marx, "are two different measurements of the same entity, and owing to the difference of the two standards of measurement they express different proportions or relations of this entity." (KIII p.43) Surplus-value and profit are unpaid labour, but whereas the rate of surplus-value expresses the relation of paid to unpaid labour, the rate of profit expresses the relation of unpaid labour to paid labour plus, past, objectified labour utilised in production. The same entity refers to two different standards. The difference between surplus-value and profit thus established is indifferent to their unity or identity.¹⁰ This is similar to what Hegel calls diversity, i.e. "the indifference of difference" (EL p.419). The introduction of the rates of surplus-value and profit appears to effect no change whatsoever on their relation of immediate identity.

This moment of indifference to difference, where the aspect of indifference of surplus-value and profit in their rates runs alongside the aspect of identity, without ever being connected, contributes to the

mystification of profit. For the capitalist, as the immediate agent of production, understands profit as consisting solely in the excess of the price of the commodity over its cost-price. In this context, surplus-value "whatever its origin, is thus a surplus over the advanced total capital" (KIII p.42). The capitalist can - and does - ignore surplus-value altogether.

Although both surplus-value and profit have their common substance in unpaid labour, their rates appear to be absolutely distinct. Marx asserts that the "rate of profit...depends on two main factors - the rate of surplus-value and the value composition of capital" (KIII p.69). The rate of profit is here different from the rate of surplus-value - as opposed to the identity of their substance - insofar as a new element is considered, namely constant capital. For Marx, given a constant rate of surplus-value, the rate of profit will vary independently from the variations of the rate of surplus-value in response to changes in constant capital effecting the organic composition of capital. Thus Marx poses the existence of a relationship between the rate of surplus-value and the rate of profit, but this relation is obscured when the rate of profit is examined in its variations independent from the rate of surplus-value.

Here, I might attempt a recapitulation of the argument so far. Marx began by stressing the unity or identity of surplus-value and profit. Surplus-value and profit have a common substance, their rates are not only different, but also indifferent to each other as different measurements of the same entity. The rate of surplus-value is equal to $\frac{S}{V}$ whereas the rate of profit is equal to $\frac{S}{C + V}$. A relationship is thus established between the rate of surplus-value and the rate of profit insofar as the former is one of the determinations of the latter.

However, Marx goes on to analyse the variations of the rate of profit independent from the rate of surplus-value. As Marx puts it in relation to Capital Vol. III Part I, "in this part, the rate of profit is numerically different from the rate of surplus-value; while profit and surplus-value are treated as having the same numerical magnitude but only a different form. In the next part we shall see how...profit represents a magnitude differing also numerically from surplus-value" (KIII p.48).

It is important to clarify the methodological framework of this approach, and to establish its limitations. From a recognition of the limitations implicit in this approach Marx would move towards the development of the inner connections and mediations linking surplus-value and profit, and their rates. The most important of these limitations has to do with the wider content of the category profit and of the rate of profit. Whereas surplus-value relates exclusively to the immediate process of production, profit and the rate of profit include the processes of production, circulation, exchange and distribution, that is, the process of capitalist production as a whole. But because at this point profit is taken to be immediately one with surplus-value, this wider content and complexity are lost. The advantage of making this immediate identity is to point out the common substance of surplus-value and profit in unpaid labour. Profit is therefore studied as it arises from the process of immediate production, and shows itself to have its roots in it. Important as it is to show the substance or profit, this greatly reduces the content of profit. The fundamental point to be grasped here is that Marx has not yet altered the methodological framework which dominated his study of the immediate process of capitalist

production and the study of the process of capitalist circulation. Although he has already introduced the categories of profit and the rate of profit, he has not yet developed their full complexity of content and form. By examining the limitations of this framework, the necessity and the forms of a new framework are made apparent.

Marx made explicit these limitations throughout his examination of the becoming of profit. Thus, for instance, at the beginning of Chapter III of Part I of Capital Vol. III he states that "generally in this entire first part, we presume the amount of profit falling to a given capital to be equal to the total amount of surplus-value produced by this capital during a certain period of circulation" (KIII p.49). In discussing surplus-value and profit as being immediately one, Marx has assumed a context of simple reproduction. Insofar as capitals realise all the surplus-value they produce as profit, it is obvious that no movements of capital are made necessary. It has been anticipated at the beginning of this chapter that profit expresses capital as a pure relation to self, on the basis of the fully developed conditions of capitalist production. The present development of profit has not yet achieved this point. In fact, profit appears here a mere surplus over the simple reproduction costs of capital, not yet as potential capital. Profit is here considered passively, not actively. For surplus-value to become profit, it is necessary that it can be converted into capital, or, what amounts to the same thing, that it can be exchanged for labour-power and means of production. Profit expresses this relation of capital to itself on an expanded scale. The immediate identification of profit with surplus-value, however, considers this process in its purely formal aspect, if at all, because it assumes simple reproduction.

Secondly, and related to this, Marx makes the individual capital at the same time the representative capital, and the total aggregate of capitals.¹¹ From the above quotation it can be deduced that the individual capital in question - the unit of analysis on the basis the unity of surplus-value and profit is predicated - insofar as it enjoys the average conditions of production, actually represents the total capital. I have already pointed out and discussed the limitations of this approach in relation to the study of the process of capitalist circulation. It will be seen later how the concretisation of capital into individual capitals, branches of production and total social capital is crucial to the full development of profit, the general rate of profit and the law of the tendency of the rate of profit to fall.¹²

Thirdly, it is a conclusion from above that the immediate identification of surplus-value and profit assumes a society which develops in complete harmony. The fact that in this model no movements of capital are required implies that all necessary use-values are produced in their necessary quantities, and therefore all that is needed to maintain society is the continuous reproduction of different commodities in the same proportions. Consequently, capitalist production is taken to be crisis-free.

The limitations of Marx's methodological framework permeate the conclusions he has arrived at. Insofar as the rate of profit is considered in independence from the rate of surplus-value, it appears as "a function of several variable magnitudes, and if we wish to know how these variables influence the rate of profit, we must analyse the individual effect of each in turn" (KIII p.58). These variables

are, for example, savings in the use of constant capital, changes in the turnover time of capital, etc. But they can be considered as independent variables only in the context of simple reproduction. In fact in the long run they must necessarily have an effect on the rate of surplus-value, and consequently, they must cease to appear as 'independent' variables. These variables are internally linked to the rate of surplus-value through the organic composition of capital.

In view of these arguments it must be concluded that Marx has not yet integrated in profit the totality of the processes of capitalist production, but merely examined profit as a category of immediate production, or, what is the same, as immediately one with surplus-value. What Marx has demonstrated is that the substance and grounds of profit can only be said to exist in unpaid labour. By introducing the category of profit in this framework, Marx has shown the possibility of profit, albeit not yet its actuality.¹³ Surplus-value - as unpaid labour - makes profit possible, and determines its outer limits. But surplus-value by itself cannot show why it has to take the necessary form of profit. Consequently, surplus-value cannot, by itself, unveil the process of mediation which leads from surplus-value to profit. To this effect what is required is that this formal concept of profit be developed along with the integration of the processes of capitalist circulation, exchange, production and distribution.

What Marx refers to as the 'transformation' of surplus-value into profit makes sense only in this context. To highlight the effects of variations of constant capital on the rate of profit represents formally, but not in reality, the process of mediation linking surplus-value and profit.

The 'transformation' of surplus-value and profit does not mean the transformation of one entity into another, as the external relation of two separate 'beings', but the - more theoretical - transformation of the results of the study of the 'immediate process of capitalist production' into the constitution of the study of 'capitalist production as a whole'. The concept of 'transformation' expresses the necessity of a process of mediation integrating immediate production with the system of capitalist production as a whole.

Equally, Marx's statement that "surplus-value and the rate of surplus-value are, relatively, the invisible and unknown essence that wants investigating, while rate of profit and therefore the appearance of surplus-value in the form of profit is revealed on the surface of the phenomenon" (KIII p.43), only makes sense in this context. Marx's proposition that profit is the form of appearance of surplus-value involves two aspects. On the one hand, Marx stresses the idea that by appearing as profit, the latter's immediate relation to the production process, and consequently to surplus-value, is obscured. In profit, its substance and origins are mistified.¹⁴ On the other hand, this mistification of capitalist production is a consequence of the full development of the conditions of capitalist production, the development of the organic unity of the totality of the process of capitalist production, i.e., production, circulation, distribution and exchange. That is, the concept of profit is not a mere dressing of the concept of surplus-value, but its integration into capitalist production as a whole. In this sense, surplus-value must necessarily appear as profit, and what appears in profit is surplus-value in the context of the totality of the processes of capitalist production. This is a real

and necessary process, and not a merely epistemological one. Only by holding these two aspects together we can achieve a correct understanding of the processes of mediation linking surplus-value and profit, i.e. immediate production and production as a whole.¹⁵

THE BECOMING OF THE GENERAL RATE OF PROFIT.

The main points of the previous section are the following. Profit is studied as immediately one with surplus-value, that is, as a category of the immediate process of production. Their rates are studied as different and indifferent to each other. In sum, the concept of profit is introduced as it emerges from the immediate process of capitalist production. The rate of profit is taken as different from the rate of surplus-value. This difference is characterised by indifference insofar as the former is studied as it is affected only by variations of constant capital. The two methodological concepts are the moment of immediate identity and the equally immediate moment of diversity. Moreover, these two concepts run alongside each other, essentially unmediated.

Now the argument evolves towards the consideration of profit as different from surplus-value, that is, not as a category of the process of immediate production, but as a category of the process of capitalist production as a whole.

If profit is considered in its identity to surplus-value, it follows that capitals of equal magnitude, but different organic compositions of capital will produce different amounts of surplus-value, and consequently different rates of profit. Leaving aside for the moment variations in the rate of surplus-value, it becomes clear that capitals of equal magnitude but different organic compositions will put in motion different amounts of variable capital, and consequently extract different amounts of surplus-value. Insofar as here profit and surplus-value are considered as identical, these different amounts

of surplus-value result in different rates of profit. This appears to be a natural extension of the arguments developed so far. The underlying methodological framework has, however, altered radically.

The process of becoming of the concept was predicated upon a 'single capital'. That is, it was assumed that an individual capital enjoying the average conditions of production was able to represent the total aggregate of capitals or total capital. As it were, our 'unit of analysis' was the result of a process which conflated, or reduced to one, the three forms of existence of capital, namely, individual capitals, average capital and the total aggregate capital. This threefold form of existence of capital is advanced several times before the introduction of the concept of profit, but it is referred to in ad-hoc manner, i.e., it is not considered in itself. I shall consider it presently. My point here is that what was predicated upon the 'single capital' cannot be extended to the existence of many capitals without altering radically the previous methodological framework. To begin with, the basis for the analysis of the 'single capital' into the three forms of existence of capital advanced above needs to be looked into. The 'representational' force of the 'single capital' is lost with the emergence of many capitals enjoying different organic compositions. The latter are the basis for this distinguishing of the 'single capital'.

What is the organic composition of capital? It has been argued that the rate of profit is determined by the rate of surplus-value and the organic composition. The latter expresses the relation of variable and constant capital in its two aspects. Firstly, there is a technical relationship of constant and variable capital which "must be regarded as given at a certain stage of the development of the

forces of production" (KIII p. 145). It represents the proportion between a certain number of workers and a definite quantity of means of production. "This proportion differs greatly in different spheres or production, and frequently even in different branches of one and the same industry" (KIII p.145). Secondly, the value composition of capital reflects the proportion of variable and constant capital in value terms. Finally, "the value composition of capital insofar as it is determined by its technical composition and mirrors the changes of the latter" is called the organic composition of capital. (KI p.762)

The 'single capital', representative of average conditions, is concretised away in the process of distinguishing between many capitals on the basis of their different organic compositions. To a certain extent, and insofar as capital develops unevenly, these differences are determined by the differences in the technical compositions of the processes of production. Although these can be directly, or inversely, reflected in the value composition. The degree of autonomy of the technical and the value composition belongs to a later section. For the moment I am concerned with the basis for the differentiation of the 'single capital'. This process of distinguishing does not lead directly from the latter to 'many capitals'. In fact, although the organic composition of capital varies from capital to capital,¹⁶ there operates a strong tendency for capitals invested in a particular branch of production to move towards a similar organic composition. Again, this is due mainly to the identity of the production processes in a particular branch of production, determined in the background by identical technical compositions, but mediated by value compositions. The first moment of the process

of distinguishing of the 'single capital' results in individual capitals and branches of production. Beyond the different individual capitals, the branch of production acquires its significance as the former's species.

Let us review the argument, it had been concluded that on the basis of the identity of surplus-value and profit, equal capitals with different organic compositions - leaving aside differences in the rate of surplus-value and the rate of turnover¹⁷ - mobilise different amounts of variable capital, produce different amounts of surplus-value, and consequently different rates of profit.¹⁸ But this seems to contradict the phenomena of capitalist society where capitals draw profit on the basis of their magnitudes, as a consequence of the existence of a general rate of profit. This contradiction is sharply recognised by Marx. "There is no doubt", he argues, "that aside from unessential, incidental and mutually compensating distinctions difference in the average rate of profit in the various branches of industry do not exist in reality, and could not exist without abolishing the entire system of capitalist production. It would seem therefore that here the theory of value is incompatible with the real phenomena of production, and that for this reason any attempt to understand these phenomena should be given up" (KIII p.153). This contradiction has provided the basis for what has become the 'transformation problem'. I shall take this up again later. Here I shall look at this contradiction in its narrower sense, merely as signalling the necessity to develop an understanding of the process of formation of the general rate of profit. I say narrow because it merely introduces the concept of a general

rate of profit, directly out of the phenomena of society, but it does not tell us anything more than the fact of its existence. It merely shows a contradiction, making necessary a process of mediation, yet it does not point to the direction of this process.

To show the process of becoming of the general rate of profit is also Marx's concern. Thus, for example, at the beginning of Part II of Capital Vol. III he says he has disregarded differences in the rates of surplus-value of different countries because what he wants "to show in this Part is precisely the way in which a general rate of profit takes shape in a given country" (KIII p.143). Marx's development of the general rate of profit has three moments I shall attempt to describe. Marx begins by introducing the formal possibility of a general rate of profit. This is developed via the hypothetical example of a simple capital invested in five different branches of production of different organic compositions. The different parts of this capital enjoy different organic compositions, hence different rates of profit. But because they are parts of a single capital they are averaged into a single rate of profit for the whole capital. This is merely intended to show the formal possibility of the general rate of profit since in this example the different rates of profit of the different parts of the single capital are left unaltered. All that is done is to average them 'a posteriori'.

The real process of formation of the general rate of profit - as opposed to its formal possibility - has two distinct moments. These are the formation of the average rate of profit at the level of the

branch of production, and the formation of the general rate of profit at the level of total social capital. On the basis of the assumption that equal capitals with different compositions have different rates of profit, it appears that our starting point is an infinite variety of rates of profit. In fact, insofar as the rate of surplus-value and the organic composition of capital are to a great extent given in a particular branch of production, it becomes easy to envisage the existence of an average rate of profit in that branch. This average rate of profit has its grounds in the similarity of conditions of production in a particular branch of production. Although differences in organic compositions do exist between capitals invested in a branch, the tendency towards an homogeneous organic composition is dominant. In actual fact, the conditions of production of a particular branch of production appear to the individual capitalist as given in the form of definite cost-prices, or costs of production. In a particular branch of production, therefore, there operates a tendency towards the equalisation of the individual rates of profit of the capitals invested in it.

In a sense, the process of formation of the average rate of profit is a natural extension of our previous arguments and conclusions, namely, that equal capitals with different organic compositions have different rates of profit. Within a particular branch of production, and in as much as there exists a tendency towards the homogenisation of the conditions of production and consequently, a movement towards a homogeneous organic composition, profit is still identical to surplus-value. The total amount of surplus-value produced in that particular branch is distributed generally according

to the different magnitudes of the capitals invested in it. This also assumes that no shift of capitals between branches of production takes place.

The formation of an average rate of profit cannot, however, be generalised to the economy as a whole. This process of averaging rates of profit in a particular branch of production has definite limits. The extension of this process to the economy as a whole, to begin with, precludes any movement of capitals between branches of production. It assumes a society in complete harmony. But more importantly, the question now is how to reconcile different average rates of profit of different branches of production enjoying different organic compositions of capital. Thus the background to the formation of the average rate of profit in a particular branch of production, that is, the tendency towards the homogenisation of organic compositions within it could not be assumed to take place in the economy as a whole. Even though assuming a constant rate of surplus-value for the whole economy, the proportion of variable and constant capital is different in different branches of production.

The process of formation of the general rate of profit needs to be conceptualised in a different form than that of the process of formation of the average rate of profit. The formation of a general rate of profit has a distinct and specific becoming. For Marx, the general rate of profit is determined by two factors:

- "1) The organic composition of the capitals in the different spheres of production, and thus, the different rates of profit in the individual spheres;

- 2) The distribution of the total social capital in these different spheres, and thus the relative magnitude of the capital invested in each particular sphere at the specific rate of profit prevailing in it" (KIII p.163).

