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## Marx's Concept of the Transcendence of Value Production

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LOYOLA UNIVERSITY CHICAGO

MARX'S CONCEPT OF THE TRANSCENDENCE  
OF VALUE PRODUCTION

A DISSERTATION SUBMITTED TO  
THE FACULTY OF THE GRADUATE SCHOOL  
IN CANDIDACY FOR THE DEGREE OF  
DOCTOR OF PHILOSOPHY

PROGRAM IN PHILOSOPHY

BY

PETER HUDIS

CHICAGO, IL

AUGUST 2011

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## ABBREVIATIONS

- MECW Marx Engels Collected Works (New York: International Publishers, 1975-91)
- MEGA<sup>2</sup> Marx-Engels Gesamtausgabe (Berlin: Dietz Verlag, 1972-90 and Amsterdam: Akademie Verlag, 2000-08).

## ABSTRACT

Although the literature produced on Marx’s philosophic contribution over the past 100 years is immense, most of it has focused on his analysis of the economic and political structure of capitalism, the “materialist conception of history,” and his critique of value production. There has been very little discussion or analysis, however, of his conception of what constitutes an alternative to capitalism. One reason for this is that it has long been assumed that Marx’s disdain for utopian socialists and his strictures against inventing “blueprints about the future” meant that his work does not address the possible content of a postcapitalist society that transcends value production. Yet while Marx never wrote a single work addressing the alternative to capitalism, critically important comments and suggestions are found throughout his writings about the transcendence of value production and the contours of a postcapitalist future. This study subjects Marx’s discussions of an alternative to capitalism to critical scrutiny by exploring all four decades of his philosophic output—from his early writings of the 1840s, to his various drafts of *Capital* and *Capital* itself, as well as his late writings on postcapitalism. This study examines not only Marx’s major and well-known works, but also his notebooks, drafts, letters and marginalia that are now being compiled as part of the *MEGA*<sup>2</sup> project.



## CHAPTER ONE

### INTRODUCTION: WHY EXPLORE MARX'S CONCEPT OF THE TRANSCENDENCE OF VALUE PRODUCTION? WHY NOW?

#### The Object and Approach of this Study

Two decades after the collapse of statist Communism in the USSR and East Europe, which many claimed had consigned Marx's work to the dustbin of history, a new climate has emerged in which his ideas are subject to renewed philosophical discussion and re-examination. This change is due, in part, to the phenomenon of capitalist globalization, which has sparked interest in Marx's analysis of the inherently expansionary and global nature of capital, which he defined as "self-expanding value." It is also due to the emergence of a global justice movement over the past two decades, which has called attention to the economic inequality, social instability and environmental destruction that have accompanied the global expansion of capitalism. The new climate of discussion on Marx also owes much to the financial and economic crisis that began in 2008, the most serious to afflict the world economy in the past 70 years.

As a result of these and related developments, a number of new works on Marx have appeared, many of which explore heretofore neglected aspects of his thought—such as his writings on the world market, economic crisis, race and gender, non-Western societies, and the philosophical underpinning of his analysis of the logic of capital. These studies have appeared while a new edition of Marx's complete works is being issued, the

*Marx-Engels Gesamtausgabe* (known as *MEGA*<sup>2</sup>), by an international team of scholars coordinated by the Internationale Marx-Engels-Stiftung in Amsterdam. *MEGA*<sup>2</sup> will for the first time make Marx's entire body of work available for scholarly analysis, in 114 volumes.<sup>1</sup> It provides us with a new vantage point for exploring Marx's work unencumbered by the partisan affiliations and polemical battles that have governed generations of earlier discussions of Marx's philosophical contribution.

Although the literature produced on Marx over the past 100 years is immense, most of it has focused on his analysis of the economic and political structure of capitalism, the "materialist conception of history," and his critique of value production. There has been very little discussion or analysis, however, of his conception of what constitutes an alternative to capitalism. The lack of discussion of this issue has persisted in the face of the growth of the global justice movement, which has sponsored a series of forums, gatherings and conferences since the 1990s devoted to the theme "Another World is Possible." This diverse movement indicates that despite the notion, which became widely voiced after 1989, that "there is no alternative"<sup>2</sup> to capitalism, considerable numbers of people around the world are searching for such an alternative.

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<sup>1</sup>The first Marx-Engels *Gesamtausgabe* was issued in 12 volumes from 1927-35. It is known as *MEGA*<sup>1</sup>. The new *Gesamtausgabe*, or *MEGA*<sup>2</sup>, began appearing in East Germany in 1972 and has been issued since 1990 by the Internationale Marx-Engels-Stiftung in conjunction with the International Institute of Social History in Amsterdam. It will eventually include everything Marx ever wrote, including his voluminous excerpt notebooks, most of which were unknown until recently. It is the only edition of Marx's writings that meets the rigorous standards of modern textual editing.

<sup>2</sup>Former British Prime Minister Margaret Thatcher first coined this phrase in the early 1980s. For a discussion of its ideological impact, see István Mészáros, *Beyond Capital* (New York: Monthly Review Books, 1995).

However, there appears to be little or no consensus within the global justice movement as to what such an alternative might consist of. It is even hard to find consensus as to what theoretic resources need to be explored in thinking one out. As a result, the discussion of alternatives to capitalism at events sponsored by the global justice movement tends to remain rather abstract and limited to statements of intention.

In some respects today's situation has not changed much since 1918, when Otto Neurath of the Vienna Circle became planning minister of the short-lived Bavarian Socialist Republic. He wrote shortly after the collapse of this early effort to develop a postcapitalist social system:

At the beginning of the [1918] revolution people were as unprepared for the task of a socialist economy in Germany as they had been for a war economy when war broke out in 1914. . . . Any preparation for consciously shaping the economy was lacking. The technique of a socialist economy had been badly neglected. Instead, only pure criticism of the capitalist economy was offered and the Marxist pure theory of value and history was studied.<sup>3</sup>

It would be no exaggeration to say that 100 years later, the situation described by Neurath continues to largely define contemporary discussions of the issues raised by Marx's work.

There are several reasons for the lack of theoretical reflection and discussion of Marx's view of the alternative to capitalism. Perhaps of foremost importance is the claim that he simply never addressed the issue. It has long been assumed that Marx's disdain

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<sup>3</sup>See Otto Neurath, "Experiences of Socialization in Bavaria" [1920], in *Empiricism and Sociology*, ed. Marie Neurath and Robert S. Cohen (Dordrecht-Holland: D. Reidel, 1973), 18. Kurt Eisner, the leader of the Bavarian Socialist Republic, asked Neurath to become planning minister at the end of 1918; he continued to serve as such under the short-lived Bavarian Soviet Republic, which was installed in early 1919 following Eisner's assassination.

for utopian socialists and his strictures against inventing “blueprints about the future” meant that he was not interested in commenting about a postcapitalist society. Marx did not indulge in speculations about the future, many assume, because he believed that socialism would emerge quasi-automatically from the inherent contradictions of capitalism. Another reason for the paucity of discussion of Marx’s view of the alternative to capitalism is that many defenders and critics of Marx took it for granted that socialism is defined by the abolition of the market and private property and the formation of centralized, state-planned economies. Why take the trouble to sort out what Marx might have had to say about an alternative to capitalism when the “socialism” he strove for was presumably already in existence? This attitude persisted long after it became clear that the societies that called themselves “socialist” or “communist” were dismal failures. Given the widespread discrediting of “actually existing socialism” practiced by regimes that *claimed* to rule in the name of Marx, it seemed pointless to pour old wine into new bottles by inquiring anew into what Marx had to say about alternatives to capitalism.

In the twenty-first century we face a radically changed situation. Now that the state powers that ruled in Marx’s name have largely passed from the scene, at the same time that the entire corpus of his work is finally becoming available for study, it becomes possible to take a closer look at his *oeuvre* to see if the assumptions that have traditionally governed the understanding of Marx’s view of the alternative to capitalism are in fact accurate.

Four questions guide this study. First, although Marx never wrote a work addressing the alternative to capitalism, and he was extremely wary about indulging in speculation about the future (especially in his published works), numerous comments and

suggestions are found throughout his writings about the transcendence of value production and the contours of a postcapitalist future. How significant are they? One of the purposes of this study is to subject these comments to systematic and critical examination. Second, even if it were true that Marx never wrote a word about a postcapitalist future, it does not follow that his work fails to speak to the matter in important ways. Is it plausible that Marx's analysis of capital was a purely empirical and scientific endeavor that was not in some way informed by presuppositions concerning the kind of society he hoped would one day come into being? One of the claims that this study will aim to substantiate is that the very content of Marx's analysis of capital, value production, and wage labor rests upon an implicit understanding on his part of what human existence would consist of in their absence. As a recent analysis of Marx's philosophic legacy puts it,

In fact, it is perhaps better not to call Marx's method a method at all: it is much more an *approach to the material*, a pre-established interpretative perspective. It is an approach that "always already" contains within itself a certain conviction about capitalism, namely, that capitalism is doomed to destroy itself.<sup>4</sup>

Third, although much of Marx's work consists of an analysis and criticism of capital, is the critique purely *negative* or does it also posit implicit (and sometimes explicit) notions of a positive alternative to it? This study will seek to discern and analyze the indications of the future that flow from his critique of the present. Fourth, relatively few scholars today would contend that Marx's philosophic perspective had much to do with the totalitarian, single-party states that ruled in his name. His emphatic support for

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<sup>4</sup>Allan Megill, *The Burden of Reason (Why Marx Rejected Politics and the Market)* (Lanham, MD: Rowman & Littlefield, 2002), 240.

democracy, free association, and critique of statist domination, which is found from his earliest to last writings, offers strong support for this claim. What is far less clear, however, is what Marx envisioned as the specific form of society that could live up to his *liberatory* ideals. Does he ever address this directly?

Despite the voluminous literature on Marx, a full-scale and substantial work has yet to appear that examines his body of thought in terms of what it suggests about a future, postcapitalist society. It does not seem possible to fully evaluate the contributions or limitations of Marx's legacy in the absence of such an investigation. This study seeks to fill this gap by exploring Marx's concept of the transcendence of value production through an examination of his body of work, as found in his major published and unpublished writings.

This study does not pretend to be a comprehensive study of Marx. Nor does it try to put forward a model of a postcapitalist society. Although I consider efforts to produce the latter to be of great importance, I have a more modest aim: to survey *Marx's* work with *one* aim: to see what implicit or explicit indications it contains about a future, non-alienating society. I will not only utilize Marx's major and well-known works, but also his notebooks, drafts, letters and marginalia that are now being compiled as part of the *MEGA*<sup>2</sup> project.

This study focuses on Marx's concept of the transcendence of *value* production because he held that capitalism is defined by the production of value and surplus value. Value is not the same as material wealth; it is wealth computed in monetary terms. Marx acknowledges that value "exists initially in the head, in the imagination, just as in general ratios can only be *thought* if they are to be fixed, as distinct from the subjects which are

in that ratio to each other.”<sup>5</sup> However, this does not mean that Marx considered value to be a purely *mental* category, let alone a dialectical illusion. Value, he held, expresses a *real* social relationship, since “As value, the commodity is at the same time an equivalent for all other commodities in a particular ratio.”<sup>6</sup> Value is the name given for a real, *material* relationship, in so far as “value is a commodity’s quantitatively determined exchangeability.”<sup>7</sup>

The peculiar feature of capitalism, Marx held, is that *all* social relations become governed by the drive to augment value, irrespective of humanity’s actual needs and capacities. He therefore treats value production not as a transhistorical feature of human existence but rather as a specific characteristic of *capitalist* society. Marx was of course fully aware that commodity exchange predates the existence of capitalism. He does not, however, simply equate value production with the exchange of equivalents on the market. In pre-capitalist societies, he argues, goods and services were primarily exchanged on the basis of their material *utility*, not on the basis of their (abstract) exchange *value*. Only with capitalism—that is, only when commodity exchange becomes the primary and indeed *universal* medium of social interaction through the commodification of *labor power*—does value become the defining principle of social reproduction. Marx also

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<sup>5</sup>Karl Marx, *Outlines of the Critique of Political Economy (Rough Draft of 1857-58)*, in *Marx-Engels Collected Works*, vol. 28 (New York: International Publishers, 1986), 81. This is how the editors of *MECW* have chosen to name the *Grundrisse*. For the sake of convenience, we will refer to it by its better-known name, the *Grundrisse*, in the rest of this study.

<sup>6</sup>*Ibid.*, 78-79.

<sup>7</sup>*Ibid.*, 78.

denied that value production would characterize a *postcapitalist* society. He wrote in response to one of the few critiques of his theoretical corpus that appeared in his lifetime,

*Value.* According to Mr. Wagner, Marx's theory of value is the "cornerstone of his socialist system." As I have never established a "socialist system," this is a fantasy of Wagner, Schäffle *e tutti quanti*.<sup>8</sup>

He added, "In my investigation of value I have dealt with bourgeois relations, not with the application of this theory of *value* to a 'social state not even constructed by me but by Mr. Schäffle for me.'"<sup>9</sup> According to Marx, social relations were not governed by the drive to augment value *prior* to capitalism and they will not governed by it *after* capitalism.

Popularizations of Marx often reduce his theory of value to the notion that labor is the source of all value. However, Marx never claimed originality for this idea; he adopted it from classical political economists like Adam Smith. Marx's main object of concern is not with the *source* of value. His primary concern is with the way social relations in modern society take on the *form* of value. His main object of critique is the *inverted* character of social relations in capitalism, wherein *human* relations take on the form of relations between *things*. There is little doubt that Marx's critique of capitalism centers upon a critique of value production. What is far less clear, however, is exactly what is needed, in Marx's view, to surmount value production. The aim of this study is to

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<sup>8</sup>Karl Marx, "Notes on Wagner's *Lehrbuch der politischen Ökonomie*," in *Marx-Engels Collected Works*, vol. 24 (New York: International Publishers, 1989), 533.

<sup>9</sup>*Ibid.*, 536-7.



discover the elements, however implicit, that he thought are needed to overcome value production.

Our approach in this study is to investigate Marx's theoretical corpus on its own terms and not to conflate it with that of his close colleague and follower, Friedrich Engels. Although Marx and Engels' name are often hyphenated and some have even treated their works as interchangeable, they actually co-authored very few works.<sup>10</sup> Marx often expressed surprise that he and Engels were viewed as identical twins. As he wrote to Engels in 1856, "What is so very strange is to see how he treats the two of us as a *singular*: 'Marx and Engels says' etc."<sup>11</sup> Since this study is not the place to enter into a comparative examination of whether or not Engels' views coincided with those of Marx, we will bracket out Engels' contribution by focusing primarily on the philosophic works composed by Marx himself.<sup>12</sup>

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<sup>10</sup>Marx primarily wrote even those works that listed himself and Engels as co-authors. Though Engels' name precedes Marx's in the title page of *The Holy Family*, Engels wrote about 20 pages of the book while Marx penned over 200. And although Marx and Engels are listed as co-authors of *The Communist Manifesto*, it was largely written by Marx. *Capital*, Marx's most important work, was written without Engels' collaboration at all; Engels edited the manuscripts of vols. 2 and 3 for publication after Marx's death but was not involved in their original composition. Engels did not even see the manuscript for vol. 1 until Marx sent him the galley proofs, shortly before the book's publication in 1867.

<sup>11</sup>See Marx to Engels, Letter of August 1, 1856, in *Marx-Engels Collected Works*, vol. 40 (New York: International Publishers, 1983), 64.

<sup>12</sup>An exception to this will be the discussion of *The German Ideology*, which was presumably co-written by Marx and Engels. A number of Marx scholars, including the editors of *MEGA*<sup>2</sup>, have been engaged in a longstanding debate concerning how much of the work was actually written by Engels and which specific parts were composed by Marx. Although we cannot explore the matter in this study, it appears that Marx wrote the bulk of the book, with the exception of Part I.

It is one thing to unearth Marx's view of what is needed to transcend capitalism, and quite another to determine its validity. The latter cannot be established, however, without first disclosing the former. The aim of this study is to facilitate a critical re-examination of Marx's work by focusing on an area of his thought that has heretofore received far too little attention.

#### A Review of Recent Literature on Marx's Philosophic Contribution

To ground the approach that will be taken in this study, I will first take up a number of reexaminations of Marx's work issued over the past two decades, to see what illumination they provide on the subject matter of our investigation.

Two major strains of thought over the past two decades have sought to come to grips with the contemporary relevance of Marx's critique of capitalism. One strain contends that Marx's most important contribution lies in his understanding of capital as an autonomous force that takes on a life of its own, totally subsuming the will and actions of the human subject. In this perspective, Marx analyzes capital as a peculiar object of knowledge invested with characteristics that parallel Hegel's delineation of the logic of the concept in the *Science of Logic*. These thinkers hold that capital, like Hegel's doctrine of the concept, possesses the distinct ontological property of complete indifference to anything that lies outside its logic of self-movement. They therefore view capital not only as the subject of Marx's theoretical work but also as the *Subject* of modern society. I call these theorists *objectivist Marxists*, because they contend that Marx's critique of capital is best understood as an analysis of objective forms that assume complete self-determination and automaticity. The objectivist Marxists include several distinct groupings: (1) The Japanese theorist Kozo Uno and his followers, which include Thomas

Sekine, Robert Albritton, and John Bell; (2) The German philosopher Hans-Georg Backhaus and U.S. social theorist Moishe Postone, both heavily indebted to the work of the Frankfurt School; and (3) the proponents of “Systematic Dialectics” in the U.S. and Western Europe, such as C.J. Arthur, Patrick Murray, Geert Reuten and Tony Smith.<sup>13</sup> At the other end of the philosophical spectrum, a radically different strain of thinkers contends that Marx’s most important contribution lies in his understanding of the subjective human forces that struggle against and strive to annul capital’s drive for hegemony.<sup>14</sup> They emphasize not the self-determining and automatic character of capital but the *limits* and *barriers* that it repeatedly encounters. I call these theorists *subjectivist Marxists* because they emphasize the subjective human forces that seek to subvert and contain the logic of capital. The subjectivist Marxists primarily include “autonomist Marxists” such as Mario Tronti, John Holloway, Antonio Negri, and Michael Hardt.<sup>15</sup>

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<sup>13</sup>Although Tony Smith is part of the “systematic dialectics” school that has emerged in the last decade, he has a radically different interpretation of the Hegel-Marx relation than the other theorists of this tendency. This will be discussed below.

<sup>14</sup>This divide between subjectivist and objectivist readings of Marx has earlier antecedents—such as in the debates in the early twentieth century between Georg Lukács and Rosa Luxemburg, who tended to emphasize subjectivity and mass self-activity, versus Karl Kautsky, Georgy Plekhanov and other “orthodox” Marxists who emphasized the importance of objective material conditions. In some respects this debate was replayed in Jean-Paul Sartre’s exchange with Althusser and Levi-Strauss in the mid-twentieth century. Debates within Marxist theory, as is the case with philosophy as a whole, often take the form of matters of *philosophia perennis*.

<sup>15</sup>Hardt and Negri are currently the most widely read Marxist philosophers of any discussed in this review. Their book *Empire* (Cambridge: Harvard University Press, 2000) was an international bestseller.

While these schools of thought have made a number of important contributions to the understanding of Marx's work over the past few decades, I will critically examine them in light of what illumination they shed on the task of unearthing Marx's concept of the transcendence of capitalist value production.

The version of objectivist Marxism of Kozo Uno and his followers holds that Marx analyzed capitalism as a self-contained logical system. The *logic of capital*, they contend, is not the same as *historically existing* capitalism since (as Thomas L. Sekine puts it) "the subsumption of real economic life by the commodity-economy is never perfect or absolute."<sup>16</sup> There is no direct homology between capitalism as it historically exists and the logic of capital. The latter is the real object of Marx's critique, since Marx aims to show that generalized commodity production is defined by a "dehumanizing logic, which, once it catches on, pervades the world until much of direct human contact or community is obliterated."<sup>17</sup> Commodity-economic logics "seem to have a certain automaticity"<sup>18</sup> and expansiveness that can only be properly understood by discerning its abstract universal "laws."

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<sup>16</sup>Thomas T. Sekine, *An Outline of the Dialectic of Capital*, vol. 2 (London: MacMillan, 1997), 212.

<sup>17</sup>Thomas T. Sekine, "Socialism as a Living Idea," in *Socialist Dilemmas, East and West* (Armonk NY: M.E. Sharpe, 1990), 131.

<sup>18</sup>Robert Albritton, *Dialectics and Deconstruction in Political Economy* (London: MacMillan, 1999), 13.

Sekine therefore argues that capital is best understood from the vantage point of the logic of capital rather than from the proletariat, non-commodified social relations, or precapitalist modes of production. When capital is viewed,

from without, as, for instance, from the point of view of the revolutionary proletariat, one ends up assuming the position of the blind man touching an arbitrary part of the elephant. In the dialectic of capital the teller of the story (the subject) is capital itself, and not “we” the human beings.<sup>19</sup>

What is achieved by focusing on the pure, abstract logic of capital? We learn that capitalism becomes the more “perfect” the more value production overcomes restrictions imposed by use-values. The more efficient capital is in achieving this, the higher the rate of profit. The drive for profit is the absolute idea of capital, it the quest for an infinite surpassing of all limits: “As soon as the rate of profit becomes the ‘subjective notion’ (in the Hegelian sense) of capital, every individual firm strives for a maximum rate of profit, by the mercantile practice of buying cheap and selling dear.”<sup>20</sup>

The Unoists argue that before we can begin to envision a future free of capitalism we must “first come to grips with the inner law of motion (or logic) of capitalism.” If the idea of capital remains unclear, the understanding of its transcendence will be “haphazard and arbitrary.” Hence, we should follow Marx who “forgets about blueprints for the future and concentrates on economics.”<sup>21</sup>

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<sup>19</sup>Sekine, “Socialism as a Living Idea,” 129-30.

<sup>20</sup>Sekine, *An Outline of the Dialectic of Capital*, 2:7.

<sup>21</sup>Sekine, “Socialism as a Living Idea,” 128-9.

There is much to be said of the view that Marx does not analyze a *historically* existing capitalism but rather a chemically pure capitalism that does not exist and never will exist. He utilized this approach in order to discern capital's "law of motion" instead of getting bogged down in secondary or nonessential features. However, questions can be raised about whether Uno and his followers succeed in correctly identifying the essential features of capital.

Sekine argues, "Capitalism is based on self-regulating markets and anarchic production of commodities."<sup>22</sup> Robert Albritton likewise contends, "Economic reification implies a market-governed society: a society in which the actions of human agents are directed and subsumed by market forces beyond their control."<sup>23</sup> There is no doubt that self-regulating markets and anarchic production were important factors in capitalism's *historical* development. But is this the same as claiming that the existence of an anarchic market serves as a *defining feature* of the *logic* of capital? Moreover, is it the *market* that generates "economic reification" or is it produced instead by the alienation of labor?

One of the aims of this study is to investigate whether Marx considered the existence of the market and private property to be defining factors of the logic of capital. Albritton and other followers of Uno clearly insist that they are *intrinsic* to the logic of capital: "Pure capitalism involves the subsumption of the labor and production process to a system of interlocking markets that are self-regulating in the sense that no extra-

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<sup>22</sup>Ibid., 135.

<sup>23</sup>Robert Albritton, *Dialectics and Deconstruction in Political Economy* (London: MacMillan, 1999), 17.

economic force (state, monopoly, trade unions and so on) can interfere with the markets.”<sup>24</sup> Albritton writes, “Pure capitalism is based on the absolute right of private property.”<sup>25</sup>

Since the Unoists contend that unregulated markets, anarchic competition and private property serve as the inner core of the logic of capital, they conclude that contemporary society is no longer capitalist—since unregulated markets and anarchic competition are a thing of the past. As Sekine puts it, the contemporary world “cannot constitute a world-historic stage of development of capitalism, since it fails to embody the logic of capital.”<sup>26</sup> One is left wondering what theoretical significance Marx’s work still has if this is in fact the case.

Most importantly, the great stress that the Unoists place on unregulated markets, anarchic competition, and private property leads them to deny that alienated labor constitutes the defining feature of capitalism. Sekine writes, “Marx wrote a great book on capital (or commodities) not a book on labor (or production).”<sup>27</sup> For the Unoists, forms of labor and the struggles against it are *not* intrinsic to the logic of capital: “What we are trying to determine is the material reproduction of social life entirely through a

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<sup>24</sup>Ibid., 18.

<sup>25</sup>Ibid., 20.

<sup>26</sup>Sekine, *An Outline of the Dialectic of Capital*, 2:216.

<sup>27</sup>Sekine, “Socialism as a Living Idea,” 130.

commodity-economic logic without any human resistance or intervention of any form of extra-economic force.”<sup>28</sup>

This view is not easily reconciled with the connection Marx makes between the alienation of labor, value production and capital. Marx held that capital is not simply an instrument of production; it is the expression of a specific kind of *labor*—abstract or undifferentiated labor. As he wrote in the *Economic and Philosophic Manuscripts of 1844*, capital is the expression of “a special sort of work which is indifferent to its content, of complete being-for-self, of abstraction from all other being.”<sup>29</sup> In capitalism “all the natural, spiritual and social variety of labor” is extinguished. This makes humanity “ever more exclusively dependent on labor, and on a particular, very one-sided machine-like labor at that.” As a result the individual becomes “depressed spiritually”; from “being a man [he] becomes an abstract activity.”<sup>30</sup> In volume one of *Capital* he further developed this with his concept of the “dual character of labor.” All labor, he held, is simultaneously the *concrete* exertion of living labor and the reduction of that activity to *abstract*, alienated labor. Abstract labor is the substance of value and capital is self-expanding value. Marx considered this concept of the dual character of labor so

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<sup>28</sup>Albritton, *Dialectics and Deconstruction in Political Economy*, 38.

<sup>29</sup>Karl Marx, *Economic and Philosophic Manuscripts of 1844*, in *Marx-Engels Collected Works*, vol. 3 (New York: International Publishers, 1975), 286.

<sup>30</sup>*Ibid.*, 236-8.



important that he referred to it as his original contribution and “the pivot on which a clear comprehension of political economy turns.”<sup>31</sup>

This poses problems for the Unoists, who see the logic of capital as freeing itself from such contingent factors as forms of labor. They are especially uncomfortable with the discussion of the dual character of labor in chapter one of *Capital*, which they leave out of their reconstructions of the dialectic of capital.<sup>32</sup>

This is not to suggest that Uno and his followers set aside labor altogether. They seek to take account of it by utilizing *levels theory*. The logic of capital corresponds to one level of analysis. The other level is actual history, which only approximates the logic of capital. Contingent factors like conditions of labor, production relations, and resistance to capital occur on the level of historical analysis. Through this approach Albritton seeks to account for subjective resistance even though his understanding of the logic of capital completely abstracts from it: “Thus, although capital’s logic is always a totalizing force in modern history, to the extent that it runs up against resistances, it can never consummate a totality that is unified around an essence at the level of history.”<sup>33</sup>

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<sup>31</sup>See Karl Marx, *Capital*, vol. 1, trans. Ben Fowkes (New York: Penguin, 1976), 132.

<sup>32</sup>See Sekine’s *An Outline of the Dialectic of Capital*, vol. I (London: MacMillan, 1997), which proceeds from “The Pricing of Commodities” in chapter one to “The Functions of Money” in chapter two to “The Operation of Capital” in chapter three, without bringing in the issue of labor. Labor and the production process are brought in later, in discussing the historical development of the capitalist method of production.

<sup>33</sup>Albritton, *Dialectics and Deconstruction in Political Economy*, 24-5.