In contrast to the formation of the average rate of profit, in the formation of the general rate of profit the different average rates of profit of the different branches of production relate to each other not as self-subsistent, independent, proportions of surplus-value to total capital, but also as aliquot parts of total social capital. That is, the different average rates of profit relate to each other through the mediation of total social capital. And this is what makes the formation of the general rate of profit essentially distinct, viz., the presupposition of total social capital. Here, the different branches of production and their rates of profit are shown to have total social capital as the presupposition for their existence, a presupposition which imposes definite limits to their apparent self-subsistence. The different capitals invested in the different branches of production show themselves to be parts of the whole. Through the formation of the general rate of profit the capitalist class is united in the exploitation of the working class as a whole. As Marx graphically puts it, the formation of the general rate of profit produces "capitalist communism".

I shall examine this process more closely. It is important to look at this because there is an apparent ambiguity in Marx's exposition in Capital Vol. III. The problem at hand is this, although the

process of formation of the average rate of profit cannot be generalised for the economy as a whole; it remains, nonetheless, one aspect of the formation of the general rate of profit in two main respects. In the first place, the formation of the average rate of profit is prior to the development of the general rate in a historical sense. And secondly, it is so in a theoretical sense. This is an extension of Marx's proposition to the effect that "it is quite appropriate to regard the values of the commodities as not only theoretical but also historically prius to the prices of production" (KIII p.177). Later I shall briefly discuss this in relation to the 'transformation problem'. For the moment, and in relation to the average and the general rates of profit, let us make this priority of the former rest on the tentative assumption that capital developed firstly in different branches of production before developing in the economy as a whole.¹⁹ Also, and on the theoretical level, Marx wants to say that the process of formation of average rates of profit is essential to the formation of the general rate. Thus he argues that the latter "presupposes that the rates of profit in every individual sphere taken by itself have previously been reduced to just as many average rates. These particular rates of profit = $\frac{S}{C}$ in every sphere of production, and must, as occurs in Part I of this Book, be deduced out of the values of the commodities. Without such deduction the general rate of profit remains a vague and senseless conception" (KIII p.157).

In conclusion, the average rates of profit and their process of formation are a constitutive and necessary moment in the formation of the general rate. Having said this, the latter involves more than the mere averaging of the average rates of profit. Now the average rates are

mediated into the general rate only insofar as the relative proportion of total social capital invested in different branches of production is considered. This implies that capitals invested in a particular branch of production do not obtain the amount of surplus-value produced in that sphere, but, on the contrary, they share the surplus-value produced in the economy as a whole in relation to their respective magnitudes.²⁰

Thus for the different individual capitals, "the profit added to them is independent of (the) ... particular branches of production" (KIII p.159). The other moment in the formation of the general rate of profit is the constitution of total social capital, i.e., the consideration of all capital as one, of which all the different capitals organised in branches of production are but parts of the whole. This finds a limited practical embodiment in the rate of interest and credit, in the concentration of all capital.

Through the formation of the general rate of profit capitals draw profit in relation to their magnitude, whatever their individual production of surplus-value. Through this homogenisation of capitals into total social capital, there takes place the distribution of the latter into the different branches of production. Also, through the formation of the general rate of profit surplus-value is now distinguished from profit, not only qualitatively but quantitatively, in spite of the latter finding its ground and outer limits in the former. This signals the conditions for the integration of all the processes of capitalist production into the process of capitalist production as a whole. This expresses itself

in a further development of fetishism since in the immediate consciousness of the agents of production, capital appears to be completely independent from the immediate production process, and can appear as a pure self-relation. In sum, while the process of formation of the average rates of profit constitutes one moment in the formation of the general rate, these two processes remain essentially distinct.

However, there are instances where Marx rightly stresses the moment of unity as opposed to the moment of distinction. Take, for example, the following statement,

"the rates of profit prevailing in the various branches of production are originally very different. These different rates of profit are equalised by competition to a single general rate of profit which is the average of all these different rates of profit" (KIIII p.158).

In this particular case Marx asserted the unity of the two processes before moving on to consider the other aspect of the formation of the general rate of profit. This is warranted by the analytical development of his argument. Yet, he goes on to repeat this statement when he summarises his conclusion. He says,

"if the commodities are sold at their values..very different rates of profit arise in the various spheres of production.. But capital withdraws from a sphere with a low rate of profit and invades others, which yield a higher profit. Through the incessant outflow and influx, or, briefly, through this distribution among the various spheres...it creates such a ratio of supply and demand that the average profit in the various spheres becomes the same" (KIII p.195).

In relation to this, I want to make two points. The first one is that the general rate of profit is here considered as a tendency. Methodologically, this means that it is a process rather than a given rate or proportion, and as such it is in constant motion and change. This is of course quite right. The general rate of profit is not a given magnitude but a continuous process of reproduction. But I have no qualms about the general rate of profit being presented as a tendency; the question is rather that as a tendency, the general rate of profit is both a result, and a presupposition. Yet the general rate is presented in Marx's statement quoted above as a mere result. As a result, therefore, the general rate of profit has no influence in the formation of the average rates of profit. The general rate of profit is always formed 'a posteriori', but it never reacts back on its constituent parts. Insofar as the basis for the formation of the general rate of profit i.e., total social capital, is considered, this again can only be presented as a result, and not as a presupposition. But this is a one-sided view of the matter, since both the formation of the general rate of profit and total social capital have a direct effect on its constituent parts, viz., the latter are shown to be parts of the whole, and therefore, to presuppose the whole of which they are parts.

This brings me back to my second point. What has been analysed in this section is the becoming of the general rate of profit, that is, the argument has been orientated to develop its process of formation, the way it comes about. By concentrating on the general rate of profit's becoming, its actuality has been left out of the analysis. To put it in other words, I have studied the general rate of profit as merely a result, not as a presupposition and of course,

neither as the unity of the two. Marx's argument should be developed in this direction, however, but if my argument is correct, Marx was right in stressing one of the moments of the latter, viz., the formation of the average rates of profit and their averaging into a general rate, as this was necessitated by his attempt to show the general rate of profit in its becoming. On the other hand, the actuality of the rate of profit requires that the onesidedness of this approach be overcome.

Marx does not examine this many sided development of the actuality of the general rate of profit in full, neither does he explicitly recognise all its significance, but nevertheless, it is clear to him, as this quote shows:

"The formation of the general rate of profit is, therefore, not merely a matter of obtaining the simple average of the different rates of profit in the various spheres of production, but rather, one of the relative weight which these different rates of profit have in forming this average"

(KIII p.162, revised translation).²¹

Before moving on to the study of the actuality of the general rate or profit as the integration of all the processes of capitalist production, I shall very briefly highlight two methodological developments introduced in this section.

I have argued that the process of formation of the general rate of profit involves a distinct constitution which imposes a change in

Marx's method. This needs to be brought out if the substance of the general rate of profit is to be understood. Marx's examination of the becoming of profit started from the consideration of profit as immediately one with surplus-value, that is as a category of the immediate process of production. This was predicated of a subject constituting at one and the same time an individual capital, the average capital, and the total social capital. In sum, the 'single capital' conflated in itself all three forms of existence of capital. For the 'single capital' to attract all the surplus-value it produced it was necessary to assume that it enjoyed average conditions of production, and as such it represented the average capital.²² Given this, it was assumed by implication that no redistribution of capital was necessary for the continued reproduction of the economy as a whole, so that the 'single capital' also stands for the total social capital. This lack of differentiation, however, could not be sustained if the total process of capitalist production was to be examined. The previous assumptions preclude any need for forms of distribution and effectively formalised all forms of exchange and circulation. The examination of the process of becoming of the general rate of profit, insofar as it has as its ground the process of capitalist production as a whole, necessitated the consideration of the differentiation of the three forms of existence of capital. It developed the process of differentiation affecting the individual capital, the branches of production and the total social capital.²³ This differentiation of the forms of existence of capital has enormous significance for Marx's methodological framework.

The differentiation of branches of production springs from differences in organic composition of capital between different industries. Rather,

what unites different capitals into branches of production are common conditions of production, and what separates branches of production are different conditions of production. The determinations of a branch of production are given by the production of a single or a group of products, a common production process is similar conditions of production, and a common period of turnover. The concept of branch of production has great importance for Marx, in relation to the immediate process of production as well as in relation of capitalist production as a whole. As a moment of total social capital, it is essential to the determinations of the average and the general rates of profit.²⁴ Branches of production provide a middle term in the relation between individual capitals and total social capital, a differentiation which is important to Marx but one which has been oversubscribed in recent times.²⁵ In a previous chapter it was pointed out that in examining the process of capitalist circulation Marx uses the concept of 'social capital' or 'aggregate social capital'. With it Marx conveys two meanings, not necessarily incompatible with one another. Firstly, aggregate social capital means the conglomerate of individual capitals, that is, simply their one to one aggregation. Secondly, aggregate social capital is used in a representative form, i.e., the individual capital is taken to be at the same time the average and the total social capital. Marx predicates the process of capitalist circulation of this aggregate social capital. This continues to be Marx's assumption until the study of the process of formation of the general rate of profit. What makes total social capital different from the aggregate social capital is the fact that it is presented as both result and presupposition, and also that it corresponds to the conditions of the total process of capitalist production. This is shown in the general rate of profit where capital

appears as a relation to self. The process of formation of the general rate of profit involves a two-fold motion. The individual capitals, homogeneised into branches of production and average rates of profit, draw profit not in relation to the surplus-value they have themselves produced, but as aliquot parts of total social capital. The individual capital presupposes total social capital, and itself as a part of this whole. It presupposes the common exploitation of the working class by the capitalist class.²⁶ Inversely, total social capital has no existence but in this conglomerate of individual capitals and in their mediation. To put it in a simplistic form, total social capital is always in the making. It presupposes the existence of individual capitals and their average rates of profit, and it is presupposed by them as their ground. In conclusion, total social capital is both a result and a presupposition.

I have not yet referred to the question of competition. This, notwithstanding that for Marx competition is a key element in the motion of the capitalist process of production as a whole. From the very beginning of Part I of Capital Vol. III, as well as throughout the relevant sections of the Grundrisse, Marx is concerned to point out that he is now approximating the concrete forms of capitalist motion, and that this is closely bound up with the examination of competition. Competition refers to "the actual movements of capital", or, "the action of different capitals upon one another" (KIII p.25) which are the conditions of existence of total social capital, "namely, the social intertwining of the different capitals, of the component parts of capital and revenue" (MESC p.191). In the Grundrisse Marx complains that competition has been analysed in its historical and

negative side only, insofar as competition breaks down the barriers which previous modes of production place to the development of capitalism. But the study of competition has given scant notice to its positive side, to its typically capitalistic form as the mode of existence of capital as a system of social relations of production subject to definite laws. This side of competition is intimately related to profit, the general rate of profit and the law of the tendency of the rate of profit to fall.²⁷ As Marx puts it,

"Free competition is the relation of capital to itself as another capital, i.e., the real conduct of capital as capital... Free competition is the real development of capital. By its means what corresponds to the nature of capital is posited as external necessity for the individual capitalist; what corresponds to the concept of capital is posited as external necessity for the mode of production founded on capital" (G.p.649).

In competition capital relates to itself as another. In such relation, the individuality and fragmentation of capitals is maintained through this otherness, but only as a necessary counterpart to the relation of identity which serves them as their ground.²⁸ It becomes clear that competition is not something separate to the existence of the many capitals' but their very condition of existence, their essential self. As the mode of existence of individual capitals, competition is intimately related to total social capital. Not only individual capitals, but also total social capital is posed in competition, although only as a presupposition. As Marx argues, the "influence of capitals as individuals on each other thus becomes

precisely their positing as general beings, and the suspension of the seeming independence and independent survival of the individuals" (G.p. 657). Competition and total social capital find their material embodiment in credit. Credit does not abolish competition but merely raises it into another level. This is a further development of the examination of the positive side of competition.

The latter provides the framework within which competition must be analysed, and constitutes the background to the study of total social capital. Marx's development of the general rate of profit is immersed in this concept of competition. In discussing the processes of formation of the average and the general rates of profit, Marx distinguishes two forms of competition. Thus he differentiates competition as it operates within a particular branch of production, and competition as it operates between different branches of production. Again, branches of production seem to be the crucial category in this distinguishing. The operation of competition within a single branch of production merely "equalises the different individual values to the same equal undifferentiated market-value" (TSVII p.206). This form of competition mediates the different individual values of the commodities produced in that branch into a market-value,²⁹ that is an average rate of profit. Competition within a single branch of production, therefore, brings about a homogeneous rate of profit in the branch, and different rates of profit in different branches of production. In contrast, competition between different branches of production brings about prices of production and a general rate of profit.³⁰ Competition between different branches of production has the "effect of distributing the total mass of surplus-value among the various spheres of production according to the social need"

(TSVII p.210).³¹ As in the case of the process of formation of the general rate of profit, Marx appears to be stressing the distinctiveness of the two processes of competition, but not yet fully examining their mediation into a unity.³² Again Marx appears to be concerned, rightly, to develop the becoming of the process of competition between different branches of production on the basis of the previous existence of different rates of profit in different branches of production. But he does not examine the effects of the formation of the general rate of profit on the determination of the different rates of profit at the level of every branch. All the same, Marx points out the need to see the process of competition within a single branch of production as theoretically and historically prior to the process of competition between different branches of production.³³

iv. THE ACTUALITY OF THE GENERAL RATE OF PROFIT

Marx continually referred to capital as the totality of all its processes and modes of existence, a conception already advanced in the 1857 Introduction. After examining the relations between the different processes of capitalist circulation, production, exchange and consumption - he concludes,

"is not that production, distribution exchange and consumption are identical, but that they all form the members of a totality, distinctions within a unity. Production predominates not only over itself, in the antithetical definition of production, but the other moments as well... Admittedly, in its one-sided form, production is itself determined by the other moments...Mutual interaction takes place

between the different moments. This is the case with every organic whole." (G.pp.99-100)

Undoubtedly, these are not only the conclusions of Marx's text here, but also they advance the conclusion of his study of capitalist society as a whole. In this sense, Marx's 'Economics' show the becoming and actuality of capital as the totality of all its moments, as the systematic unity of all its processes. Marx's 'Economics' develops capital as a totality.³⁵

In order to examine the way in which distribution, exchange and circulation are integrated into the process of capitalist production as a whole, I shall take up again the distinction between the process of formation of the average rates of profit, and the process of formation of the general rate of profit. In the development of the concept of profit, and in particular because the concept of profit was first analysed as immediately one with surplus-value, i.e., as it arises from the immediate process of production, the processes of distribution, exchange and circulation were formalised. This is closely related to the fact that profit is predicated upon a single capital. This is expressed in Marx's assumption throughout the study of production, circulation, and profit as immediately one with surplus-value, that commodities exchange at their values. As I have argued above, this assumption effectively precludes questions of circulation, exchange and distribution, except the formal recognition of their existence, by positing the process of capitalist development in the terms of simple reproduction, i.e., in terms of a harmonious capitalist development.

In the discussion of the process of formation of the average rates of profit limited aspects of distribution and exchange are for the first time introduced. This rests on the differentiation of the single capital into individual capitals and branches of production. Marx's account of the formation of an average rate of profit in a particular branch of production describes the process of mediations whereby market-values are established. The averaging of the individual values of the commodities produced by different capitals in a branch into their market-value, i.e., an average value for identical commodities reflects the tendency towards the homogenisation of the conditions of production within a single branch. Differences exist between different commodities produced by different capitals under different conditions of production. This is expressed in commodities having a different individual value, viz., $c+v+s$. These individual values are averaged in a branch into their market or average value. Consequently, the totality of the surplus-value produced in the branch is wholly distributed among the capitals of that branch. Commodities produced under average conditions capture the totality of the surplus-value embodied in them. Capitals within a branch producing under-average conditions draw the average profit in relation to their sizes. With the emergence of market values, capitals producing above or below the average conditions will capture profits above or below the average rate of profit. Individual capitals other than the average do not capture the surplus-value they produce, that is, a limited form of distribution is here introduced.

As regards exchange, commodities still exchange at their values, however, not at their individual values, but at their market-values. The market-value is to be viewed on the one hand, "as the average value of

commodities produced in a single sphere, and, on the other, as the individual value of the commodities produced under average conditions of their sphere and forming the bulk of the products of that sphere" (KIII p.178). Here the process of exchange is examined in a limited form. The exchange of commodities is not formalised away, but it is the result of a process involving the determination of market-values for identical commodities. The whole branch of production is here considered as a single capital, and the bulk of its commodities as a single commodity which, it follows from the assumption, exchange at its value. In fact, all that Marx does here is to extend the single capital, to take account of differences of individual capitals in a single branch. In sum, Marx's assumption that commodities exchange at their values holds good even if consideration is given to the existence of different capitals within a branch of production. This is a limited aspect of exchange insofar as commodities exchange not at their individual values, but at their market-values.

As regards distribution, Marx discusses only the limited aspect of distribution within a particular branch of production, but he leaves out of consideration the problem of distribution between different branches of production. In a single branch, capitals distribute the totality of the surplus-value they have themselves produced. If the capitals invested in a particular branch of production are considered as one, profit is still identical to surplus-value and no distribution appears to take place.

This whole picture needs to be recast once capital has become dominant in all branches of production and a general rate of profit is established.