There are benefits to such a levels approach, since a major problem faced by many philosophers is the temptation to conflate the *logical* analysis of a phenomenon with its *actual* development. Kierkegaard spoke to this in writing,

A person can be a great logician and become immortal through his services and yet prostitute himself by assuming that the logical is the existential and that the principle of contradiction is abrogated in existence because it is indisputably abrogated in logic; whereas existence is the very separation that prevents the logical flow.<sup>34</sup>

As Albritton and other followers of Uno emphasize, the actual historical development of capitalism often upsets the “logical flow” of capital’s drive to self-expand irrespective of human resistance or natural limitations. Marx seems to have been conscious of this as well, as seen from his comment in *Capital*:

Capitalist production . . . ruthlessly enforces its will despite obstacles which are in any case largely of its own making. At all events, in order to portray the laws of political economy in their purity we are ignoring these sources of friction, as is the practice in mechanics when the frictions that arise have to be dealt with in every particular application of its general laws.<sup>35</sup>

Nevertheless, the way in which Albritton views the relation between the logical and historical raises many questions. Although Marx analyzed capital as a product of specific conditions of production in which concrete labor becomes dominated by abstract labor, Albritton defends Uno’s view that “value must be thoroughly established and understood as a circulation form before its substantive grounding in the production

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<sup>34</sup>Søren Kierkegaard, *Concluding Unscientific Postscript to Philosophical Fragments*, vol. 2, ed. and trans. Howard V. Hong and Edna H. Hong (Princeton: Princeton University Press, 1992), 55.

<sup>35</sup>Marx, *Capital*, 1:1014.

process can be understood.”<sup>36</sup> In doing so he takes issue with Marx for what he calls the “weak and at times ambiguous presentation of the labor theory of value in the early pages of *Capital*.”<sup>37</sup> He argues that Marx was “not fully cognizant of the above points and hence does not theorize capital’s inner logic as a rigorous dialectical logic.”<sup>38</sup>

The view that forms of circulation and the market define the logic of capital leads Uno and some of his followers to conclude that the key to transcending capitalism is to abolish markets and establish state control of production.<sup>39</sup> Albritton writes,

The USSR represented a huge effort to realize socialism and its failure to do so is tragic. It was relatively successful in some areas and less so in others. . . . I disagree with [the] view that a planned economy can be capitalist.<sup>40</sup>

The Unoists are not wrong to contend that grasping the logic of capital predetermines the understanding of its alternative. The problem is that their view of the logic of capital comes to grief in light of this very insight. Their claim that alienated labor is extrinsic to the logic of capital, whereas market anarchy and private property is

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<sup>36</sup>Albritton, *Dialectics and Deconstruction in Political Economy*, 75.

<sup>37</sup>Ibid.

<sup>38</sup>Robert Albritton, *Economics Transformed: Discovering the Brilliance of Marx*, (London: Pluto Press, 2008), 88.

<sup>39</sup>Albritton insists, “The capitalist epoch will come to be seen as one which relied on incredibly crude economic mechanisms called ‘markets.’” This tends to overlook the fact that markets existed before capitalism and the possibility that markets could exist after capitalism. See *Dialectics and Deconstruction in Political Economy*, 180.

<sup>40</sup>Robert Albritton, “Theorising Capital’s Deep Structure and the Transformation of Capitalism,” *Historical Materialism* 12, no. 3:89. Sekine appears to have a more critical attitude towards the former USSR. However, it is not clear how his position meshes with his overall attitude to the determining role of markets. See his “Socialism as a Living Idea.”

intrinsic to it, leads them to conclude that the abolition of the latter is the central precondition for a postcapitalist society. This leads them to hold onto a rather traditional view of “socialism,” one that is not likely to spark the imagination of a humanity that has absorbed the disastrous experiences of centrally planned economies in East Europe and the USSR.<sup>41</sup>

Another version of objectivist Marxism is found in the work of a number of thinkers associated with the latter-day Frankfurt School, such as Hans-Georg Backhaus. They seek to critically build on the insights of such pioneering figures of the Frankfurt School such as Adorno, Horkheimer, Marcuse and Habermas while placing greater emphasis than they on political economy and the exegesis of Marx’s *Capital*. In his influential and comprehensive work *Dialektik der Wertform. Untersuchungen zur Marxschen Ökonomiekritik* (1997), Backhaus argues that Marx’s object of critique is not an empirically existing capitalism but rather the abstract logic of capital.<sup>42</sup> Like Uno and his followers, he emphasizes that for Marx the universal forms of capital are the object of investigation, not its actual unfolding in history. Backhaus considers this of cardinal importance, since failure to grasp this leads to making the *personifications* of capital (businessman, speculators, etc.) the object of critique instead of capital’s deep structure.

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<sup>41</sup>Sekine has a more critical attitude towards the former USSR, and a more expansive view of socialism as consisting of transformed eco-communities based on a balance of production and consumption. It is not clear, however, if such a position meshes with his overall attitude to the determining role of markets. See his “Socialism as a Living Idea.”

<sup>42</sup>See Hans-Georg Backhaus, *Dialektik der Wertform. Untersuchungen zur Marxschen Ökonomiekritik* (Freiburg: Ca Ira, 1997).

For Backhaus the determining force of modern society is not the *capitalists* but capital, which takes on a life of its own in a manner analogous to Hegel's concept of the absolute subject. He writes, "The fusion of the subject-object inversion with the problem of the concept of capital is the fundamental theme of Marx's *oeuvre*."<sup>43</sup>

Marx's basic thought, hitherto ignored by all economists, is that human beings confront their own generic forces, that is their "collective forces" or "social forces" as an autonomous, alien being. This thought culminates in the conception of the autonomous totality of social capital as a real total subject, which abstracts itself from the weal and woe of individual subjects and is "indifferent" to them.<sup>44</sup>

Backhaus attempts to show that "Marx describes capital as subject or as self-relation."<sup>45</sup> In an argument that parallels the position of Uno and his followers, he contends that Hegel's Absolute Idea is "adequate" to the Marxian concept of capital. *Capital*, he argues, is not Marx's *least* Hegelian work but his *most* Hegelian work—even more "Hegelian" than the *1844 Manuscripts*.

Despite his affinity with some positions of the Unoists, there are major differences between Backhaus and their approach. The most significant is that Backhaus contends that the core of the logic of capital is not the market and private property but the social form of labor. He argues that capital can take the form of a self-determining subject that disregards contingency only because the labor that produces it is reduced to an abstraction. Whereas the Unoists downplay the category of the dual character of labor

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<sup>43</sup>Hans-Georg Backhaus, "Between Philosophy and Science: Marxian Social Economy as Critical Theory," in *Open Marxism, vol. I: Dialectics and History*, ed. Werner Bonefeld (London, Pluto Press, 1992), 68.

<sup>44</sup>*Ibid.*, 81.

<sup>45</sup>*Ibid.*, 71.

in explicating capital's drive for self-expansion, Backhaus posits the concept of abstract labor as central to it.<sup>46</sup>

These themes are further elaborated in Moishe Postone's *Time, Labor and Social Domination: A Reinterpretation of Marx's Critical Theory* (1995).<sup>47</sup> Postone's work centers on a critique of what he calls the central flaw of "traditional Marxism": its *transhistorical* view of labor. By this he means the view of labor as an instrumental and socially mediating activity that expresses the natural, species-essence of humanity. Although this view has been widely attributed to Marx by both his critics and followers, Marx himself held, Postone shows, that labor in this sense exists only in capitalism. Only in capitalism does labor become the all-determining social relation, because only in capitalism does labor take on a *dual* character. Its dual character lies in the opposition between concrete labor and abstract labor. Concrete labor is the array of differentiated forms of exertion that create useful products; abstract labor is undifferentiated human labor, "labor in general." The reduction of concrete to abstract labor through the medium of socially necessary labor time posits an undifferentiated, abstract, "universal" kind of activity that comes to dominate all social interaction. To Marx this *kind* of labor is the basis of value production, which is *specific* to capitalism.

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<sup>46</sup>Backhaus suggests that Hegel's writings, especially his *First Philosophy of Spirit*, anticipated Marx's concept of abstract labor. See chap. 2 of *Dialektik der Wertform* and "Between Philosophy and Science," 64-67.

<sup>47</sup>Although Backhaus' *Dialektik der Wertform* was not published until 1997, several initial chapters of it appeared earlier, in the 1970s, and were widely discussed in Germany. Very little of his work is currently available in English.

The problem with traditional Marxism, Postone suggests, is that it *naturalizes* the form of labor specific to capitalism by viewing it in *metaphysical* terms. Traditional Marxism becomes so enamored of the expansive power of labor in transforming conditions of natural existence that it adopts an affirmative attitude toward the very object of Marx's critique—the reduction of human contingency to the exigencies of abstract labor. It assumes that the source of capitalism's contradictions lies not in its alienating mode of labor but rather in unequal forms of *distribution*. The market and private property are seen as the main problem. Instead of grasping value as the expression of the specific *kind* of labor *in capitalism*, it becomes understood as a “blind” mechanism regulating the exchange of commodities. For traditional Marxism, the abolition of this blind mechanism through state planning and nationalized property is “socialism.” The “new society” is defined as having the nature of labor under capitalism—its role as a rational regulator of social relations—come into its own, unimpeded by “market anarchy.” According to “the interpretation of value as a category of the market,” avers Postone, “the same forms of wealth of labor that are distributed mediately in capitalism would be coordinated in socialism.”<sup>48</sup> Traditional Marxism assumes that “in socialism the ontological principle of society appears openly, whereas in capitalism it is hidden.”<sup>49</sup>

Postone's critique of traditional Marxism illuminates important dimensions of the contemporary period. Many presume that the crisis of the welfare state in the West and

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<sup>48</sup>Moishe Postone, *Time, Labor and Social Domination: A Reinterpretation of Marx's Critical Theory* (Cambridge: Cambridge University Press, 1995), 49.

<sup>49</sup>*Ibid.*, 61.

the collapse of “actually existing socialism” in the East provide ample proof that capitalism has irretrievably triumphed over “socialism” and that “Marxism” is dead. Yet such a viewpoint is valid only *if* the aporias of traditional Marxism are accepted. Marx held that the production of wealth is not the same as the production of value. The latter is historically specific and emerges only when labor assumes a dual character. This, not the existence of private property or the market, constitutes the core of the logic of capital. Whether surplus value is appropriated by the state or the market is of secondary importance. Capitalism exists wherever the defining principle of social organization is the reduction of human labor to ever-more abstract forms of value-creating labor. In this sense, what passed for “socialism” turns out to be the very object of Marx’s critique of capitalism. Postone concludes,

Far from demonstrating the victory of capitalism over socialism, the recent collapse of “actually existing socialism” could be understood as signifying the collapse of the most rigid, vulnerable and oppressive form of state-interventionist capitalism.<sup>50</sup>

Postone also contends that traditional Marxism errs in proclaiming the working class as the subject of social transformation. Postone argues, as do other objectivists, that the *subject* of modern society is not the human being but *capital*. Capital takes on a life of its own *because* the subjectivity of workers is subsumed by abstract labor. Neither the workers nor any other social force can therefore be considered subjects of liberation. Since self-initiative and creative unfolding characterizes capital and not labor, we must look not to proletarian class struggle but to *capital* to point the way towards the

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<sup>50</sup>Ibid., 14.



transcendence of capitalism. Indeed, Postone goes as far as to contend that *dead labor is the emancipatory alternative*.

Postone grounds this argument in the claim that the individuality of the laborer cannot be distinguished from the value-form of labor power. Since workers cannot be separated from the value-form of their laboring activity (at least in so far as they function as workers) critiquing capitalism from the standpoint of the laborer leads to adopting an affirmative attitude toward the value-form of labor power. Such a standpoint makes unequal forms of distribution instead of the nature of labor under capitalism the object of critique. Traditional Marxism goes no further than stressing the difference between the value of labor-power and the value of the total product created by wage labor. While such a standpoint may appear “radical,” it really goes no further than the position of such classical political economists as David Ricardo. Postone argues, “The identification of the proletariat (or the species) with the historical Subject rests ultimately on the same historically undifferentiated notion of ‘labor’ as does Ricardian Marxism.”<sup>51</sup>

But if the working class or any other human agent is not the principle of emancipation, *how* can capitalism be overcome? It is overcome, Postone submits, by capital itself. He addresses this by focusing on “the central contradiction of capitalism”—the drive to increase material wealth versus the drive to augment value. Capitalism is driven not only to produce material goods and services but also to augment value. Labor is the source of value and the magnitude of value is determined by the amount of socially necessary labor time it takes to produce a commodity. There is a continual contradiction

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<sup>51</sup>Ibid., 80.

between drive to produce material wealth and to augment value. As productivity rises, more goods are produced in the same unit of time and so the value of each commodity falls. The increase in material wealth corresponds with a decline in the magnitude of value. Costs of production fall and prices tend to fall as a result. This presents the capitalist with a knotty problem: the relative fall in the value of each commodity risks leaving him short of the funds needed to maintain his level of productive output. He responds by trying to further boost productivity, since the greater the quantity of goods produced, the better the opportunity to realize the value of his initial investment. The best way to increase productivity is to invest in labor saving devices. The resulting growth in productivity, however, reproduces the problem, since the increase in material wealth leads to a further decrease in the relative value of each commodity. Capitalism is thus based on a kind of treadmill effect in which it is constantly driven toward technological innovation regardless of its human or environmental cost. The result is as follows:

A growing disparity arises between developments in the productive powers of labor (which are not necessarily bound to the direct labor of the workers), on the one hand, and the value frame within which such developments are expressed (which *is* bound to such labor), on the other. The disparity between the accumulation of historical time and the objectification of immediate labor time becomes more pronounced as scientific knowledge is increasingly materialized in production . . . a growing disparity separates the conditions for the production of material wealth from those for the generation of value.<sup>52</sup>

The resulting “shearing pressure” renders the system unstable. But how *exactly* does this lead to an emancipatory future? Postone does not say. On the one hand, he is trying to counter the pessimism of earlier theorists of the Frankfurt School like Adorno

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<sup>52</sup>Ibid., 297.

and Marcuse by insisting that capital is a two-dimensional entity that does not foreclose the possibility of liberation. Yet on the other hand he leaves us with little sense of how to close the gap between is and ought— especially since, as he emphasizes, there is no reason to presume that capitalism will “automatically collapse.” He writes, “overcoming the historical Subject”—i.e., capital—“would allow people, for the first time, to become the subjects of their own liberation.”<sup>53</sup> However, by refusing to identify human agents *in the present* who can help realize such a future, it becomes hard to see how capital can actually be “overcome.” Posing *dead labor as the emancipatory alternative* by pointing to the “shearing pressure” can hardly suffice so long as an automatic collapse of capitalism is ruled out of consideration.

Postone therefore has little to say either about a postcapitalist future or how to get there. What may be making it hard for him to do so is the theoretical conception he is most attached to—that *capital is subject*. Postone’s view of this is based on a specific reading of Hegel. As he sees it, Hegel’s concept of the absolute subject bears a striking similarity to the concept of capital, since it is a self-moving substance that “grounds itself.” He argues that Hegel’s Absolute, as a self-referential entity, expresses the logic of capital as self-expanding value. He contends that Marx based his analysis of capital on this Hegelian notion, as seen from “The General Formula of Capital,” in *Capital*, volume one. Marx there writes, “value is here the subject,” “an automatic subject”; he calls value “the dominant subject [*übergreifendes Subjekt*] of this process . . .”<sup>54</sup>

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<sup>53</sup>Ibid., 224.

<sup>54</sup>Marx, *Capital* 1:255.

Though this may appear to confirm the claim that Marx views capital as the absolute subject, the appearance is deceptive. It is important to keep in mind the context of “The General Formula of Capital.” Marx is discussing the process of *circulation*, as embodied in the movement from money to commodity to more money (M-C-M’). This movement creates, of necessity, the *appearance* that value “has the occult ability to add value to itself.”<sup>55</sup> However, Marx later shows that this appearance is dispelled once we enter the labor process and encounter’s capital’s dependence on living labor. As Marx shows in the ensuing chapter, “*Contradictions in the General Formula*,” value *appears* to self-expand on its own account so long as we restrict ourselves to the process of circulation. When we move to the production process, however, we find that capital’s claim to be the self-moving subject encounters internal *limits*, flowing from the dual character of labor. Which is why Marx did not use the phrase “value as subject” when he moved into the analysis of the production process of capital.<sup>56</sup> As Marx wrote in the *Grundrisse*, capital

. . . cannot ignite itself anew through its own resources. *Circulation therefore does not carry within itself the principle of self-renewal*. . . . Commodities therefore have to be thrown into it anew from the outside, like fuel into a fire. Otherwise it flickers out in indifference.<sup>57</sup>

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<sup>55</sup>Ibid.

<sup>56</sup>The *development* of Marx’s *Capital* further raises questions about Postone’s claim that Marx posed capital or “dead labor” as the subject. Marx revised *Capital* substantially when he issued the French edition of *Capital* in 1872-75. In this edition Marx removed all three references to capital and value as subject. See Karl Marx, *Le Capital*, *Gesamtausgabe* II/7 (Berlin: Dietz Verlag, 1989), 124.

<sup>57</sup>Marx, *Grundrisse*, *MECW* 28:186. Emphases are in the original.

These and other passages indicate that Marx does think that capital takes on the form of a self-moving substance or subject—in *so far as we view capital from the viewpoint of the process of circulation*. Postone, as noted above, criticizes “traditional Marxism” for emphasizing the process of circulation at the expense of the forms of production. In opposition to this standpoint of “traditional Marxism,” he seeks to redirect radical theory toward a thoroughgoing critique of the *production* relations of contemporary society. In doing so, however, Postone *imports* a category that Marx uses to express the *circulation* process into an effort to highlight the dynamics of the *production* process. Despite his emphatic opposition to theoretic approaches that view production relations as a mere reflection of the process of circulation, he prioritizes a category that is actually adequate to the sphere of circulation. In a word, by conflating Marx’s discussion of value as “*an automatic subject*” at a specific point in the analysis of capitalist circulation with value as *the absolute subject* in Marx’s analysis of capitalism as a whole, Postone contravenes his own insistence about the importance of not elevating the sphere of distribution or circulation above that of production.

Since Postone thinks that *capital* is the subject of modern society, and not the workers or other forces of liberation, he is led to argue that the alternative to capital will ultimately emerge not from the development of *human* agents like the proletariat but rather from capital itself. *Capital is indeed for Postone the emancipatory alternative*. Yet what are the emancipatory forms that we can expect to see emerge from the self-development of capital? Aside from mentioning in passing the way in which capital generates new needs and desires, he does not say. Postone appears to find himself in something of an impasse when it comes to addressing the *specific* forms of life can

replace the logic of capital, especially since he (correctly) realizes that simply abolishing the market is not a solution.

The third grouping of objectivist Marxists are those who subscribe to “systematic dialectics,” an independent school of thought developed over the past decade. The most prominent of these theorists is C.J. Arthur, author of *The New Dialectic and Marx’s Capital* (2002). Arthur’s work falls in-between the positions of the Unoists and Postone. Like the Unoists, he emphasizes the distinction between the logic of capital and capitalism’s historical development. Like Postone, he emphasizes the homology between Marx’s delineation of the logic of capital and Hegel’s logic of the concept. However, he differs from Postone in placing more emphasis on forms of circulation and monetary relations than on production relations, and he differs from the Unoists in placing more emphasis on subjective forms of resistance to capital.

Arthur contends that most commentators of Marx have failed to come to grips with the complexity of his ideas because they conflate *historical* dialectics with *systematic* dialectics. Historical dialectics deals with the rise and fall of actual social systems. Systematic dialectics, on the other hand, deals with “a given whole and demonstrates how it reproduces itself: thus the ordering of the categories is in no way determined by the recapitulation of a historical chain of causality; it is articulated on the basis of purely systematic considerations.”<sup>58</sup> Marx’s *Capital*, he argues, is best understood as “the articulation of categories to conceptualize an existent concrete whole.” The order in which Marx presents the categories does not correspond to “the order of

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<sup>58</sup>C.J. Arthur, *The New Dialectic and Marx’s Capital* (London: Brill, 2002), 64.

their actual appearance in history.”<sup>59</sup> Capital consists of a *sequential* ordering of abstract categories, not a *consequential* ordering of how they actually unfold in history.

Arthur shows that conflating the historical with the systematic has led to gross misunderstandings of Marx’s work, beginning with Marx’s closest colleague and follower, Friedrich Engels. Marx’s discussion in chapter one of *Capital* on the commodity-form and the forms of value is notoriously difficult, which has given rise to numerous efforts to justify or reject its apparent fidelity to what Rosa Luxemburg once called “its Hegelian rococo.”<sup>60</sup> An early attempt to make sense of these difficulties was offered by Engels, who held that the development from the “simple” to the “general” or universal commodity-form in chapter one referred to the historical development from small-scale commodity-production to more complex forms in advanced industrial capitalism. He held that chapter one is best understood by discerning the *historical sequence* implied by Marx’s analytical categories. Arthur finds this highly specious. Chapter one, he says, has nothing to do with a historical delineation of commodity production. Although it begins with the “simple” exchange of one product of labor for another, Marx is referencing not a particular historical stage (like small-scale or petty commodity exchange) but rather the determinate *social form* that characterizes a chemically pure capitalism. Marx begins with the most simple or abstract expression of the social form that characterizes capitalism in order to draw out the developmental logic

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<sup>59</sup>Ibid., 4.

<sup>60</sup>See her letter to Hans Diefenbach of March 8, 1917, in *The Letters of Rosa Luxemburg*, ed. Eric Bronner (Boulder: Westview Press, 1978), 184.

of capital as a whole. Just as Hegel begins his *Science of Logic* with the most elementary and barren category, “Being,” that nevertheless implicitly contains the whole, so Marx begins *Capital* with the most elementary expression of the commodity-form that contains within itself the elements that call for systematic elaboration. Marx’s historical account of capitalism appears only at the end of volume one of *Capital*, not at the beginning, because the historical phenomenon of capitalism can only be comprehended from the vantage point of the systemic and abstract *logic* of capital.<sup>61</sup>

The impatience to leap from the abstract to the concrete, from the systematic to the historical, explains why many have found Marx’s *Capital* difficult to grasp. Even Engels conceded to Marx, as he was reading the galley proofs of chapter one, that he found it hard to follow the argument. To adequately comprehend Marx we need to recognize that “The key transition in *Capital* is not from the ‘sphere of simple circulation or the exchange of commodities’ to capitalist production, but from ‘the sphere of simple circulation or the exchange of commodities’ to ‘the hidden abode of production.’”<sup>62</sup>

Like other objectivist Marxists, Arthur sees a homology between Marx’s *Capital* and Hegel’s *Science of Logic*. The homology may not be self-evident, since Arthur assumes that “Hegel was an idealist” whereas Marx was a “materialist.”<sup>63</sup> The homology

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<sup>61</sup>This is not to suggest that Marx makes references to historical development only at the conclusion of *Capital*. In discussing money in chapter two, Marx does discuss the historical sequence by which precious metals came to serve as money. This does not, however, constitute a historical rendering of the development of capitalism itself.

<sup>62</sup>Arthur, *The New Dialectic and Marx’s Capital*, 24.

<sup>63</sup>*Ibid.*, 10.



nevertheless exists, he argues, because capitalism is above all a *monetary* economy characterized by the same kind of “immanent abstractness” found in Hegel’s delineation of the logic of the concept. He writes, “In value-form theory it is the development of the forms of exchange that is seen as the prime determinant of the capitalist economy.”<sup>64</sup> Hence, the forms of value and capital analyzed by Marx “are in effect of such abstract purity as to constitute a real incarnation of the ideas in Hegel’s logic.”<sup>65</sup> On these grounds “capital may be seen as the avatar of Hegel’s absolute concept.”<sup>66</sup>

This places Arthur closer to the Unoists than to Postone, who contends that production rather than exchange or monetary relations constitute the inner core of the logic of capital. Whereas Postone ties value production to the dual character of labor, Arthur asks “but can it make sense to speak of value where there are no markets?”<sup>67</sup> As Arthur sees it, labor can be brought into the dialectic of capital only *after* the general form of value, or money, has been delineated. He denies that the social form of labor is the defining or constitutive feature of capital: “Labor and value are not to be positively identified with each other.”<sup>68</sup> As he sees it, it is not that labor becomes abstract in the process of production which *then* lends an abstractive character to value and capital;

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<sup>64</sup>Ibid., 11.

<sup>65</sup>Ibid., 82.

<sup>66</sup>Ibid., 141.

<sup>67</sup>Ibid., 94.

<sup>68</sup>Ibid., 40.

instead, it is monetary or exchange relations that reduce labor to an abstraction: “It may still be the case that labor becomes ‘abstract’ only when products are priced.”<sup>69</sup>

On these grounds Arthur takes issue with chapter one of *Capital*, which discusses the dual character of labor *prior* to discussing the forms of value and money. Arthur writes, “It is notorious that Marx dives down from the phenomenon of exchange-value to labor as the substance of value in the first three pages of *Capital* and people rightly complain that they do not find any proof there.”<sup>70</sup> In contrast to Marx’s approach, he thinks that it is best to

. . . leave aside initially any labor content—in this way I am departing from Marx who analyzed both together. . . . I differ from Marx in that I refuse to find it necessary to come to labor until after conceptualizing capital as a form-determination. Bringing in labor too early risks giving the appearance of model-building.<sup>71</sup>

He contends that in *Capital* “Marx has a dogmatic beginning insofar as he presupposes the items exchanged are labor products.”<sup>72</sup>

The question that this raises is whether Arthur truly does justice to the content of *Capital* given the overriding importance that Marx ascribed to his category of the dual character of labor. How do we square Arthur’s claim that his “systematic dialectical” approach is best suited to understanding Marx’s actual aim and intent in *Capital*, when

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<sup>69</sup>Ibid., 46. See also 157: “It is *through* exchange that abstraction imparts itself to labor, making it abstract human labor.”

<sup>70</sup>Ibid., 12.

<sup>71</sup>Ibid., 79-80, 85.

<sup>72</sup>Ibid., 157-8.

that very approach compels him to call into question Marx's exposition of what he called his "original contribution" and "the pivot on which a clear comprehension of political economy turns"?

At the same time, Arthur also distances himself from the Unoists by arguing that labor is not extrinsic to the dialectic of capital. Although he thinks that Marx was mistaken to bring forms of labor into chapter one of *Capital*, he thinks that the *logic* of capital never succeeds in completely freeing itself from dependence on living labor. "The problem for capital," he writes, "is that it needs the agency of labor" in order to create *surplus* value. In his view, labor needs to be brought into the logic of capital to explain how the capitalist manages to compel workers to produce more value than they themselves consume. At *this* level of the logic of capital—that of the discrepancy between the value of labor power and the value of the total product—resistance is bound to occur.<sup>73</sup>

The former "subjects" of production are treated as manipulable objects; but it is still a question of manipulating their activity, not of depriving them of all subjectivity. They act for capital, indeed *as capital*, but still in some sense *act*. . . . Thus, even if Marx is right that the productive power of labor is absorbed into that of capital to all intents, it is necessary to bear in mind that capital still depends on it. Moreover, the repressed subjectivity of the workers remains a threat to capital's purposes in this respect.<sup>74</sup>

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<sup>73</sup>Albritton responds thusly: "Because of the way Arthur inserts class struggle into the dialectic of capital, it becomes impossible to theorize capital's inner logic as a whole dialectically. . . . Class struggle, strictly speaking, is outside the theory." See Robert Albritton, "How Dialectics Runs Aground: The Antinomies of Arthur's Dialectic of Capital," *Historical Materialism*, 13, no. 2 (2005): 179, 182.

<sup>74</sup>Arthur, *The New Dialectic and Marx's Capital*, 52.

What does Arthur's "systematic dialectics" suggest about a possible alternative to capitalism? Like most objectivists he prefers to say little about the future on the grounds that the main burden of a Marxian critique consists of tracing out the trajectory of *capital*. Although he finds a place for subjective resistance within the logic of capital, he refrains from suggesting that it contains any immanent indication of the content of a new society. Still, the considerable emphasis that he places on market and monetary relations suggests that he considers the abolition of the market the *pons asini* of the negation of capitalism. On these grounds he rejects Postone's characterization of the USSR and other state-command economies as "state-capitalist." At the same time, he is very critical of Soviet-type regimes because their reliance on extra-economic force to spur economic growth led to gross inefficiencies. He writes, "A negation of capital that fails to go beyond capital is necessarily a negation of capital that falls behind capital."<sup>75</sup> What might constitute a negation of capital that truly *transcends* capital, however, is a matter that his work leaves largely unaddressed.

A diverse group of thinkers who have developed a very different approach from the objectivists are *autonomist* Marxists. I refer to them as *subjectivists* because they contend that the focus of Marx's work is delineating the forms of subjective resistance that arise against the logic of capital. They distance themselves from the arguments of the objectivists in a number of important ways. First, instead of viewing labor and capital as distinct, externally connected entities, they hold that capital emerges and develops in response to struggles against oppression and exploitation. It is not only that workers *resist*

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<sup>75</sup>Ibid., 211.

the *development* of capital; it's that workers' resistance is responsible for the *constitution* of capital. Mario Tronti articulated this as early as 1964:

We too have worked with a concept that puts capitalist development first, and workers second. This was a mistake. And now we have to turn the problem on its head, reverse the polarity and start again from the beginning: and the beginning is the class struggle of the working class.<sup>76</sup>

Each stage of capitalist production, Tronti and other autonomists argue, took shape in response to specific forms of mass resistance. Though it *appears* that capital is in control of modern society, it is actually a reactive, not creative force.<sup>77</sup>

Second, instead of viewing capital as a self-determining movement that effaces barriers to its self-expansion, they argue that it is an inherently unstable and antagonistic form constantly torn between the drive to augment value and the struggles that resist value production. Antonio Negri writes, "The focus in Marx is always the actuality and the determinancy of the antagonism."<sup>78</sup> John Holloway elaborates upon this as follows:

The defining feature of Marxist economics is the idea that capitalism can be understood in terms of certain regularities (the so-called laws of motion of capitalist development). These regularities refer to the regular (but contradictory) pattern of the reproduction of capital, and Marxist economics focuses on the study of capital and its contradictory reproduction. . . .

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<sup>76</sup>Mario Tronti, "Lenin in England," in *Working Class Autonomy and the Crisis* (London: Red Notes, 1979), 1.

<sup>77</sup>As John Holloway puts it: "Class struggle does not take place within the constituted forms of capitalist social relations; rather the constitution of those forms is itself a class struggle." See John Holloway, *How Change the World Without Taking Power* (London: Pluto Press, 2002), 143.

<sup>78</sup>Antonio Negri, "Crisis of the Planner-State: Communism and Revolutionary Organization" [1971], in *Revolution Retrieved: Writings on Marx, Keynes, Capitalist Crisis and New Social Subjects* (1967-1983) (London: Red Notes, 1988), 221.

The attempts to use Marx's own categories to develop a social of capitalist reproduction are, however, always problematic, in so far as the categories of Marxism derive from a quite different question, based not on the reproduction but on the destruction of capitalism, not on positivity but on negativity. . . . By a strange twist, Marxism, from being a theory of the destruction of capitalist society, becomes a theory of its reproduction.<sup>79</sup>

Third, whereas the objectivists emphasize Marx's contributions to economics and the intersections between philosophy and economics, the autonomists see Marx's project primarily in *political* terms. Negri writes, "Clearly, profit and wage continue to exist, but they exist only as quantities regulated by a relation of power. . . . If anything, the marketing of labor-power today has become a totally political operation."<sup>80</sup>

Fourth, whereas all of the objectivists agree that Marx is deeply indebted to Hegel, the autonomists see Marx's philosophic lineage quite differently. Negri argues that Marx's thought draws most of all from the philosophy of Spinoza, while Holloway argues that Marx's work can best be understood from the vantage point of Theodor Adorno's *Negative Dialectics*.

Since the writings of the autonomist Marxists are numerous and diverse, I will focus on what many consider the defining text of the tendency: Antonio Negri's *Marx Beyond Marx: Lessons on the Grundrisse*.

Negri's influential work<sup>81</sup> consists of a close analysis of Marx's *Grundrisse*, his "rough draft" of *Capital* that was written in 1857-58. This massive, 900-page tome was

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<sup>79</sup>Holloway, *How Change the World Without Taking Power*, 134, 136.

<sup>80</sup>Negri, "Crisis of the Planner-State," 224-5.

<sup>81</sup>Negri's work is probably the most widely read of any philosopher by those involved in the global justice movement, as seen from the various discussions at the

unknown prior to the 1930s, and it has long been considered one of Marx's most enigmatic and difficult texts. Negri focuses on this work because it is "the point where the objective analysis of capital and the subjective analysis of class behavior come together."<sup>82</sup> It is a counter to what he considers "the blind objectivism of a certain Marxist tradition."<sup>83</sup> As he sees it, the *Grundrisse* is superior to *Capital* because the latter suffers from precisely what the Unoists and systematic dialectics theorists find attractive in it—"a certain objectivism" in which economic categories take on a life of their own:

The movement of the *Grundrisse* toward *Capital* is a happy process; we cannot say the same of the reverse movement. The *Grundrisse* represents the summit of Marx's revolutionary thought. . . . *Capital* is this text which served to reduce critique to economic theory, to annihilate subjectivity in objectivity, to subject the subversive capacity of the proletariat to the reorganizing and repressive intelligence of capitalist power.<sup>84</sup>

The *Grundrisse*, writes Negri, is "an essentially open work . . . the categories are not flattened out, the imagination does not stagnate."<sup>85</sup> What many find forbidding about work—what Marx called "its sauerkraut and carrots shapelessness"—is seen by Negri as a virtue, since it allows the *antagonistic* and unstable nature of the Marxian value categories to come more readily to the fore.

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World Social Forum since 2000 in Brazil, Venezuela, and Kenya. His *Marx Beyond Marx* is also the point of departure for all of his later work, including *Empire* and *Multitude*.

<sup>82</sup>Antonio Negri, *Marx Beyond Marx: Lessons on the Grundrisse* (New York: Autonomedia, 1984), 9. The book was first published in French and Italian in 1979.

<sup>83</sup>*Ibid.*, 13.

<sup>84</sup>*Ibid.*, 18-19.

<sup>85</sup>*Ibid.*, 12.

This is most directly seen in how “in the *Grundrisse* work appears as immediately abstract labor.”<sup>86</sup> Although the book begins with a lengthy chapter on Money, Marx makes it clear (more so than in *Capital*, according to Negri) that money can serve as a universal equivalent of commodity exchange only if living labor is already reduced to a disembodied abstraction. Money *conceals* this process, since (as Marx put it) “all inherent contradictions of bourgeois society appear extinguished in money relations as conceived in a simple form.”<sup>87</sup> Negri contends that Marx’s genius is expressed in his ability to analyze the fetishized forms of money in light of the hidden social relations of labor. Money can become the universal equivalent only if concrete labor is reduced to abstract labor; but abstract labor is produced in the same instant as concrete labor by the living laborer. An *internal tension* is built into all of Marx’s value-theoretic categories, including such abstract ones as money. The subjectivity of the laborer can therefore never be abstracted out of the logic of capital. Negri writes, “Marx characterizes the working class as a solid subjectivity . . . as an historical and social essence . . . its essence as creator of value is engaged in a continual struggle.”<sup>88</sup>

Negri argues that this subject-object dynamic is especially pronounced in Marx’s theory of crisis, which was first formulated in the *Grundrisse*. Central to this theory of crisis is the concept of the tendency for the rate of profit to decline. In the *Grundrisse*, Negri writes, the decline in profit rates is not treated as a function of quasi-automatic

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<sup>86</sup>Ibid., 10.

<sup>87</sup>Marx, *Grundrisse*, in *MECW* 28:172.

<sup>88</sup>Negri, *Marx Beyond Marx: Lessons on the Grundrisse*, 73.



economic laws operating on their own. Capitalists try to maintain or boost profit rates by increasing the proportion of *surplus* labor (labor time that is *beyond* that needed to reproduce the laborer) relative to *necessary* labor (labor time needed to reproduce the laborer). However, there are “rigid limits” beyond which necessary labor cannot be further reduced, since capital needs the living laborer to produce value. Capital nevertheless pushes against this rigid limit, and the laborers responds by intensifying their resistance to the drive to diminish the sphere of necessary labor. As a result, capitalism is unable to extract as much surplus value as previously, leading to a decline in the rate of profit. Negri concludes, “The law of the tendency to decline represents, therefore, one of the most lucid Marxist intuitions of the intensification *of the class struggle* in the course of capitalist development.”<sup>89</sup>

As Negri acknowledges, Marx revised his concept of the tendency of the rate of profit to decline in *Capital*, volume three. Marx there ties the decline not only to the contradiction between necessary and surplus labor but also to the rising organic composition of capital. As capitalists invest in greater amounts of technology and labor saving devices the amount of value-creating labor declines relative to constant capital, precipitating a decline in profit rates. Negri finds this to be a step backward from the *Grundrisse*, since it attributes the decline in profit rates to purely objective factors. In *Capital*, he contends, “The entire relation will be dislocated on an economic level and

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<sup>89</sup>Ibid., 101.

objectified improperly.” It is an approach that “eliminates the class struggle as a fundamental and rigid variable.”<sup>90</sup>

No part of the *Grundrisse* better exemplifies its prioritization of subjective resistance, he argues, than its discussion of the cooperative form of labor. Marx indicates that the “real” or total subsumption of labor by capital does not efface agency, since workers forge bonds of association and cooperation as they are brought together in productive enterprises. The centralization of capital *necessitates* a greater socialization of labor. The more that laborers are socialized, the more they learn how to cooperatively battle capital: “This objective process, dominated by capital, begins to reveal *the new subjective level of the working class*. A qualitative leap occurs: the unity of working class behaviors begins to be self-sufficient.”<sup>91</sup> Living labor develops from being a component part of capital to taking on “constituent power.” This “power is established politically on that social cooperation that is congenital to living labor . . . in the cooperative immediacy of living labor, constituent power finds its creative massification.”<sup>92</sup>

This reading of the *Grundrisse*, which informs all of his later work, takes Negri far from objectivist readings of Marx. He sums up his position as follows:

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<sup>90</sup>Ibid.

<sup>91</sup>Ibid., 124.

<sup>92</sup>Although the term “constituent power” is not found in *Marx Beyond Marx*, it flows directly from its discussion of the cooperative form of labor. In his more recent work “constituent power” is not restricted by Negri to the industrial working class, but is applied to the “multitude” that resists the dominating framework of “Empire.” See Antonio Negri, *Insurgencies: Constituent Power and the Modern State* (Minneapolis: University of Minnesota Press, 1999), 32.

In so far as we refuse the objectivist interpretations of the “*school of capital-logic*”—which infinitely assert the power of capital to possess and command all development—in so far as we reject this, it seems to us that we must also avoid the *path of subjectivity* which imputes capital to an objectification *tout court*.<sup>93</sup>

Instead of focusing one-sidedly on capital as subject, we should recognize that all of the categories employed by Marx are two-dimensional and inherently antagonistic. Hence, capital cannot “self-expand” unless labor does as well:

The other subject, the worker, must emerge, since capitalist subsumption does not efface its identity but just dominates its activity: this subject must emerge precisely at the level to which the collective force of social capital has led the process. *If capital is a subject on one side, on the other labor must be a subject as well.*<sup>94</sup>

Although Negri’s effort to account for agency illuminates important aspects of Marx’s work, one can ask whether his interpretation takes matters too far. Is it really the case that *every* stage of capitalist development is a product of heightened subjective resistance? Negri thinks so, as seen from his analysis of the major changes in contemporary capitalism. In *Empire* and *Multitude*, Negri and Hardt identify two such shifts: one is the 1970s, when capitalism abandoned the “Fordist” model of mass industrial production stimulated by Keynesian fiscal policies, and the other is the 1990s and 2000s, when the axis of power shifted from imperial nation states towards an integrated global system. Both changes, they contend, represented capital’s response to intensifying subjective resistance. The first came in response to the increased bargaining power and strikes of workers as well as the mass movements of the 1960s, while the

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<sup>93</sup>Negri, *Marx Beyond Marx: Lessons on the Grundrisse*, 132.

<sup>94</sup>*Ibid.*, 123.

second, they contend, came in response to more diffuse forms of resistance as proletarian or industrial labor was replaced by struggles of the “mass” or “social worker”—those employed in the service sector, the domestic sphere, etc. It seems highly questionable, however, that the move toward a globally integrated world capitalism (assuming that has actually taken place) was a response to intensifying struggles by “new forms of constitutive power,” given the political quiescence that has prevailed in the West especially over the last several decades. It also seems questionable whether the decline of corporate profit rates claimed by some analysts has come as a direct result of intensified social struggles.

Even more questions can be raised about whether the autonomist approach takes us further than the objectivists when it comes to envisioning an alternative to capitalist value production. According to Negri “there is no value without exploitation”; hence, a postcapitalist society is “the destruction at the same time of the law of value itself, of its capitalist or socialist variants.”<sup>95</sup> A new society can only mean,

the destruction of capital in every sense of the term. It is non-work, it is the subjective, collective and proletarian planning of the suppression of exploitation. It is the possibility of a free constitution of subjectivity.<sup>96</sup>

But what *specific* forms of social organization are needed to end value production and capital? What model or arrangement of society can allow for the “free constitution of subjectivity”? Negri thinks it is pointless to try to answer such questions, since a new

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<sup>95</sup>Ibid., 83.

<sup>96</sup>Ibid., 169.

society can only emerge from the forms of socialization and cooperation arising from spontaneous struggles:

In [Marx's] materialist methodology the only kind of anticipation allowed is the one that moves in the rhythm of the tendency. This is therefore a complete refusal of utopia and a limitation on his research on the contemporary historical limits of capitalist development.<sup>97</sup>

Negri and Hardt make this explicit in *Empire* by suggesting that the quest for a new society is so immanent in everyday struggles that there isn't a need to *theoretically* articulate an ultimate goal: "Empire creates a greater potential for revolution than did the modern regimes of power because it presents us . . . with an alternative: a multitude that is directly opposed to Empire, *with no mediation* between them."<sup>98</sup> The transcendence of capital occurs quasi-automatically, from the exuberance of the multitude overflowing the boundaries of capital.

Although Negri is highly critical of theories that emphasize the automaticity of capital's self-expansion, he seems to fall prey to embracing automaticity in another guise, in so far as he thinks that an alternative to capitalism will arise spontaneously without the mediation of *theoretical* labor that tries to envision future modes of social organization. "Exuberance," after all, has no necessary connection to *thought*—let alone *conceptual* thought that tries to envision the *future*. Despite (or perhaps *because of*) his subjectivist approach, he does not have much more to say about a postcapitalist society than do the objectivists.

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<sup>97</sup>Negri, *Insurgencies: Constituent Power and the Modern State*, 264.

<sup>98</sup>Negri, *Empire*, 393.

Although most of the re-examinations of Marx's work over the last several decades can be characterized as objectivist or subjectivist, the work of several thinkers does not fall neatly into these categories, even if they share some similarities with them. One such thinker is Tony Smith. Although he advocates systematic dialectics, he has major differences with some of its proponents. He places much more emphasis on labor and resistance than Arthur, and he also has a very different view of the Hegel-Marx relation. In contrast to all of the objectivists reviewed in this study, Smith does not agree that there is a homology between the logic of capital and Hegel's logic of the concept in the *Science of Logic*. He writes,

The picture of Hegel trying to deduce the content of nature and spirit from his logical categories is a myth that caricatures what we now know of his actual working procedures. . . . Those who go to the chapter on the Absolute Idea looking for some metaphysical supersubject will be disappointed; it consists entirely of an account of the dialectical methodology used in the *Logic* as a whole.<sup>99</sup>

Smith does not deny that capital is a "supersubject." He *does* deny that Marx based his view of capital on Hegel's logic of the concept, since the latter does not blot out or annul particularity and contingency.

This has important ramifications for the subject of this study, since Smith contends that Hegel's "Doctrine of the Concept," which centers on his concept of the Syllogism, actually "provides the framework for comprehending socialism, not

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<sup>99</sup>Tony Smith, "Marx's *Capital* and Hegelian Dialectical Logic," in *Marx's Method in Capital*, ed. Fred Mosely (Atlantic Highlands: Humanities Press, 1993), 18, 29.

capitalism.”<sup>100</sup> Through a close textual reading of the *Science of Logic*, he argues that Hegel does not privilege any of the three terms of the syllogism—Universal, Particular, and Individual—but rather presents them as irreducible components. Universality does not “blot out” the particular or the individual; it rather enables both to be expressed and cognized. Therefore, he argues, the logic of the concept cannot be the correlate of capital’s abstract universality, which is completely indifferent to particularity and contingency. As he sees it, Hegel, like Marx, “wants a totality that does not blot out the principle of subjectivity, individuality, personality. And this is what is termed socialism.”<sup>101</sup>

The implication is that we can gain greater insight into Marx’s concept of a new society by exploring more closely the actual content of Hegel’s most abstract works, including the conclusion of his *Science of Logic*.<sup>102</sup>

Another thinker that does not readily fit into the category of subjectivist or objectivist is Raya Dunayevskaya. Not unlike the autonomists, she stresses that all of Marx’s value-theoretic categories are tightly tied to conditions of labor and struggles that challenge the hegemony of value production. She writes,

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<sup>100</sup>Smith, “Marx’s *Capital* and Hegelian Dialectical Logic,” 29.

<sup>101</sup>Smith, “Marx’s *Capital* and Hegelian Dialectical Logic,” 31.

<sup>102</sup>Although there are few direct references to the last chapter of Hegel’s *Science of Logic* in Marx’s works, he directly commented on the concluding chapter of Hegel’s *Phenomenology of Spirit*, “Absolute Knowledge.” His notes on this chapter have never been translated into English. I have corrected this oversight by including a translation of it in Appendix A.

Economics is a matter not only of the economic laws of breakdown of capitalism, but of the strife between the worker and the machine against dead labor's domination over living labor, beginning with hearing the worker's voice, which has been stilled "in the storm and stress of the process of production."<sup>103</sup>

However, unlike Negri and the autonomists, she does not deny that capital is defined by a "law of motion" that develops on its own independent of the will of the producers (notice her use of the phrase "*not only* of the economic laws" in the above). Instead of reducing *every* stage of capitalism to a response to subjective revolt, she argues that Marx has a more nuanced view that does not pose a one-to-one relation between the objective and subjective. Moreover, she rejects Negri's contention that *Capital* is more "objectivist" and "economistic" than the *Grundrisse*, even though she acknowledges that it analyzes a chemically pure capitalism. She writes,

In the last part of the work, "Accumulation of Capital," as we approach the most "economist" and "scientific" development—"the organic composition of capital"—Marx reminds us all over again that this organic composition cannot be considered outside of its effects "on the lot of the laboring classes."<sup>104</sup>

Marx, she says, traces out the logic of capital as an *objective* movement while keeping his finger on the pulse of *human* relations.

Dunayevskaya also has a rather distinctive view of the Hegel-Marx relation. First, she does not accept the prevailing assumption that Hegel was an "idealist" and Marx a "materialist." She notes that Hegel has a materialist dimension and that there are idealist components in Marx. Second (not unlike Smith), she argues that Hegel's "Doctrine of the

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<sup>103</sup>Raya Dunayevskaya, *Rosa Luxemburg, Women's Liberation, and Marx's Philosophy of Revolution* (Champaign-Urbana: University of Illinois Press, 1991), 140.

<sup>104</sup>*Ibid.*



Concept” does not annul particularity and contingency. She especially calls attention to the inclusion of the chapter on “Life” in the *Science of Logic*. This indicates that Hegel’s logic of the concept should be viewed not as “a mere abstract Universal, but as a Universal which comprises in itself the full wealth of Particulars.”<sup>105</sup> Hegel in fact repeatedly emphasizes that the “Idea has its reality in some kind of matter.”<sup>106</sup> As she sees it, the “whole Logic (both logic and *Logic*) is a logic of self-determination,” but that does not mean that it annuls objectivity. The logic of the concept cannot be so easily reduced to the logic of capital. Third, she argues that the last chapter of the *Logic*, the “Absolute Idea,” which centers on the “the negation of the negation,” is of great importance in illuminating Marx’s concept of a new society, since both the *1844 Manuscripts* and *Capital* explicitly refer to the transcendence of capitalism in terms of “the negation of the negation.”<sup>107</sup>

At the same time, Dunayevskaya does not argue that Marx’s work is a mere application of Hegelian categories. Although *Capital* owes much to Hegel’s *Logic*, she argues that it also represents a sharp departure from it. This is because the *subject* of

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<sup>105</sup>See G.W.F. Hegel, *Science of Logic*, trans. A.V. Miller (Atlantic Highlands: Humanities Press, 1979), 58.

<sup>106</sup>The quote is from Hegel’s *Science of Logic*, 759. See Raya Dunayevskaya, *The Power of Negativity: Selected Writings on the Dialectic in Hegel and Marx*, ed. Peter Hudis and Kevin B. Anderson (Lanham: Lexington Books, 2002), 71.

<sup>107</sup>In the *1844 Manuscripts* Marx writes, “Communism is the position as the negation of the negation.” Karl Marx, *Economic and Philosophic Manuscripts of 1844*, in *MECW* 3: 306. See also Marx, *Capital* 1:929.

Hegel's dialectic is disembodied thought, whereas the *subject* in *Capital* is the human being that resists capital's "process of suction." She writes,

*Capital* . . . is the Great Divide from Hegel, and not just because the subject is economics rather than philosophy. . . . It is that Great Divide because, *just because*, the Subject—not subject matter, but Subject—was neither economics nor philosophy but the human being, the masses. Because dead labor (capital) dominates over living labor, and the laborer is the 'gravedigger of capitalism,' all of human existence is involved. *This* dialectic is therefore totally new, totally internal, deeper than ever was the Hegelian dialectic which had *dehumanized* the self-development of humanity in the dialectic of Consciousness, Self-Consciousness, Reason. Marx could transcend the Hegelian dialectic not by denying that it was "the source of all dialectic"; rather, it was precisely because he began with that source that he could make the leap to the live Subject who is the one who transforms reality.<sup>108</sup>

The philosophic literature on Marx over the past several decades clearly reveals a wide disparity of interpretations and approaches. That Marx would be subject to such widely varying interpretations should only be expected, given the expansive and contentious nature of his philosophic project. Marx is a difficult thinker and grasping the internal coherence of his thought is an extremely challenging task. What this review indicates, however, is that many of the approaches towards Marx settle for analyzing one aspect of his *oeuvre* at the expense of others. Except for Backhaus, all of the objectivists considered in this study focus on *Capital* while passing over the work of the young Marx, especially the *1844 Manuscripts*. Negri and the autonomists, on the other hand, emphasize the *Grundrisse* at the expense of *Capital* and say little about volumes two and three of *Capital*. Almost none of the thinkers surveyed say anything about the last decade of Marx's life, when he turned his attention to the study of precapitalist societies. The

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<sup>108</sup>Dunayevskaya, *Rosa Luxemburg, Women's Liberation, and Marx's Philosophy of Revolution*, 143.

tendency to *fragment* Marx by studying aspects of his work in isolation from others has not only made it difficult to evaluate whether or not Marx's body of work is internally coherent. It has created a major obstacle to coming to grips with Marx's concept of the transcendence of value production. Since Marx never wrote a work on the alternative to capitalism, and since any implicit or explicit suggestions on his part about an alternative have to be gleaned from a careful study of an array of diverse and difficult texts, the tendency to analyze one part of Marx's *oeuvre* at the expense of others has made it all the harder to discern whether he has a distinctive concept of a new society that speaks to the realities of the twentyfirst century.

Bertell Ollman addresses this problem in noting that the theorists of systematic dialectics are unable to take account of the *whole* of Marx's *Capital*, since it clearly contains not only logical but also historical analysis. He writes, "*Capital* I contains whole sections that, according to the proponents of Systematic Dialectics . . . simply don't belong there or are simply out of place."<sup>109</sup> I would add that this also applies to many of the subjectivist theorists covered in this review who cannot account for parts of Marx's work that emphasize systematic and objective approaches. It is possible, of course, that different philosophic tendencies can latch onto one or another angle of Marx's thought because he was an inconsistent and contradictory thinker who invites divergent interpretations. Yet it is also possible, as Ollman notes, that many interpretations of his work represent "misguided attempts to reduce Marx's varied strategies to a single one . . .

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<sup>109</sup>Bertell Ollman, "Marx's Dialectical Method is More Than a Mode of Exposition: A Critique of Systematic Dialectics," in *Dance of the Dialectic: Steps in Marx's Method* (Urbana: University of Chicago Press, 2003), 183-4.

at the expense of the others.”<sup>110</sup> It is possible that Marx employed a host of argumentative and conceptual strategies based on his specific concerns and object of investigation, and it is all too easy to fall into one-sided readings that fail to take account of his work as a whole. However, if we cannot make sense of Marx’s work as a whole, is it really possible to discern whether or not his work contains a concept of a new society that is worth re-examining today?

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<sup>110</sup>Ibid., 187-8.

CHAPTER TWO  
THE TRANSCENDENCE OF ALIENATION IN THE WRITINGS  
OF THE YOUNG MARX

*In the general relationship which the philosopher sees between the world and thought, he merely makes objective for himself the relation of his own particular consciousness to the real world.*

—Karl Marx (1841)<sup>1</sup>

Marx's Beginnings, 1837-41

The writings of the young Marx may not appear to be the best place to begin a study of his conception of the alternative to capitalism. Marx's writings from 1837 to 1843 were largely composed when he was still a liberal democrat who had not yet broken with capitalism, and they contain little or no explicit critique of capitalist value production. Moreover, the numerous writings composed by him in the years immediately following his break with capitalism (1843/44 to 1847) do not contain the extensive analyses and criticisms of value production that defines his later work, such as *Capital*.

Nevertheless, I will seek to show that these early writings constitute the *basis* of Marx's conception of the alternative to capitalism that become fleshed out in his later work.

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<sup>1</sup>Karl Marx, "Difference Between the Democritean and Epicurean Philosophy of Nature," in *Marx-Engels Collected Works*, vol. 1 (New York: International Publishers, 1975), 42. *The Marx-Engels Collected Works* is hereafter abbreviated as *MECW*.

Two aspects of Marx's early work concern us here. One aspect is the values and principles upheld by the young Marx that he brought to bear on his subsequent analysis of capitalist production. It is hardly conceivable that Marx developed such a thoroughgoing and virulent criticism of capitalism merely on the basis of a descriptive analysis of contemporary conditions. What normative standpoint led him to call into question the central principles and practices of capitalism in the first place? Why did he come to find such formations as private property, alienated labor, class society, and the separation of the state and civil society so objectionable? An analysis of Marx's early writings—including those composed *before* his break with capitalism—are of indispensable importance in answering these questions. The second aspect is the specific indications provided by his early writings, especially those composed from 1843/44 to 1847, of what might constitute an alternative to capitalism. Although his early works rarely specify the *institutional* forms needed to replace capitalism,<sup>2</sup> Marx's philosophic engagement with the social and intellectual realities of the 1840s led him to develop a specific conception of the transcendence of alienation that is of indispensable importance in understanding his overall understanding of the alternative to capitalism.

I will seek to demonstrate this by beginning with Marx's earliest extant writings. One of the first, an 1837 letter to his father, represents a kind of philosophic conversion

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<sup>2</sup>As David Leopold has argued, "the most that can be extracted" along these lines from Marx's early writings are "quasi-institutional threads." While I concur with this assessment, I will aim to show that these "threads" are of considerable importance—both in their own right and for understanding Marx's subsequent development. See David Leopold *The Young Karl Marx: German Philosophy, Modern Politics, and Human Flourishing* (Cambridge: Cambridge University Press, 2007), 246.

statement. After having been under the “spell” of Kant and Fichte, the 19-year old Marx declares that he has now become committed to Hegelianism. What drives this change of mind is his dissatisfaction with the “opposition between what is and what ought to be.”<sup>3</sup> Attacking his earlier views as “entirely idealistic” and “formalist,” he proclaims that “the object must be studied in its development; arbitrary divisions must not be introduced, the rational character of the object itself must develop as something imbued with contradictions in itself and find its unity in itself.”<sup>4</sup> He considers his prior philosophic standpoint, which counterpoised form and matter, an egregious error and contends that he has now “arrived at the point of seeing the idea in reality itself. If previously the gods had dwelt above the earth, now they became its center.”<sup>5</sup>

This conception of the idea as immanently contained within the real does not mean that Marx has decided to reject “idealism” in favor of “materialism.” As he writes a few years later, in his doctoral dissertation on ancient Greek philosophy, “Idealism is no figment of the imagination, but a truth.”<sup>6</sup> Marx is searching for a way to conceptualize the ideal as integrally connected to the real. This is but the first expression of a theme that

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<sup>3</sup>Karl Marx, “Letter from Marx to His Father,” in *MECW* 1:12.