Here the full processes of distribution, exchange and circulation need to be integrated into the examination of capitalist production as a whole. With regard to exchange, the formation of the general rate of profit and total social capital implies that the values of the commodities are determined only in their relation to total social capital, as parts of it. The total value of the commodities produced in a particular branch of production depends not on the individual values of the commodities and their aggregate, but rather it depends on the total value of capitals invested in a particular branch of production as aliquot parts of total social capital. The value of the commodities of a single branch does not depend on their individual values which are later aggregated for the branch as a whole, but on their proportion as parts of total social capital. Total social capital, thus, appears to be not merely their result, but also their presupposition. Here, the social validation of individual labours takes place at the level of total social capital and through the movement of the general rate of profit. As parts of total social capital, the mass of commodities produced in a single branch of production share a mass of value. This mass of value is determined not by the aggregation of their individual values, but the reverse is true, they share a mass of value determined by their relation to total social capital. On account of this, the previous conception of the unilineal progression from the individual values of the commodities to their market-values, and finally to their aggregation into a total mass of commodities and values needs to be recast. Rather, the formation of the general rate of profit and total social capital reacts back on this progression, and shows itself to be their presupposition. This implies a recasting of the process of exchange. In the study of the becoming of the general rate of profit and total social capital, the

latter appears as a further development which does not yet alter its basis. This is now changed. The complexity brought about by the understanding of this process whereby the formation of the general rate of profit reacts back on its basis is clearly recognised by Marx. As he puts it,

"the whole difficulty arises from the fact that commodities are not exchanged simply as commodities, but as products of capital, which claim participation in the total amount of surplus value, proportional to their magnitude" (KIII p.175).

This is a recasting of exchange on the basis of the full development of the conditions of capitalist production. Whereas previously the process of exchange of commodities was orientated to their receiving an equivalent in social labour, under "capitalist production it is not merely a matter of obtaining an equal mass of values in another form, but it is rather a matter of realising as much surplus-value, or profit, on capital advanced for production as any other capital of the same magnitude, or pro rata to its magnitude in whichever line it is applied. It is, therefore, a matter at least as a minimum of selling the commodities at prices which yield the average profit, i.e., at prices of production" (KIII p.195). As opposed to commodities being exchanged at their values i.e., $c+v+s$, now commodities exchange at their prices of production, i.e., $c+v+p'$ where p' is the general rate of profit. In this way, the process of exchange is integrated into the process of capitalist production as a whole.

With regard to distribution, the formation of the general rate of profit and total social capital develop the integration of distribution

beyond the limited aspects observed in the formation of the average rates and the distribution of capital only within a single branch of production.³⁶ The process of distribution can only be integrated into the whole when the distribution of capitals between the different branches of production is studied. This process takes place through the continuous reproduction of a general rate of profit. To determine the details of this process is one of the most arduous problems in understanding Marx. The reason for this is that he asserted two seemingly contradictory propositions. He asserted at the same time that the formation of average rates of profit is a necessary condition for the formation of the general rate, and that the former presupposes the latter. There appears to be a contradiction between asserting the prior existence of many average rates, on the basis of which the general rate is formed, and asserting that different average rates of profit in different branches of production "do not exist in reality, and could not exist without abolishing the entire system of capitalist production" (KIII p.153, and for the above KIII p.158) I have already discussed why this apparent contradiction is necessary, and also, why it is only apparent. This is encapsulated in the proposition that although the average rates of profit are essential to the formation of the general rate of profit, they are, nevertheless, one aspect of it, the other being the formation of total social capital which effectively abolishes the apparent self-subsistence and independence of the different branches of production, by showing itself to be their presupposition. Also, the becoming of the general rate of profit is different from its actuality, i.e., continuous reproduction, insofar as once total social capital and the general rate of profit come into being, they react back on their process of formation and constituent parts. When only the becoming of the general rate of profit is

examined, the latter appears merely a result. On the contrary, when the actuality of the general rate of profit is under consideration, it appears as both a result and a presupposition, continually recreating the basis for its formation. Thus the formation of the average rates of profit must necessarily change to take account of this. As in the case of exchange this recasting of the becoming of the general rate of profit involve starting not from values, either individual or market-value, but from prices of production, here the formation of the average rates must start from the basis of a general rate of profit. On the other hand, the general rate of profit is not given and fixed, but it is also the interaction of the different rates of profit in different branches of production, or rather the reflection of internal differentiation within the general rate of profit. What I want to say is that the average rates of profit are not simply eliminated once the general rate of profit becomes, but are incorporated and recast into the general rate of profit as variations within it, internal contradictions effecting changes in the general rate. What is external becomes internal, or rather, what appear as external determinations of the general rate of profit, i.e., different average rates, show themselves to be internal contradictions within it. Again, total social capital is not given, but continually recreated by the mediations taking place between individual capitals, and between branches of production. Total social capital is their result and their presupposition. What appeared as external relations between branches of production, now show themselves to be internal mediations of total social capital.

My concern refers here to method, that is, with the form of the enquiry. The content is examined only insofar as it determines the forms in

question. It must be recognised that this synthesis of the two moments in the formation and actuality of the general rate of profit and total social capital needs to be examined in more detail if the content is to be developed. This synthesis would have to be developed on the basis of credit as the practical embodiment of total social capital, as well as profit in its forms of revenue, as the distribution taking place between the different fractions of the bourgeois class.

In dealing with the capitalist process of production as a whole I have not developed the form in which the process of capitalist circulation is integrated. To some extent I am here following Marx who assumes throughout the discussion of profit and the general rate of profit that capitals have an identical period of turnover equal to one year. As a matter of fact, differences in the period of turnover have great importance for the development of average rates of profit in different branches of production.³⁷ As this section is concerned to show the integration of all the processes of capitalist production as a whole, it is necessary to point out, at least in outline, how the process of capitalist circulation is integrated into the whole.

In the first place, differences in turnover period are essential to the formation of average rates of profit. I have argued that the differentiation of the single capital into individual capitals and their subsequent homogeneisation into branches of production leads to the formation of average rates of profit at the level of the branch of production. The homogeneisation of the conditions of production at the level of the branch also applies to the period of turnover.³⁸ The differences in turnover period, insofar as they are determined by the conditions of production strengthens the development of average rates. Marx's assumption of a given turnover period is, therefore,

warranted when examining the formation of average rates of profit. As he puts it, "For the present, therefore, we disregard the differences which maybe produced in this respect by variations in the duration of turnover", and he adds, "this point will be discussed later" (KIII p.154). In fact, Marx does not discuss this later. This poses some problems because according to my analysis, the formation of the general rate of profit changes this picture radically. The question is how the different turnover times affect the general rate of profit? or what amounts to the same, how are the different turnover times of capitals in different branches of production mediated in, and determined by, total social capital? That is, the problem is to discuss the temporality of total social capital. I cannot deal with this problem fully here. But something could be said in order to show the relevance of this question to my enquiry.

It would be useful in this connection to briefly refer to Marx's remarks on the question of the forms of consciousness of the agents of production relating to the formation of the general rate of profit and total social capital. Marx notes that as "soon as capitalist production reaches a certain level of development, the equalisation of the different rates of profit in individual spheres to a general rate of profit no longer proceeds solely through the play of attraction and repulsion, by which market-prices attract or repel capital" (KIII p.209). This is in agreement with my conclusions above. Marx does not elaborate on this process but concentrates on the immediate forms of consciousness which reflects it in the minds of the agents of production. Thus, in the minds of the capitalists, the general rate of profit appears as 'grounds for compensating' different conditions of different capitals.

It appears to them as if difference in turnover period, among others, were compensated for by the determinations of prices of individual capitals' commodities. For example, capitals enjoying a turnover period above the average would compensate by putting their prices up, in relation to commodities produced by capitals which enjoy a turnover time below the average. This, however, is the general rate of profit as it presents itself to the immediacy of the capitalists, because, "all these grounds for compensating mutually advanced by capitalists in calculating the prices of commodities of different lines of production merely come down to the fact that they all have an equal claim, pro rata to the magnitude of their respective capitals, to the common loot, the total surplus-value" (KIII p.210). For our purposes it is useful to note here that for Marx, the different turnover periods are mediated into the general rate of profit, which motion appears as grounds for compensating among capitalists. This needs further development. In conclusion, it can be said that while the process of mediating the different turnover period is explicitly recognised, it remains undeveloped in Marx's writings.³⁹

The 'transformation problem'

I shall now go on to briefly examine two problems which are intrinsically related to the process of actuality of the general rate of profit and total social capital - the 'transformation problem' and the law of the tendency of the rate of profit to fall. I shall attempt to test my conclusions against these two debates, thus showing the need to approach Marx's remarks on these two problems from the point of view of the process of capitalist production as a whole. I believe the conclusions I have drawn from the examination of profit, and the general rate of profit in its two aspects, viz., becoming and actuality, have sufficiently cleared the ground for a discussion of these two very important areas of controversy. With this in mind, I shall restrict myself to going over my conclusions, and on this basis, briefly discuss the relevance of the 'transformation problem' and the law of the tendency of the rate of profit to fall for the process of capitalist production as a whole. From the outset I should reiterate that the focus of my attention is constituted by the methodological questions involved here, that is, I am essentially concerned with form, and consequently, with content only in as much as it directly determines form. It is not my intention to provide a full scope analysis of these issues. At the same time, I believe my approach to these problems is the correct one in the sense that they can only be adequately approached on the basis of capitalist production as a whole.⁴⁰ This proposition and its proof constitutes the subject-matter of this section.

Let me try to summarise my conclusions. In previous sections I have drawn the attention of the reader to the distinction between the

becoming and the actuality of the rate of profit. I have argued that the process of formation of the general rate of profit is different from the process of formation of average rates of profit in different branches of production. I have also argued that methodologically this problem presents itself as the process of differentiation of the representative, 'single capital' into individual capitals, branches of production and total social capital, and I have subsequently distinguished the first moment of differentiation, i.e., that differentiation into individual capitals and into branches of production, from the second moment which is characterised by the emergence of total social capital. This twofold differentiation was useful in order to trace the becoming of the general rate of profit and total social capital. This is also an expression of historical processes witnessing the development of capital as a dominant mode of production. In the course of this two-fold differentiation it was seen that the formation of the general rate of profit necessitates the prior development of average rates of profit in different branches of production, that the general rate of profit is a mediation of these different average rates, a mediation which includes two aspects. These are the averaging of the different rates of profit into one, and the formation of total social capital, which transforms the capitals invested in different branches into parts of the whole total social capital is. As a direct consequence of this, it was argued that the process of averaging informing the creation of average rates of profit in a particular branch of production could not be adequately extended to account for the formation of the general rate of profit at the level of the economy as a whole.

Furthermore, it was concluded that the process of becoming of the general rate of profit needs to be fundamentally recast once at

the general rate of profit and total social capital come into being. As opposed to simple becoming, the discussion turned to an examination of the specificity of the process of actuality of the general rate of profit, a process which includes becoming, but is not restricted to it. The general rate of profit and total social capital are now examined not only as results, but also as presuppositions of their continuous reproduction. In connection with this it was observed that as a category of capitalist production as a whole, the general rate of profit and total social capital involve the unity of the processes of production, exchange, circulation and distribution, it was developed that the systematic unity of all these processes involves their recasting as parts of the totality.

What is the relevance of the 'transformation problem' for the study of capitalist production as a whole? Traditionally the 'transformation problem' has been posed as the apparent difficulty in 'transforming' values into prices of production, i.e., in transforming the exchange of commodities according to their value ($c+v+s$) into their prices of production ($c+v+p'$ where p' stands for the general rate of profit). It seems to me that the conclusions summarised above would lead to approaching this problem from an angle different to traditional ones. To begin with, those lines of enquiry which assume Marx to be presenting the 'transformation' of values into prices of production as an equation, moreover, a mathematical one, should be dismissed outright.⁴¹ It seems to me that the attempt to present the 'transformation problem' as the, more or less, successful formula establishing a relation of identity between two completely different entities, misses the crucial point that what is involved here is the process of development of the process of capitalist production as a whole on the basis of the immediate process of production. These

two processes are distinct, but their difference also assumes their unity, and in no way can they be described as two independent, self-subsistent entities. What is involved in the 'transformation problem' is, in fact, the process of mediations whereby the process of immediate production and its categories are developed and recast into the process of capitalist production as a whole which also includes distribution, exchange and circulation. Thus mathematical formulae are thoroughly inadequate to express this content, let alone provide a 'solution' to the 'transformation problem'. A relation of simple identity established through the definitional form does not account for the moment of difference,⁴² which is crucial to this whole question.

Essentially, the 'transformation problem' comes down to this: Did Marx successfully integrate all the processes of capital into the total process of capitalist production as a whole? It seems to me that the answer must be yes.⁴³ At the same time, the problems connected with the becoming of the totality in Marx should not be underestimated. The most important point in Marx's 'Economics,' where the concept of capital as a totality of its process and modes of existence is outlined, is besieged by problems of presentation. Insofar as Capital Vol. III is concerned, Engels admits that "there was nothing to go by outside a first extremely incomplete draft" (KIII p.2). Thus, for example, Marx discusses 'prices of production' before 'market-values' are introduced, and more importantly, he does not stick faithfully to the distinction between average and general rates of profit everywhere, and in places he uses the term 'average rate of profit' liberally to mean the general rate of profit. Undoubtedly, these problems effectively add greater difficulty to a complete understanding of the

total process of capitalist production as a whole, and to this extent, Marx has failed to adequately integrate all the processes of capitalist production. Nevertheless, I have tried to show how the basis for the development of this concrete totality are introduced and discussed by Marx in Capital, Grundrisse, and the Theories of Surplus-Value. From these, there emerges a definite and adequate account of the way he approaches this synthesis, and also an account of his fundamental conclusions. To this extent, Marx successfully develops the concepts and mediations of the becoming and actuality of the totality of capitalist production. The 'transformation problem' is inscribed in this context.

Marx's remark to the effect that apart "from the domination of prices and price movements by the law of value, it is quite appropriate to regard the values of commodities as not only theoretically, but also historically prius to the prices of production" (KIII p.177), is, in my view, an adequate expression of the process of becoming of the general rate of profit. Theoretically, the formation of the general rate of profit necessitates the formation of average rates of profit in particular branches of production as a premiss. Again, this expresses the historical development of capital in different branches first, and concomitantly, the formation of average rates of profit prior to their integration into the general rate. I have already argued these points above.

But if the process of becoming of the general rate of profit is hardly controversial, its actuality does appear to present some problems. The process whereby the general rate of profit and total social capital,

once formed, alter their process of becoming is difficult and complex. It is crucial to understand the forms of this process in outline, the general rate of profit comes to be, that is, it is the result of a prior process, but it is not only a result, it is also a presupposition, because the next round has it as the starting point. Thus, although the second process is different from the first, it contains it, and gives it a new form. Added complexity is provided by the fact that the process of becoming of the general rate of profit assumed the existence of the processes of circulation, distribution, and exchange in their most formal shape, viz., as present but not as actual. But the actuality of the general rate of profit necessitates the deformatisation of these processes and their active integration with the immediate process of production. The confluence of all these aspects makes the actuality of the general rate of profit and total social capital the nodal point of Marx's study of the laws of motion of the capitalist mode of production.

I have pointed out above that in point of content the actuality of the general rate of profit requires further examination in order to develop this process in its wealth of mediations. But this goes beyond my concern here. In point of form, everything turns on considering actuality as different from, yet encompassing, becoming; that is, in considering the general rate of profit and total social capital as both results and presuppositions. This is in contradiction to ordinary views of this process which develop becoming and actuality into an absolute opposition and dichotomy. This is the background to those views which see the existence of the process of becoming invalidating that of the process of actuality, and vice-versa. It is usually argued that the existence of prices of production invalidates

values, and that therefore if we hold on to the findings of Capital Vol. III, the results of Vols. I and II should be discarded, or vice-versa.⁴⁴ Vulgar as it sounds, this dichotomy constitutes the background to the debates on the 'transformation problem' from Bowhm-Bawerk to more contemporary participants. At first sight, this dichotomy seems to be a natural consequence of Marx's arguments. Having concluded that the actuality of a general rate of profit involves a recasting of its process of becoming, should we not proceed to rework the findings of Marx's analysis of the immediate process of production, and also, those of the study of the process of circulation? Should we not go through Vol. I of Capital changing where it says values for prices of production? Should we not change Marx's assumption that commodities exchange at their values to take account of prices of production in Capital Vol. I? And if this is too complex, should we not ditch Marx's study of value altogether? From the conclusions above, it follows that these suggestions are thoroughly misleading and mistaken. If Marx moves from the study of the immediate process of production to the study of capitalist production as a whole, why should he - or better, how could he - go back to study production again in its immediacy? Certainly, the development of the totality of capitalist production involves a recasting of its immediacy, but the point is that this recasting can only take place at the level of the totality, and within it, and in its mediacy. The integration of the immediate process of capitalist production into capitalist production as a whole does not necessitate, neither warrants, a return to immediacy. The attempt to discuss the 'transformation problem' as the absolute dichotomy of the processes of becoming and actuality of the general rate of profit and total social capital, and the attempt to invalidate one of these processes

on the basis of the existence of the other, does not express Marx's failure to develop the process of capitalist reproduction as a totality, but only the abismal misunderstanding of his approach.

The relationship between the immediate process of production and the process of capitalist production as a whole is very complex. As was noted above, Marx wants to say that while production determines the other processes and is determined by them, it nonetheless remains the basic determination of capitalist production as a whole. Thus, the immediate process of production is integrated into the totality and in doing so it loses its immediacy, its mediations with the other processes are developed into a whole, but it remains primary. Marx argues that changes in the process of production affect the movement of the general rate of profit and total social capital, or, what amounts to the same, that "whatever the manner in which the prices of various commodities are first mutually fixed or regulated, their movements are always governed by the law of value" (KIII p.177). The idea that movements of values are behind movements in prices of production is thus perfectly compatible - in the sense given to it above - with the actuality of the general rate of profit. It only means that, although determined reciprocally by the other processes, production is primary. Insofar as with the emergence of the general rate of profit and total social capital production is not examined in its immediacy any longer, but as mediated by the totality of capitalist production, the movements of values remain a mere background to the movements of the prices of production, but a detailed examination of the way movements in value affect the movements of prices of production is more or less useless. While admitting that the process of production determines the totality of capitalist production as a whole in a way the other processes do not, here the process of production

cannot be examined in its immediacy, but only as part of the whole. Thus, the only positive statement which can be said of the process of immediate production in itself, is that it constitutes the background of the totality, and that therefore, values are in the background of prices of production. Marx only said this much. The criticism that he did not go beyond this statement to show the identity of values and prices of production is thoroughly mistaken.⁴⁵

The same context should be given to Marx's argument that at the level of society as a whole total value equals total prices of production, or that total surplus-value equal total profit. As he puts it, since "the total value of the commodities regulates the level of average profit and thereby the general rate of profit - as a general law or law governing fluctuations - it follows that the law of value regulates the process of production" (KIII p.180). Again, this merely states that no surplus-value is produced outside production. In sum, the 'transformation problem' should be understood in connection with the totality of capitalist production, and the unity of the processes of becoming and actuality of the general rate of profit and total social capital.⁴⁶

The Law of the tendency of the rate of profit to fall

Finally, I shall consider the law of the tendency of the rate of profit to fall from the point of view of the total process of capitalist production as a whole. In itself, the law of the tendency of the rate of profit to fall is presented in all its simplicity by Marx as a logical development of the process of capitalist accumulation. For Marx, the process of capitalist accumulation furnishes the basis for this law. "Essentially, the capitalist process of production is simultaneously a process of accumulation" (KIII p.218) and "it is a law of capitalist production that its development is attended by a relative decrease of variable capital in relation to constant capital, and consequently to the total capital set in motion" (KIII p.212). This is expressed in a higher composition of capital, that is, within a given total capital, variable capital decreases vis-a-vis constant capital, and, providing the rate of surplus-value remains constant, it follows directly that the rate of profit, or the relation of surplus-value to total capital, necessarily falls. This is the fundamental of Marx's argument.

Before I deal with the problems connected with Marx's presentation, let me note that Marx takes, at this point, surplus-value as being identical to profit, that is, he discusses profit as a category of the immediate process of production. This is very important because the law of the tendency of the rate of profit to fall has its grounds in the process of capitalist accumulation as it is immediately posed by the production process. I have already observed that this constitutes the beginnings for a discussion of profit, but it is not yet the unity of all the processes of capitalist production as a whole.

This can be easily checked against Marx's assumptions here. He assumes a constant rate of turnover equal to a year, and consequently, he effectively formalises the process of circulation. He also assumes that the fall in the rate of profit falls uniformly in all branches of production thus formalising from the processes of distribution between different branches of production, therefore, he precludes an understanding of the real formation of the general rate of profit. Also, insofar as he leaves aside the forms of revenue, he effectively formalises away the processes of distribution among capitalists and between capitalists and landowners. Finally, he assumes a constant rate of surplus-value. This is in line with the character of his examination at this point, namely, the study of the law of the tendency of the rate of profit to fall as it is directly posited by the immediate process of production. This is made necessary by the primary role of production as the grounds for the total process of capitalist production.

The one-sidedness of this approach is clearly recognised by Marx, although not by his detractors. Obviously concerned to point out the fundamental contradiction of capitalist development, Marx leaves aside in this presentation many important aspects of this law, to the point where his argument appears as mere tautology. Take, for instance, his assumption of a constant rate of surplus-value, where, in reality, a higher composition of capital as a result of capitalist accumulation can hardly be made compatible with a constant rate. In fact, his assumption should be re-stated to say that the rate of surplus-value varies, but its variation is not sufficient to off-set the fall in the rate of profit as a consequence of a higher organic composition.

Marx is only concerned here to point out the main contradiction in capitalist development as it is posed immediately in the process of production, viz., the fact that capital develops only on the basis that it narrows its base, by reducing variable capital in relation to constant capital, by expelling workers from the labour process relative to constant capital. In sum, capital valorises itself by posing the conditions for its devalorisation. Given that this contradiction is at the centre of the capitalist mode of production, it "testifies to the limitations and to the merely historical, transitory character of the capitalist mode of production; testifies that for the production of wealth, it is not an absolute mode, moreover, that at a certain stage it rather conflicts with its further development" (KIII p.242). But in order to develop this fundamental contradiction, it is necessary that the argument move beyond the immediate process of production to consider the process of capitalist production as a whole, and that it develops the forms of this law on the basis of the systematic unity of the processes of production, circulation, exchange, and distribution.

The same is true of the other major criticism directed against Marx's law of the tendency of the rate of profit to fall, viz., the existence of counteracting tendencies. According to Marx, the fall in the rate of profit "does not manifest itself in an absolute form, but rather as a tendency toward a progressive fall" (KIII p.213). These counteracting tendencies are numerous, and some of them are listed by Marx in Grundrisse and Capital. In the Grundrisse, he mentions "the constant devaluation of a part of existing capital; the transformation as a great part of capital into fixed capital which does not serve as agency of direct production; unproductive waste of a great portion of capital, etc." (G.p.750); and he adds to the list, the unproductive

consumption of capital, the omission of existing deduction from profit such as taxes, reduction of ground rent, and also the creation of new branches of production, monopolies, etc. In Capital, he mentions increases in surplus-value which are not related to increases in constant capital such as increases in the intensity of labour; the fall of wages below their values, the creation of a relative overpopulation, foreign trade, etc. My only concern in enumerating all these counteracting tendencies is to make clear to the reader that they are directly connected to the total process of capitalist production as a whole, rather than to immediate production. They all take account of the processes of distribution, circulation and exchange as they affect the immediate production process.

In general, Marx argues that these counteracting tendencies do not abolish the law of the tendency of the rate of profit to fall but that they cause "that law to act rather as a tendency, i.e., as a law whose absolute action is checked, retarded and weakened by counteracting circumstances" (KIII p.235). In the long run, Marx argued, these counteracting tendencies will reduce the rate of profit, so that their action is thoroughly contradictory. The problem with their analysis by Marx's detractors is that they consider them as separate, independent, variables whose motion can only be proved empirically - very much in the sense that modern economics treats variables of any type. If these counteracting tendencies are viewed from the point of view of the total process of capitalist production, their independence and self-subsistence shows to be mere appearance, rather they are aspects of the development of capitalist production as a whole, that is, they are intrinsically connected to each other in total social capital. Marx does not make this system of mediations clear enough at this point.

In conclusion, the law of the tendency of the rate of profit to fall needs to be studied as a category of the total process of capitalist production, where the immanent contradiction it expresses is developed in relation to the forms arising from the unity of the processes of production, distribution, exchange and circulation. Only in this context can the law of the tendency of the rate of profit to fall be studied in all its complexity.

In this chapter, I have tried to outline the methodological framework present in Marx's examination of the process of capitalist production as a whole. By concentrating on the development of the concept of profit, its relationship to surplus value, and the processes of formation of the average and general rates of profit, I have attempted to show the becoming and actuality of the process of capitalist production and actuality and total social capital. I have argued that the process unity of all the processes of capital, and in doing so, I have tried to outline Marx's concept of method as it emerges from its subject-matter. I have also suggested that this approach to the question of Marx's production as a whole can be tested against the 'transformation problem' and the 'law of the tendency of the rate of profit to fall'.

All this points to the significance of Marx's concept of totality. Total social capital as the concrete totality of all the processes of capitalist production displays, through the moments of its becoming and actuality, the most essential forms of capitalist society, and consequently, of Marx's method. At the same time, Marx does not examine the actuality of total social capital with the same attention than that shown in his examination of its becoming. All the same, total social capital, as the embodiment of the capitalist process of production as a whole constitutes the central concept of Marx's examination of the 'laws of motion' of capitalist society, and accordingly, of his method. Marx's concept of method is thus shown as the essential forms of bourgeois society.

CONCLUDING REMARKS

I. As it was suggested in the Introductory Remarks, this thesis is intended as a prolegomenon to the study of Marx's method. The introductory character of this work was made necessary not only because of the limitations of time available for research, and the length of this thesis, but also by the problems posed by my approach to the question of Marx's method. My study of Marx's work, and of the literature commenting upon it led to the conclusion that his method is not a method of abstraction, but that, on the contrary, it is grounded on a critique of abstraction.

This reinforced, and highlighted some problems I had perceived to exist in the way most commentators approach this question. In the Introductory Remarks I concentrated on the work of G. Lukacs, H. Grossmann, G. della Volpe, and R. Rosdolsky, as they represent four of the most important contributions to our present understanding of Marx's method. My brief examination of their ideas on this subject was directed to show the existence of two underlying trends. On the one hand, I detected a set of assumptions pointing to an understanding of Marx's method as another epistemology, that is, a conception of method grounded on the separation of form and content, method and substance. On the other, I noticed that all attempts to connect Marx's method with his understanding of capitalist society - especially as developed in his 'Economics' - led in the opposite direction, namely, towards the understanding of method as the essential forms of bourgeois society. These two contradictory trends cross and intermingle in the works examined in the Introductory Remarks. I tried to show the contradictory nature of these two trends,

and I argued that Marx's concept of method should be understood as grounded on the critique of abstraction.

In the First Part of the thesis I attempted to show that this approach to the question of Marx's method is possible by examining some aspects of Marx's methodological critique of Classical Political Economy, and Hegel's concept of method. I tried to show that an examination of his criticism of the abstract method of Political Economy, together with a brief examination of Hegel's concept of method, and of the role it plays in his philosophy, could open up the possibility of an understanding of Marx's method along the lines I have suggested.

But within the terms of reference of my enquiry, it was not sufficient to show that this approach to the question of Marx's method is possible. My examination had to strive to show its actuality. My reading of Marx's method as grounded on a critique of abstraction clearly defined the framework of this task. If Marx's concept of method is grounded on the unity of form and content, method and substance, it followed that method could not be considered in isolation from its content, or, what is the same, that Marx's method is intrinsically connected to his understanding of capitalist society. Marx's method cannot be studied in isolation from his social theory. Marx's method arises from the fundamental forms of its subject-matter, it conveys the essential forms of the organic unity of social reproductive relations. Obviously, it was not sufficient to show that this concept of method was possible, as it was necessary to show the actuality of the method in the context of the forms of capitalist society. However, in order to show the actuality of Marx's method in full I would have needed to study very closely his detailed understanding of capitalist society, and at the same time examine and discuss all the methodological forms

arising from it. As this task was beyond the scope of this thesis, I was forced to concentrate on the essential aspects of Marx's concept of method in outline. Nevertheless, Marx's full concept of capitalist society constitutes the necessary background of this outline.

II. Part II of this thesis attempted to develop Marx's concept of method in outline. The object was to examine the most essential forms of his method as they developed out of his study of capitalist society presented in his 'Economics'.

The examination of commodities, value and money shows the becoming of capital as 'value in process'. It traces the emergence of capital out of commodity exchange, as social relations of production in a society of independent producers take the form of objective relations between commodities, increasingly assuming a wholly independent form in money. The developing organic unity of social productive relations takes the form of money as a self-related, independent, substance, i.e., the first form of capital. Marx's study of commodities, value and money constitutes the first showing of the totality. From the outset, Marx is concerned with the social organism, with the organic unity of social reproductive relations as it finds its expression in capital.

The study of the immediate process of production considers the specificity of its immediacy, and attempts to point out the implicit relationship existing between the immediate process of production and capitalist production as a whole. Here, capital is studied in general, i.e. as an undifferentiated whole.¹ Capital is studied from the point of view of its capacity for self-valorisation. Capital in general (Kapital im allgemeinen) stands for the 'incarnation of all

the qualities which distinguish value as capital from value as pure value or money" (G.p.310).

The study of the process of capitalist circulation develops the particularisation of capital in general. Here the pure motion of capital is examined from the perspective of its different moments. This leads away from capital as one, and into a plurality of capitals. The differentiation introduced here is, however, purely formal, as the different capitals are assumed to have an homogeneous content. This homogeneity of capitals permits their aggregation into one social capital, viewed also as representative of all capitals. The totality developed at this point is likewise formal, as aggregate social capital is identical to all, and every one, of its parts.

Finally, the study of the process of capitalist production as a whole examines the development of total social capital, the totality of all the processes of capital. Total social capital comprehends real difference and contradiction. This study shows the different processes of capital as parts of the whole. Total social capital constitutes a concrete whole comprehending capital in general (allgemeinen), the particularisation of capital (besondren), as well as individual capitals (einzelnen).²

In the course of my enquiry I have attempted to show how these different moments develop out of Marx's study of capitalist society. No doubt, since I have only outlined Marx's concept of capital, there are many other methodological forms which I have not discussed, as I have attempted to concentrate on those which are fundamental to his study of capitalist society.

Also it must be recognised that while Marx's study of the becoming of total social capital is very detailed, his examination of the actuality of this totality is not so well developed. The totality of the processes of capitalist production as a whole, together with the methodological forms arising from it, require further elaboration. A brief look at Marx's various plans for the 'Economics' shows this to be the case 3. Those questions relating to the State, International Money, the World Market, Crises, Credit, etc., which appear in Marx's plans point to some of the aspects of capitalist production as a whole which require further elaboration, and lead to positing the actuality of total social capital 4.

In outline, Marx's concept of method can be described as a movement towards the totality, as the essential expression of capital as the organic whole of social reproductive relations. The different moments examined above are aspects of this totality.

As Marx puts it, "while in the completed bourgeois system every economic relation presupposes every other in its bourgeois economic form, and everything posited is also a presupposition, this is the case with every organic system. This organic system itself, as a totality consists precisely in subordinating all elements of society to itself or in creating out of it the organs which it still lacks. This is historically how it becomes a totality. The process of becoming this totality forms a moment of its process, of its development" (G.p.278).

NOTES TO INTRODUCTORY REMARKS

1. "if there should ever be time for such work again, I should very much like to make accessible to the ordinary human intelligence - in two or three printers sheets - what is rational in the method which Hegel discovered but at the same time enveloped in mysticism" (MESC p.93).
2. Thereafter referred to as the 'Economics'. It is clear to me that Marx's later works - which conform a whole - are not intended as a treatise in Economics in the contemporary sense of positive economics. Rather, they attempt to clarify capitalist social reproduction, and the tendencies leading to its supersession. Given this clarification, 'Economics' is, after all, Marx's own description.
3. Cf. Engels's reviews of Marx's A Contribution to the Critique of Political Economy, especially where he argues that "the working out of the method which underlies Marx's critique of political Economy is, we think, a result hardly less significant than the basic materialist conception" (Marx 1977 p.225).
4. Cf. MESC pp.454-60. Marx's "way of viewing things is not a doctrine but a method. It does not provide ready-made dogmas, but criteria for further research and the method for this research" (MESC p.455).
5. Cf. Korsch (1972).
6. Cf. e.g. inter alia Plekhanov's Fundamental Problems of Marxism.
7. This tension can be observed in early writings of Lenin. He was one of the few to have turned his attention to Capital, thus, reversing the emphasis but not completely overcoming this dualism. See, for example, Lenin CW 1 p.165.
8. This can be illustrated by Luxemburg's view that Capital Vol. II is an unfinished manuscript. She claims to have detected a contradiction between Marx's view on the expansion of capital, and its supposed reliance on non-capitalist markets for the realisation of the surplus-value.

9. Cf. the article by M. Lowy 'From the Great Logic of Hegel to the Finland Station in Petrograd' in Critique 6 Spring 1976.
10. The subtitle of Lukacs 'The Young Hegel'.
11. I use epistemology in the sense described by Norman (1976) "The suggestion is that, prior to the acquisition of knowledge we have first to determine what may and what may not count as knowledge; that we have to identify the limits beyond our knowledge cannot go; and that epistemology in this sense is necessary both as a preliminary to the rest of philosophy and in order to underpin the specialist sciences" (P.10). Cf also Ilienkov (1977) pp.293ff.
12. Cf. Lowy, op. cit.
13. This "revolution which consists in viewing rational knowledge as the product of mind does not originate with Kant. He only developed its implications more radically than his predecessors had done" (Lukacs 1971 p.112). Lukacs also suggests that these trends constituted the basis for the Young Hegelians and Marx's early development, since "Fichte's activism is the tool which they can use for their projected revamping of Hegelian Philosophy" (Lukacs 1973 p.150).
14. "we describe philosophical epistemology as the theory of scientific knowledge undertaken with the aim of elaborating a coherent, all embracing ideology to suit the production relations of bourgeois society. This endeavour culminated in the main works of Kant (1724-1804), especially his Critique of Pure Reason." (Sohn-Rethel 1978 p.14).
15. Cf. below pp. 66-8.
16. "I tried first whether Hume's objection could not be represented universally and I soon found out that the concept of the connection of cause and effect is by no means the only one by which connections between things are thought a priori by the understanding" (Kant 1971, p.9).