<sup>4</sup>Ibid. Marx’s comment hews closely to Hegel’s formulation in the *Science of Logic*: “This is what Plato demanded of cognition, that it should consider things in and for themselves, that is, should consider them partly in their universality, but also that it should not stray away from them by catching at circumstances, examples and comparisons, but should keep before it solely the things themselves and bring before consciousness what is immanent in them.” See G.W.F. Hegel, *Science of Logic*, 830.

<sup>5</sup>Marx, “Letter from Marx to His Father,” in *MECW* 1:18.

<sup>6</sup>Marx, “Difference Between the Democritean and Epicurean Philosophy of Nature,” in *MECW* 1:28.

will show up again and again in Marx's work and which will largely determine his attitude toward efforts to propose alternatives to existing realities.

This is not to suggest that the integrality of ideality and reality are the *only* normative concerns of the young Marx. His very earliest writings also display a powerful feeling for *social justice*. As he wrote in his very first extant piece, "The chief guide which must direct us in the choice of a profession is the welfare of mankind and our own perfection . . . man's nature is so constituted that he can attain his own perfection only by working for the perfection, for the good, of his fellow men."<sup>7</sup>

What is important to watch is how these two seemingly separate<sup>8</sup> concerns—social justice and a philosophic commitment to the immanence of the ideal within the real—helped to predetermine and shape Marx's approach to a host of different problems.

Marx's interest in the relation between philosophy and reality dictated the subject matter of his first theoretical work, his doctoral dissertation *On The Difference Between the Democritean and Epicurean Philosophy of Nature*. Although a detailed analysis of the work is beyond the confines of this study, several aspects of it are worth re-examination. Marx is drawn to Epicurus because he "applauds sensuous existence" while highlighting the idea of freedom in his theory of declination of the atom. Whereas Democritus' theory, in which atoms fall in straight lines, stresses predictability and

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<sup>7</sup>Karl Marx, "Reflections of a Young Man on the Choice of a Profession," in *MECW* 1:8.

<sup>8</sup>By "separate" I do not mean to suggest that they are separate in *Marx's* understanding but that there is no *logical* reason that commitment to one should involve commitment to the other.



determinism, Epicurus, who focuses on the *swerving* of the atom from straight lines, emphasizes chance and free will. Marx sees Democritus as “throw[ing] himself into the arms of positive knowledge” whereas Epicurus has philosophy “serve freedom itself.”<sup>9</sup> He singles out Seneca’s summation of Epicurus: “It is wrong to live under necessity; but no man is constrained to under necessity. . . . On all sides lie many short and simple paths to freedom.”<sup>10</sup>

What is perhaps more telling is Marx’s *critique* of Epicurus. Marx contends that while Epicurus strives to emphasize sensuous reality *and* freedom, “the concept of the atom and sensuous perception face each other as enemies.”<sup>11</sup> The declination of the atom is posed as an *abstraction* from determinant being: “The atom abstracts from the opposing being and withdraws itself from it.”<sup>12</sup> His atomic theory posits the *ideal* side, “according to which all relation to something else is negated and motion is established as self-determination.”<sup>13</sup> Epicurus’ concept of freedom is that of *abstract individuality*: “abstract individuality is freedom from being, not freedom in being. It cannot shine in the

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<sup>9</sup>Marx, “Difference Between the Democritean and Epicurean Philosophy of Nature,” in *MECW* 1:40, 41.

<sup>10</sup>*Ibid.*, 82. The phrase is from Seneca’s *Ad Lucilium epistolae*. See *Hellenistic Philosophy: Introductory Readings*, trans. and intro. Brad Inwood and L.P. Gerson (Indianapolis: Hackett Publishing Company, 1988), 68, where the passage is rendered as: “It is bad to live under necessity, but there is no necessity to live with necessity. Everywhere the paths to freedom are open.”

<sup>11</sup>Marx, “Difference Between the Democritean and Epicurean Philosophy of Nature,” in *MECW* 1:39.

<sup>12</sup>*Ibid.*, 51.

<sup>13</sup>*Ibid.*, 53.

light of being . . . Epicurus grasps the contradiction at its highest peak and objectifies it.”<sup>14</sup>

Marx considers Epicurus’ position an advance from that of Democritus, who fails to posit the “ideal side”—the principle of *freedom*. Yet Epicurus “objectifies” a kind of *dualism*, in that freedom becomes defined only *negatively*, as absence of pain and undue stress (*ataraxy*). Whereas Democritus submerges subject into substance, Epicurus *detaches* subject from substance. Epicurus “has carried atomistics to its final conclusion, which is its dissolution and conscious opposition to the universal.”<sup>15</sup>

Although Marx does not always make this explicit in the text of the dissertation,<sup>16</sup> he is clearly exploring the aporias of post-Aristotelian Greek philosophy with an eye to more contemporary realities. As one important study of Marx’s dissertation put it,

The atom is “the full” as opposed to “the empty”: it is matter. It is subject to “dependent motion,” to falling down. But at the same time as an absolute unit the atom is free and independent. In emphasizing the distinction, Marx had in mind the contrast between material necessity and formal civic liberty, or, in the language of the Young Hegelians, between “bourgeois society” and “the political state.” Figuratively speaking, the atom as an aspect of materiality is nothing but a bourgeois; as an absolute form of existence it is a citizen of the French Revolution. Epicurus had emphasized the principle of atomicity, that is, independence and hence individual freedom; but the contradictions of this principle were obvious even in this “atomistic science”<sup>17</sup>

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<sup>14</sup>Ibid., 62.

<sup>15</sup>Ibid., 73.

<sup>16</sup>Marx does make it explicit that his study of Democritus and Epicurus is driven by his concern with the fate of philosophy in the aftermath of Hegel in his “Notebooks on Epicurean Philosophy.”

<sup>17</sup>Mikhail Lifshitz, *The Philosophy of Art of Karl Marx*, trans. Ralph B. Winn (London: Pluto Press, 1973), 23-24.

As Marx sees it, the central problem with Epicurus is that his philosophy mirrors the contradictions of the modern world in so far as freedom and self-determination are posited at the expense of maintaining a substantial connection with the material world. The idea of freedom and sensuous reality confront each other as mortal enemies. Post-Aristotelian Greek philosophy therefore typifies the pitfall that Marx had earlier indicated that he seeks to extricate himself from: the separation of ideality and reality.

In sum, just as Stoicism, Skepticism, and Epicureanism constituted a *regression* from the “acme” of philosophy reached with Aristotle, so post-Hegelian philosophy constitutes a subjectivist regression from the Hegelian synthesis.<sup>18</sup> Marx is exploring this as part of envisioning a *reversal* of such regression: “The modern rational outlook on nature must first raise itself to the point from which ancient Ionian philosophy, in principle at least, begins—the point of seeing the divine, the Idea, embodied in nature.”<sup>19</sup>

Marx sees the breakdown of the Hegelian synthesis as inevitable, since the unity of reason and reality proclaimed by his philosophy now confronts a new set of realities that it cannot account for. Reason and reality oppose each other as “two worlds,” “one edge turned against the world, the other against philosophy itself.” “The party of the concept,” which turns against reality, battles it out with “the party of reality,” which turns

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<sup>18</sup>As Marx puts it in his “Notebooks on Epicurean Philosophy,” “The world confronting a philosophy total in itself is therefore a world torn apart. This philosophy’s activity also appears torn apart and contradictory; its objective universality is turned back into the subjective forms of individual consciousness in which it has life.” See *MECW* 1:491.

<sup>19</sup>Marx, “Notebooks on Epicurean Philosophy,” in *MECW* 1:423-4.

against philosophy.<sup>20</sup> Both sides “place themselves behind a philosophic giant of the past”—but, Marx notes, “the ass is soon detected under the lion’s skin.”<sup>21</sup>

Marx is, of course, far from reconciled to this situation. He seeks a *new beginning* to overcome the diremption of reason and reality—although he is still feeling his way as to how to go about it. He recalls how “Themistocles, when Athens was threatened with destruction, tried to persuade the Athenians to abandon the city entirely and found a new Athens at sea, in another element.”<sup>22</sup> He has not yet discovered what that new “element” might be. Yet he sees the path forward in “turning” philosophy *towards the material world*—in a way that would not represent its *abandonment* but rather its *realization*. In noting “there are moments when philosophy turns its eyes to the external world,”<sup>23</sup> he adds: “But the *practice* of philosophy is itself *theoretical*. It is the *critique* that measures the individual existence by the essence, the particular reality by the idea.”<sup>24</sup>

As we shall show, Marx’s effort to discern the idea of freedom “in reality itself” is a theme that will govern all of his subsequent work, and it has a direct bearing on his understanding of how to posit an alternative to capitalist value production. Although that

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<sup>20</sup>Marx, “Difference Between the Democritean and Epicurean Philosophy of Nature,” in *MECW* 1:86.

<sup>21</sup>Marx adds, “Thus we obtain hair-, nail-, toe-, excrement-philosophers and others, who have to represent an even worse function in the mystical world man of Swedenborg.” See *MECW* 1:87.

<sup>22</sup>Marx, “Notebooks on Epicurean Philosophy,” in *MECW* 1:492.

<sup>23</sup>*Ibid.*, 491.

<sup>24</sup>Marx, “Difference Between the Democritean and Epicurean Philosophy of Nature,” in *MECW* 1:85.

can be demonstrated only through the course of this study, there is another concept in his dissertation that becomes especially important for understanding his subsequent development. That concept is *inversion*.

A great deal of Marx's criticism of both capitalism and speculative philosophy will center on the notion of the inversion of subject and predicate, in which the products of human activity become invested with an autonomous power that determine and constrain the will of the subjects that engender them. Although many commentators assume that Marx drew the concept of inversion from Feuerbach's critique of religion,<sup>25</sup> Marx's use of the concept actually predates Feuerbach's *Essence of Christianity*, in which the concept of inversion takes on considerable importance.<sup>26</sup> Marx first utilizes the concept of inversion in his dissertation, in the course of a critique of Plutarch's *Colotes*. Marx takes issue with Plutarch for writing, "so that of every quality we can truly say, 'It no more is than is not'; for to those affected in a certain way the thing is, but to those not so affected it is not." Marx notes that in doing so Plutarch "speaks of a fixed being or non-being as a predicate." However, "the being of the sensuous" is *not* a predicate; it is a

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<sup>25</sup>This claim is made, among many others, by C.J. Arthur in *Dialectics of Labor: Marx and His Relation to Hegel* (London: Blackwell, 1986), 110.

<sup>26</sup>Feuerbach's *Essence of Christianity* was published in 1841, shortly after Marx finished his dissertation. Marx was aware of Feuerbach's work from as early as 1837 and he made use of his *Geschichte der neuern Philosophie* in his dissertation. However, the concept of inversion—also known as "transformative criticism"—does not figure in this early work of Feuerbach.

*subject*. Marx concludes, ‘Ordinary thinking always has ready abstract predicates which it separates from the subject. All philosophers have made the predicates into subjects.’<sup>27</sup>

Marx also discusses inversion in criticizing those who adhere to “the party of reality”—that is, those who turn away from philosophy in light of the “duality of self-consciousness” that characterizes the contemporary world. Despite the one-sidedness of the “party of the concept,” it nevertheless “makes real progress” since it takes responsibility for developing ideas. The “party of reality,” in contrast, makes no progress because it imputes its ideas to “reality” instead of taking responsibility for developing them. Marx writes that for this party “the inversion, we may well say the madness, appears as such.”<sup>28</sup> Marx is making a pun out of the fact that *Verkehrtheit* (inversion) is often identified with *Verrücktheit* (madness). An inverted world is indeed a *mad world*, in so far as the subject becomes the predicate and the predicate becomes the subject.<sup>29</sup>

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<sup>27</sup>Marx, “Notebooks on Epicurean Philosophy,” in *MECW* 1:458.

<sup>28</sup>Marx, “Difference Between the Democritean and Epicurean Philosophy of Nature,” in *MECW* 1:86.

<sup>29</sup>Marx will often make much of the correspondence between “inversion” and “madness.” Hans-Georg Backhaus writes, “Marx here intentionally makes use of the ambiguity of this word which is innate to the German language alone. Thus, on the one hand, money is a ‘deranged (*verrückte*) form’ in the sense that it is the ‘most nonsensical, most unintelligible form,’ that is, it is ‘pure madness (*reine Verrücktheit*).” See Hans-George Backhaus, “Between Philosophy and Science: Marxian Social Economy as Critical Theory,” 60-61.

This is not in any way to suggest that Marx *originates* the critique of an inversion of subject and predicate, since it has a long trajectory in the history of philosophy.<sup>30</sup> It is to suggest, however, that Marx *utilized* this concept from very early on—and not simply on the basis of such figures as Feuerbach. The critique of subject-predicate inversion is one of the major normative principles that Marx will bring to bear on his understanding of both philosophy and reality as he increasingly turns his attention to “material matters” in the period following the completion of his dissertation.

#### Marx’s Critique of Politics and Philosophy, 1842-43

Marx turned to “material matters” following the completion of his dissertation by directly engaging in active politics, in becoming a radical journalist. The choice was not completely of Marx’s making. March 1842 represented a critical turning point in Marx’s life because the increasingly conservative turn in the German (and especially Prussian) political scene closed off Marx’s hope for an academic career. In that month Young Hegelian associates of Marx such as Bruno Bauer were fired from their university positions; new censorship restrictions were imposed; and Friedrich Wilhelm II of Prussia made it clear that he would rule in the name of absolutism. The response of the liberals

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<sup>30</sup>The critique of subject-predicate inversion—also known as the reversal of ontological priority—goes back at least as far as Aristotle’s criticism of Plato’s theory of Forms. Aristotle takes issue with Plato for posing particulars as the dependent entities and the Forms as the independent entities. Aristotle argues, in contrast, that particulars are ontologically prior. See *Posterior Analytics*: “Things are prior and more familiar in two ways; for it is not the same to be prior by nature and prior in relation to us, nor to be more familiar and more familiar to us. I call prior and more familiar in relation to us what is nearer to perception, prior and familiar *simpliciter* what is furthest away.” See Aristotle, *Posterior Analytics*, in *The Complete Works of Aristotle*, vol. 1, edit. Jonathan Barnes (Princeton: Bollington, 1984), 115-6 [71b 34-72a 6].

to these events was a great disappointment to Marx and his associates, since they essentially capitulated to Friedrich Wilhelm II without a fight. Propelled by the philosophic problematic formulated in his doctoral dissertation as well as by the actual social conditions, Marx threw himself into an intense engagement with political realities.

Marx's main political concerns in 1842-43 centered on a virulent defense of freedom the press, a critique of religion, and an opposition to social inequality. He takes issue with the "shallow, superficial rationalism"<sup>31</sup> of the censor, calling it a "bureaucracy of intelligence."<sup>32</sup> He opposes any form of press censorship on the grounds that a free press is "the spiritual mirror in which a people can see itself, and self-examination is the first condition of wisdom."<sup>33</sup> He critiques religion on the grounds that "Morality is based on the autonomy of the human mind, religion on its heteronomy."<sup>34</sup> Although Marx had earlier expressed hostility to religion in his dissertation,<sup>35</sup> his objection to linking religion with politics now become much more pronounced: "Just as you do not ask the physician

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<sup>31</sup>Karl Marx, "Comments on the Latest Prussian Censorship Instruction," in *MECW* 1:118.

<sup>32</sup>*Ibid.*, 126.

<sup>33</sup>Karl Marx, "Proceedings of the Sixth Rhine Assembly. First Article. Debates on Freedom of the Press and Publication of the Proceedings of the Assembly of the Estates," in *MECW* 1:165.

<sup>34</sup>"Comments on the Latest Prussian Censorship Instruction," in *MECW* 1:119.

<sup>35</sup>In discussing the various proofs of God's existence in the dissertation, he argued that "such *proofs are proofs of the existence of essential human self-consciousness, logical explanations for it*. . . . Taken in this sense all proofs of the existence of God are proofs of his *non-existence*." See "Difference Between the Democritean and Epicurean Philosophy of Nature," in *MECW* 1:104-105.



whether he is a believer, you have no reason to ask the politician either.”<sup>36</sup> He opposes social inequality—though this is not yet his *main* concern—by taking issue with viewing “freedom as merely an individual property of certain persons and social estates.”<sup>37</sup>

These political positions are underpinned by a thick set of normative or even *ontological* considerations. Marx does not oppose press censorship on pragmatic or utilitarian grounds—for instance, by suggesting that it is not effective or that it violates the greater good of the greater number. He contends that press censorship is wrong because “Freedom of the will is inherent in human nature.”<sup>38</sup> Since “we must take the essence of the inner ideas as the measure to evaluate the existence of things,” it follows that “from the standpoint of the idea, it is self-evident that freedom of the press has a justification quite different from that of censorship because it is itself an embodiment of the idea, an embodiment of freedom, a positive good.”<sup>39</sup> He develops this by arguing that “no man combats freedom; at most he combats the freedom of others.”<sup>40</sup> Since to be free defines our nature as human beings, not even the censor opposes freedom; he instead proclaims *his* freedom in acting as one. The censor affirms freedom as a *particular* privilege instead of as a *universal* right. This distinction between particular and universal interests will later come to play a central role in Marx’s critique of capitalism.

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<sup>36</sup>Karl Marx, “Leading Article in No. 179 of *Kölnische Zeitung*, in *MECW* 1:201.

<sup>37</sup>“Debates on the Freedom of the Press,” in *MECW* 1:151.

<sup>38</sup>*Ibid.*, 137.

<sup>39</sup>*Ibid.*, 154.

<sup>40</sup>*Ibid.*, 155.

The normative stance adopted by Marx in his early writings is that freedom is an *ontological* characteristic of human beings as against something that *ought* to exist. He asks,

Is there no *universal human* nature, as there is a universal nature of plants and stars? Philosophy asks what is true, not what is held to be true. It asks what is true for all mankind, not what is true for some people. Its metaphysical truths do not recognize the boundaries of political geography.<sup>41</sup>

It is therefore not surprising that Marx returns—*within* these political writings—to the central theme of his doctoral dissertation: the relation between ideality and reality. The ideality posited by Marx is that human beings are *inherently* free beings. In these early political writings he is trying to “measure” political realities by the ideality that resides *within* them. He therefore writes,

Philosophy does not exist outside the world any more than the brain exists outside man because it is not situated in the stomach. . . . Since every true philosophy is the intellectual quintessence of its time, the time must come when philosophy not only internally by its content, but also externally through its form, comes into contact and interaction with the real world of its day . . . philosophy has become worldly and the world has become philosophical . . .<sup>42</sup>

This understanding of the relation of philosophy and reality also underpins Marx’s conception of *law*. Marx affirms the importance of laws and legal statutes on the grounds they serve as the “positive, clear, universal norms in which freedom has acquired an impersonal, theoretical existence independent of the arbitrariness of the individual. A statute-book is a people’s bible of freedom.”<sup>43</sup> However, legal statutes are adequate to

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<sup>41</sup>“Leading Article in No. 179 of *Kölnische Zeitung*,” in *MECW* 1:192.

<sup>42</sup>*Ibid.*, 195.

<sup>43</sup>“Debates on the Freedom of the Press,” in *MECW* 1:161.

their concept only insofar as they correspond to “the natural laws of [humanity’s] own reason.”<sup>44</sup> He adopts an attitude to the law and political actuality that is largely drawn from natural law theory; indeed, Marx readily cites such thinkers as Hobbes, Spinoza, Grotius and Rousseau in discussing the “deducing” of natural laws from rationality. He writes, “The legal nature of things cannot be regulated according to the law; on the contrary, the law must be regulated according to the legal nature of things.”<sup>45</sup>

This conception in turn serves as Marx’s standpoint for criticizing the elevation of particular over universal interests—a theme that will become more pronounced in his later work. As early as his first articles against press censorship, Marx took issue with those who defend freedom of the press on the grounds of freedom of commerce—even though he had not turned his attention to economic issues. He argues that “freedom of trade” is a particular freedom that must not be used to measure other freedoms, since “every particular sphere of freedom is the freedom of a particular sphere, just as every particular mode of life is the mode of life of a particular nature.”<sup>46</sup> The elevation of the private over the general strikes Marx as unacceptable because it disturbs the “natural” ability of human beings as a whole to express their aspirations for *free* development:

Interest by its very nature is blind, immoderate, one sided; in short, it is lawless natural instinct, and can lawlessness lay down laws? Private interest is no more made capable of legislating by being installed on the throne of the legislator than

<sup>44</sup>“Leading Article in No. 179 of *Kölnische Zeitung*, in *MECW* 1:202.

<sup>45</sup>Karl Marx, “Proceedings of the Sixth Rhine Province Assembly,” in *MECW* 1:227.

<sup>46</sup>“Debates on the Freedom of the Press,” in *MECW* 1:173.

a mute is made capable of speech by being given an enormously long speaking-trumpet.<sup>47</sup>

It is important to note that as of the start of 1843 Marx has neither turned to a study of political economy nor has he broken from capitalism. His first mention of “communism” appears in an essay of October 1842, but he mentions it only to dismiss it.<sup>48</sup> He appears to have studied Fourier, Leroux, Considerant, and Proudhon by early 1843, but he takes only passing note of their criticisms of capitalism. Although he attacks “pseudo-liberalism” on several occasions,<sup>49</sup> he remains a radical democrat. It is not until late 1843—when Marx makes direct contact with French socialists and members of secret societies of German communists—that he breaks decisively with capitalist society.

That Marx remains within the parameters of a radical but non-revolutionary critique of politics in 1842-43 has important ramifications for his effort to turn philosophy to “material matters.” Although he is still seeking to overcome the philosophic dualities criticized in his doctoral dissertation, he has not yet found the “new element” upon which to do so. Despite feelings of sympathy for those of the “poorest estates,” he does not accord them any special role in transforming society, nor does he indicate *how* political conditions can actually be changed. His effort to connect ideality and reality therefore suffers from a tendency to abstractness, as when he writes: “In a true

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<sup>47</sup>“Proceedings of the Sixth Rhine Province Assembly,” in *MECW* 1:261.

<sup>48</sup>See Karl Marx, “Communism and the Augsburg *Allgemeine Zeitung*,” in *MECW* 1:215-21.

<sup>49</sup>See Marx, “Difference Between the Democritean and Epicurean Philosophy of Nature,” in *MECW* 1:110.

state there is no landed property, no industry, no material thing, which as a crude element of this kind could make a bargain with the state. . . . The state pervades the whole of nature with spiritual nerves.”<sup>50</sup> By “true state,” of course, Marx means one in conformity with the idea of freedom. However, since he has not yet discovered a material force that can *realize* this idea, he dismisses “material” entities such as *things* and *industry* as “crude.” Marx’s political-philosophic project therefore remains quite incomplete as of this point.

Although it is unclear as to whether Marx was fully aware of these limitations, in the spring of 1843 he decides to deepen his understanding of the problems associated with political reality as well as philosophy by both engaging in further studies of modern politics<sup>51</sup> and engaging in a critical commentary on Hegel’s *Philosophy of Right*. The latter should not be viewed as a departure from his earlier political concerns. Instead, he turns to the *Philosophy of Right* because it represents the most comprehensive *philosophic* analysis of the political realities that he began to analyze in 1842-43.<sup>52</sup>

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<sup>50</sup>Karl Marx, “The Supplement to Nos. 335 and 336 of the *Augsburg Allgemeine Zeitung* on the Commissions of the Estates in Prussia,” in *MECW* 1:306.

<sup>51</sup>Many of Marx’s political studies in early and mid-1843 can be found in his Kreuznach Notebooks, in which an examination of the French Revolution of 1789 and the history of modern European politics play a central part. See *Karl Marx-Friedrich Engels*. “Exzerpte Notizen 1843 bis Januar 1845,” in *Marx-Engels Gesamtausgabe* IV/2, (Berlin: Dietz Verlag, 1981), 9-60. The *Marx-Engels Gesamtausgabe* is hereafter abbreviated as *MEGA*<sup>2</sup>. In this period Marx also carefully studied such thinkers as Rousseau, Montesquieu, Chateaubriand, Ranke, and Machiavelli.

<sup>52</sup>Leopold claims that Marx’s 1843 *Critique* represents a “shift” in his concerns in that it reflects a “growing interest in the modern state.” However, since he makes no effort to analyze the political writings that precede the *Critique* his claim remains to be substantiated. The ensuing analysis will contend that Marx’s critique of the *Philosophy of*

Marx's "Contribution to the Critique of Hegel's *Philosophy of Right*" is one of his most extensive treatments of Hegel and has become the subject of a considerable body of scholarly work.<sup>53</sup> My aim here is not to engage in a detailed analysis of the *Critique*, nor is it to assess the merits or demerits of Marx's interpretation of Hegel. My aim is rather to draw out the central ideas of Marx's *Critique* that help disclose the normative principles that he will subsequently employ in his criticism of capitalism as well as in his elaboration of a possible alternative to it.

Marx's critique of the *Philosophy of Right* centers on Hegel's view of the relation of civil society and the state. Marx *credits* Hegel for sharply differentiating them—something that was not done by Hobbes, Locke, or Rousseau. At one and the same time, Marx *critiques* Hegel for *inverting* the relation between civil society and the state. Whereas civil society, in Marx's view, governs the formation of the state, Hegel makes the state govern the formation of civil society. Hegel posits the state as an "external necessity" that is *above* civil society—even though the "abstract" character of the private sphere of civil society is responsible for the "abstract" character of the modern state. Marx is not satisfied with simply criticizing Hegel for presenting civil society as the expression of the state instead of the state as an expression of civil society. He asks *why*

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*Right*, while marking an important *development* in his thought, represented a continuation and indeed culmination of the concerns that characterized his writings of 1842-43.

<sup>53</sup>See especially Shlomo Avineri, *The Social and Political Thought of Karl Marx* (Cambridge: Cambridge University Press, 1969), G.A. Cohen, *History, Labor and Freedom: Themes from Marx* (Oxford: Oxford University Press, 1989), Louis Dupré, *The Philosophical Foundations of Marxism* (New York: Harcourt, Brace and World: 1966) and István Mészáros, *Marx's Theory of Alienation* (London: Merlin Books, 1970).

Hegel does so. The answer, Marx contends, is that Hegel posits the *idea* as the subject instead of as the predicate of the “real subject”—live men and women. He writes, “The idea is made the subject, and the actual relation of family and civil society to the state is conceived as its imaginary activity.”<sup>54</sup>

In Hegel, Marx contends, everything becomes a mere “attribute of the idea, a result, a product of the idea.” And since the idea is made the subject, “the real subjects, namely civil society, family . . . become unreal objective elements of the idea with a changed significance.”<sup>55</sup> It therefore follows that in Hegel “it is always on the side of the predicate . . . that development takes place.”<sup>56</sup> Marx writes,

Hegel transforms the predicates, the objects, into independent entities, but divorced from their actual independence, their subject. Subsequently the actual subject appears as a result, whereas one must start from the actual subject and look at its objectification . . . the real subject appears as something else, as an element of the mystical substance.<sup>57</sup>

Marx sees a number of problems with Hegel’s inversion of subject and predicate when it comes to the relation of civil society and the state. First, it makes the state the active agent and civil society the passive object. Second, although Hegel treats the state

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<sup>54</sup>Karl Marx, *Contribution to the Critique of Hegel’s Philosophy of Right*, in *MECW* 3:8

<sup>55</sup>*Ibid.*, 8.

<sup>56</sup>*Ibid.*, 11. Marx means here, of course, the predicate as *Marx* would define it—the idea or the state. Hegel himself poses these as the subject, which is why Marx objects to the “inversion.”

<sup>57</sup>*Ibid.*, 23.

as an “organism” (which Marx sees a “great advance”<sup>58</sup>) he fails to explain exactly *how* the state is the organic expression of the idea. Third, since the state is presented as the expression of the idea, Hegel adopts an uncritical attitude towards the state. The state necessarily becomes viewed uncritically if it is assumed ahead of time that it is an instantiation of the self-determining idea. Fourth, in presenting the state as the subject and civil society as the predicate, Hegel fails to explain what mediates their inter-relation. Hegel at times presents forms of political representation as the mediation *between* civil society and the state, while at other times he identifies such forms *with* the state.

Although the bulk of Marx’s *Critique* focuses on his disagreements with the *Philosophy of Right*, it soon becomes clear that Marx does not just object to Hegel’s *ideas*. He objects to the way in which the relation between subject and predicate becomes inverted in *real life*—a situation, as noted earlier, that Marx finds akin to *madness*. Although civil society, in Marx’s view, is the active principle that brings the modern state into being, the latter becomes a “person apart” that dominates, controls, and restricts civil society. Nor does such real inversion stop here. The law is a result and manifestation of human activity; yet over time it takes on a life of its own and treats the actual subject, human beings, as its object. The same is true of bureaucracy: a product of subjective human interaction becomes “a circle from which no one can escape”—it becomes “the imaginary state alongside the real state.”<sup>59</sup> This is also true of political forms of representation: the legislators present themselves as the subjects who *make* the law, when

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<sup>58</sup>Ibid., 12.

<sup>59</sup>Ibid., 46-47.



in fact “the legislature does not make the law; it only discovers and formulates it.”<sup>60</sup>

The critique of inversion extends to Marx’s view of civil society. Although Marx views civil society as logically *prior* to the state, he subjects it to critical examination:

Present day civil society is the realized principle of *individualism*; the individual existence is the final goal: activity, work, content are mere means. . . . Instead of the individual function being a function of society, it turns, on the contrary, the individual function into a society for itself.<sup>61</sup>

Civil society as well, for Marx, becomes a “person apart” in so far as it is a product of humanity’s social, *communal* being—and yet the latter is prevented from being realized because of civil society’s fostering of individual egoism and self-interest. Marx may consider civil society the subject of modern society, but it is an *abstract subject* in that it represents the *separation* or *alienation* of humanity from its communal essence. As a result, its product, the state, must of necessity assume an abstract form as well. As he puts it, “In modern times the idea of the state could not appear except in the abstraction of the ‘merely political state’ or the abstraction of civil society from itself.”<sup>62</sup>

Critical as Marx is of Hegel, it would be wrong to conclude that Marx accuses him of failing to grasp the realities of the modern era. *Marx’s view is that Hegel captures the realities of the modern era all too well.* Hegel expresses in thought the inverted reality of the social relations of modernity. By identifying the state with the idea—with an

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<sup>60</sup>Ibid., 58. This statement indicates that Marx has not moved away from his attachment to natural law theory at the time he composes his critique of the *Philosophy of Right*.

<sup>61</sup>Ibid., 81.

<sup>62</sup>Ibid., 113.

*abstraction*—Hegel adequately conveys the *abstract* (or *separate*<sup>63</sup>) nature of the state. Hegel creates a veritable monument to present-day reality in the form of a philosophic system. His philosophy thereby does a tremendous service in so far as it helps bring to consciousness the realities of the world that it is the expression of.

Marx writes, “Hegel is not to be blamed for depicting the nature of the modern state as it is, but for presenting that which is as the nature of the state.”<sup>64</sup> He adds, “Hegel has often been attacked for his exposition of morality. He has done no more than expound the morality of the modern state and modern civil law.” Marx refers to this as Hegel’s “great merit.”<sup>65</sup> Marx actually praises Hegel on many occasions in the *Critique*.<sup>66</sup>

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<sup>63</sup>The modern state, for Marx, is “abstract” in so far as it is *separate* and *independent* from the social relations that engender it. It *hovers over* civil society even though it is its product. The view of the state as abstract has a long lineage in both philosophy and literature. As Octavio Paz wrote:

*I speak of towers, bridges, tunnels, hangers, wonders, and disasters  
the abstract state and its concrete police, the schoolteachers, jailers, preachers,  
the shops that have everything, where they spend everything, and it all turns to  
smoke...*

See Octavio Paz, “I Speak of the City,” in *The Collected Poems of Octavio Paz*, edit. Eliot Weinberger (New York: New Directions, 1974), 513.

<sup>64</sup>*Contribution to the Critique of Hegel’s Philosophy of Right*, in *MECW* 3:63.

<sup>65</sup>*Ibid.*, 108.

<sup>66</sup>Despite claims to the contrary by numerous writers, Marx does *not* accuse Hegel of being an apologist for the existing Prussian state. Although it is a commonplace in much of the secondary literature on Marx to claim that he accused Hegel’s *Philosophy of Right* of being an apology for Prussian absolutism, no such claim on Marx’s part appears in any of his writings. Marx criticized Hegel for accommodating to existing reality because he seeks a philosophic justification for the *relation* of civil society and the state; but he does not accuse Hegel of justifying the *specific political practices* of the Prussian government. It was not Hegel, but the late Schelling, whom Marx considered an apologist

What Marx's *Critique* does *not* do is accuse Hegel of being an "idealist" instead of a "materialist." Although many commentators have presumed that Marx attacks Hegel for "inverting" the ideal and the real in privileging the former at the expense of the latter, the criticism never appears once in the 1843 *Critique*.<sup>67</sup> Marx does not accuse Hegel of neglecting reality, nor does he counterpoise idealism to materialism. He instead writes that "abstract *spiritualism* is *abstract materialism*; *abstract materialism* is the *abstract spiritualism* of matter."<sup>68</sup> Marx does not criticize Hegel for treating *reality* abstractly; he criticizes him for treating the *subject* abstractly—that is, as a mere embodiment of predicates of consciousness. The latter defect enables Hegel to provide an *adequate* description of the actual (abstract) political realities of modern society.

While inversion is a major theme of Marx's 1843 *Critique*, it is not the only one. Marx also critiques modern society for treating "activity, work, content" as mere means to an end instead of as ends in themselves. As far back as his 1842 writings on freedom of the press, Marx wrote, "An end which requires unjustified means is no justified end."<sup>69</sup>

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for Prussian absolutism: "Schelling's philosophy is Prussian policy *sub specie philosophiae*." See Karl Marx, "Letter to Ludwig Feuerbach" [Oct. 3, 1843], in *MECW* 3:350.

<sup>67</sup>Sidney Hook entitles his discussion of the 1843 *Critique* in *From Hegel to Marx: Studies in the Intellectual Development of Karl Marx* (Ann Arbor: University of Michigan Press, 1968) as "Systematic Philosophical Idealism versus Scientific Materialism" and states, "As contrasted with Hegel, Marx's philosophy of history is at once realistic and dynamic, empirical yet hostile to the belief that 'social facts' exist ready made *in rerum natura*" (41). This dubious counterpoising of Marx's "realism" to Hegel's lack of realism characterizes many traditional interpretations of Marx.

<sup>68</sup>*Contribution to the Critique of Hegel's Philosophy of Right*, in *MECW* 3:88.

<sup>69</sup>"Proceedings of the Sixth Rhine Province Assembly," in *MECW* 1:164.

He added, “The writer does not look on his work as a means. It is an end in itself; it is so little a means for him himself that, if need be, he sacrifices his existence of its existence.”<sup>70</sup> This echo of the second formulation of Kant’s categorical imperative is no accident; Marx explicitly refers to the principle on numerous occasions.<sup>71</sup> The principle becomes integral to his “On the Jewish Question,” written shortly after the *Critique*. Marx refers to “life in civil society, in which he acts as a private individual, regards men as a means, degrades himself into a means, and becomes a plaything of alien powers.”<sup>72</sup> In the modern world, “political life declares itself to be a mere *means*, whose purpose is

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<sup>70</sup>Ibid., 175.

<sup>71</sup>Marx’s first explicit reference to the categorical imperative appears in the “Notebooks on Epicurean Philosophy,” in *MECW* 1:439. That Marx made use of this concept neither makes him a Kantian nor prevents him from having serious criticisms of Kant’s overall position. Almost all of Marx’s references to Kant are to the Second Critique; his work contained almost no explicit references to the First Critique. *The German Ideology* criticizes Kant’s emphasis on the goodness of the will by stating that it reflected the backward state of material conditions of Germany at the time. See Karl Marx and Frederick Engels, *The German Ideology*, in *Marx-Engels Collected Works*, vol. 5 (New York: International Publishers, 1976), 193-5. That Marx was highly critical of Kant did not, however, mean he was not influenced by his idea of treating one’s self and others as ends in themselves. By his own acknowledgement, Marx was a Kantian before he became a Hegelian. For Kant’s second formulation of the categorical imperative, see Immanuel Kant, *Groundwork of the Metaphysics of Morals*, in *The Cambridge Edition of the Works of Immanuel Kant: Practical Philosophy*, trans. and edit. Mary J. Gregor (Cambridge: Cambridge University Press, 1996), 80: “So act that you use humanity, whether in your own person or in the person of any other, always at the same time as an end, never merely as means.” See also Kant’s *Metaphysics of Morals*, in *The Cambridge Edition of the Works of Immanuel Kant: Practical Philosophy*, 473: “For a human being can never be treated merely as a means to the purposes of another to be put among the objects of rights to things: his innate personality protects him from this.”

<sup>72</sup>Karl Marx, “On the Jewish Question,” in *MECW* 3:154.

the life of civil society.”<sup>73</sup> On this basis Marx contrasts *political* emancipation with *human* emancipation. In *political* emancipation civil society is “freed” from the state, but at the price of turning political life into a mere means for the satisfaction of private, selfish interests. Although political emancipation is “a big step forward”<sup>74</sup> in relation to despotic world of medieval absolutism, it produces an “upside-down” world in which “the aim appears as the means, while the means appear as the aim.” Human emancipation, in contrast, *transcends* the bifurcation of civil society and the state—it is the not-yet realized realm in which individuals treat themselves and their fellow humanity as ends in themselves, never only as a means.<sup>75</sup>

What Marx draws from his critique of modern politics and Hegel’s *Philosophy of Right* is the need to transform the *human relations* that compels individuals to subordinate themselves to products of their own creation. He states this principle as: “All emancipation is a *reduction* of the human world and relationships to *man himself*.”<sup>76</sup>

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<sup>73</sup>Ibid., 155.

<sup>74</sup>Ibid., 165.

<sup>75</sup>Although Marx never uses, as far as I am aware, Kant’s formulation of “the kingdom of ends,” he does write: “Hence law withdraws into the background in the face of man’s life as a life of freedom.” See “Proceedings of the Six Rhine Assembly,” in *MECW* 1:162.

<sup>76</sup>“On the Jewish Question,” in *MECW* 3:168. Emphases are in the original. It is left unclear as of this point in Marx’s writings as to whether human emancipation would require *the abolition of the state per se* as well as the abolition of the separation of the state from civil society. As I will attempt to show later in this study, in his later writings Marx does explicitly call for the abolition of the state.

Given Marx's sharp critique of modern society in the 1843 *Critique* and "On the Jewish Question," it is tempting to ask what he envisions as the alternative to its "abstract" and inverted conditions. While Marx does not directly address the question, several points seem to be implied by his analysis. One, the individualistic and atomized nature of civil society needs to be changed so as to accord with the communal nature of humanity. Two, the separation of the state from the citizenry must be overcome—not only through the development of representative institutions but also by the transformation of egotistical civil society. Three, political and social power should not be monopolized by particular interests at the expense of the general interests of the mass of citizenry, as is the case with modern bureaucracy. Four, a genuine "mediation" between a transformed civil society and the state is needed—as against the false forms of mediation suggested by Hegel's limited discussion of representative institutions.

Other interpretations of the implications of Marx's *Critique* for envisioning an alternative are possible and the above is by no means an exhaustive list.<sup>77</sup> However, we need to be especially cautious about drawing inferences about Marx's view of an alternative from the 1843 *Critique*. This is not only because it does not explicitly address alternatives. Most of all, it is because it was composed *prior* to Marx's full break with capitalism. The *Critique* never so much as mentions either the proletariat or socialism and

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<sup>77</sup>See Leopold, *The Young Karl Marx*, 248-251, for an alternative list of possibilities. Although I concur with many of Leopold's points, he underemphasizes the extent to which Marx's 1843 *Critique* suggests the need for a radical transformation of civil society.

communism. Instead, it states, “Democracy is the solved riddle of all constitutions.”<sup>78</sup>

He will later use a similar phrase in his *Economic and Philosophic Manuscripts of 1844*—except that he will there refer to *communism* as the “solved riddle.”<sup>79</sup> The *Critique* also states, “Only democracy, therefore, is the true unity of the general and the particular.”<sup>80</sup> Although Marx will remain a firm defender of democracy for the rest of his life, he writes very differently on “On the Jewish Question” (written only a few months later) in distinguishing political from human emancipation. Political democracy, he argues, does not end the separation of man from man; instead, it elevates the particular *over* the general. “It makes every man see in other men not the *realization* of his own freedom, but the *barrier* to it.”<sup>81</sup> Marx therefore speaks of the need to “suppress” the “prerequisite” of civil society by “declaring the revolution to be permanent.”<sup>82</sup> By the time of his 1843-44 essays in *Deutsch-Französischer Jahrbücher*, Marx realizes that a

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<sup>78</sup>*Contribution to the Critique of Hegel’s Philosophy of Right*, in *MECW* 3:29.

<sup>79</sup>In 1844 he writes, “Communism is the riddle of history solved, and it knows itself to be this solution.” See Marx, *Economic and Philosophic Manuscripts of 1844*, in *MECW* 3: 296-7.

<sup>80</sup>*Contribution to the Critique of Hegel’s Philosophy of Right*, in *MECW* 3:30. According to Michael Löwy, “The word ‘democracy’ had for Marx a specific meaning: abolition of the separation between the social and the political, the universal and the particular.” This does not change the fact that there is a significant difference between Marx’s 1843 *Critique* and his *Economic and Philosophic Manuscripts of 1844*, in that by the time of the latter he spoke in terms of communism, and not only democracy, as the expression of this abolition. Löwy himself contends that in the 1843 *Critique* Marx remains “ideologically confused.” See Michael Löwy, *The Theory of Revolution in the Young Marx* (Chicago: Haymarket Books, 2005), 41-45.

<sup>81</sup>“On the Jewish Question,” in *MECW* 3:163.

<sup>82</sup>*Ibid.*, 156.

*thoroughgoing* social transformation is needed in order for society to become expressive of humanity's "species being"—its capacity for free, conscious, *purposeful* activity.<sup>83</sup>

There may be a philosophic basis to the political limitations in the 1843 *Critique*, in that in some passages Marx seems to remain under the spell of Young Hegelian assumptions—even while trying to become free from them. At one point, in objecting to Hegel for positing "self-knowing and self-willing mind" as the subject, he says he prefers that "actual mind [be] the starting point."<sup>84</sup> This seems some ways from his later emphasis on stressing *the material conditions of society* as the starting point.

Despite these limitations, the 1843 *Critique* marks a crucial moment in Marx's evolution, since through his study of Hegel's *Philosophy of Right* he has come to a much richer understanding of the contradictions and defects of modern political reality. As a result, he now turns to ponder the *future*, in asking what kind of society can overcome these defects. He is not at all sure of the answer. As he writes to Arnold Ruge upon completing the *Critique*, "Not only has a state of general anarchy set in among the reformers, but everyone will have to admit to himself that he has no exact idea of what

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<sup>83</sup>Although the concept of "species-being" is central to the *Economic and Philosophic Manuscripts of 1844*, it first makes its appearance in "On the Jewish Question." The latter essay, as well as his "Contribution to the Critique of Hegel's *Philosophy of Right*. Introduction," were written at the end of 1843 and appeared in the *Deutsch-Französische Jahrbücher* in January or February 1844.

<sup>84</sup>*Contribution to the Critique of Hegel's Philosophy of Right*, in *MECW* 3:17.



the future ought to be.”<sup>85</sup> So how is one to proceed? Marx reiterates his preoccupation with discerning the ideal from within the real. He writes, “Constructing the future and settling everything for all times is not our concern.” He does not want to “dogmatically anticipate” the new world. Instead, he wants “to find the new world through criticism of the old one.”<sup>86</sup> He says the task is to “develop new principles for the world out of the world’s own principles.” He wants to “merely show the world what it is really fighting for, and consciousness is something that it *has* to acquire, even if it does not want to.”<sup>87</sup>

That Marx is reiterating some of the same concerns expressed in his dissertation, only now mediated by a much richer understanding of the defects of contemporary politics, is shown by his “Contribution to the Critique of Hegel’s *Philosophy of Right*. Introduction.”<sup>88</sup> The ideal towards which we must strive, Marx contends, is to unmask and transcend “human self-estrangement” in the “unholy forms” of existing society. This cannot be achieved without a *philosophy* based on “the *categorical imperative* to overthrow all relations in which man is a debased, enslaved, forsaken, despicable

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<sup>85</sup>Karl Marx, “Letters from the *Deutsch-Franzöischer Jahrbücher*,” in *MECW* 3:142.

<sup>86</sup>*Ibid.*

<sup>87</sup>*Ibid.*, 144.

<sup>88</sup>This should not be confused with the 1843 *Critique*, of which this was intended to serve as the Introduction. The former was never completed, however, and Marx published the “Introduction” in the same issue of the *Deutsch-Franzöischer Jahrbücher* that contained “On the Jewish Question.”

being.”<sup>89</sup> At the same time, “revolutions require a passive element, a material basis. . . .

It is not enough for thought to strive for realization, reality must also strive towards thought.”<sup>90</sup> Marx is clearly reaching for an element *within* reality that can realize the ideal—without putting aside the need to philosophically elucidate the ideal. For this reason he takes issue with two “parties”—the “practical political party,” which turns to reality at the expense of philosophy, and the “party of philosophy,” which turns away from reality. Marx is reiterating, on a higher level, his critique of “the party of the concept” and “the party of reality” that he took issue with in his dissertation.<sup>91</sup>

So what is the element within reality that is capable of realizing his philosophic ideals? None other than “a class of civil society which is not of civil society, an estate which is the dissolution of all estates, a sphere which has a universal character by its universal suffering and claims no *particular right*”—the *proletariat*.<sup>92</sup> Hence, “as philosophy finds its material weapons in the proletariat, so the proletariat finds its spiritual weapons in philosophy.” With his discovery of the proletariat as the

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<sup>89</sup>Karl Marx, “Contribution to the Critique of Hegel’s *Philosophy of Right*. Introduction,” in *MECW* 3:182. Emphasis is by Marx in the original.

<sup>90</sup>*Ibid.*, 183.

<sup>91</sup>See Marx, “Difference Between the Democritean and Epicurean Philosophy of Nature,” in *MECW* 1:86.

<sup>92</sup>“Contribution to the Critique of Hegel’s *Philosophy of Right*. Introduction” in *MECW* 3:186. Marx’s wording here closely follows Emmanuel Sieyès phrases in discussing the third estate in *Qu’est-ce que le tiers état*, published in 1789 on the eve of the French Revolution: “What is the third estate? Everything.—What was it until now in the political respect? Nothing.—What is it striving for? To be something.” See *MECW* 3: 743.

revolutionary class, Marx has resolved—or so he thinks—the problematic that preoccupied him for years concerning the need to overcome the diremption of philosophy and reality. “Philosophy cannot be made a reality without the abolition of the proletariat, and the proletariat cannot be abolished without philosophy being made a reality.”<sup>93</sup>

It is important to note that Marx’s discovery of the proletariat as the revolutionary class *precedes* his study of “economic matters,” which began later in 1844. His conception of the proletariat was part of an effort to resolve a *philosophic* problematic.<sup>94</sup> Now that he has fully broken from capitalist society, he will utilize the concepts he had developed in his work of 1842-43—such as subject-predicate inversion, treating oneself and others as ends in themselves, and the need to transform the *human relations* between individuals—as he turns to explore the *economic* conditions of modern existence.

#### Marx’s Critique of Economics and Philosophy, 1843-44

Marx follows his 1842-43 criticism of politics and philosophy with a wide-ranging critique of economics and philosophy, beginning in 1844. He plunges into an extensive study of economic literature, taking voluminous notes on Smith, Ricardo, Say,

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<sup>93</sup>Ibid., 187.

<sup>94</sup>This is not to suggest that Marx’s discovery of the proletariat was *purely* a product of philosophic reasoning, let alone a “literary myth,” as some have argued. Upon moving to Paris in November 1843, Marx for the first time directly meets with French workers and groups of German communists in exile, whose membership consisted overwhelmingly of proletarians. Marx’s “discovery” of the proletariat in the “Introduction” was impacted by those experiences. As he later wrote to Feuerbach, “You would have to attend one of these meetings of the French workers to appreciate the pure freshness, the nobility which burst both from these toil-won men.” See Karl Marx, “Letter to Ludwig Feuerbach” [Aug. 11, 1844], in *MECW* 3:355.

MacCulloch, James Mill, List, Skarbek and many others.<sup>95</sup> He also makes direct contact with secret societies of self-proclaimed “materialist communists,” in April or May 1844. These groups were distinguished from the utopian socialists in emphasizing the need to abolish private property in the means of production through a social revolution. Unlike many of the utopian socialist groupings, they were largely composed of proletarians.<sup>96</sup>

As Marx comes to a deeper understanding of the nature of capitalism, he becomes more specific about what he sees as its problems. Of foremost importance in this regard is his attitude towards private property and the market. In an early writing that has often been overlooked in the critical literature on Marx—his 1844 “Comments on James Mill, *Éléments d'économie politique*”—he sharply attacks the market, exchange relations, and money, seeing in them “the social act which man’s activity is alienated from itself.”<sup>97</sup> He

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<sup>95</sup>For Marx’s excerpt notebooks on economics from 1844, see *Karl Marx-Friedrich Engels. Excerpte under Notizen 1843 bis Januar 1845*, in *MEGA*<sup>2</sup> IV/2, (Berlin: Dietz Verlag, 1981), 301-591.

<sup>96</sup>It is important to note that Marx never joined any utopian tendencies and groupings. Yet he did work with the League of the Just, which he joined when it became the Communist League, in 1847. It was founded in 1836. In 1840 other groups of communists arose, such as the Society of Egalitarian Workers and the Revolutionary Communist Society. The membership of these groups was almost exclusively working class, though most were artisans and not industrial workers. In light of this actual history, the claim that the idea of socialism and communism was introduced to the workers “from outside” by radical intellectuals like Marx—a notion famously propagated by V.I. Lenin in *What is to be Done*—is especially specious. For more on this period, see Löwy, *The Theory of Revolution in the Young Marx*, 59-85.

<sup>97</sup>Karl Marx, “Comments on James Mill, *Éléments d'économie politique*,” in *MECW* 3:212.

finds commerce and trade to be an “*estranged* form of social intercourse.”<sup>98</sup> The

problem that he has with commerce is that,

the mediating process between men engaged in exchange is not a social or human process, not *human relationship*: it is *the abstract relationship* of private property to private property, and the expression of this *abstract* relationship is *value*, whose actual existence as value constitutes *money*.<sup>99</sup>

Exchange represents an object-object relation, in which the subject has little or no say.

*Chance* and *accident* rules in relations of exchange, not the deliberate acts of human

beings.<sup>100</sup> Whereas in pre-capitalist societies people oppress *people*, in capitalism *things*

oppress people. “What was the domination of person over person is now the general

domination of the thing over the person, of the product over the producer.”<sup>101</sup> Marx is

measuring market and exchange relations against the normative principle, voiced by him

in 1843, that “*all* emancipation is a reduction of the human world and relationships to

*man himself*.”

Marx’s objection to exchange relations and the market is clearly stated. What is

not so clear from the Mill excerpts is *why* do exchange relations take on an alienated

form? Is it because of the nature of exchange as such? Or is it because of the social

relations that they are the expression of?

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<sup>98</sup>Ibid., 217.

<sup>99</sup>Ibid., 213.

<sup>100</sup>Marx makes the same point in his critical excerpt notes on Ricardo and Say, written about the same time. See Karl Marx, “D. Ricardo. *Des Principes de l’économie politique et de l’impôt*, traduit de Constancio etc,” in *MEGA*<sup>2</sup> IV/2, 392-427.

<sup>101</sup>“Comments on James Mill, *Éléments d’économie politique*,” in *MECW* 3:221.

Marx provides a possible answer when he writes, “The relationship of exchange being presupposed, *labor becomes directly labor to earn a living.*”<sup>102</sup> The meaning of this phrase is not transparent, since Marx must have known that exchange relations long precede the emergence of wage labor. He mentions that in “primitive” exchange relations prior to a developed division of labor, what enters the market is only the laborer’s surplus product. Wage labor cannot become the medium of social reproduction under such a “primitive form of *alienated* private property.” It is only later, when “the division of labor, the product, the material of private property, acquires for the individual more and more the significance of an *equivalent*” that universalized market relations emerge. At *that* point,

[T]he individual no longer exchanges only his *surplus*, and the object of his production can become simply a *matter of indifference* to him, so he too no longer exchanges his product for something directly *needed* by him. The equivalent now comes into existence as an equivalent in *money*, which is now the immediate result of labor to gain a living and the *medium* of exchange.<sup>103</sup>

It therefore appears that it is not exchange as such that is the problem but conditions in which exchange becomes *depersonalized*. No longer is one person exchanging a surplus product with another who has his own to exchange. Now *all* products, regardless of their material content and the needs that they may fulfill, are treated as expressions of an abstract equivalent—money. *Generalized* commodity exchange therefore leads to wage labor. Marx sees this as an *adverse* development, since

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<sup>102</sup>Ibid., 219.

<sup>103</sup>Ibid., 221.

“The complete domination of the estranged thing *over* man has become evident in *money*, which is completely indifferent . . . to the personality of the property owner.”<sup>104</sup>

In issuing this criticism, Marx introduces a new concept—*alienated labor*. He refers to it as “labor to earn a living.” Alienated labor reaches its “highest peak,” he writes, when “he who buys the product is not himself a producer, but gives in exchange what someone else has produced.”<sup>105</sup> He does not say much more about alienated labor, returning instead to the problems that he sees with exchange. It is therefore left unclear as to whether alienated labor *produces* alienated exchange relations or whether it *results* from generalized commodity exchange. Marx has not yet clarified the *relation* between alienated labor on the one hand and the market and private property on the other.

At the end of the piece he suddenly writes, “Let us suppose that we had carried out production as human beings.” For the first time he ventures into a discussion of a postcapitalist society, writing: (1) “In my production I would have objectified my individuality, its specific character”<sup>106</sup>—that is, alienated labor would no longer exist. I would now *enjoy* my activity as well as its products, since the products would express the specific character of my individuality. (2) In doing so I would have the satisfaction of meeting another person’s need through the objectification of my activity. (3) “I would have been the mediator between you and the species”—and so I would see the other person not as a hostile competitor but as a necessary complement to myself. (4) “In the

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<sup>104</sup>Ibid.

<sup>105</sup>Ibid., 219-20. Marx here clearly identifies wage labor with alienated labor—a theme that he will further develop in his later work.

<sup>106</sup>Ibid., 227.

individual expression of my life I would have directly created your expression of your life”—that is, the separation of private from general interests would be overcome. “Our products would be so many mirrors in which we saw reflected our essential nature”—*because* “my work would be a free manifestation of life,” as would yours.<sup>107</sup>

Curiously, it is only in discussing this vision of a new society that Marx indicates that the limitations of the market and exchange *result* from alienated labor. However, since the discussion of alienated labor is very brief and in the context of a lengthy critique of exchange relations, it is possible to read the Mill excerpts as suggesting that his main object of criticism is the “arbitrary” or “irrational” character of the market.<sup>108</sup> How the piece is read largely hinges on determining exactly when Marx composed the Mill excerpts. If he did so *before* writing the *Economic and Philosophic Manuscripts of 1844*, it would indicate that there was an evolution of his thinking in which the question of alienated labor took on new importance. If he did so *after* writing the *1844 Manuscripts*, it could indicate that he considered the critique of market and exchange relations as of equal or even of greater importance than alienated labor. Although there is no scholarly consensus as to the exact dating of the respective manuscripts, it appears from the most recent research that the Mill excerpts *precede* the *1844 Manuscripts*.<sup>109</sup>

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<sup>107</sup>Ibid., 228.

<sup>108</sup>This is how Allan Megill reads the Mill excerpts. I will respond to this, below.