17. Undoubtedly, I cannot examine here Kant's philosophy as a whole. This is infinitely more nuanced than my brief remarks make it out to be. However, I believe that a) the epistemological conception of method can and must be traced back to Kant, and b) that the implicit reductionism I have described is at the centre of Kant's philosophy. A weighty body of literature has pursued these issues thoroughly, and its conclusions are consistent with my views advanced here. Cf. Lukacs (1971) and (1975), Ilienkov (1977), and Sohn-Rethel (1978), to name but a few.

At the same time, there is also a weighty body of literature which is concerned to point out that Kant's philosophy should be examined from the point of view of its contribution to materialism, and hence, to Marx. Cf. Lenin's remarks on Kantianism on the left and right (Lenin 1976 p.232). A sophisticated account of this extrapolation of Kant's 'materialism' can be found in della Volpe (1980), and Colletti (1973), and from a different perspective in Hillel-Ruben (1979), among others. I shall discuss these ideas insofar as they relate to my study of method. From the outset I should point out that I do not have much sympathy with these arguments as I shall go on to argue that Marx's method is not another epistemology, but a critique of epistemology, this is in contrast to, for example, Colletti who argues that "from a strictly epistemological point of view there is only one great thinker who can be of assistance to us in constructing a materialist theory of knowledge - Immanuel Kant" (Colletti 1977 p.324).

18. "If now, we set aside all cognition that we must borrow from objects and reflect solely upon the use of the understanding in itself, we discover those of its rules which are necessary throughout, in every respect and regardless of any special objects, because without them we would not think at all. Insight into these rules can therefore be gained a priori and independently of any experience because they contain, without discrimination between objects, merely the conditions of the use of the understanding itself, be it pure or epirical. And it also follows from this that the universal and necessary rules of thought in general can concern solely its form and not in any way its matter. Accordingly, the science containing these universal and necessary rules is a science of the mere form of our intellectual cognition or of thinking" (Kant 1974 pp.14-5).

19. "Cognition as a science must be organised after a method. For science is a whole of cognition as a system and not merely as an aggregate. It therefore requires a systematic cognition drawn according to deliberate rules... the general doctrine of method... has to deal with the forms of science as such" (Kant 1974 p. 140).
20. "the sphere of pure reason is so isolated and so thoroughly inter-connected with itself that one cannot touch any part of it without touching all the rest, and cannot accomplish anything without having previously determined the place of each part and its influence on the others. As there is nothing outside pure reason which could correct our judgement within it, the validity and use of every part depends on its structure of an organised body, the purpose of every member can only be deduced from the complete concept of the whole" (Kant 1971 pp.12-3).
21. "the realm of law is the stable content of Appearance; Appearance is the same content but presenting itself in restless flux and as reflection into other" (ScL p. 504).
22. "Fichte's task is to exhibit the subject of the 'action' and, assuming its identity with the object, to comprehend every dual subject-object form as derived from it, as its product" (Lukacs 1971 p.123).
23. "Kant had attempted in the Critique of Practical Reason to show that the barriers that could not be overcome by theory (contemplation) were amenable to practical solutions" (Lukacs 1971 p. 123).
24. Cf. Marx's first thesis on Feuerbach.
25. Cf. Lukacs (1971) pp.127-8.
26. Cf. also Goldmann (1977) p. 33.
27. "the intelligibility of objects develops in proportion as we grasp their function in the totality to which they belong. This is why only the dialectical conception can enable us to understand reality as a social process" (Lukacs 1971 p.13).

28. Thus for example, the capitalist crisis expresses the forcible subordination of the parts to the totality. "Crisis is nothing but the forcible assertion of the unity of the phases of the production process which have become independent of each other" (TSV II p. 509).
29. "The category of the totality, however, determines not only the object of knowledge but also the subject... The totality of an object can only be posited if the positing subject is itself a totality; and if the subject wishes to understand itself, it must conceive of the object as a totality. In modern society only classes can represent this total point of view" (Lukacs 1971 p.28).
30. "As labour is progressively rationalised and mechanised his (the worker) lack of will is reinforced by the way in which his activity becomes less and less actual and more and more contemplative. The contemplative stance adopted towards a process mechanically conforming to fixed laws and enacted independently of man's consciousness and impervious to human intervention, i.e. a perfectly closed system, must likewise transform the basic categories of man's immediate attitude to the world" (Lukacs 1971 p. 89).
31. "Only in this context which sees the isolated facts of social life as aspects of the historical process and integrates in a totality, can knowledge of the facts become knowledge of reality. This knowledge natural determinants described above. It progresses from them to the knowledge of the concrete totality, i.e., to the conceptual reproduction of reality" (Lukacs 1971 p.18).
32. "The knowledge of reality provided by the dialectical method is likewise inseparable from the class standpoint of the proletariat" (Lukacs 1971 p.21).
33. "By confining itself to the study of the 'possible conditions' of the validity of the forms in which its underlying existence is manifested, modern bourgeois thought bars its own way to a clear view of the problems bearing on the birth and death of these forms, and on their real essence and substratum" (Lukacs 1971 p.110).

34. "This is because modern rationalism "claims to be the universal method by which to obtain knowledge of the whole of existence" (Lukacs 1971 p.114).
35. "There can be an objective-idealist dialectics: a) if we may assume the existence of something that goes beyond the consciousness of individuals but is still subject-like, a kind of consciousness, b) if amidst the dialectical movements of the objects idealism can discern a development which moves towards a consciousness of itself in this subject, and so, c) if the movement of the world of objects achieves an objective and subjective, real and conscious union with knowledge. Thus the identical subject-object is the central pillar of objective idealism just as the reflection in human consciousness of objective reality independent of consciousness is the crux of materialist epistemology" (Lukacs 1975 p.270).
36. Cf Lukacs' observation on the principle of art as "the creation of a concrete totality that springs from a conception of form orientated towards the concrete content of its material substraction" (Lukacs 1971 p.137).
37. I shall briefly look at this question below. Cf. Chapter 4.
38. Cf. Lukacs's four theses on praxis in Lukacs 1971 p.177.
39. "the historical knowledge of the proletariat begins with knowledge of the present, with the self-knowledge of its own social situation and with the elucidation of its necessity" (Lukacs 1971 p. 159). To what extent this reflects Lukacs' own 'road to Marxism'? and to what extent the reception of History and Class Consciousness reflects this gap between knowledge and reality? Arato and Braines quote approvingly Ernst Bolsch's phrase to the effect that "Lukacs' ideas shot beyond reality... founding no ground in the proletariat"(Arato and Braines' p. 189).
40. Cf. above fn. 20.
41. "Kant therefore postulated the laws and categories of logic, while Fichte required them to be deduced, and their universality and necessity demonstrated (Ilienkov 1977 p.133).

42. Its counterpart is this, "only the practical class consciousness of the proletariat possesses this ability to transform things. Every contemplative, purely cognitive stance leads ultimately to a divided relationship to its object" (Lukacs 1971 p. 205).
43. Cf. Sohn-Rethel (1978), "the formal analysis of the commodity holds the key not only to the critique of political economy, but also to the historical explanation of the abstract conceptual mode of thinking and of the division of intellectual and manual labour which comes into existence with it" (p.35). However, his argument does not lead beyond epistemology as, "notwithstanding their common methodological foundation, the critique of political economy and the critique of philosophical epistemology have to pursue their tasks in complete independence from each other, in strict accordance, that is, with the diverse systematic nature of their subject-matters" (pp. 8-9).
44. Discussing the actual form of the revolutionary praxis of the proletariat, Lukacs argues that "the relation to totality does not need to become explicit, the plenitude of the totality does not need to be consciously integrated into the motives and objects of action. What is crucial is that there should be an aspiration towards the totality, that action should serve the purpose described above in the totality of the process" (Lukacs 1971 p. 198).
45. Cf. the excellent review of R. Winfield in *Telos*, "here Lukacs has attempted to establish the continuity of Hegel and Marx by demonstrating how the Young Hegel rises to overcome the last remnants of egological discourse in resolutely confronting the methodological requirements of the social determination of production.. In recognition of the need to finally ground the discourse of Capital, Lukacs has indeed taken the magistral course of trying to specify the immanent relation of the dialectical method to the thematisation of social production" (pp.185-6).
46. I do not have space to go into an examination of the Ontology, but its very idea suggests that Lukacs assumes the disunity of thought and being, the 'first nature' and the 'second nature', the natural and the social, which precisely echoes an epistemological dualism. See, for example, Lukacs (1978) Vol. II p. 103, and p.26.

47. "And it was precisely Hegel's understanding of the antagonistic nature of bourgeois society which drove him to transcend it conceptually. But he did so purely logically, purely methodologically" (Lukacs 1973 p.216).

48. The later Lukacs retreats into an epistemological understanding of this project. "The construction of Capital leads from the experimental positing of a pure law-like and abstractly homogeneous relationships, via the successive insertion of wider components that are closer to reality, which occasionally leads to the negation of the original relationship, to finally arrive at the concrete totality of social being" (Lukacs (1978) Vol. II p.36).

Also, discussing the revenue-forms, Marx argues, "the ossification of relations, their presentation as a relation of men to things, having a definite social character is here brought out in quite a different manner from that of the simple mystification of commodities and the more complicated mystification of money" (TSV II p. 459). Cf also K II p.827.

49. This leads G. Bonacchi in her Introduction to Grossmann (1979) to argue that the latter's achievement "consists wholly, in our view, in the reassertion of the unity of subject and object as it is understood by Marx for whom discourse and methodology coincide, against the dualism of the 'neo-kantian' interpretation of Marxism" (Grossmann 1979 p. 23).

50. "Whatever the theoretical aspects, the accumulation of capital, as an historical process, depends in every respect upon non-capitalist social strata and forms of social organisation" (Luxembourg 1971 p. 366).

51. Grossmann also takes issue with Lukacs for adhering to this argument.

52. Cf. Grossmann (1929) pp. v-vi.

53. Grossmann - and many others - have arbitrarily preceded this sentence with the following, also from Marx's preface, "The physicist either observes natural processes when they occur in

53. (Cont'd)

their most significant form, and are least affected by disturbing influences, or, wherever possible, he makes experiments under conditions which ensure that the process will occur in pure state" (KI p.90). And he concludes, "this means that the real experiment of the natural sciences, in the economic investigation must be replaced by conceptual experiment" (Grossmann 1979 p. 52). This is spurious, since Marx's statement quoted in the text refers to the need to focus on the commodity as opposed to the economy as a whole, and precedes the statement quoted immediately above, which refers to the need to focus his study in England, as opposed to a less developed capitalist country. Nowhere Marx's statements allow for the kind of conclusions Grossmann - and others - arrive at.

54. In Grossmann (1929), he draws a comparison between the 'development of thermometry' and Marx's assumption that the value of money is constant. As Amonton greatly advanced thermometry by discovering two points against which to measure heat variations, "it was entirely valid for Marx to substitute the 'power of abstraction' for the missing constant reference points so falling into line with Galileo's principle 'Measure whatever is measurable, and make the non-measurable, measurable'" (Grossmann 1929 p. 89).

55. Referring to the need to understand science as the nexus between essence and appearance, Grossmann states that "the structure of Capital and the method of approximation used by Marx - which has found its richest expression in the Marxian schema of reproduction - corresponds to this methodological principle. Through the use of numerous simplifying hypotheses we are introduced immediately into the path from the concrete to the abstract, we have put aside the given world of phenomena" (Grossmann 1979 p.73).

56. Though Ricardo is accused of being too abstract, one would be justified in accusing him of the opposite: lack of power of abstraction, inability, when dealing with commodities the values of commodities, to forget profits" (TSV II p.1919).

57. Compare with Lukacs (1978) Vol. ii pp.32-7.

58. Cf. below pp. 70ff.
59. Cf. Sweezy 1970 p.11.
60. Discussing the modifications of Marx's plan for the 'Economics', Grossmann argues that "while in the 1859 plan the work was divided according to the subject-matter, capital, land, wage-labour, foreign trade, etc., the structure of the work according to the 1863 plan was articulated from the point of view of knowledge. On the basis of gnoseological considerations, the individual functions assumed by industrial capital in its cycle (production process, circulation process, process as a whole) are abstracted conceptually, and exhibited separately" (Grossmann 1979 pp.46-7).
61. "Grossmann does not explain the nexus that exists between the methodological abstractions of the Isolierungsverfahren and the real abstractions which are for Marx the 'forms of existence' (Daseinformen) of bourgeois society" (G. Bonacchi in Introduction to Grossmann 1979 p.37).
62. Cf., in contrast, G. pp. 89-90.
63. Cf. Godelier, "the making of a simplifying assumptions is operationally necessary... This method ensures the rigour and coherence of the theory and constitutes one of the essential aspects of the apparatus of proof" (Godelier 1972 p. 139). Also, "Capital is entirely based on a simplifying assumption which limits a priori the field of analysis" (ibid. p. 136).
64. More on this, below pp. 66ff.
65. This has direct consequences for Grossmann's overall conception of Marx's social theory. This - he argues - is constituted by "three special theories: 1) a doctrine of a 'universal social dynamic' of structural changes in society valid for all antagonistic societies; 2) the theory of the objective developmental tendencies of capitalism; and 3) the theory of the subjective bearer of change, that is, the class struggle theory" (Grossmann 1943 p. 518). Several points, relevant to (Grossmann's concept of method need to be stressed.

65. (Cont'd)

Firstly, 1) is a general overview which 2) and 3) specify further. Secondly, this specification is twofold, 2) shows the objective limits of capitalism, viz., "that it must reach a peak after which a declining phase will set in and that at a certain point the further functioning of the system will become impossible and its collapse inevitable" (ibid. p.519). While 3) argues that "no economic system, no matter how weakened, collapses by itself in automatic fashion. It must be overthrown. The theoretical analysis of the objective trends leading to a paralysis of the system serves to discover the 'weak links' and to fix them in time as a sort of barometer when the system becomes ripe for change. Even when that point is reached change will come about only through active operation of the subjective factors" (ibid. p.520). Thus, in Grossmann, theory and practice are united externally, and on the basis of the prediction of theory. In fact, this picture is not very different from Hilferding's.

66. Cf. Rosdolsky (1977), and Sweezy (1970).

67. Cf. Rosdolsky (1977) p.23f.

68. Cf. McLellan (1980).

69. "This may be termed the moral Galileanism characteristic of Marxism, that is, the proposition that the 'moral sciences', without exception, are sciences in the more rigorous sense of the word" (della Volpe 1980 p. 198).

70. "When the idea (the predicate) is made the subject of (judgement), however, the real subjects, namely civil society, family, 'circumstances', 'caprice', etc., become unreal objective elements of the idea with a changed significance" (della Volpe 1978 p.163).

71. This is clearly and succinctly put by Colletti, a close student, college and collaborator of della Volpe. "What was said above of Marx's relationship to Hegel and Kant is, I believe, amply confirmed here. From Hegel, Marx derives above all the theory of reason,

71. (Cont'd)

i.e., certain lessons concerning the role and structure of the logico-deductive process (a process never developed in Kant). He derives,....a profound sense of the unity of logical process and real process. From Kant, on the other hand, Marx clearly derives - whether he was aware or not, and whatever may have been the process of mediation - the principle of real existence as something 'more' with respect to everything contained in the concept" (Colletti 1973 pp.121-2). Compare with Kant 1974 pp.14-15, and Hegel Enc. & 24 and 25.

72. Cf. Colletti 1973 p.199.

73. "We know that the instance of the universal or of reason is the instance of the relationality of the dialectic, as the instance of equivalence, or unity of value, of the parts. But we also know that such equivalence cannot be abstracted from the parts it assimilates or unifies" (della Volpe 1980 p.153).

74. "the idea, the scientific or working hypothesis is verified as such, as idea or concept, if it is genuinely necessary... If it is exclusive of every other rival. It must, however, derive its exclusivity... from that eminent testibility embodied in the technical experiment" (della Volpe 1980 p.172).

75. Cf. della volpe (1980) p. 197, and (1970) p. 40.

76. Cf. G.p.101.

77. "It is therefore necessary, Marx continues, to follow a 'scientifically correct method'. That means above all proceeding to abstractions (without which there is neither thought nor knowledge of any kind)" della Volpe 1978 p. 188). See also in contrast, Ollman (1976) "An abstraction is a part of the whole whose ties with the rest are not apparent; it is a part which appears to be a whole in itself. According to Marx, to hold that the world is actually composed of such 'abstractions' is evidence of alienation" (p.61). However, the majority would agree to della volpe's identification of thought

77. (Cont'd)

and abstraction, cf. e.g., Sohn-Tethel, "abstraction is the inherent activity and the exclusive privilege of thought" (Sohn-Rethel (1978) p. 18).