<sup>109</sup>See Jürgen Rojahn, “Die Marxschen Manuskripte aus dem Jahre 1844 in der neuen Marx-Engels-Gesamtausgabe,” in *Archive für Sozialgeschichte*, 25 (1985): 647-63. He writes, “As for the *exzerpte* from Ricardo’s and Mill’s books, there is no clear evidence of when exactly they were made. . . . It is however beyond doubt that Marx *read* Mill’s book before writing the Third Manuscript” of the *1844 Manuscripts*. See Jürgen



The *Economic and Philosophic Manuscripts of 1844* are the most famous of Marx's early works. To see how it marks a further development of the project that he embarked upon from his earliest writings, it is important to grasp the *philosophic* underpinning of his critique of political economy as well as the *economic* ramifications of his critique of Hegelian philosophy. The two sides have not always achieved sufficient attention. For instance, although Hal Draper devotes considerable attention to Marx's work of the 1840s in his multi-volume *Marx's Theory of Revolution*, he pays scant attention to the Hegelian inheritance, scornfully dismissing it as something Marx "sloughed off" as he clarified his new world view.<sup>110</sup> At the other extreme, Michel Henry provides a close reading of Marx's debt to Hegel in *Marx: A Philosophy of Human Reality* while passing over its implications for the critique of political economy.<sup>111</sup> I will seek to show that Marx's encounter with Hegel—as well as the concepts elaborated by him *prior* to his break with capitalism—directly impacted his understanding of capital as well as his conception of the alternative to it.

In the *1844 Manuscripts* Marx follows the classical political economists in defining capital as congealed labor. However, he introduces the important additive that capital is not the congealment of any kind of labor. It is congealed *abstract* or alienated

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Rojahn "The Emergence of a Theory: The Importance of Marx's Notebooks as Exemplified by Those of 1844," in *Rethinking Marxism*, 14, no. 4 (Winter 2002), 38.

<sup>110</sup> See Hal Draper, *Karl Marx's Theory of Revolution: I. State and Bureaucracy* (New York: Monthly Review Press, 1977), 94.

<sup>111</sup> See Michel Henry, *Marx: A Philosophy of Human Reality*, trans. Kathleen McLaughlin (Bloomington: Indiana University Press, 1983).

labor. As he writes in the Second Manuscript, capital is the expression of “a special sort of work [which is] indifferent to its content, of complete being-for-self, of abstraction from all other being.”<sup>112</sup> Though Marx has not yet developed his concept of the dual character of labor that will become so central to *Capital* (and which he defines as his unique contribution to the critique of political economy), in 1844 he already defines capital as congealed abstract labor. He writes in the First Manuscript,

The proletarian . . . lives purely by labor, and by a one-sided, abstract labor . . . what in the evolution of mankind is the meaning of this reduction of the greater part of mankind to abstract labor? Political economy considers labor in the abstract as a thing, labor as a commodity. . . . Capital is stored up labor.<sup>113</sup>

The worker is forced to live “purely by labor” in becoming an instrument of production—a mere appendage to a machine. He writes, “The machine accommodates itself to the weakness of the human being in order to make the human being into a machine.”<sup>114</sup> The workers’ activity is reduced to an “abstract mechanical movement.” What makes this development possible is the separation of labor from the objective conditions of production. By tearing the laborers from their connection to their “natural workshop” of the land, capitalism denies workers a direct connection to the means of production. The workers “own” nothing but their capacity to labor<sup>115</sup> and are compelled

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<sup>112</sup>Marx, *Economic and Philosophic Manuscripts of 1844*, in *MECW* 3:286.

<sup>113</sup>*Ibid.*, 241, 247.

<sup>114</sup>*Ibid.*, 308.

<sup>115</sup>In the *1844 Manuscripts* Marx does not distinguish between labor and labor power. I will discuss the ramifications of this crucial distinction in the chapter dealing with Marx’s *Capital*.

to sell it to individual property owners. Private interest prevails over general interest in the form of private ownership of the production process. As noted earlier, Marx views the predominance of the former over the latter as a violation of the communal or social nature of humanity. He therefore aligns himself with the main demand of the socialist and communist movements of his time—the abolition of private property.<sup>116</sup>

However, Marx brings a distinctive perspective to demands to transform property relations by arguing that the abolition of private property does not necessarily lead to the abolition of capital. To liberate the worker, he argues, it is necessary to go deeper than the property relation and deal with “the direct relation of the worker and production.”

In doing so, we discover that in the production process “labor itself becomes an object.”<sup>117</sup> Labor, as a subjective activity, becomes *thingified*. It is not hard to notice the separation or alienation of the product from the producer on the basis of the principles enunciated by the classical political economists, since they argued that labor is the source of all value. It stands to reason, once this premise is accepted, that the workers receive less value in the forms of wages and benefits than is contained in the value of their products. However, classical political economy *conceals* what Marx considers the more important problem—the separation or alienation of labor *from its own activity*. When we

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<sup>116</sup>The identification of communism with the abolition of private property has a lineage that long predates the modern era. The “materialist communists” first emerged around 1840 and distinguished between private ownership of goods (which they did not oppose) and private ownership of the means of production. The “materialist communists”—which includes such figures as D ezamy, Pillot, Gray, and Charavay—should not be confused with *utopian socialists* (which included Cabet, Owen, Fourier and Saint-Simon), some of whom tended not to make this distinction.

<sup>117</sup>*Economic and Philosophic Manuscripts of 1844*, in *MECW* 3:272.

directly examine what happens to the worker in the process of production, we see that his own activity “is turned against him, [becomes] independent of him.”<sup>118</sup> Marx is now applying his critique of subject-predicate inversion to the labor process. The very activity of the subject becomes the predicate—a thing apart that dominates and controls the *real* subject.

Marx also critiques existing society for treating labor into a mere *means* to an end instead of as an end in itself. As he puts it, “In the wage of labor, the labor does not appear as an end in itself but as the servant of the wage.”<sup>119</sup> The products of labor are likewise not treated as ends in themselves, but only as means to satisfy egotistical need.

Although Marx *begins* his criticism by showing that workers are alienated from the product of their labor, he takes great pains to show that the source of this inequity lies in the alienated character of labor itself. By reducing labor to a mere *means* to earn a living in which all joy and satisfaction is banished, the workers no longer feels at home in their own labor. This necessitates the existence of an alien class which extracts *forced* labor from the worker. Only then does it become possible for the product of labor to become alienated from the worker. For this reason Marx writes, “The relationship of the worker to labor creates the relation of it to the capitalist (or whatever one chooses to call the master of labor).”<sup>120</sup> He concludes:

Private property is thus the result, the necessary consequence of alienated labor,

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<sup>118</sup>Ibid., 275.

<sup>119</sup>Ibid., 280.

<sup>120</sup>Ibid., 279.

of the external relation of the workers to nature and to himself . . . though private property appears to be the reason, the cause of alienated labor, it is rather its consequence, just as the gods are originally not the cause but the effect of man's intellectual confusion.<sup>121</sup>

Marx thinks he is onto something important here; he explicitly says it “sheds light on various hitherto unresolved conflicts.”<sup>122</sup> The inattentive reader may pass over the fact that it resolves a conflict that Marx himself has been struggling with. As we saw from the “Comments on James Mill,” Marx initially focuses his critique of capitalism on the existence of private property and relations of exchange. For this reason, his first encounter of Proudhon's work—which held that “property is theft”—was highly positive. He now takes a very different view. Classical political economy, he notes, “starts from labor as the real soul of production” and yet never directly analyzes the relation of the worker and production. It instead “gives” everything to its defense of private property. However, “when one speaks of private property, one thinks of dealing with something external to man.”<sup>123</sup> Property is, after all, the *product* of human activity. Classical political economy reverses matters, by presenting the predicate—property relations—as the determining factor while ignoring the estranged nature of the workers' activity. Marx now realizes that Proudhon fails to break from this inversion. “Proudhon has decided in favor of labor against private property”<sup>124</sup> since he opposes private property. However, he

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<sup>121</sup>Ibid.

<sup>122</sup>Ibid., 280.

<sup>123</sup>Ibid., 281.

<sup>124</sup>Ibid., 280.

does not recognize that capitalism's property relations are themselves a product of "the contradiction of estranged labor with itself."<sup>125</sup> Much like the classical political economists, Proudhon is "dealing with something external to man."

Marx, on the other hand, sees the need to go much further. As noted earlier, in "On the Jewish Question" Marx wrote, "All emancipation is a *reduction*, of the human world and relationships to *man himself*."<sup>126</sup> He reaches this view through a critique of religion. In contrast to Bruno Bauer and the Hegelian Left, Marx does not see religion as the cause of secular distress; he rather sees secular distress as the cause of religion. He proceeds to try to comprehend the reasons for secular distress. As he comes into contact with socialist and communist currents and engages in a serious study of political economy in 1844, he sees that the existence of private property is a major reason for such distress. However, since private property is an objectified *product* of human activity, the critique of private property does not satisfy the requirement of *reducing* all emancipation to "relationships to man himself." The critique of private property still deals with what is "external to man." Marx's normative principle of *human* emancipation—which he reiterates in 1844 as "man's relation to himself only becomes for him *objective* and *actual* through his relation to the other man"<sup>127</sup>—drives him to look deeper than the property relation. This takes him to his theory of alienated labor. As he puts it, "When one speaks of labor, one is directly dealing with man himself. This new formulation of

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<sup>125</sup>Ibid., 281.

<sup>126</sup>"On the Jewish Question," in *MECW* 3:168.

<sup>127</sup>*Economic and Philosophic Manuscripts of 1844*, in *MECW* 3:278.

the question already contains its solution.”<sup>128</sup>

*How* does it contain its solution? It follows from the analysis that while private property must be abolished—since it separates workers from the conditions of production—that alone does not get to the heart of the problem. The heart of the problem is abolishing capital itself, by ending the estrangement in the very activity of laboring. *We have reached the conceptual pivot of what Marx sees as the alternative to capitalism.*

Marx comes to this conclusion by proceeding *phenomenologically*. As noted earlier, the “Comments on James Mill” *begins* by taking issue with the most obvious, *phenomenal* manifestations of distress in capitalist society: the inequalities generated by private property and the market. As he deepens his critique of capitalism on the basis of the normative principles projected in his early writings, he emphasizes the essential determinants responsible for private property and the market. By the end of the *1844 Manuscripts* he has reached a self-clarification that was not yet evident in his earlier writings.<sup>129</sup> Marx’s process of coming to terms with the alienation of labor is a vivid self-confirmation of his statement that “the transcendence of self-estrangement follows the same course of self-estrangement.”<sup>130</sup>

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<sup>128</sup>Ibid., 281.

<sup>129</sup>On these grounds I differ from Rojahn’s assessment: “The comments by which Marx interrupted his *exzertpe* from Mill’s *Elements* surpass in clarity most of the expositions given in the First, Second, and Third Manuscripts.” See Rojahn, “The Emergence of a Theory,” 45.

<sup>130</sup>*Economic and Philosophic Manuscripts of 1844*, in *MECW* 3:294. In this sense, it is worth keeping in mind the statement from Marx’s doctoral dissertation that serves as the frontispiece quotation of this chapter. What Marx often presents as knowledge of the outer world can be read as a self-knowledge that he has obtained from his relation to it.

Now that Marx has penetrated to the root of the problem of capitalism, he becomes more specific about the postcapitalist society he is reaching for. Wages, he writes, are a form of private property, since they are paid to the worker on the basis of the capitalist's ownership of the products of labor. He has shown that private property is not the cause but the consequence of alienated labor. It follows that paying everyone an equal wage—as proposed by many utopian socialists—fails to address the issue of alienated labor. In fact, Marx writes, “the *equality of wages*, as demanded by Proudhon, only transforms the relationship of the present-day worker to his labor into the relationship of all men to labor. Society is then conceived as an abstract capitalist.”<sup>131</sup> This is in many respects a remarkable passage, for it anticipates the problems with many of the social experiments that will be carried out (ironically enough) in Marx's name in the twentieth century. Two points are worth noting from this. First, wages, like property, are *results* of human activity. They are made *necessary* by the existence of alienated labor. To ignore alienated labor while altering wage and property relations through the elimination of private capitalists does not undermine the necessity for a ruling class to impose forced labor on the workers. *Society has a whole* now becomes the “abstract capitalist.” One form of oppression is ended by instituting an ever more egregious form of oppression. Second, if everyone is paid the same wage, labor becomes treated as a uniform abstraction. Treating labor as an abstraction, however, is precisely the problem with alienated labor. Proudhon reduces property to “labor”: but he has failed to notice that this is precisely what capitalism does by treating “labor” as a producer of value irrespective of

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<sup>131</sup>Ibid., 280.



the laborer's actual *human* characteristics.<sup>132</sup> In the name of "liberation," Proudhon is fulfilling the central mission of capitalism—to reduce labor to an undifferentiated sameness, which Marx calls "abstract labor."

Since Marx's 1844 critique of Proudhon represents the first time that he has distinguished his understanding of a postcapitalist society from that of a fellow socialist, we need to look more closely at the issue. Although it may not be obvious from a first reading, the concepts that Marx employs in his critique are largely drawn from Hegel's dialectic. Marx's expression that capital is the expression of "a special sort of work [which is] indifferent to its content, of complete being-for-self, of abstraction from all other being," indicates that he is utilizing Hegelian categories to describe capital. Capital, as self-expanding value, is "indifferent" to otherness, be it of nature or human sensuousness, which it seeks to subsume under its self-movement; yet at the same time, capital must take on a material, externalized form. Hegel presents a similar dynamic in discussing "being-for-self" in the *Science of Logic*:

We say that something is for itself in so far as it transcends otherness, its connection and community with other, has repelled them and made abstraction from them. . . . Being for self is the polemical, negative attitude towards the limiting other, and through this negation of the latter is a reflectedness-into-self, although along with this return of consciousness into itself and the ideality of the object, the reality of the object is also still preserved, in that it is at the same time known as an external existence.<sup>133</sup>

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<sup>132</sup>Marx writes, "Under the semblance of recognizing man, the political economy whose principle is labor rather carries to its logical conclusion the denial of man." *Ibid.*, 291. Marx will later write that Proudhon critiques political economy from the standpoint of political economy.

<sup>133</sup>Hegel, *Science of Logic*, 158.

Marx's employment of Hegelian categories to delineate the logic of capital will take on even greater significance in the *Grundrisse* and *Capital*. Yet this does not mean that Hegel was important to Marx only insofar as he helps reveal the nature of capital. Hegel's dialectic also impacted Marx's conception of what is needed to *transcend* capital. This is especially seen from his critical appropriation of Hegel's dialectic of negativity "as the moving and creating principle" in the *1844 Manuscripts*. In Hegel, all movement proceeds through the power of negativity, the negation of obstacles to the subject's self-development. The actual transcendence of these obstacles is reached not through the negation of their immediate and external forms of appearance (which Hegel calls first negation), but through "the negation of the negation." In the "negation of the negation," the power of negativity gets turned back upon the self, upon the internal as well as external barriers to self-movement. The negation of the negation, or *absolute negativity*, posits from itself the *positive*, the transcendence of alienation. For Hegel second negativity "is the innermost and most objective moment of life and spirit, by virtue of which a subject is personal and free."<sup>134</sup> As he wrote in the *Science of Logic*

But in all this, care must be taken to distinguish between the *first* negation as negation *in general*, and the second negation, the negation of the negation: the latter is concrete, absolute negativity, just as the former on the contrary is only *abstract* negativity.<sup>135</sup>

Marx enters into a direct engagement with Hegel's concept of negativity in the final part of the Third Manuscript, the "Critique of the Hegelian Dialectic." He focuses

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<sup>134</sup>Ibid., 830.

<sup>135</sup>Ibid., 115-6.

on the concluding chapter of the *Phenomenology of Mind*, “Absolute Knowledge,” as well as the *Encyclopedia of Philosophical Sciences*. The chapter on “Absolute Knowledge” contains Hegel’s fullest discussion of self-movement through self-reflected negativity, and Marx believes that he has found within it the merits as well as demerits of Hegel’s philosophical system as a whole. The significance that Marx accords the chapter on “Absolute Knowledge” is indicated by the fact that he devotes more direct and detailed investigation of it than to any other single chapter of Hegel’s writings.<sup>136</sup>

In his “Critique of the Hegelian Dialectic,” Marx is first of all scathingly critical of what he finds in “Absolute Knowledge,” which represents a summation of the stages of consciousness traversed in the *Phenomenology* as a whole. He argues that the chapter shows that the *structure* of the *Phenomenology* is fatally flawed because the *subject* of the dialectical movement is disembodied self-consciousness instead of as live men and women. Marx writes, “For Hegel the human being—*man*—equals self-consciousness.”<sup>137</sup>

This *dehumanization of the Idea* has critical ramifications for Hegel’s philosophic system as a whole. Since Hegel presents the subject as disembodied thought, the externalization (or alienation) of the subject’s creative capacities is treated as mere objects of thought. Or as Marx puts it, “the products of men appear as the products of the

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<sup>136</sup>This is true both of Marx’s early writings on Hegel and his writings and commentaries on Hegel as a whole. Although the 1843 *Contribution to the Critique of Hegel’s Philosophy of Right* is lengthier than the 1844 “Critique of the Hegelian Dialectic,” Marx does not provide as detailed an analysis of a specific chapter in the former as he does for “Absolute Knowledge” in the latter.

<sup>137</sup>Marx, *Economic and Philosophic Manuscripts of 1844*, in *MECW* 3:334.

abstract spirit.”<sup>138</sup> And since externalized objects are mere thought-forms, Hegel poses the transcendence of externalization or alienation as the return of thought to itself—“Absolute Knowledge”—and not as return of *humanity* to itself.

In sum, the *structure* of Hegel’s philosophic system *inverts* the relation of subject and predicate. Marx contends that even when the *Phenomenology* brilliantly illuminates the nature of *real* phenomena—such as civil society, the family, and the state—it does so by treating them as emanations of the Idea. What Marx had earlier pinpointed as the central flaw in the *Philosophy of Right*—*the inversion of subject and predicate*—is now seen by him as the Achilles heel of Hegel’s entire philosophy. Marx is here clearly relying heavily on Feuerbach’s *The Essence of Christianity*, the work in which Feuerbach made much of Hegel’s inversion of subject and predicate.<sup>139</sup>

It is important to recognize, however, that by inversion Marx is *not* referring to Hegel’s prioritizing of “idealism” over “materialism.” Marx’s critique of the *Phenomenology* no more counterpoises “materialism” to Hegel’s “idealism” than does his earlier analysis of the *Philosophy of Right*.<sup>140</sup> As he did earlier, Marx *credits* Hegel for his *realistic* insight into actual *material* conditions. This is especially the case when it

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<sup>138</sup>Ibid., 331.

<sup>139</sup>The fact that Marx is influenced at this point by Feuerbach’s critique of inversion does not mean that he follows all aspects of it; nor does it mean that Marx derives the critique of inversion from Feuerbach, as I noted earlier.

<sup>140</sup>When he poses his own positive alternative to the defects that he finds in Hegel, Marx argues for a *unity* of idealism and materialism: “Here we see how consistent naturalism or humanism is distinct from both idealism and materialism, and constitutes at the same time the unifying truth of both.” See *Economic and Philosophic Manuscripts of 1844*, in *MECW* 3:336.

comes to the concept of *labor*. Marx writes that the “outstanding achievement” of Hegel’s *Phenomenology* “and of its final outcome”—a direct reference to the chapter on “Absolute Knowledge”—is its treatment of labor:

Hegel conceives the self-creation of man as a process, conceives objectification as loss of the object, as alienation and as transcendence of this alienation; that he grasps the essence of *labor* and comprehends objective man—true, because real man—as the outcome of man’s *own labor*.<sup>141</sup>

Marx adds, “The only labor which Hegel knows and recognizes is *abstractly mental* labor.”<sup>142</sup> Many commentators have taken this to mean that Marx is accusing Hegel of dealing only with intellectual labor, not the corporeal labor of the actual process of production.<sup>143</sup> On these grounds they argue that Marx is counterpoising a “materialist” conception of labor to Hegel’s “idealism.” However, a careful examination of the text raises serious questions about this interpretation. First, it is hard to imagine that Marx would have so superficial an understanding of Hegel as not to realize that the *Phenomenology* discusses labor in *concrete* terms in numerous places—such as in the

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<sup>141</sup>Ibid., 332-3.

<sup>142</sup>Ibid., 333.

<sup>143</sup>This interpretation especially characterizes C.J. Arthur’s work. He writes, “The first thing that should give us pause is that immediately after this praise Marx qualifies it by complaining that ‘the only labor Hegel knows and recognizes is *abstract mental* labor.’ The servant’s labor is clearly *material*, so this remark shows that not only has Marx not drawn on that analysis, but he has actually *forgotten* all about it and done Hegel a minor injustice!” It is hard to imagine that Marx could have “forgotten” that Hegel deals with non-mental labor throughout the *Phenomenology*. Moreover, Arthur—like many others—is conflating Hegel’s discussion of specific manifestations of labor with the *structure* of his philosophic system as a whole. See C.J. Arthur, “Hegel’s Master-Slave Dialectic and a Myth of Marxology,” *New Left Review* (November-December 1983): 67-75.

master-slave dialectic. Second, the above interpretation fails to account for Marx's view that the *Phenomenology* gives a *real* account of human relations—labor among them.

So why does Marx write that Hegel recognizes only abstractly mental labor? Nicholas Lobkowitz, who takes issue with many traditional readings of Marx's critique of Hegel in *Theory and Practice: History of a Concept from Aristotle to Marx*, helps supply us with the answer:

In short, Marx does not accuse Hegel of having treated labor as if it were a thought activity. Rather, he accuses him of having in the *Phenomenology* described human history in terms of a dialectic of consciousness, not in terms of [a] dialectic of labor. When he says that the only labor which Hegel recognizes is abstract mental labor, he has in mind the structure of the *Phenomenology* and in fact of Hegel's whole [philosophy], not the passages on labor in the *Phenomenology* and other writings by Hegel. For what Marx wants to say is that Hegel's description of the movement of self-consciousness is an adulterated description of the historical movement of laboring humanity.<sup>144</sup>

According to this reading, Hegel sees labor as the creative self-expression of human creativity unfolding through the dialectical process of externalization and the transcendence of externalization. Marx was greatly indebted to Hegel for this insight. However, Marx recognizes that by structuring his system upon the notion of a disembodied subject Hegel lacked access to a vantage point from which to envision the actual transcendence of *alienated* labor in capitalist society. Like the classical political economists, he failed to distinguish between labor as a transhistorical, creative expression of humanity's "species being" and labor as the perverse reduction of such activity to an

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<sup>144</sup>Nicholas Lobkowitz, *Theory and Practice: History of a Concept from Aristotle to Marx* (Notre Dame: University of Notre Dame Press, 1967), 322.

absolute abstraction—value production. In sum, Marx accuses Hegel of seeing only the positive and not the negative side of labor.<sup>145</sup> By conflating *alienated* labor and “labor,” Hegel uncritically accommodates himself to the peculiar social form of labor in capitalism. As a result, his philosophic system becomes the expression of alienation itself. As Lobkowitz succinctly puts it:

Marx claims that the very fact that Hegel translates the real dialectic of laboring humanity into a dialectic of mentally laboring self-consciousness is itself a reflection of alienated labor. . . . Hegel’s description of history as a movement of mentally laboring self-consciousness is nothing but “the self-objectification . . . of the alienated mind of the world within its self-alienation.”<sup>146</sup>

Once again, the problem is not that Hegel fails to grasp reality. *The problem is that he grasps reality all too well.* By inverting the relation of subject and predicate, Hegel has provided a philosophic expression of “the general estrangement of the human being and therefore also of human thought.” Hegel has “brought these together and presented them

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<sup>145</sup>Marx may have altered his view of Hegel on this issue had he access to Hegel’s early writings, which were not published until after his death. Hegel’s *First Philosophy of Spirit* (1803/04) discusses labor in terms that are strikingly similar to Marx: “But in the same ratio that the number produced rises, the value of labor falls; the labor becomes that much dead, it becomes machine work, the skill of the single laborer is infinitely limited.” See *Hegel: System of Ethical Life and First Philosophy of Spirit*, edit. H.S. Harris and T.M. Know (Albany: SUNY Press, 1979), 248. Greater attentiveness to Hegel’s *Philosophy of Spirit* as published in 1817 might also have led Marx to rethink his claim that Hegel sees only the positive side of labor. Hegel writes, “The labor which thus becomes more abstract tends on the one hand by its uniformity to make labor easier and to increase production—on another to limit each person to a single kind of technical skill, and thus produce more unconditional dependence on the social system.” See *Hegel’s Philosophy of Mind*, trans. William Wallace (Oxford: Clarendon Press, 1978), 257-8.

<sup>146</sup>Lobkowitz, *Theory and Practice: History of a Concept from Aristotle to Marx*, 343.

as moments of the abstraction-process.”<sup>147</sup> In doing so the *Phenomenology* provides the philosophic expression of the very realities that Marx is determined to criticize.

Apprehending the reason that Marx accuses Hegel of knowing “only abstractly mental labor” is of critical importance in pinpointing exactly what he objects to in Hegel. The *inversion* that Marx objects to is *not* that Hegel gets things upside-down by dealing with mental instead of material entities. *He objects to the way in which Hegel inverts the relation of subject and predicate, regardless of whether he is dealing with mental or material entities.* Raya Dunayevskaya argues, “Deeply rooted as Marx’s concept of Alienated Labor is in Hegel’s theory of alienation, Marx’s analysis is no simple inversion (much less a Feuerbachian inversion) of dealing with labor when Hegel was dealing only with Consciousness.”<sup>148</sup> For all of its critical defects, Hegel’s *Phenomenology*, Marx contends, nevertheless grasps, in abstract form, the “actual movement of history.”

We are now in the position to discern the similarities as well as differences between Marx’s 1843 critique of Hegel’s *Philosophy of Right* and his 1844 critique of the *Phenomenology of Spirit* and *Encyclopedia of the Philosophical Sciences*. Marx turns to a critique of the *Philosophy of Right* in the midst of an intense engagement with *political* reality, as part of his effort to discern the limitations of existing political formations. He finds that the *Philosophy of Right* provides the philosophic expression of these limitations. In 1844, he turns to a critique of the *Phenomenology of Spirit* in the midst of

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<sup>147</sup>*Economic and Philosophic Manuscripts of 1844*, in *MECW* 3:323.

<sup>148</sup>See Raya Dunayevskaya, *Philosophy and Revolution: from Hegel to Sartre and from Marx to Mao* (Lanham MD: Lexington Books, 2003), 52.



an intense engagement with *economic* reality, as part of his effort to discern the limits of existing economic formations. He finds that the *Phenomenology* provides the philosophic expression of these limitations. In posing the subject of dialectical movement as disembodied self-consciousness, the “gallery of images” and entities analyzed in the *Phenomenology* are treated as mere thought forms. Since actual entities are treated as emanations of the Idea, Hegel adopts an *uncritical* attitude towards them. Hegel’s *Logic*, Marx writes, is “the money of the spirit”—“its essence which has grown totally indifferent to real determinateness.”<sup>149</sup> Hegel’s philosophic system therefore expresses, Marx argues, the very economic process of abstraction that is at the core of capitalism.

However, there is also a critical *difference* between Marx’s attitude towards the *Philosophy of Right* and the *Phenomenology of Spirit*. Although Marx credits the *Philosophy of Right* with expressing the alienated nature of modern politics, he never suggests that it intimates the transcendence of such realities. The matter is very different when it comes to the *Phenomenology*. Instead of completely rejecting the concept of self-movement through second negativity, Marx argues that it contains a key insight: namely, that the transcendence of alienation is reached as a result of a movement through *second* negativity. Marx sees in this an “estranged insight” that points to an alternative to capitalism—“*positive* humanism, beginning from itself.”<sup>150</sup>

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<sup>149</sup>*Economic and Philosophic Manuscripts of 1844*, in *MECW* 3:330. Marx’s “Notes on G.W.F. Hegel, *Phenomenology of Spirit*,” written around the same time, also links Hegel’s *Logic* to the “money” of the spirit. See Appendix, below.

<sup>150</sup>This crucial difference between Marx’s critique of the *Philosophy of Right* and the *Phenomenology of Spirit* helps explain why he felt the need to return to a close textual engagement with Hegel in 1844, after issuing such a sharp criticism of him in 1843.

Marx appropriates Hegel's discussion of the dialectic of negativity in the *Phenomenology* and *Encyclopedia* by arguing that the first negation is the abolition of private property. Yet this negation by no means ensures liberation; on the contrary, "this type of abolition of private property is . . . only a retrogression, a sham universality." He calls it "the *abstract* negation of the entire world of culture and civilization."<sup>151</sup> This "vulgar communist" negation of private property must itself be negated in order to reach liberation. Whether this type of communism is "democratic or despotic" makes little difference; it is defective because it is infected with its opposite in focusing exclusively on the question of property. To abolish capital the negation of private property must itself be negated. Only then will there arise "positive Humanism, beginning from itself." For this reason, Marx calls genuine communism (which he equates to "a thoroughgoing Naturalism or Humanism") "the position of the negation of the negation."<sup>152</sup>

It is on this issue of the negation of the negation that Marx parts company with Feuerbach, who rejected the concept *tout court* as a mystical abstraction that has no bearing on reality. Marx writes:

Feuerbach thus conceives the negation of the negation *only* as the contradiction of philosophy with itself—as the philosophy which affirms Theology (the

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Despite the importance of his critique of the *Philosophy of Right*, it is circumscribed by the limits of its subject matter—Hegel's political theory, which does not intimate a transcendence of capitalist alienation. Marx returns to "settle accounts" with Hegel in 1844 because the *Phenomenology* discloses something that is not found in the *Philosophy of Right*—an intimation, "estranged" as it is, of the transcendence of alienation through double negation.

<sup>151</sup>*Economic and Philosophic Manuscripts of 1844*, in *MECW* 3:295

<sup>152</sup>*Ibid.*, 306.

transcendent, etc.) after having denied it. . . . But because Hegel has conceived the negation of the negation from the point of view of the positive relation inherent in it, to that extent he has discovered, though only as an *abstract, logical,* and *speculative* expression, the movement of history . . . <sup>153</sup>

Marx then writes, “It is now time to formulate the positive aspects of the Hegelian dialectic within the realm of estrangement.” What he praises is nothing less than *Hegel’s concept of the transcendence of alienation through second negativity*:

*Supersession* as an objective movement of *retracting* the alienation *into self*. This is the insight, expressed within the estrangement, concerning the *appropriation* of the objective essence through the supersession of its estrangement: it is the estranged insight into the real objectification of man, into the *real appropriation* of his objective essence through the annihilation of the *estranged* character of the objective world . . . <sup>154</sup>

Marx contends that the transcendence of alienation in Hegel represents the mere return of *thought* to itself because Hegel treats the subject of the dialectic as disembodied self-consciousness. However, Marx holds that when this defect is corrected by treating “real corporeal *man*”<sup>155</sup> as the subject of the dialectic, this same concept of the transcendence of alienation through double negation expresses the path to *freedom*—which he refers to as the “return of man from religion, family, state, etc., to his *human, i.e., social* existence.”<sup>156</sup>

Marx’s intense focus on Hegel’s concept of “the negation of the negation” is also evident in his Notes on the chapter “Absolute Knowledge,” composed around the

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<sup>153</sup>Ibid., 329.

<sup>154</sup>Ibid., 341.

<sup>155</sup>Ibid., 336.

<sup>156</sup>Ibid., 297.

same time as the 1844 “Critique.” Although Hegel actually never explicitly mentions the “negation of the negation” in the chapter on “Absolute Knowledge,” Marx singles it out as a conceptual determinate underpinning that chapter and the *Phenomenology of Spirit* as a whole.<sup>157</sup>

Through his critical appropriation of the concept of self-movement through absolute negativity, Marx’s *1844 Manuscripts* projects a truly new and revolutionary world conception, one which takes him far from the positions held by other socialists and communists of the time.<sup>158</sup> He sees the process of revolutionary transformation not as a singular act, as the negation of private property and political overthrow of the

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<sup>157</sup>See Appendix, below.

<sup>158</sup>Many commentators fail to see that in the very work in which Marx praises Feuerbach the most—his 1844 “Critique of the Hegelian Dialectic”—is the work in which he parts company from him, precisely on the issue of Feuerbach’s wholesale rejection of Hegel’s concept of the transcendence of alienation through the negation of the negation. A striking illustration of this is Patrick Murray’s *Marx’s Theory of Scientific Knowledge* (Atlantic Highlands: Humanities Press International, 1988). Murray places great emphasis on Marx’s critique of Hegel’s *Logic* for representing “the money of the spirit”; however, he does not so much as mention the passages in which Marx *praises* Hegel’s concept of the transcendence or supersession of alienation. Although he mentions in passing Marx’s “humanism,” he fails to connect it to Marx’s critical appropriation of Hegel’s concept of the negation of the negation. This tendency to emphasize Marx’s debt to Hegel as being limited to the concept of externalization or alienation has a lengthy history in Marx scholarship. Especially influential along these lines is Georg Lukács’s *The Young Hegel*, which contends that *entäußerung* is the “central philosophical concept” of both Hegel’s *Phenomenology* and Marx’s appropriation of Hegel’s dialectic. See Georg Lukács, *The Young Hegel: Studies in the Relations between Dialectics and Economics* (Cambridge: MIT Press, 1976), especially 537-68. Lukács likewise fails to single out Marx’s praise of Hegel’s discussion of the supersession of alienation. The reluctance of such writers to recognize that Marx critically appropriates Hegel’s conception of the transcendence of alienation through second negativity appears to be connected to the fact that they refrain from entering into a discussion of Marx’s conception of the *alternative* to capitalism.

bourgeoisie, necessary as that is, but as a consistently self-critical *social* revolution, that is, as a process of *permanent* revolution. Crude communism—the abolition of private property—is only the first negation. It is a necessary but insufficient step towards liberation. To achieve “positive humanism, beginning from itself” much more is needed—the negation of the negation. Although Marx is highly critical of the way Hegel presents the dialectic of negativity, he appropriates Hegel’s concept of self-movement through absolute negativity when it comes to projecting his own conception of the future.<sup>159</sup>

He goes so far as to write, “Communism is the necessary form and dynamic principle of the immediate future, but communism as such is not the goal of human development, the form of human society.”<sup>160</sup> But if communism is only the *immediate* but not *ultimate* goal, what is Marx really striving for? It appears that it is what he calls “a totality of human manifestations of life.”<sup>161</sup> He refers to a new society as one that “produces man in this entire richness of his being—produces the *rich* man *profoundly*

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<sup>159</sup>Stathis Kouvelakis is therefore seriously mistaken when he writes, “As for the philosophy that culminates in the Hegelian system, it is merely the reflexive consciousness of this alienation, a purely speculative, formal and abstract transcendence of the limits alienation imposes.” This one-sided reading overlooks the fact that Marx sees a *positive* dimension within Hegel’s “speculative” concept of transcendence that he appropriates for his own understanding of the kind of society that must replace capitalism. See Stathis Kouvelakis, *Philosophy and Revolution: From Kant to Hegel* (London: Verso Books, 2003), 168.

<sup>160</sup>*Economic and Philosophic Manuscripts of 1844*, in *MECW* 3:306.

<sup>161</sup>*Ibid.*, 299.

*endowed with all the senses*—as its enduring reality.”<sup>162</sup> This is far beyond crude communism, which like capitalism reduces human sensuousness to *one* sense—the sense of *having*. Yet it is not clear that Marx considers even genuine communism or “positive humanism” as the *end* or *goal* of human development, in that manifesting a totality of latent and acquired sensuous abilities is *an endless process of becoming*. Perhaps it was not without good reason Marx spoke of continuing the revolution “in permanence.”

Marx peers into the future in the *1844 Manuscripts* in asking what would happen when we “Assume man to be man, and his relationship to the world to be a human world.” When that is achieved there *would* be exchange—but an exchange of “love only for love, trust only for trust, etc.” If one wants to enjoy any manifestation of life, be it art or anything else, one would need to develop a *sense* for it. Simply obtaining *things* in lieu of such attunement leaves one impoverished. “Every one of your relations to man and to nature must be a *specific expression*, corresponding to the object of your will, of your *real individual life*”<sup>163</sup>—which is one more way of saying that “*All* emancipation is a *reduction* of the human world and relationships to *man himself*.”<sup>164</sup>

It can be argued that much of what Marx is discussing about the future is vague and indeterminate. He surely provides little or no discussion of the institutional forms<sup>165</sup>

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<sup>162</sup>Ibid., 302.

<sup>163</sup>Ibid., 326.

<sup>164</sup> “On the Jewish Question,” in *MECW* 3:168.

<sup>165</sup>The closest Marx comes to discussing institutional forms of a new society is in his discussion of landed property in the First Manuscript, where he argues against both monopolization of land and dividing up the land into small private holdings. He

that might help promote a totality of manifestations of life. Yet it would be a mistake to interrupt the apparently ethereal character of much of Marx's discussion to mean that he was either unclear about the kind of society that he wanted or that he saw no need to envision the nature of one at all. He writes in the *1844 Manuscripts*,

In order to abolish the *idea* of private property, the *idea* of communism is quite sufficient. It takes *actual* communist action to abolish actual private property. History will lead to it; and this movement, which *in theory* we already know to be a self-transcending movement, will constitute in actual fact a very rough and protracted process. But we must regard it as a real advance to have at the outset gained a consciousness of the limited character as well as of the *goal* of this historical movement—and a consciousness that reaches out beyond it.<sup>166</sup>

Far from refraining from any discussion about the future, Marx is here reflecting on the future on two levels. One is the idea of communism—the *immediate* principle of the future—that has as its task the elimination of private property and alienated labor. The other is a realization of the idea of freedom that is much more open-ended and harder to define or even give a name to, since it involves the return of humanity to itself as a sensuous being exhibiting a totality of manifestations of life. Marx considers it a “real advance” to be able to say this much about the future. We now need to see how he will further specify this when faced with an array of specific social tendencies and problems.

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advocates an “association” of producers that “shares the economic advantage of large-scale landed property” as well as “the original tendency” towards equality. He does not mention nationalization of the land or state ownership of the land. See *Economic and Philosophic Manuscripts of 1844*, in *MECW* 3:268.

<sup>166</sup>Ibid., 313.

Discerning the Idea Within the Real, 1845-47

Upon completing the *1844 Manuscripts*, Marx becomes directly involved in workers' movements and writes a series of works to further clarify his break from capitalism and the need to replace it with a totally new kind of society, culminating in his famous *Communist Manifesto*, written at the very end of 1847.<sup>167</sup> His writings of 1845-47 contain especially rich reflections about the alternative to capitalism. The central issue that concerns him is summed up in a passage in *The German Ideology*:

Individuals always proceeded, and always proceed, from themselves. Their relations are the relations of their real life process. How does it happen that their relations assume an independent existence over against them? And that the forces of their own life become superior to them?<sup>168</sup>

Marx is specifying the inversion of subject and predicate as the defining feature of modern social existence, in that the relations formed by individuals becomes a “person apart” that govern their lives without their consent. His primary criticism of contemporary thinkers is that they fall prey to this inversion. In *The Holy Family* he critiques Bruno Bauer and other Young Hegelians for presenting “truth as an automaton that proves itself.” For them, “history, like truth, becomes a person apart, a metaphysical subject of which the real human individuals are mere bearers.”<sup>169</sup> He writes in reply:

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<sup>167</sup>The *Manifesto* was written in late December 1847 and first published (in London, in the German original) in February 1848. It was written primarily by Marx, though Marx and Engels were listed as co-authors. Engels had originally been commissioned by the Communist League to write it, but Marx used little, if any, of his initial draft, entitled “Principles of Communism” in the *Manifesto*.

<sup>168</sup>Karl Marx and Frederick Engels, *The German Ideology*, in *MECW* 5:93.

<sup>169</sup>Frederick Engels and Karl Marx, *The Holy Family*, in *Marx-Engels Collected Works*, vol. 4 (New York: International Publishers, 1975), 78.



*History does nothing*, it “possesses *no* immense wealth,” it “wages *no* battles.” It is *man*, real, living man who does all that, who possesses and fights: “history” is not, as it were, a person apart, using man as a means to achieve its own aims; history is *nothing but* the activity of man pursuing his aims.<sup>170</sup>

On these grounds he rejects the view that history unfolds in necessarily progressive stages. He pours scorn upon Bauer’s contention that socialists and communists endorse unilinear theories of progressive improvement. Marx insists that the very opposite is the case, since figures like Fourier considered “progress” to be no more than an “abstract phrase.” Marx writes, “In spite of the pretensions of ‘*Progress*,’ continual *retrogressions* and *circular movements* occur . . . the category, ‘*Progress*’ is completely empty and abstract.”<sup>171</sup> Holding that history is destined to proceed along fixed “progressive” lines assumes that we are helpless victims (or beneficiaries) of what we ourselves create.

On the same grounds he attacks those who pose “society” as a quasi-autonomous force. He writes in *The German Ideology*, “Society is abstracted from these individuals, it is made independent, it relapses into a savagery of its own, and the individuals suffer as a *result* of their relapse.”<sup>172</sup> Marx is further developing his understanding of the relation between civil society and the state that he first formulated in his critique of Hegel’s

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<sup>170</sup>Ibid., 93.

<sup>171</sup>Ibid., 83. Marx’s view of progress appears to be in accord with what some scholars contend is Hegel’s position as well. H.S. Harris writes, “There is nothing in [Hegel’s] logical theory to warrant the belief that the motion of consciousness must always be progressive. Every position of consciousness contains the earlier positions in a sublated form, and every position is a stable circle that can maintain itself against criticism. Thus stability is ‘natural’ and regression is just as possible as progress.” See H.S. Harris, *Hegel: Phenomenology and System* (Indianapolis: Hackett, 1995), 107.

<sup>172</sup>*The German Ideology*, in *MECW* 5:464.

*Philosophy of Right*. He attacks the notion that the state holds together civil society.

On the contrary, it is civil society that holds together the state.<sup>173</sup> This is in keeping with his view that the state is an edifice created by mutually interacting individuals instead of being some autonomous force that shapes civil society of its own accord. Marx is not satisfied, however, with simply pointing out the logical priority of civil society over the state. He wants to know why the state *appears* to have priority over civil society. The answer lies in the limits of civil society itself. He asks,

How is it that personal interests always develop, against the will of the individuals, into class interests, into common interests which acquire independent existence in relation to the individual persons, and in their independence assume the form of *general* interests? . . . How is it that in this process of private interests acquiring independent existence as class interests the personal behavior of the individual is bound to be objectified, estranged, and at the same time exists as a power independent of man and without him?<sup>174</sup>

His answer is that “definite modes of production” arise that *compels* civil society to take the form of incompatible relations between private and general interests. The *abstraction* of individual from general interests makes it *necessary* for a state to persist that externally mediates the relation between these mutually antagonistic forces. The state, a product of human activity, now takes on a life of its own and governs the behavior of individuals behind their backs—*because* of the limitations of civil society. He therefore argues in

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<sup>173</sup>See especially the discussion of this in *The Holy Family*, in *MECW* 4:120-2.

<sup>174</sup>*The German Ideology*, in *MECW* 5:245.

“Theses on Feuerbach,” “The standpoint of the old materialism is civil society; that of the new is human society, or social humanity.”<sup>175</sup>

“Social humanity” is not, however, a “person apart” that externally imposes its will upon individuals. It is rather a state in which individuals freely relate to themselves and each other on the basis of their self-activity.<sup>176</sup> Marx refers to this in the *1844 Manuscripts* as: “Above all we must avoid postulating ‘society’ again as an abstraction *vis-à-vis* the individual. The individual is the *social being*.” Marx is not trying to *wall* humanity into the “social”; he rather seeks a mutual *compatibility* between individual and general interests.<sup>177</sup>

Yet exactly how does the *present* mode of production *compel* civil society to assume an abstract form? The answer is the social division of labor. By forcing individuals to adhere to a social division of labor, individuals become radically *separated* from one other. This separation takes on a *fixed* form, regardless of their actual talents and abilities. Society becomes an abstraction that governs the lives of individuals instead of the other way around:

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<sup>175</sup>Karl Marx, “Theses on Feuerbach,” in *MECW* 5:5. Marx also contends that civil society is the standpoint of classical political economy, a tendency that he strongly opposes.

<sup>176</sup>Marx writes in *The Holy Family*, “Society behaves just as exclusively as the state, only in a more polite form; it does not throw you out, but it makes it so uncomfortable for you that you go out of your own free will.” See *MECW* 4:96.

<sup>177</sup>For a searing criticism of twentieth century “socialist” regimes that “walls man into his socialness,” see Karel Kosik, *Dialectics of the Concrete: A Study on Problems of Man and World* (Dordrecht: D. Reidel, 1976).

As long as man remains in naturally evolved society, that is, as long as the cleavage exists between the particular and the common interest, so long, therefore, as activity is not voluntary, but naturally, divided, man's own deed becomes an alien power opposed to him, which enslaves him instead of being controlled by him.<sup>178</sup>

We have reached the acme of subject-predicate inversion. Marx is now supplying a historical, *materialist* explanation for the inversion that he objected to so strongly in his analyses of Hegel's *Philosophy of Right* and *Phenomenology of Spirit*.

How is this inversion to be overcome? By abolishing the social division of labor. Once individuals are allowed to *freely* pursue a variety of talents and tasks as befits their particular nature, instead of having their role be "fixed" by some preordained social power "above" them, a new society would exist. Such a society is described as follows:

[I]n communist society, where nobody has one exclusive sphere of activity but each can become accomplished in any branch he wishes, society regulates the general production and thus makes it possible for me to do one thing today and another tomorrow, to hunt in the morning, fish in the afternoon, rear cattle in the evening, criticize after dinner, just as I have a mind, without every becoming a hunter, fisherman, shepherd, or critic.<sup>179</sup>

Marx clearly has some idea of what a postcapitalist society would be like. Yet he remains wary as of this point about saying much more about it. Instead, he writes,

It is not a question of what this or that proletarian, or even the whole proletariat, at the moment *regards* as its aim. It is a question of *what the proletariat is*, and what, according to this *being*, it will historically be compelled to do.<sup>180</sup>

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<sup>178</sup>*The German Ideology*, MECW 5:47.

<sup>179</sup>*Ibid.*, 47. Note that Marx does not refer to the *state* as regulating the general production, but rather *society*.

<sup>180</sup>*Ibid.*, 37

I would argue that Marx's reticence about indulging in detailed speculation about the future society in favor of what the proletariat itself is and is compelled to do is closely connected to his opposition to subject-predicate inversion. Posing a vision of the new society *for* the proletariat or *irrespective* of what it *is* amounts to foisting a product of intelligence or imagination upon the actual subject of history. Much of what Marx has criticized in capitalism in his early writings centers on the tendency to foist the products of human development upon the subject, irrespective of its own needs and desires. Why would he now favor promoting a vision of the new society irrespective of the proletariat's needs and desires?

Furthermore, a major theme that Marx has emphasized since his doctoral dissertation (if not earlier) has been the need to discern the ideal from within the real. Indulging in speculation about the future irrespective of the subjective force that can realize the ideal amounts to a violation of one of Marx's primary normative standpoints.

Early in 1845, not long after composing *The Holy Family*, Marx develops a new concept that represents a further expression of his effort to discern the forms of the future from within the contours of the present. In his "Draft of an Article on Friedrich List's Book *Das Nationale System der Politicshen Ökonomie*," he poses the development of modern industry as providing the material conditions for a postcapitalist society. He writes of "the power which industry has without knowing or willing it and which destroys it and creates the basis for a human existence."<sup>181</sup> This power is in the proletariat, which is produced by modern industry. Utilizing a metaphor he will later employ in *Capital* and

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<sup>181</sup>Karl Marx, "Draft of an Article on Friedrich List's Book *Das nationale System der politicshen Ökonomie*," in *MECW* 4:282.

other writings, the proletariat is the “human kernel” contained within the “shell” of industry that will burst forth from its further development. Industry, the product of human activity, takes on a life of its own and becomes the subjective force of capitalist society. Although Marx opposes this inversion, he now sees in it the seeds of *an inversion of the inversion*, since the point will one day be reached when the product of industry—the workers—will step forth as the real subject, as the “bearers of human development.” History in the modern era takes on a life on its own and operates behind the backs of its participants; but in doing so, it brings forth the subjective force that can dissolve this upside-down world. Genuine history will at that point finally *begin*.

*The German Ideology* further develops this by emphasizing the development of the productive forces as the precondition for communism. The productive forces include technology, scientific knowledge, and the overall level of industry. The most important productive force is the proletariat, which is generated by all three. Any effort to create a communist society without the development of these productive forces, he argues, will ensure that communism remains a local and transient phenomenon. “The proletariat can thus exist only world-historically, just as communism, its activity, can only have a ‘world-historical’ existence.” What will help bring communism into being is capitalism’s drive to subject all human relations to value production through the creation of a world market. He concludes, “Communism is for us not a *state of affairs* which is to be established, an ideal to which reality [will] have to adjust itself. We call communism the *real* movement which abolishes the present state of things.”<sup>182</sup>

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<sup>182</sup>*The German Ideology*, in *MECW* 5:49.

This does not mean, however, that *consciousness* of a future communist society is unnecessary. He argues that “communist consciousness” on a *mass scale* is needed because “an alteration of men on a mass scale is necessary.” It is needed not just to overthrow the bourgeoisie but in order for a revolution to “succeed in ridding itself of all the muck of the ages and become fitted to found society anew.”<sup>183</sup> Marx has not departed from his insistence, voiced in a letter to Ruge in 1843, that “consciousness is something that [humanity] *has* to acquire, even if it does not want to.”<sup>184</sup>

There is something of a tension between these two sides of formulating the issue. On the one hand, communism is a state of affairs that will emerge immanently from the contradictions of capitalism; yet at the same time, it remains necessary to develop an awareness of a future communist society in order for a revolution to succeed in radically altering human relations. Marx holds that the immanent rhythm of reality will prepare the way for an alternative; yet he does not appear to assume that its emergence is for that reason guaranteed. *Consciousness*, or theoretical labor, is needed to help bring it forth. Marx therefore feels that nothing prohibits him directly discussing the distinguishing feature of a postcapitalist society even as he warns against engaging in idle speculation about the nature of such a state of affairs:

Communism differs from all previous movements in that it overturns the basis of all earlier relations of production and intercourse, and for the first time consciously treats all naturally evolved premises as the creations of hitherto existing men. . . . Its organization is, therefore, essentially economic, the material

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<sup>183</sup>Ibid., 53.

<sup>184</sup>Ibid., 144.

production of the conditions of this unity; it turns existing conditions into conditions of unity. The reality which communism creates is precisely the true basis for rendering it impossible that anything should exist independently of individuals, insofar as reality is nevertheless only a product of the preceding intercourse of individuals, insofar as reality is nevertheless only a product of the preceding intercourse of individuals.<sup>185</sup>

Marx is here defining the new society that he is striving for on the basis of a critique of subject-predicate inversion and the normative principle that “*All* emancipation is a *reduction* of the human world and relationships to *man himself*.”<sup>186</sup>

He further specifies additional aspects of a postcapitalist society in his writings of 1845-47. He argues that in such a society the proletariat does not become the ruling class, since there are neither classes nor a proletariat. The proletariat simply ceases to exist: “When the proletariat is victorious, it by no means becomes the absolute side of society, for it is victorious only by abolishing itself and its opposite. Then the proletariat disappears.”<sup>187</sup> He also writes that since “the communist revolution is directed against the hitherto existing mode of activity” it “does away with labor.”<sup>188</sup> Marx does not suggest that laboring activity literally comes to an end but that “the whole opposition between work and enjoyment disappears.”<sup>189</sup> “Labor” as an activity that is distinct from the enjoyment of a wealth of sensuous possibilities no longer mediates social interaction and

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<sup>185</sup>Ibid., 81.

<sup>186</sup> “On the Jewish Question,” in *MECW* 3:168.

<sup>187</sup>*The Holy Family*, in *MECW* 4:36.

<sup>188</sup>*The German Ideology*, in *MECW* 5:52.

<sup>189</sup>Ibid., 218.



reproduction. Labor in this sense is *abolished*. Along these lines, he further develops the emphasis of the *1844 Manuscripts* on developing “a totality of manifestations of life” as a defining feature of the new society. He now speaks of the “development of a totality of desires,” arguing that individuals become fixated on a small number of desires when society prevents them from pursuing a wide range of them. Marx thinks it is an “absurdity” to presume that one can satisfy one passion or desire “apart from all others.” When one passion is pursued at the expense of a multiplicity of desires, the passion becomes interminable; it “assumes an abstract, isolated character” and confronts the individual as “an alien power.”<sup>190</sup> He reiterates his earlier critique of the desire to *have*, which becomes overwhelming in capitalism.

Partly on these grounds, he mentions (in passing) in the *Communist Manifesto* that “buying and selling”—the market—disappears in a communist society. Yet he reserves his harshest words for the market in labor power: “Communism does not deprive man of the power to appropriate the products of society; all that it does is to deprive him of the power to subjugate the labor of others by means of such appropriation.”<sup>191</sup>

In the *Manifesto* Marx also writes that “the theory of the Communists may be summed up in the single sentence: Abolition of private property.”<sup>192</sup> It may seem that Marx has muted, if not moved away from, his perspective of 1844, in that the abolition of

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<sup>190</sup>Ibid., 262.

<sup>191</sup>Karl Marx, *Manifesto of the Communist Party*, in *Marx-Engels Collected Works*, vol. 6 (New York: International Publishers, 1976), 500.

<sup>192</sup>Ibid., 498.

private property seems to be posed not just as a mediatory stage but as the ultimate goal. However, this would be too facile a reading. Marx focuses on the need to negate private property because it is the most *immediate* expression of the power of bourgeois society over the worker. Through the bourgeois property relation, the workers are forced to sell themselves for a wage to the owners of capital, who appropriate the products of their productive activity. Without the abolition of this property relation, the economic and political domination of the bourgeoisie remains unchallenged. However, this does not mean that Marx has forgotten about or is downplaying alienated labor. Though the phrase “alienated labor” does not appear in the *Manifesto*, it does single out the need to uproot the *conditions* of labor. Right before citing the need to abolish private property it states:

Owing to the extensive use of machinery and to division of labor, the work of the proletarians has lost all individual character, and, consequently, all charm for the workman. He becomes an appendage of the machine, and it is only the most simple, most monotonous and most easily acquired knack, that is required of him. . . . In proportion, therefore, as the repulsiveness of the work increases, the wage decreases.<sup>193</sup>

In another passage that is reminiscent of the language found in the 1844 Manuscripts, he writes, “In bourgeois society capital is independent and has individuality, while the living person is dependent and has no individuality.”<sup>194</sup> He goes on to say that the abolition of this condition is the essence of proletarian revolution: “The proletarians cannot become masters of the productive forces of society, except by abolishing their own previous mode of appropriation, and thereby also every other previous mode of

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<sup>193</sup>Ibid., 490-1.

<sup>194</sup>Ibid., 499.

appropriation.”<sup>195</sup> Only *after* writing this does he state:

The distinguishing feature of Communism is not the abolition of property generally, but the abolition of bourgeois property. But modern bourgeois private property is the final and most complete expression of the system of producing and appropriating products that is based on class antagonisms, on the exploitation of the many by the few. In this sense, the theory of the Communists may be summed up in the single sentence: Abolition of private property.<sup>196</sup>

It is important not to read the *Manifesto* selectively, by skipping over the phrase “in this sense” in the last sentence and the word “but” in the previous one. That Marx did not alter his view of the relation between alienated labor and private property between 1844 and 1847 is further confirmed by what he writes in another document written around the same time as the *Manifesto*:

[P]rivate property, for instance, is not a simple relation or even an abstract concept, a principle, but consists in the totality of the bourgeois relations of production . . . a change in, or even the abolition of, these relations can only follow from a change in these classes and their relationships with each other, and a change in the relationship of classes is a historical change, a product of social activity as a whole.<sup>197</sup>

Most importantly, Marx emphasizes the need to address the goals of a new society in the section of the *Manifesto* dealing with “the relation of communists to the proletariat as a whole.” He singles out the distinctive contributions of communists as: (1) Internationalism instead of nationalism; and (2) “always and everywhere [they] represent the interests of the movement as a whole.” He then states that the communists project

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<sup>195</sup>Ibid., 495.