78. "We therefore consider that the categories of 'capital in general' and 'many capitals' provide the key to the understanding of not only the rough Draft, but also the late work, i.e. Capital" (Rosdolsky 1977 p.51).

79. A distinction borrowed from TSV II p.515. Cf. also Grossmann (1929) Chapter 2, Section 2.

80. Cf. Rosdolsky (1977) pp. 23-5.

81. Cf. Rosdolsky's Preface to (1977).

82. Cf. Rosdolsky (1977) p.27.

83. Cf. Rosdolsky (1977) p.27.

84. Cf. Rosdolsky (1977) p. 28.

85. See K II pp. 99-100.

86. Cf. Marx, "As the system of bourgeois economy has developed for us only by degrees...when we consider bourgeois society in the long view and as a whole, than the final result of the process of social production always appears as the society itself; i.e., the human being itself in its social relations. Everything that has a fixed form, such as the product, etc., appears as a moment, a vanishing moment in this movement" (G. p.712). Compare with Hegel on the standpoint of the Logic (Scl p.69).

87. Rosdolsky criticises, for example, the 'method of abstraction' introduced by Otto Bauer, for being reductionist and external to the subject-matter, i.e., the method "which first of all eliminates individual and particular features of economic phenomena ('method of abstraction') in order to re-introduce the same features in successive stages (method of 'successive concretisation' or approximation').

87. (Cont'd.)

However, since these individual and particular features are only eliminated and reintroduced 'externally', i.e., without any kind of mediation, the illusion can easily arise that there is no qualitative bridge between the 'abstract' and the 'concrete' ... the abstract formulæ in Capital Vol. II simply represents 'one stage of the analysis', and cannot therefore be directly applied to concrete capitalist reality and first require numerous 'intermediary links'" (Rosdolsky 1977 p.453). The question is, however, if 'internal' abstraction can be said to be internal to the subject-matter.

88. "There arises the defect that these propositions are not connected and therefore exhibit their content only in the form of an antinomy, whereas their content refers to one and the same thing" (ScL p.91).

89. Cf Rosdolsky (1977) p.41, 39.

90. Cf. in contrast, Godelier (1972), "let me make clear once more that my standpoint is that of epistemology, in other words, an analysis of the procedures and abstract tools employed by scientific, rational cognition in Political Economy" (p.196).

91. Cf. e.g., Yaffe (1975), "the process of analysing the intrinsic relations of capitalist production is clearly a complicated matter, and it is only the method adopted by Marx which can lead to any deep understanding of the concrete relations" (p.34).

92. "The Doctrine of Method, which proposes to show how a body of scientific knowledge is created by applying to existing objects the forms of thought discussed in the elementary part. Whence these objects originate, and what the thought of objectivity generally speaking implies, are questions to which the logic of the understanding vouchsafes no further answer. It believes thought to be a mere subjective and formal activity, and the objective fact, which confronts thought, to have a separate and permanent being" (Enc. Logic p.255).

93. Cf. Korsch (1971). "Marx comprehends all things social in terms of a definite historical epoch. He criticises all the categories of the bourgeois theorists of society in which this specific character has been effaced" (p.16).
94. Thus, Marx and Engels' claim to have abolished philosophy has been given different meanings: a) the crude turning away from philosophy into the purely empirical study of society is the least adequate formulation as it assumes what it should criticise, namely a definite philosophical standpoint; b) Also, the 'filling in' of philosophy with a more 'concrete' content appears to be equally unsatisfactory. As Kosik (1976) has pointed out, the immediate consequence of this is not that philosophy is realised, but that reality is philosophised (p.101); c) a correct formulation is provided by Engels for whom philosophy should be simply discarded, but sublated so that a new content is gained and the historical substance of that philosophy is brought out. Cf. Engels (1976) pp.55ff.
95. As Hegel puts it, the "divorce between thought and thing is the work of Critical Philosophy, and runs counter to the conviction of all previous ages, that their agreement was a matter of course"... "it marks the diseased state of the age when we see it adopt the despairing creed that our knowledge is only subjective and that beyond the subjective we cannot go" (SCL p.35).
96. Cf. Rubin (1975) p.117.
97. Cf. Colletti (1973) p.114.
98. Although neo-ricardian interpretations of Marx have come under intense criticism, the methodological implications of abstraction have not been equally attended to, as a result, the understanding of Marx's method as a 'method of abstraction' have not been challenged. Cf. Elson (1979) pp. 142-3, and Himmenweilt and Mohun (1978).

99. Cf. Kosik (1976), "the method of the ascension from the abstract to the concrete is the method of thought. In other words, it is a movement which takes place in concepts, within the element of abstraction. The ascension from the abstract to the concrete is not the passage from a level (visible) to another level (rational), rather it is a movement of thought and in thought"(p.36).
100. Cf. G. p. 278.
101. See Adorno (1976) p. 12 for a different approach to the concept of totality.

NOTES TO CHAPTER 1

1. Notably Schumpeter (1957), Roll (1978), Dobb (1973), Meek (1973).
2. Banaji (1973), Pilling (1977) and (1980), Himmenweilt & Mohun (1978). This debate owes its origins in no small measure to the development of neo-Ricardian, Sraffian interpretations of Marx. See for example, Steedman, I. (1977).
3. Cf. Schumpeter (1954), "the Wealth of Nations does not contain a single analytical idea, principle or method that was entirely new in 1776" (p.184).
4. Cf. Letwin (1963). Smith's aim was "to master unwieldy material and to subject it to the rule of a small number of coherent principles ... To put the material into a system, and if that material is itself theoretical, then it is to create a work superior in scientific merit to any of its component parts" (p.228).
5. Cf. Letwin (1963) p.228; Schumpeter (1957) p.92.
6. Cf. e.g., Becker, J.F. (1961) "Adam Smith's theory of the Social Sciences" in Southern Economic Journal Vol. 28, pp.13-21; Lindgren, J.R. (1969) 'Adam Smith's theory of enquiry' in Journal of Political Economy Vol. 77, pp.897-915; Thompson, H.F. (1965) 'Adam Smith's Philosophy of Science' in Quarterly Journal of Economics Vol. 79 pp.212-233; Skinner, A.S. (1972) 'Adam Smith's Philosophy of Science' in Scottish Journal of Political Economy Vol. XIX,3,pp.307-319.
7. Cf. Smith (1869), p.45.
8. Cf. Lindgren (1969), for whom "enquiry is an effort to recast one's outlook so as to avoid the shock of surprise" (p.903).
9. Cf. Thompson (1965), "it is a striking feature of Smith's system of Science that we have frequently referred to his own standard of judgement as aesthetic than as strictly rational, and that as his final criterion of truth he is willing to accept neither the rational test of consistency, nor the empirical standard of correspondence with the observed facts, he prefers that of beauty" (p.219).

10. Cf. Meek, R.L. (1967), and (1971).
11. Cf. McLaurin (1968), p.13.
12. Cf. Noxon (1973), p.81.
13. Cf. Hume (1854), p.93.
14. Ibid., pp.212-3.
15. Cf. Smith (1811)vol.v, p.71.
16. Ibid., p.73, and pp.80-1.
17. Cf. the Original Preface to the Principles.
18. Cf. Roll (1978) p.175 "The rigorous deductive method which is often adscribed to Ricardo replaced the less austere mixture of deduction and history which Smith had practised...Altogether the reader of the book (the principles) breathes a highly rarified air of abstraction..Nevertheless the method has not really changed much."
19. Cf. G. p.87.
20. Cf. TSV II pp.164-9.
21. Cf. TSV II pp.117-24.
22. "As against the Physiocrats, Adam Smith establishes the value of the product as the essential basis of bourgeois wealth; ...on the other hand he divests value of the purely fantastic form - that of gold and silver - in which it appeared to the Mercantilists" (TSV I p.174).
23. Cf. Smith (1977), p.153.
24. Cf. KIII pp. 175-8.
25. The formal process of subsumption of labour under capital describes capital's origins out of a different mode of production, whereas the process of real subsumption reflects capital's reproduction on its

25. (Cont'd)

own product as its precondition.

26. Smith does not mean individual quantities of labour, but the result of averaging individual labours. Cf. Smith (1977) p.150.

27. Thus Smith reports that visitors to the manufactures "frequently have been shown pretty machines, which were the invention of such workers in order to facilitate and quicken their own particular part of the work" (Smith, 1977,p.114).

28. Cf. Smith (1977), p.186, and 172.

29. "In 1789 an ex-draper assistant Robert Owen could start with a borrowed £100 in Manchester; by 1809 he bought out his partners in the New Lanark Mills for £84,000 in cash" (Hobsbawm, 1977, p.52).

30. Cf. Napoleoni, C. (1975), p.47; also Meek (1967) pp.18-33.

31. Cf. Ricardo (1926), p.5.

32. Cf. G.p.745 ff.

33. Cf. Hobsbawm, 1975, pp.58-9.

34. - "the question of distribution of the product thus appears in Ricardo's work as chronologically previous to the question of value and price" Levine (1974), p.300; cf. Napoleoni (1975) pp.61ff; Sraffa (1975) pp.xxxiff.

35. 'Ricardo's investigations are concerned exclusively with the magnitude of value and regarding this he is least aware that the operation of the law depends on definite historical preconditions" (Marx, 1977, p.60).

36. TSV II p. 172.

37. "Apart from bourgeois society, the only social system with which Ricardo was acquainted seems to have been the 'parallelogrammes of Mr. Owen'" (Marx 1977 p.60).
38. Cf. TSV I pp. 87-8.
39. Cf. Ricardo' statement quoted in Sraffa (1975) pp.xxxiii.
40. Cf. e.g. Meek (1973) p.303.
41. Cf. Schumpeter (1954) pp 384, 596, Cf. Dobb 1973 p.142 refers to Schumpeter with approval.
42. Cf. Himmenweilt & Mohun (1978) which is directed against neo Ricardian interpretations of Marx, and in an attempt to wrestle Marx's specificity from it nonetheless suggests that Marx's method is also a method of abstraction. Although it correctly comments that "Ricardo's theory is, then, a model built upon assumptions rather than the theorisation of a real world process by abstraction" (p.81) it follows then that by arguing that in contrast Marx's method of abstraction, his dialectical method is successful at theorising the real process. In Marx's method of abstraction, the "process whereby both the existence of something and its impermanence can be captured is by the method of abstraction" (p.82).
43. Cf. TSV II p.167. Also Ricardo's letter to Mill quoted in Sraffa (1975) p.xxxvii.

NOTES TO CHAPTER 2

1. Cf. MESC p.93.
2. Cf. Della Volpe (1978), and (1980); and Colletti (1973), for whom Marx's critique of Hegel was already completed in 1843 with the Critique of Hegel's Philosophy of Right.
3. This question has been discussed in Plant, R. (1973), Avinery (1974), Chamley, P. (1965), Ripalda (1978), but Lukacs' The Young Hegel remains one of the most penetrating studies. This last book bears the subtitle 'Studies in the relations between Dialectics and Economics' and argues that the "real originality of Hegel's exploitation of economic discoveries would only be determinable in the context of a history which sets out to explore the interplay between philosophy and economics in modern time" (Lukacs, 1975, p.319).
4. According to Bruford, the political unification of Germany was very much more difficult because it would have had to include in the 18th century, "Kings of European importance like that of Austria and Prussia, the electoral princes, 94 spiritual and lay princes, 103 counts, 40 prelates, 57 free towns, in all some 300 separate territories" (Bruford 1971 p.7).
5. "Only those regions which possessed and economically strong and stable landowning class were likely ever to achieve a diplomatically or military leadership of Germany, for they alone could generate an absolutism capable of equalising with the great European monarchs" (Anderson 1974 p.260).
6. "Ainsi, le régime de la bourgeoisie ... ne se réalisait pas par révolution mais par infiltration" (Garaudy 1970 p.166).
7. - "the peculiar greatness as well as the peculiar weakness of German Philosophy is explained by the economic and political peculiarities of German conditions" (Mehring 1975 p.178).

8. "Le system der Sittlichkeit, la Real Philosophie, la Phénoménologie, la Philosophie du Droit présentent sous diverse formes l'idée que l'activité économique et le progrès qui en résulté procèdent par une alternance incessante de singularisation et de socialisation" (Chamley 1965a p.251).
9. If we look at section I of the third part of the Encyclopedia of the Philosophical Sciences, it constitutes a phenomenal account of the rise of consciousness, following its emergence from the natural world, and II Mind Objective which is presently being discussed is effected by the conflict between the 'Theoretical Mind' which attempts to apprehend the world theoretically, and 'Practical Mind', which approaches through action. The result is Free Mind which is in men when they not only change their outside world, but also change themselves in the process. Free Mind is man as self-reproductive.
10. Cf. Ph.M. pp.257-8, and Ph.R. p.129, and Lukacs (1975) Part III Ch.vi.
11. Cf. Chamley (1965a), and Lukacs (1975) pp.170ff.
12. Cf. Ph.R. p.268.
13. Cf. Ph. p.18.
14. Cf. Lukacs (1975) p.323.
15. It is interesting to note that for Hegel civil society presupposes the state. "Civil Society is the (stage of) difference which intervenes between the family and the state, even if its formation follows later in time than that of the state, because, as (the stage of) difference, it presupposes the state; to subsist itself, it must have the state before its eyes as something self-subsistent" (Ph.R. p.266.)
16. Cf. Foster, M.B. (1935)
17. "What is thus called making a constitution is a thing that has never happened in history just as little as the making of a code of law. A constitution only develops from the national spirit identically with that Spirit's own development, and run through at the same time with it the grades of formation and alteration required by its concept" (Ph.M. p.268).

18. Cf. in contrast Taylor (1975) p.433.
19. This is not unconnected to Hegel's failure to develop his study of the economic forms of civil society.
20. Cf. Lukacs (1975) p.367.
21. "As a living mind, the State only is an organised whole, differentiated into particular agencies, which, proceeding from the one notion of the reasonable will, continually produce it as their result" (Ph.M. p.265).
22. Cf. EL. pp.45-6.
23. Cf. Ph. p.14.
24. Cf. Goldmann (1971) p.15. "The idea that man creates (for Kant, creates only in part) the world which he perceives and knows in experience. This is the famous transcendental subjectivity of time and space and of the categories. But since this creation clearly could not be attributable to the empirical individual, Kant was obliged to limit it to formal structures and to confer upon it an abstract and transcendental character."
25. "The mere anticipation that the Absolute is subject is not only not the actuality of the Notion, but it even makes the actuality impossible for the anticipation posits the subject as an inert point, whereas the actuality is self-movement" (Ph.p.13).
26. Cf. Dove (1971).
27. "Thought is an expression which attributes the determination contained therein primarily to consciousness. But in as much as it is said that understanding, reason, is in the objective world, that mind and nature have universal laws to which their life and changes conform, then it is conceded that the determinations of thought equally have objective value and existence" (ScL. p.51).
28. Cf. e.g. Ph. pp.54ff., EL. p.256.

29. Cf. ScL. p. 825.
30. Cf. also ScL p. 824.
31. "It is not we who frame the notions. The notion is not something which is originated at all. No doubt the notion is not mere being, or the immediate, it involves mediation, but the mediation lies in itself. In other words, the notion is what is mediated through itself and with itself" (EL.p.228).
32. Cf. Feuerbach (1972) p.54.
33. Cf. Lukacs (1978) p.99.
34. Cf. Lukacs (1971) p.91.
35. "All that at this stage left as form for the Idea is the Method of this content - the specific consciousness of the value and currency of the 'moments' in its development" (EL. p.292).
36. "The exposition of what alone can be the true method of philosophical science falls within the treatment of the Logic itself, for the method is the consciousness of the form of the inner self-movement of the content of 'logic'" (ScL. p.53).
37. The method "can only be the nature of the content itself which spontaneously develops into a scientific method of knowing, since it is at the same time the reflection of the content itself which first posits and generates its determinate character" (ScL. p.27).
38. Cf. LPhWH pp. 28-30.
39. Cf. ScL. p.43.
40. - "the subjective act has also been grasped as an essential moment of the objective truth, and this brings with it the need to unite the method with the content, the form with the principle" (ScL.p.67).

41. "The aim of knowledge is to divest the objective world that stands opposed to us of its strangeness, and as the phrase is, to find ourselves at home in it; which means no more than to trace the objective world back to the notion - to our innermost self" (EL. p.261).
42. Cf. ScL. p. 56.
43. Cf. Ph. p.29
44. This has lead Kojeve to argue that the "hegelian method is not at all dialectical: it is purely contemplative and descriptive" Kojeve (1978) p.71.
45. This is also the case with the relationship between temporal and logical processes. Cf. Ph.R. p.35; p.233
46. Cf. ScL. p.545.
47. Cf. Engels LF pp. 8-9.
48. Cf. ScL.p.839.
49. Compare with G. p. 746.
50. Cf. ScL. pp. 72-5.
51. Cf. Ph.M. p.254.
52. - "the fact that this need on the part of one can be satisfied by the product of the other, and vice-versa ... proves that each of them reaches beyond his own particular needs ... that their common species being is acknowledged by all" (G.p.242).
53. To the individual, "reciprocity interests him only insofar as it satisfies his interests to the exclusion of ... that of the other" (G. p.244).

NOTES TO CHAPTER 3

1. Cf. eg. Lukacs. "It might be claimed with perhaps equal justification that the chapter dealing with the fetish character of the commodity contains within itself the whole of historical materialism and the whole self-knowledge of the proletariat seen as the knowledge of capitalist society (and of the societies that preceded it)" Lukacs 1971 p.170.
2. Although this is perhaps particularly the case in current debates within Western Marxists, the link between discussions of value and method goes as far back as Engels's defence of Capital Vols. II and III, and is present therefrom. Cf. Hilferding's reply to Bohm-Bawerk. G. Pilling (1980) and Sayer, D. (1979) are two recent examples. Elson (ed.) (1979) shows how all contributors to the current debate on value felt themselves called upon to provide a concept of Marx's method as well.
3. Cf. Elson (1979) pp. 1-13.
4. "World trade and the world market date from the 16th century, and from then on the modern history of capital starts to unfold" (KI p.247).
5. Cf. KI p.274.
6. Cf. KI p.125.
7. This is made necessary by the form of exchange itself, "clearly, the exchange relation of commodities is characterised precisely by its abstraction from their use-values" (KI p.127). However, this does not mean that use-values are unimportant, as Rosdolsky (1977) shows, see pp. 73-96, and Marx (1975) readily admits, cf. pp. 198ff. On the contrary, this separation is the result of commodity production itself. As value continually struggles to separate itself from use-value, but never achieves it, crises violently reestablish their unity.

8. - "exchange value cannot be anything other than the mode of expression, the form of appearance (Erscheinungsform) of a content distinguishable from it" (KI p.127).
9. "Essence is not something beyond or behind appearances, but - just as it is the essence which exists - the existence of appearance"
Hegel Enc. L p.186.
10. - "the total labour power of society which is manifested in the values of the world of commodities counts here as one homogeneous mass of human labour power, although composed of innumerable individual units of labour power " (KI p.129).
11. - "all labour is an expenditure of human labour power, in the physiological sense, and it is in the quality of being equal or abstract human labour that it forms the values of commodities"
(KI p.137).
12. "What the concept of abstract labour adds to the concept of social labour is the idea of quantity, labour is viewed not simply as part of a collective effort, but as a definite fraction of a quantitatively specified total" (Elson 1979 p.149).
13. "The concrete kinds of labour are therefore not assimilated with one another through abstraction of some universal characteristics, but through comparison and equation of each of these kinds with a particular determined concrete kind which serves as a phenomenal form of universal labour" (Rubin, 1978,p.120).
14. - "as the use-value which confronts money posited as capital, labour is not this or another labour, but labour pure and simple, abstract labour, absolutely indifferent to its particular specificity, but capable of all specificities" (G.p.196).
15. "Socially necessary labour-time is the labour time required to produce any use-value under the conditions of production normal for a given society and with the average degree of skill and intensity of labour prevalent in that society" KI p.129.

16. Cf. D. Sayer (1979) pp.17ff. He makes this connection, but instead of emphasising the reductionism and one-sidedness of this abstraction, he argues that abstract labour is not a mere abstraction not because "abstract labour is a theoretical construct in the obvious sense that any concept must be, but that it is, specifically, an abstraction to which there corresponds no distinctive object of an empirical order" (p19). The rejection of the view that abstract labour is purely a mental category is entirely different from the one adopted here.

17. With regard to this problem, it is illuminating to look at Hegel's examination of Ground in the Science of Logic, where he distinguishes between substrate and form, matter and form, and content and form. (See ScL. pp.447-456.) Hegel distinguishes between the consideration of ground as the subsistence of the forms, i.e., as substrate, "essence as the simple substrate which is the subsisting of form" (ScL.p.449). Here the ground is simply presupposed. Secondly, the ground is considered as matter, "the difference less identity which is essence" (ScL.p.450); "Matter is sheer abstraction" (ScL. p.450). Here matter is external to form, and completely opposed to it. In their absolute opposition form and ground are shown to be mutually dependent on each other. This mediation is further developed in the relationship of form and content, where their intrinsic relation is expressed as form in both form and content.

18. Rubin points to the need to examine the determination of abstract labour in greater detail. Also, he sees this problem as immediately connected to the relationship between the processes of exchange and production of commodities. "It has been said that my explanation gives rise to the impression that abstract labour is only produced - in the act of exchange. One could conclude from this that value also is only created in exchange, whereas from Marx's standpoint value, and consequently abstract labour too must already exist in the process of production. This touches on the profound and critical problem of the relations between production and exchange" (Rubin, 1978,p.121). Rubin's answer is not, in my opinion, very convincing. Cf. pp.121-5. Nevertheless, Rubin has touched on a very important point. With regard to my examination I believe the

18. (Cont'd)

subordination of abstract labour to value hinges on the question of the unity of production and exchange which obtains of value. The fact that production is production for exchange makes abstract labour necessary, but also subordinated to value as a more comprehensive totality. Only with capital, the different processes present themselves as independent and self-subsistent.

19. "(Now we know the substance of value. It is labour. We know the measure of its magnitude. It is labour-time. The form which stamps value as exchange value, remains to be analysed...)" (KI p.131).

20. - "in the circulation M - C - M both the money and the commodity function only as different modes of existence of value itself, the money as its general mode of existence, the commodity as its particular, or, so to speak, disguised mode" (KI p.255).

21. "The circulation of commodities is the starting point of capital... if we disregard the material content of the circulation of commodities, i.e., the exchange of various use-values, and consider only the economic forms brought into being in this process, we find that its ultimate product is money. This ultimate product of commodity circulation is the first form of appearance of capital" (KI p.247).

22. "The further development of the commodity does not abolish these contradictions, but rather provides the form within which they have room to move. This is in general the way in which real contradictions are solved" (KI p.198).

23. - "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 and social form" (KI p.195).

24. - Cf. KI p.181; G. p. 137, p. 147.

25. - Cf KI p.247.

26. - "the economic categories already discussed similarly bear an historical imprint... The various forms of money indicate very different levels of the process of social production" (KI pp.273-4).
27. Cf. G. p.259.
28. "In its money form value obtains its sole form of appearance, and through this the moment of actuality. In its capital form it points itself as 'living substance', as a substance becomes 'dominant subject' (KI pp.258f), or posits itself as that totalising process which Hegel calls 'essence'" Banaji, in Elson (1979 p.35).
29. Cf. KI p.253.
30. "In simple circulation, the value of the commodities attained at the most a form independent of their use-values; i.e., the form of money. But now, in the circulation M - C - M, value suddenly presents itself as a self-moving substance which through a movement of its own, and for which commodities and money are both mere forms. But there is more to come: instead of simply representing the relation of commodities, it now enters into a private relation with itself as it were. It differentiates itself as original value from itself as surplus value" (KI p.256).
31. "If we consider this in the abstract,..., all that happens in exchange is a metamorphosis, a mere change in the form of the commodity" (KI p.260).
32. Cf. G. pp.161-2.
33. - "circulation itself returns back into the activity which posits or produces exchange values. It returns into it as into its ground" (G.p.255).
34. Again, "Circulation, or the exchange of commodities creates no value" (KI p.266).
35. In no sense should this product be disowned, cf. Marx G. pp.161-2.

NOTES TO CHAPTER 4

1. Some of Marx's formulation of the connections and transitions of the different aspects of capitalist production as a whole lend themselves to a phenomenological reading. See e.g. "Circulation, therefore, which appears as that which is immediately present on the surface of bourgeois society, exists only insofar as it is constantly mediated... Its immediate being is therefore pure semblance. It is the phenomenon of a process taking place behind it" (G.p.255). By phenomenological I mean the motion of a natural consciousness in its contradictory relation to a changing object. Cf. Hegel's description, "the single individual must also pass through the formative stages of Universal Spirit so far as their content is concerned, but as shapes which Spirit has already left behind, as stages on a way that has been made level with to it" Phenomenology of Spirit p.16. But, as with Hegel, the phenomenological method should be studied in the context of the speculative method. See Rose (1981) pp.50-1.
2. "There would still always remain this much, however, namely that the simple categories are the expressions of relations within this historical process" (G.p.102) Cf also g.pp.102-7; 459-60.
3. This makes the study appear almost 'teleological', this at the centre of the limitations of the phenomenological method. Cf. Hegel (Ph.p.51).
4. "The particular course taken by our analysis forces this tearing apart of the object under investigation; this corresponds also to the spirit of capitalist production" (KI p.443).
5. "It would be an unthinkable oversimplification of the theory to say that it derives the laws of motion and development of modern society solely from the sphere of production and the conflicts and contradictions arising in this sphere, and that it does not take account in this connection of the process of circulation too, and of the structural integration of both aspects in the overall process... The real answer to the problem is that the investigation Marx undertakes in the first volume is only formally limited to the

5. (Cont'd)

productive process of capitalism. In actual fact, in his treatment of this aspect, Marx grasps and portrays the totality of the capitalist mode of production and the bourgeois society that emerges from it" (Korsh (1971)p.45).

7. For Fine (1979), "the very concept of production as such, as a moment of the circuit of capital, can only be understood as production in abstraction from exchange and distribution" (p.8). This should not mean "the same as ignoring exchange and distribution"... "But in conceptualising capitalist production as such Marx is concerned with the production process in circumstances where only the most elementary type of exchange exist and where this exchange proceeds smoothly" (p.9.) All in all, Fine does not go to the root of the problem, i.e., the nature of abstraction.
8. - "capital does indeed exist from the outset as One of Unity as opposed to the workers as Many... In this respect, concentration is contained in the concept of capital" (G.p.590).
9. See, e.g., "The labour process as we just presented it in its simple and abstract elements, is purposeful activity aimed at the production of use values. It is an appropriation of what exists in nature for the requirements of man. It is the universal condition for the metabolic interaction between man and nature, the everlasting nature-imposed condition of human existence" (KI p.290). This emphasis on abstraction is at odds with Marx's more balanced comments. Consider, for example, "this example of labour shows strikingly how even the most abstract categories, despite their validity for all epochs, are nevertheless, in the specific character of this abstraction, themselves likewise a product of historic relations, and possess their full validity only for and within these relations" (g.p.105). Interestingly enough, Marx's abstract presentation of the labour process has attracted, as well as provided the basis, for, several epistemologies. Cf. Sayer's views on transhistorical categories (1979) especially pp.110-3; Colletti's absolute distinction between 'subjective' and 'objective', (1972) pp.62-76; implications of this abstraction. Cf, in contrast,

9. (Cont'd)

Winfield (1975) as he criticises Lukacs' views in the Young Hegel for conceiving "of the labouring activity as the monological relation of the self-conscious individual and nature, he presupposes the intentionality of the subject and the facticity of the object of his formative activity" (p.187). All methodologies based on labour in the abstract assume labour as reproducing the distinction between subject and object, and as outside all social determinations, that is, the subject as individual.

10. Cf. G.p.105.

11. Cf. KI p.293.

12. Cf. KI p.304.

13. Cf. KI pp.308-9.

14. Cf. G.p.398.

15. Cf, Palloix, (1980), and (1975).

16. Cf. in this connection, CSE Pamphlet (1976), and Slater, P. (ed) (1980).

17. "In machinery, knowledge appears as alien, external to him, and living labour (as) subsumed under self-activating objectified labour. The worker appears as superfluous to the extent that his action is not determined by (capital's) requirements" (G.p.695). Cf. also Sohn-Rethel (1978); Bahro (1979) especially Part II, Ch.VI.

18. Cf. KI p.724.

NOTES TO CHAPTER 5

1. I make this differentiation in terms of Capital here because there the different levels of analysis receive a deeper differentiation than, for example, in the Grundrisse. This is traditionally regarded as one of the advantages of the former over the latter. The same argumentation, however, supports the opposite conclusions. The greater differentiation between the different parts of Capital also expresses their greater isolation from each other. Thus whereas in Capital the remarks on the structure of the work are located in the gaps existing between different parts - notably at the beginning of P.III of Vol. II and at the beginning of Vol. III, in the Grundrisse these comments are interspersed throughout the text. The diffused nature of the Grundrisse is not at all a disadvantage.
2. "In Book 1 ... the changes of form and substance experienced by capital in the sphere of circulation were assumed without dwelling upon them... The only act within the sphere of circulation on which we have dealt was the purchase and sale of labour power as the fundamental condition of capitalist production" (K II pp.357-8; cf. also K II p.26).
3. "If we consider this in the abstract, i.e. disregarding circumstances which do not flow from the immanent laws of simple commodity circulation, all that happens in exchange is a metamorphoses, a mere change in the form of the commodity" (K I p.260).
4. "the laws of the general circulation of commodities are valid only when capitalist circulation process consists of a series of simple acts of circulation, they do not apply when the latter constitute functionally determined sectors of the circuit of individual industrial capitals" (KII p.116)
5. This follows from the systematic whole of capitalist circulation and will be developed later on.
6. "Circulation or commodity exchange ... is in fact the very Eden of the innate rights of Man. It is the exclusive realm of Freedom, Equality, Property and Bentham" (K I P. 280).

7. Cf. KII pp.356-7; KII p.26.
8. Cf. Rosdolsky 1977, p.45.
9. Cf. K II p.358 where Marx presents a distinction which is not developed later. Cf. also K III p.25.
10. Cf. Rosdolsky 1977, p.458.
11. This goes some way to disprove Luxembourgs claims that the second volume of Capital "is not a finished whole but a manuscript that stops short half way through" (Luxembourg 1971 pp. 165-6).
12. "Capital is therefore essentially circulating capital" (G p.639) (BIT)
13. "The circulation of capital constantly ignites itself anew, divides into its different moments, and is a perpetuum mobile" (g p.516).
14. "Circulating capital is therefore initially not a particular form of capital but is rather capital itself, in a further developed aspect as subject of the movement just described" (G 620).
15. - "the first quality of capital is then, this: that exchange value deriving from circulation and presupposing circulation preserves itself within and by means of it" (G p.259).
16. Because "through the first act of circulation value becomes transformed "into the pure form of value - in which all traces of its becoming as well as its specific presence in use value have become extinguished - ...Circulation therefore belongs with the concept of capital" (G p.638).
17. Capital "is at the same time within each phase, posited is a specific aspect, restricted to a particular form, while is the negation of itself as the subject of the whole movement. Therefore, capital in each of the particular phases is the negation of itself as the subject of all the various metamorphoses" (G p. 620).

18. -"the aspects of fixed and circulating capital are initially nothing more than capital itself posited in the two aspects; first as the unity of the process, then as a particular one of its phases, itself in distinction to itself as unity - not as two particular kinds of capital, not capitals of two particular kinds, but rather as different characteristic forms of the same capital" (G.p.622).
19. "Not circulating capital. Fixed capital actually fixated capital, fixated in one of the different particular aspects, phases through which it must move." (G.p.620).
20. "Capital here appears as a value which goes through a series of interconnected, interdependent transformations, a series of metamorphoses which form just as many phases, or stages, of the process as a whole... in each of these phases capital-value has a different form for which there is a correspondingly different special function ... This process as a whole constitutes the process of moving in circuits" (K.II pp.49-50).
21. "Money-capital, commodity-capital, and productive-capital do not therefore designate independent kinds of capital...They denote here only special functional forms of industrial capital" (K.IIp.50). This means Marx has not yet abandoned the framework of capital as one.
22. - "it is in the nature of things that the circuit itself necessitates the fixation of capital for certain lengths of time in its various phases. In each of its phases industrial capital is tied up with a definite form: money-capital, productive capital, commodity-capital" (K.II p.50).
23. Capital "does not acquire the form in which it may enter a new transformation phase until it has performed the function corresponding to each particular form" (K.II p.50) of also Rubin (1975) "the different categories of Pol.Ec.describe different social functions of things corresponding to different productive relations among people. But the social function which is realised through a Thing gives this thing a particular social character, a determined

23. (Cont'd)

social form"(Rubin, 1975, p.37). Of course Rubin is referring to the examination of the 'labour theory of value', and makes perhaps too much of the distinction between the material-technical, as opposed to the social, realm. Nonetheless, the unity of form and function in a social organism does not escape him.

24. "The entire circuit is thus really the unity of its three forms" (K.IIP.1).
25. "The next form in which the process presents itself is that of a succession of phases, so that the transition of capital into a new phase is made necessary by its departure from another. Every separate circuit has therefore one of the functional forms of capital for its point of departure and point of result" (K.II p.107).
26. "The general form of the circuit of industrial capital is the circuit of money-capital whenever the capitalist mode of production is taken for granted, hence in social conditions determined by capitalist production" (K.II p.64).
27. "Although M', equal to M plus m, is the irrational form of capital it is at the same time only money-capital in its realised form, in the form of money which has generated money" (K.II p.47).
28. "Thus M' appears as a sum of values differentiated within itself, functionally (Conceptually) distinguished within itself, expressing the capital relation" (K.II p.45).
29. "The commodity-capital circuit,... does not open with just capital value but with capital-value augmented in the commodity-form" (K.II p.90).
30. "Capital as a whole, then, exists simultaneously, spatially side by side, in its different phrases...Its forms are hence fluid and their simultaneousness is brought about by their succession" (K.II p.107).
31. "The actual circuit of the industrial capital in its continuity is... the unity of all its circuits. But it can be such a unity only if

31. Cont'd.

all the different parts of capital can go through the successive stages of the circuit, can pass from one phase, from one functional form to another, so that the industrial capital being the whole of these parts, exists simultaneously in its various phases and moments" (K.II p.106).

32. "Every individual capital is therefore, on the one hand, an agent of the general circulation of commodities, in which it either functions or lies concatenated as money or as a commodity... On the other hand it describes within the general circulation its own independent circuit" (K.II p. 58).

33. "The double and contradictory condition of capital, the continuity of production and the necessity of circulation time, and also the continuity of circulation and the necessity of production time, can be mediated only by capital dividing itself into parts....These parts alternate." (G.p.661).

34. Cf. Hegel ScL pp.606-7.

35. "The simultaneity of the progress of capital in different phases of the process is possible only through its division and break up into parts, each of which is capital, but capital in a different aspect " (G.p.661). Also Cf. Taylor 1975; "First, let us take the Hegelian concept. This is a universal, a self-identical inner principle of a diversified totality. But it is also sundered into many, for there must be differentiation for there to be totality. This sundering is the specificity which falls under the universal" (p.302).

36. - "capitalist production exists and can endure only as long as capital-value is made to create surplus-value, that is as long as it describes the circuit as a capital that has gained independence" (K.II p.108).

37. "The introduction of many capitals must not interfere with ... rather be explained after what they all have in common, the quality of being capital, has been examined" (G.517). (Also G.p.518;538; 517).

38. Cf K.II p.638.
39. "Capital in its reality, therefore appears as a series of turnovers in a given period. It is no longer merely one turnover, or circulation; but rather the positing of turnovers, positing of the whole process" (G.pp. 638-9)
40. "The simultaneity of the different orbits of capital, like that of its different aspects, becomes clear only after many capitals are presupposed. Likewise the course of human life consists of passing through different ages. But at the same time all ages exist side by side, distributed among different individuals" (G.p.639).
41. Productive capital "remains capital in each of these forms, and it becomes capital only by realising itself as such. So long as it remains in one of these phases, it is fixed as commodity capital, money capital or industrial capital. But each of these phases forms only one moment of its movement, and in the form from which it must propel itself to pass over into another phase it ceases to be capital" (G.p.724).
42. Cf. Marx, G.pp.449-50, "however, capital in general, as distinct from the particular real capitals, is itself a real existence.. This double positing, this relating to itself as alien, becomes damn real in this case, while the general is therefore on the one hand only a mental mark of distinction, it is at the same time a particular real form alongside the form of the particular and individual" (G.pp.449-50).
43. Cf. Hegel's ScL on the 'Notion'. "The particular contains universality, which constitutes its substance... The particular has one and the same universality as the other particulars to which it is related. At the same time, by virtue of the identity of the particulars with the universal, their diversity is, as such, universal, it is totality. The particular, therefore, not only contains the universal but through its determinateness also exhibits it; consequently, the universal constitutes a sphere that must exhaust the particular. This totality appears,

43. (Cont'd.)

inssofar as the determinateness of the particular is taken as mere diversity, as completeness ... But diversity passes over into opposition, into an immanent relation of the diverse moments. Particularity, however, because it is universality, is this immanent relation, not through a transition, but in and for itself; it is in its own self totality and simple determinateness, essentially a principle" (ScL p.606).

NOTES TO CHAPTER 6

1. "Hence capital appears as capital, as presupposed value relating to itself, through the mediation of its own process, as posited, produced value, and the value posited by it is called profit" (G.p.762; cf. also G.p. 745, and KIII p.47).
2. "The way in which surplus-value is transformed into the form of profit by way of the rate of profit is, however, a further development of the inversion of subject and object that takes place already in the process of production" (KIII p.45).
3. Consider Zeleny (1974) "If we study this general structure (i.e. Capital A.B.) from the point of view of the relation between essence and appearance, it could be said that the spiral-like analysis of essence and appearance of vol. I is orientated to the intellectual reproduction of the capitalist mode of production, while vol. III derives the forms of manifestation of the capitalist economy as apparencial forms of the essence already conceptualised" (p.166-7).
4. See for a contrasting view Yaffe (1975) "on the basis of the exchange of commodities at their values, with different organic compositions of capitals producing these commodities, there should be different rates of profit. This contradicts reality, and so again the earlier position is modified and developed with the category of price of production. In such a way Marx shows, with the help of mediating links, how the 'forms of appearance' of capitalist society are connected to their determination by the 'law of value' " (p.40).
5. Cf. MESC p.93.
6. Cf. G.(p.278).
7. Cf. Adler (1978). "Hegel's conception of history already displays all the elements of a purely scientific understanding, in which history is conceived as a law-governed continuity, no longer shaped by powers outside or above it, but only by its own process" (p.62).

8. "This new category, cost-price, is very necessary for the details of [later development]" (MESC p.192).
9. "Profit is, for us, ifirst of all only another name or another category of surplus-value" (MESC p. 191; cf. also KIII pp.36-7,47).
10. - "difference's two moments, identity and difference itself are thus externally posited determinations, not determinations in and for themselves" (Hegel, Sc. L. p.419).
11. "Suppose, as it is assumed in this part, the amount of profit in any particular sphere of production equals the sum of surplus-value produced by the total capital invested in that sphere" (KIII p. 138).
12. "The phenomena analysed in this chapter require for their full development the credit system and competition on the world market, the latter being the basis and vital element of capitalist production" (KIII p.110).
13. That this is a one-sided moment for Marx is not recognised by some commentators who see profit only as immediately one with surplus-value, and consequently exclusively as a category of the immediate process of production only. Cf. e.g. Sweezy (1968). Although he recognises that Marx is here "directly identifying surplus-value and profit" (p.67), and he goes on to examine Marx's assumptions (cf. pp.67-89), he never moves beyond this one-sided understanding of profit.
14. - "profit is nevertheless a converted form of surplus-value, a form in which its origins, and the secret of its existence, are obscured and extinguished" (KIII p.48).
15. This necessary two-sidedness is not always complied with, and Marx himself is ambiguous in certain passages. Consider Marx's statement to the effect that the "actual process of production and the process of circulation intertwine and intermingle continually, and thereby invariably adulterate their typical distinctive features" (KIII p.44). This form of presentation can accommodate mistaken views concerning the existence of these

15. (Cont'd)

processes in their isolation. The truth is the whole, says Hegel, and it is adequate to the unity of the processes of capitalist development. They only achieve actuality as parts of the whole.

16. "The many individual capitals invested in a particular branch of production have compositions which differ from each other to a great or lesser extent. The average of their individual compositions gives us the compositions of the total capital in the branch of production under consideration. Finally, the average of all the average compositions in all branches of production gives us the composition of the total social capital of a country, and it is with this alone that we are concerned here in the final analysis" (KI p.763).

17. Cf. KIII p. 143, and p. 151.

18. - "it follows that the profits of unequal capitals in different spheres of production cannot be proportional to their respective magnitudes" (KIII pp.149-50).

19. There is considerable controversy on this point, see Engels' remarks to W. Sombart (MESC pp.455-6), as well as Hilferding's exchange with Bohm-Bawerk in Sweezy (ED.) (1975). "Bohm-Bawerk assures us that Marx's views as to the equalisation of the rates of profit are historically untenable, and refers us in this connection to an objection raised by Sombart...All he does is to oppose the contention that during the transition from the medieval to the capitalist economy, the equalisation of the rates of profit has been brought about by the levelling of the originally unequal rates of surplus-value. He holds, rather, that the starting point of capitalist competition is from the very outset to be found in the pre-existing commercial rate of profit" (p.169). Hilferding replies that in his opinion the "equalisation of the different rates of surplus-value was the outcome of a process long drawn out" (p.170).

20. "Thus, although in selling their commodities the capitals of the various spheres of production recover the value of the capital consumed in their production, they do not secure the surplus-value,

20. (Cont'd)

and consequently the profit, created in their own sphere by the production of those commodities. What they secure is only as much surplus-value, and hence profit, as falls, when uniformly distributed, to the share of every aliquot part of the total social capital from the total surplus-value, or profit, produced in a given time by the social capital in all spheres of production" (KII p.159).

21. The Lawrence and Wishart edition of Capital Vol. III mistranslates this passage. The Dietz Verlag edition reads "Bei Bildung der allgemeinen Profitrate handelt sich..." (p.172), which appears in the English edition as "The formation of the average rate of profit is..." (KIII p. 162). In fact it should say general rate of profit (allgemeinen Profitrate).

22. "The premiss of the entire analysis is naturally that by speaking of the composition or turnover of a capitals in a certain line of production we always mean the average normal proportions of capital invested in this sphere, and generally the average in the total capital employed in that particular sphere, and of the accidental differences of the individual capitals" (KIII p.144).

23. - "what we previously regarded as changes occurring successively with one and the same capital is now to be regarded as simultaneous differences among capital investments existing side by side in different spheres of production" (KIII p.144).

24. The concept of branch of production has enormous significance for Marx's analysis of capitalist society, not only in relation to the immediate process of production, and the formation of the average and general rates of profit, but also in the study of crisis, international competition and the development of the study of 'real' socialism. Marxists have been slow to recognise this, and perhaps, among the contemporary commentators of Marx, only Palloix could escape from this criticism. Cf. Palloix (1975) (1980).

25. I refer here to Rosdolsky (1977).

26. I refer here to Rosdolsky (1977).
27. Cf. G. p. 657.
28. "Competition merely expresses as real, posits as external necessity that which lies within the nature of capital, competition is nothing more than the way in which the many capitals force the inherent determinants of capital upon one another and upon themselves" (G. p. 657).
29. This problem is taken up by Itoh in Elson (ed.)(1979).
30. "What competition, first in a single sphere, achieves is a single market-value and market price derived from the various individual values of commodities. And it is competition of capitals in different spheres which first brings out the price of production equalising the rates of profit in the different spheres. The latter process requires a higher development of capitalist production than the previous one" (KIII p.180).
31. The implications of Marx's analysis of a twofold effect of competition, and their necessary unity have relevance to contemporary notions of monopolies and monopoly-capitalism. In a nutshell, although monopolies have a direct effect on the competition within branches of production, this is not so clear in relation to competition between branches. This needs to be developed further to account for competition once the general rate of profit and total social capital are established, by developing credit and finance capital.
32. Palloix (1980), for one, recognises the distinctiveness of the two processes, but denies their unity. Cf. pp. 48-54.
33. Cf. page 208.
34. This abstracts from profit in the form of revenues, that is, from the process of distribution between capitalists, and between capitalists and rentiers.

35. "After it has distinguished the profit, as newly reproduced value, from itself as presupposed, self-realising value, and has posited profit as the measure of its realisation, it suspends the separation again, and posits it in its identity to itself as capital which, grown by the amount of profit, now begins the same process anew in larger dimensions. By describing its circle it expands itself as the subject of the circle and thus describes a self-expanding circle, a spiral, (G. p.746).

36. It has become customary to refer to the place of Vol. III in Capital as a whole, as constituted by the simple addition of distribution to the study. This deficient understanding is to be found, for instance, in Yaffe (1975). "What is modified with the introduction of 'many capitals' and the competition between capitals is not surplus-value but its distribution among the different capitals" (p.42). Cf. also Fine and Harris (1979). "In Vol. III, however, the preceding analysis of production and exchange is integrated with the theory of distribution between capitals; competing capitals and the principle of distribution are considered in full" (p.23).

37. Marx did not develop the relation between circulation and total social capital entirely. Thus Engels, in the edition of Vol. III of Capital, wrote Chapter IV 'The effect of turnover on the rate of profit', of which he says, "nothing but the title was available for Chapter IV. But since its subject-matter, the influence of the rate of turnover on the rate of profit, is of vital importance, I have written it myself, for which reasons the whole chapter has been placed in brackets" (KIII p.4).

38. Cf. KIII p. 154.

39. This requires further development. Kay (1977) (1976) is one of the few commentators who has recognised the significance of this relation, and has gone some way in showing the direction of this enquiry into the temporality of total social capital.

40. Cf. Engels (MLSC). "But how has the equalisation been brought about in reality? This is a very interesting point, about which Marx does not say much. But his way of viewing things is not a doctrine

40. (Cont'd.)

but a method. It does not provide ready-made dogmas, but criteria for further research. Here, therefore, a certain amount of work has to be carried out, since Marx did not elaborate it himself in his first draft" (MESOC p.455).

41. Cf. Hodgson (1974) who argues, among others, that Marx failed to solve the transformation problem as a consequence of "a lack of mathematical experience and knowledge" (p.363).

42. Cf. Engels' Preface to the third Volume of Capital. There he criticises Schmidt's remarks on Marx's work because they "rest upon the false assumption that Marx wishes to define where he only investigates, and that in general one might expect fixed, cut to measure, once and for all applicable definitions in Marx's work. It is self-evident that where things and their interrelationships are conceived, not as fixed, but as changing, their mental images, the ideas, are likewise subject to change and transformation; and that they are not encapsulated in rigid definitions, but are developed in their historical or logical process of formation" (KIII p. 13-4). Hegel was also concerned to show the inadequacies of propositional forms of this kind. Thus, for example, he argues that the "proposition in the form of a judgement is not suited to express speculative truths", where "judgement is an identical relation between subject and predicate" (Hegel, ScL. p.91). The chief defect of the propositional form is, for Hegel, its exclusion of difference, "unity, even more than identity, express a subjective reflection; it is taken specially as the relation which arises from comparison, from external reflection. When this reflection finds the same thing in two different objects, the resultant unity is such that there is presupposed the complete indifference to it of the objects themselves which are compared, so that this comparing and unity does not concern the objects themselves and is a procedure and a determining external to them" (Hegel Sc. L. p.92).

43. Cf. in contrast Fine and Harris (1976). "Marx makes an inadequate integration of exchange with production and distribution" (p.147).

44. Cf. Bohm-Bawerk in Sweezy (1975). "I see no explanation and reconciliation of a contradiction, but the bare contradiction itself. Marx's third Volume contradicts the first. The theory of the average rate of profit and prices of production cannot be reconciled with the law of value" (p.30). In essence, modern controversies are a mere rehearsal of this point.

45. It would be useful to note that values continue to play a role where the development of capitalist production is hampered. "A surplus-profit may also arise if certain spheres of production are in a position to evade the conversion of the values of their commodities into prices of production, and thus the reduction of their profits to average profits" (KIII p.199). One such case is the division of profit into absolute rent for the landowning class, whose monopoly over the land poses obstacles to the development of capitalist production in agriculture relative to industry. In this case, commodities are exchanged at prices above their prices of production and below their values. Even more interesting would be the study of the commodity labour-power, a commodity which cannot be directly produced by capital, hence relative overpopulation, migrant labour, unemployment, etc.

46. It has become a commonplace to directly link the problems connected with the 'transformation problem' and the actuality of the general rate of profit to questions of method. Fine and Harris, for example, correctly note that disagreements over the above "have wide implications, for each treatment of the transformation problem contains a different understanding of Marxist method" (1979, p.21). My conclusions do subscribe to this. But, at the same time, I should disagree to the normative and epistemological character of their - and others - view of method. It seems to me that for the majority of the commentators on these questions, Marx's method is seen as an external proof of the consistency of his understanding of capitalist society. The method is erected into an external norm, justified on epistemological grounds, but having no direct relation to the content of Marx's work. Here, form is separated from content. Consider Gerstein (1976), "The Marxian transformation problem is thought of as a bridging gap between the transition from 'essence' (value) to 'phenomena'

46. (Cont'd.)

or surface (prices). This paper shows that such a conception is incorrect. The transformation is actually between two theoretical levels of the construction of the economic region of the capitalist mode of production" (p.243). Cf. also Fine and Harris (1976) p.143; Grossmann (1979) p. 71; Morishima and Catephores (1978) pp 199-200. The method is here a purely theoretical construct, which relation to the realities of bourgeois society is contingent. Moreover, the necessity for such a method is purely epistemological, i.e. the method is needed in order to understand better. Cf. on this, Yaffe (1975) "the process of analysing the actual intrinsic relations of capitalist production is clearly a complicated matter, and it is only the method adopted by Marx which can lead to any deep understanding of the real concrete relations. A necessary stage in this analysis is the transformation of values into prices of production and surplus-value into average profit, the method adopted is the only one which makes possible to grasp the fact of a general rate of profit on the basis of the value analysis developed in Vol. I of Capital" (p.34). In contrast to the normative character of the method thus understood, I have tried to outline the forms in Marx's study of profit, the general rate of profit, and the LTRPF as they evolve from the development of capitalist society itself, that is, form as determined directly by content. Only in this way, a purely epistemological, and in the last analysis psychological, conception of Marx's method can be avoided.

NOTES TO CONCLUDING REMARKS

1. Cf. G.p. 520 and ScL p. 611.
2. A similar consideration of these moments is to be found in Marx earlier plans of the 'Economics' in Grundrisse, especially pp.264 and 275. Also, compare with my discussion of Hegel's concept of reciprocity above, and ScL pp.600-21.
3. Cf. footnote 2 above.
4. For Marx, the State is a form of total social capital Cf. G. p. 533; also Credit g. p.659, and money G.p.275.

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