<sup>196</sup>Ibid., 498.

<sup>197</sup>Karl Marx, “Moralizing Criticism and Critical Morality,” in *MECW* 6:337.

“the ultimate general results of the proletarian movement.”<sup>198</sup> This raises an important issue: if the defining role of the communist party is to understand and transmit the “ultimate results” of the struggle, how can Marx, who is authoring the *Communist Manifesto*, claim not to have some idea of those results? Moreover, the *Manifesto* begins by stating, “It is high time that Communists should openly . . . publish their views.”<sup>199</sup> And it concludes by stating, “The Communists fight for the attainment of the immediate aims, for the enforcement of the momentary interests of the working class; but in the movement of the present, they also represent and take care of the future of that movement.”<sup>200</sup>

It appears that Marx is not opposed to addressing the ultimate goal of a new society. At issue is *how* to go about doing so. Marx opposes any tendency to project a vision of a postcapitalist society that comes out of one’s own head, independent of the actual struggles of the proletariat. But that does not mean that he opposes projecting a conception of the ultimate goal that is based on “the actual struggles springing from existing class struggles.”<sup>201</sup> It is important not to conflate these two. Marx opposes the

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<sup>198</sup>*Manifesto of the Communist Party*, in *MECW* 6:497. This discussion should not be confused with the end of Section II of the *Manifesto*, which discusses the immediate goals of the communist movement—such as the centralization of credit, communications, factories, and instruments of production “in the hands of the state.” Marx is here not discussing socialism or communism, but a political transitional form immediately following the seizure of political power. In discussing the ultimate goals of the communists in the *Manifesto*, Marx makes no reference to the state.

<sup>199</sup>*Ibid.*, 481.

<sup>200</sup>*Ibid.*, 518.

<sup>201</sup>*Ibid.*, 498.

utopian socialists for projecting a view of the future that comes out of their heads, regardless of the actual struggles of the real subject—the proletariat. Although many of the utopians were familiar with Feuerbach’s critique of subject-predicate inversion, Marx’s position seems to be that they fall into this very same inversion on another level by posing the results of *their* thinking as the subject of history. Marx’s criticism of subject-predicate inversion not only underlies his critique of bourgeois society as well as of Hegel’s philosophy, it also underlines his understanding of how to bring to consciousness the ultimate goals that he believes are worth living and dying for.

#### Evaluating the Young Marx’s Conception of a Postcapitalist Society

This study of the young Marx indicates that his approach to articulating an alternative to existing society centers on viewing the ideal as immanent within the real. He therefore opposes any effort to introduce a speculative discussion of the future irrespective of actual material conditions and forces of liberation. That does not mean, however, that Marx opposes positing any conception of an alternative at all. His main concern is with the *manner* of projecting an alternative, not whether or not to do so.

This study has also so far shown that Marx came to view such phenomena as private property, alienated labor, and the separation of civil society and the state as problematic because of a set of normative concerns that he brought to bear upon his study of capitalism. Without these normative concerns, his critique of capitalism would hardly have been possible. This raises the question of how his normative standpoint impacted Marx’s view of the market. A recent study by Allan Megill—*The Burden of Reason (Why Marx Rejected Politics and the Market)*—raises important questions about this issue. Megill contends that Marx was not so much a “materialist” as a *rationalist* who

privileged universality, necessity, and predictability in his approach to historical phenomena. Like Hegel, he “aimed to discover underlying logical essences that, he claimed, could not be discovered merely by generalizing from empirical data.”<sup>202</sup> He therefore finds the claim that Marx was a “materialist” as constituting a superficial and one-sided reading of his work. Marx did not privilege matter over consciousness; on the contrary, he argues, Marx raised consciousness or reason to a veritable universal in emphasizing how it is *embedded* in historical phenomena. Megill writes,

Marx was profoundly influenced by a Hegelian conception of rationality, in which logic equates to ontology and in which ontology thus equates to mind, or spirit, thinking. Hegel’s ontologization of logic resonated in Marx’s work throughout the whole of his intellectual career. It is thus an egregious error to think that Marx can be adequately characterized as a materialist, at least as the term *materialist* is normally used. . . . Hegel and Marx, like many other nineteenth century thinkers, adhered to the notion of embedded rationality.”<sup>203</sup>

Notions of embedded rationality involve a privileging of universality, necessity, and predictivity. “Chance” becomes the enemy of a theory based on a notion of embedded rationality. Megill argues that Marx’s adherence to this notion explains his hostility to the market. Market relations are defined by chance and irregularity. Marx did not oppose the market, Megill argues, because of authoritarian tendencies. He opposed the market because it “is not, and cannot be, subsumed under laws”<sup>204</sup> that are universal, necessary, and predictable. For Megill, this is Marx’s gravest error. His uncritical acceptance of the notion of embedded rationality—a theme that appears in his work from

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<sup>202</sup>Megill, *The Burden of Reason*, 3

<sup>203</sup>*Ibid.*, 8, 9.

<sup>204</sup>*Ibid.*, 173.

as early as his very first writings, in 1837—inexorably led Marx, he argues, to assume an unrealistically negative attitude toward any form of the market.

Megill makes a powerful case that the interpretation of Marx as a “materialist” fails to do justice to the nuances of his thought. As I have shown above, Marx did not critique Hegel simply for being an “idealist.” He writes, “Hegel often gives a real presentation, embracing the thing itself, within the speculative presentation.”<sup>205</sup> And although Marx often calls himself a materialist after 1844, he criticizes the “one-sided” and “abstract” materialism of the British empiricists as well as of Feuerbach.<sup>206</sup> Most important of all, in the *1844 Manuscripts* he explicitly affirms the unity of idealism and materialism in spelling out his own philosophic worldview.

Megill is also correct that Marx opposes market and exchange relations in his early writings, even if their critique does not serve (as I have argued above) as the crux of his critique of capitalism. He finds the market to be *irrational* in that prices are determined by arbitrary vacillations of supply and demand instead of by the human relations of person to person. As Marx writes in *The Holy Family*,

Value is determined at the beginning in an apparently rational way, by the cost of production of an object and by its social usefulness. Later it turns out that value is determined quite fortuitously and that it need not to bear any relation to either the cost of production or social usefulness . . .<sup>207</sup>

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<sup>205</sup>*The Holy Family*, in *MECW* 4:61.

<sup>206</sup>In the *Theses on Feuerbach*, he criticized “contemplative materialism” and praised idealism for developing “the active side of history.” See *MECW* 5:6.

<sup>207</sup>*The Holy Family*, in *MECW* 4:32.

Marx is highly critical of arbitrary and fortuitous social relations such as the market because they represent “relations [which] become independent of individuals” and become “subordinated to general class relations.”<sup>208</sup> The market, as Marx sees it, is a product of the social division of labor—which is what produces the very separation of individual and general interests that he finds so offensive in capitalism.

There is also no question that Marx was committed to a notion of embedded rationality. As I have shown, Marx contends that reality must embody a “rationality” that can enable the idea of freedom to be ultimately *realized*. If reality lacks such rationality, even the most noble and inspired efforts at social change will prove quixotic. However, the critical issue is, what is the agent or subject *within* reality that embodies reason? What is the “internal principle” that guides reality toward the idea of freedom? Megill argues that for Marx the internal principle is *human* intelligence as expressed in *scientific* knowledge. He writes, “The driving force of history is clearly *thought*—more specifically, it is the dimension of thought that is concerned with mastering nature with a view to satisfying human beings’ needs.” This driving force is “intellectual labor,” labor that “involves the application of knowledge to the productive process.”<sup>209</sup> It propels history toward the idea of freedom by developing the forces of production, which ultimately bring forth the social revolution against capitalism.

Despite Megill’s close engagement with the writings of the young Marx (his book only goes up to 1846), there are many problems with his claim that Marx poses the

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<sup>208</sup>*The German Ideology*, in *MECW* 5:438.

<sup>209</sup>Megill, *The Burden of Reason*, 2.



intentional agent as science and technology. He writes, “Marx’s commitment to natural science, and to naturalism, was in place by 1844 at the latest.”<sup>210</sup> He refers specifically to Marx’s embrace of “naturalism” in the concluding essay of his *Economic and Philosophic Manuscripts* of 1844, where Marx writes:

Here we see how consistent naturalism or humanism is distinct from both idealism and materialism, and constitutes at the same time the unifying truth of both. We see also how only naturalism is capable of comprehending the action of world history.<sup>211</sup>

Megill takes this to mean that for Marx, “history . . . needs to be understood in the light of an understanding of nature—and that means, in the light of natural science.”<sup>212</sup> He fails to mention, however, that the passage does not equate naturalism to “natural science.” It instead equates naturalism to *humanism*. In spelling out this “positive humanism,” Marx speaks of humanity as “a suffering, conditioned, and limited creature.” As Megill acknowledges on several occasions, rationalism and “natural science”—at least as traditionally understood in the modern Western tradition—tends to neglect feelings, suffering, and passions in favor of universality, necessity, and predictability. However, by equating naturalism to *humanism*, by which Marx means a philosophy that grasps “actual corporeal man” in all its sensuousness, his reference to “naturalism” emphasizes not some predetermined pattern of predictability and certainty but that which is particular, contingent, and unpredictable.

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<sup>210</sup>Ibid., 13.

<sup>211</sup>*Economic and Philosophic Manuscripts of 1844*, in *MECW* 3:336.

<sup>212</sup>Megill, *The Burden of Reason*, 13.

Megill also fails to mention one of the most important statements found in the *1844 Manuscripts*— “to have one basis for science and another for life is *a priori* a lie.”<sup>213</sup> This is not an isolated statement. Much of Marx’s work consists of an affirmation of contingency and sensuousness against the abstractive and objectivist standpoint of modern science. He opposed capitalism because it is based on a system of *abstract* labor, in which *having* predominates over *being*. Capitalism’s *necessarily* abstractive character, Marx argues, prevents us from seeing that “man is not merely a natural being: he is a human natural being. That is to say, he is a being for himself . . . neither nature objectively nor nature subjectively is directly given in a form adequate to the *human* being.”<sup>214</sup> He opposes the one-sidedness of natural science, even while acknowledging its contributions, because it prioritizes universality, necessity and predictability at the *expense* of human “sensuousness”—its contingency and *suffering*. Instead of running away from such contingency, Marx *affirms* it: “To be sensuous is to *suffer*.”<sup>215</sup>

If Marx were the hyper-rationalist that Megill claims, it would be hard to see how he could make such comments. Since the emphasis on contingency and “actual sensuousness” is a major theme throughout his early work, from the doctoral dissertation to *The German Ideology*, this can hardly be considered a theoretical inconsistency or an exception from his overall perspective. In fact, one can draw the exact opposite conclusion that Megill does on the basis of these and related passages. It appears that

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<sup>213</sup>*Economic and Philosophic Manuscripts of 1844*, in MECW 3:303.

<sup>214</sup>*Ibid.*, 337.

<sup>215</sup>*Ibid.*

Marx opposed capitalism because it forecloses the possibility of contingency and spontaneous development by positing *abstract labor* as the universal medium of social interaction and reproduction.

Moreover, Marx presents the intentional agent for social transformation not as “science” or even human intelligence but rather the proletariat. This is in keeping with his criticism of subject-object inversion. Science and human intelligence are products of subjective human interaction that under specific social conditions take on a life of their own and control the actions of the producers. Marx could not pose science as the intentional agent at the same time as maintaining his criticism of subject-predicate inversion—a criticism, as I have shown, that permeates all of his early writings.

Megill’s claim also makes it hard to understand the persistence of Marx’s critique of Hegel. Marx attacks Hegel for posing disembodied thought as the *subject* instead of “actual, corporeal man.” Marx does not view actual corporeal man as a mere *embodiment* of abstract rational categories. He views actual corporal man as the *generator* of such categories. When he speaks of the proletariat being a “bearer” of philosophy, he refers not to Hegel’s dehumanized philosophy of consciousness but to “positive humanism, beginning from itself.” Why would Marx spend so much time critiquing Hegel for claiming to comprehend contingent phenomena prior to their actual empirical analysis if he was the hyper-rationalist that Megill claims he was?

Of particular interest in this regard is that in the “Critique of the Hegelian Dialectic” Marx takes issue with the very last sentence of Hegel’s *Phenomenology*, which states that without the unity of history and its “philosophic comprehension” found in “Absolute Knowledge,” all would be “lifeless, solitary and alone” (*ohne den er das*

*leblose Einsame wäre*).<sup>216</sup> Marx contends on the contrary, “a being which is neither an object itself, nor has an object . . . outside it . . . would exist solitary and alone.”<sup>217</sup> A being can be considered *alive* only if it does *not* embrace all of existence, only if objects and other people exist on *their own* terms, *independent* of that being. Marx emphasizes the irreducibly contingent and limited character of human existence in contrast to what he sees as Hegel’s excessive rationalism. He criticizes Hegel’s deification of reason in so far as it turns actual people into expressions of cognitive categories abstracted from real life. *It is to counter this defect in Hegel that explains why Marx calls himself a humanist.* In sum, Megill’s reading of Marx makes it difficult to understand why he poses *naturalism* and *humanism* as *interchangeable* terms.

Marx’s emphasis on this factor also speaks to a criticism that is often made of his early writings—namely, that he held that a perfectionist view of human nature. Leszek Kolakowski argues in his major study of Marxism that Marx envisions a postcapitalist society as “a society of perfect unity, in which all human aspirations would be fulfilled, and all values reconciled.”<sup>218</sup> Kolakowski views this radical utopianism as a major defect, since it led “Marxist” regimes of the twentieth century to attempt to forcefully impose a degree of social transformation that was impossible to actualize. However, it is important to recall that Marx’s emphasis on contingency and sensuousness has him write, “to be

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<sup>216</sup>G.W.F. Hegel, *Phänomenologie des Geistes* (Hamburg: Felix Meiner Verlag, 1988), 531.

<sup>217</sup>*Economic and Philosophic Manuscripts of 1844*, in *MECW* 3:337.

<sup>218</sup>Leszek Kolakowski, *Main Currents of Marxism: Its Rise, Growth, and Dissolution, Vol. 3: The Breakdown* (Oxford: Oxford University Press, 1978), 523.

sensuous is to *suffer*.” The phrase appears several times in the *1844 Manuscripts*.

Humanity, he contends, as a sensuous being is a *limited* being, and a limited being is a *suffering* being. Marx does not explicitly say *why* suffering is an inevitable part of the human condition, but it appears related to our ability to envisage the transgression of finite limits that our sensuous existence prevents us from actualizing. In any case, Marx’s emphasis on achieving a “totality of manifestations of life” does not necessarily imply a life free of pain, contradiction, and suffering. It only implies a life in which we are able to come to terms with such afflictions now that we are no longer alienated from ourselves.

If Marx did not oppose the market because he privileged scientific necessity and predictability above all else, why then was he was critical of it? The answer is that the market does not meet the three normative criteria by which he measures reality in his early writings. These are opposition to subject-predicate inversion, opposition to treating oneself and others mere as means to an end, and the view that “*all* emancipation is a *reduction* of the human world and relationships to *man himself*.” The market controls the fate of the producer by setting prices in a way that has little or nothing to do with their actual value or the subjective activity by which the products are created. The products come to dominate the producer. The producer’s activity becomes a mere means to serve the product, rather than vice versa—*because* the nature of the activity that creates the product in the first place becomes a mere means to an end instead of an end in itself. What characterize the market—at least once there is *generalized commodity exchange*—are depersonalized object-object relations instead of *human* relations.

We need to emphasize that the critique of the market is not the *pons asini* of Marx’s critique of capitalism. He sees the market, like private property, as the *result* of

alienated labor, not as its cause. Moreover, his early writings contain far more discussion of private property than the market; his comments about the latter are far from extensive or systematic. Our study of Marx's early writings indicates, in contrast to how he was understood by much of twentieth century "Marxism," that his real object of critique was not the market or private property but rather the social relations that underpin them.

## CHAPTER THREE

### THE CONCEPTION OF A POSTCAPITALIST SOCIETY IN THE DRAFTS OF *CAPITAL*

#### The “First Draft” of *Capital: The Poverty of Philosophy* (1847)

The process by which Marx composed his greatest theoretical work, *Capital*, is a long and complicated one. As early as 1844 Marx had sketched out plans to write a two-volume work on economics that he provisionally entitled *A Critique of Politics and Political Economy*. After he temporarily put aside this work in order to concentrate on such polemical works as *The Holy Family* and *The German Ideology*, he returned to a direct study of economics in the late 1840s. However, the first volume of what became *Capital* was not completed until 1867, after Marx had introduced numerous changes in the form and content of his envisioned work. Marx composed a considerable number of drafts of *Capital* in the two decades preceding its publication in 1867, and they have been the subject of prolonged and detailed examination and debate by a large number of scholars and researchers on Marx’s work over the past several decades.<sup>1</sup>

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<sup>1</sup>See especially Roman Rosdolosky, *Zur Entstehungsgeschichte des Marxschen ‘Kapital’* (Vienna: Europäische Verlag, 1968), Hiroshi Uchida, *Marx’s Grundrisse and Hegel’s Logic* (New York: Routledge, 1988), Michael Henrich, “Capital in General and the Structure of Marx’s *Capital*,” *Capital and Class*, 13 (1989): 63-79, Enrique Dussel, “The Four Drafts of *Capital*: Toward a New Interpretation of the Dialectical Thought of Karl Marx,” *Rethinking Marxism*, vol. 13, no. 1 (spring 2001):10-26, Jacques Bidet, *Exploring Marx’s Capital*, trans. David Fernbach (Chicago: Haymarket Books, 2009), *Karl Marx’s Grundrisse, Foundations of the Critique of Political Economy 150 Years*

Most commentators on Marx have considered the *Grundrisse*, composed in 1857-58, as the first draft of *Capital*. However, there are grounds for considering that Marx's initial conceptual outline of what later became *Capital* began much earlier, in 1847, with his book *The Poverty of Philosophy* and the associated manuscript on "Wages." These were composed in a period in which Marx, having completed his criticism of the Young Hegelians, felt the need to present to the public a positive exposition of his economic theories. Near the end of his life (in 1880) he wrote that *The Poverty of Philosophy* "contains the seeds of the theory developed after twenty years' work in *Capital*."<sup>2</sup> A considerable number of critical concepts that became central to *Capital*—such as surplus value (although the phrase itself does not explicitly appear in *The Poverty of Philosophy*), the relation between production and distribution, the "reserve army of labor," the distribution of the elements of production, and the distinction between actual labor time and socially necessary labor time—first appear in his writings of 1847.

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*Later*, ed. Marcello Musto (New York: Routledge, 2008), Roberto Fineschi, "'Capital in General' and 'Competition' in the Making of *Capital*: The German Debate," *Science and Society*, vol. 73, no. 1 (January 2009): 54-76, and Riccardo Bellofiore and Roberto Fineschi eds., *Re-reading Marx: New Perspectives After the Critical Edition* (London: Palgrave Macmillan, 2009).

<sup>2</sup>See "Note on *The Poverty of Philosophy*," in *MECW* 24:326. This first appeared as a letter of April 7, 1880 to *L'Égalité*. Marx also writes that *The Poverty of Philosophy* "might thus serve as an introduction to the study of *Capital*."



For this reason we will follow the approach taken by a recent study of Marx's economic theory<sup>3</sup> by considering *The Poverty of Philosophy* and related manuscripts composed in 1847 as the "first draft" of what later became *Capital*. The *Grundrisse* will be treated as the second draft, and the manuscript of 1861-63 as the third draft.<sup>4</sup>

*The Poverty of Philosophy* (1847) represents Marx's first published work on economics and marked a crucial step in the two-decades long process that led to the publication of his greatest work, *Capital*. Marx had of course written extensively on political economy prior to the *Poverty of Philosophy*, as seen from his *Economic and Philosophy Manuscripts of 1844* and *The German Ideology*. However, neither work was published until long after his death. Moreover, a number of crucial concepts that later became central to *Capital* and which are not found in either the *1844 Manuscripts* or the *German Ideology* make their first appearance in *The Poverty of Philosophy*.<sup>5</sup>

The purpose of the book was to take issue with Pierre-Joseph Proudhon's *The Philosophy of Poverty* (1846), which sought to apply the insights of David Ricardo's economic theory in developing a criticism of the inequities of modern capitalism.

Proudhon, as Marx shows, was a rather schematic and eclectic thinker whose arguments

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<sup>3</sup>See Samuel Hollander, *The Economics of Karl Marx, Analysis and Application* (Cambridge: Cambridge University Press, 2008), 194-5.

<sup>4</sup>Marx also composed what can be considered a fourth draft of *Capital*, in 1863-65. This lengthy manuscript is still in the process of being published as part of the *MEGA*<sup>2</sup> and it is not analyzed here.

<sup>5</sup>*The Poverty of Philosophy* was written and published in French, and a German edition did not appear until after Marx's death, in 1885. The book was not republished in Marx's lifetime, although several chapters did appear in serialized form in several socialist publications between 1872 and 1875.

are not always internally coherent. Nevertheless, Proudhon consistently counterpoised the “rationality” of Ricardo’s principle of the determination of value<sup>6</sup> by labor time to capitalism’s “irrational” and disorganized process of exchange. Proudhon argued that because labor is the source of all value, the costs of production represent “constituted value”—the relative amount of labor time that it takes to produce a given commodity. This principle of value determination, he argued, is hidden and distorted by the exchange process, in which workers are paid on the basis of a portion of the *price* of the commodity instead of upon the *value* of their labor. Proudhon therefore proposed altering the exchange relations of capitalism by paying workers a “fair” equivalent of the value of their labor in the form of labor tokens or time chits. Workers would be paid not in money—which Proudhon saw as a wholly arbitrary and unnatural phenomenon—but instead in tokens or vouchers that express the amount of time the laborer works in a given period. These tokens would then be exchanged for an equivalent of goods and services produced in the same amount of time (or which have the same “value”).

Marx is scathingly critical of Proudhon’s position on the grounds that it utilizes the central principle of capitalist production—the determination of value by labor time—as the defining feature of a “just” or non-capitalist society. Whereas Proudhon holds that the inequities of capitalism result from an inadequate or incomplete application of the

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<sup>6</sup>In *The Poverty and Philosophy* (1847), the *Grundrisse* (1858), the *Contribution to the Critique of Political Economy* (1859), and the 1861-63 draft of *Capital* Marx uses the terms “value” and “exchange value” more or less interchangeably. It is not until the French edition of volume one of *Capital* in 1872-75 that he explicitly distinguishes between them by referring to exchange value as the value-form or form of appearance of value. This will be discussed further in chap. 4, below.

determination of value by labor time, Marx holds that this is the very *basis* of its inequities:

It will think it very naïve that M. Proudhon should give as a “revolutionary theory of the future” what Ricardo expounded scientifically as the theory of present-day society, of bourgeois society, and that he should thus take for the solution of the antimony between utility and exchange value what Ricardo and his school presented long before him as the scientific formula of one single side of this antimony, that of *exchange value*.<sup>7</sup>

Ricardo, Marx notes, “shows us the real movement of bourgeois production, which constitutes value.” Proudhon leaves “this real movement out of account” and seeks the “reorganization of the world on a would-be new formula, which formula is no more than the theoretical expression of the real movement which exists and which is so well described by Ricardo.” Hence, “Ricardo takes present-day society as his starting point to demonstrate to us how it constitutes value—M. Proudhon takes constituted value as his starting point to constitute a new world with the aid of this value.”<sup>8</sup>

In sum, Marx vigorously objects to applying categories that are specific to capitalism—such as the determination of value by labor time—to efforts to envision the kind of society that should replace it.

Nowhere in the text does Marx suggest that Proudhon’s error was to discuss a future organization of society. He instead takes issue with the *content* of Proudhon’s discussion—the fact that he conceives of a future society on the basis of principles that apply to the old one. *The Poverty of Philosophy* indicates that Marx is not averse to

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<sup>7</sup>Karl Marx, *The Poverty of Philosophy*, in *MECW* 6:121.

<sup>8</sup>*Ibid.*, 123-4.

discussing the future, since his differences with Proudhon's understanding of the issue grounds his entire critique. Moreover, the book also contains a detailed critique of English socialists (such as John Bray) for importing, along similar lines as Proudhon, categories specific to bourgeois society in envisioning a "socialist" alternative to it.

Bray had written several influential works in the 1830s arguing for "equitable labor exchange bazaars." A number of these were organized by utopian socialists in the 1830s in order to organize commodity exchange without a capitalist intermediary. Marx writes, "In a purified individual exchange, freed from all the elements of antagonism he finds in it, he sees an 'egalitarian' relation which he would like to see society adopt."<sup>9</sup> Marx argues that almost all the early English socialists—Thomas Hodgskin, William Thompson, T.R. Edmunds, as well as Bray—"have, at different periods, proposed the equalitarian application of the Ricardian theory."<sup>10</sup> He will further develop his criticism of such positions throughout his two decades of working on *Capital*.

Why was Marx opposed to the "egalitarian" application of Ricardo's theory? The main reason is that it rests upon a fundamental theoretical error—the conflation of actual labor time with socially necessary labor time. Marx agrees with Ricardo that labor is the source of all value. However, he does not agree that value expresses the *actual number of hours* of labor performed by the worker. If value were based on the actual hours of labor, commodities that take longer to produce would have a greater value. Since capitalism is based on augmenting value, that would mean that capitalists would try to get workers to

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<sup>9</sup>Ibid., 144.

<sup>10</sup>Ibid., 139.

work slower rather than faster. This is of course clearly not the case. The reason, Marx argues, is that “Value is never constituted all alone. It is constituted, not by the time needed to produce it all alone, but in relation to the quota of each and every other product which can be created in the same time.”<sup>11</sup> Value is not determined by the actual amount of time employed to create a commodity; it is determined by the *average* amount of *necessary* labor time needed to create it. If a worker in Detroit assembles an automobile in 24 hours while one in South Korea assembles a similar model in only 16 hours, the extra 8 hours of labor performed by the worker in Detroit creates no value. “What determines value is not the time taken to produce a thing, but the minimum time it could possible be produced in, and this minimum is ascertained by competition.”<sup>12</sup>

In other words, the value of the commodity is not determined by actual labor time but by simple or equalized labor time. Labor is equalized, or reduced to an abstract equivalent, through the “subordination of man to machine or by the extreme division of labor.” Marx writes of how “The pendulum of the clock has become as accurate a measure of the relative activity of two workers as it is of the speed of two locomotives.”<sup>13</sup> As competition reveals the minimum amount of labor time necessary, on average, to create a given commodity, the workers are forced to produce the commodity in that time unit, irrespective of their human needs or bodily capacities. Their labor is reduced to an

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<sup>11</sup>Ibid., 147.

<sup>12</sup>Ibid., 136. It is important to note that this social average is *ascertained* by competition, not *created* by it. Marx sees competitive pressures as a function of the drive to augment value, instead of vice versa.

<sup>13</sup>Ibid., 127.

abstract equivalent. This abstract equivalent is the source and substance of value. In capitalism, “Time is everything, man is nothing; he is, at most, time’s carcass. Quality no longer matters. Quantity decides everything; hour for hour, day by day.”<sup>14</sup>

The value of the commodity is therefore determined by labor time only to the extent that labor has been reduced to an abstract, alienating activity. The formula adopted by Proudhon and the English socialists—the determination of value of labor time—cannot serve as the basis of a new society, because it is the principle that governs the alienation of the laborer. Marx argues, “It is upon this equality, already realized in automatic labor, that M. Proudhon wields his smoothing-plane of ‘equalization,’ which he means to establish universally in ‘time to come’!”<sup>15</sup>

Of course, Proudhon, like the English socialists, opposed the exploitation of labor. They viewed themselves as champions of the workers, and in a sense they were since they wanted them to obtain a “fair” share of social wealth. Yet in failing to distinguish between actual labor time and socially necessary labor time, they ended up defining the new society on the basis of the cardinal principle of capitalism. Marx concludes,

After all, the determination of value by labor time—the formula M. Proudhon gives us as the regenerating formula of the future—is therefore merely the scientific expression of the economic relations of present-day society, as was clearly and precisely demonstrated by Ricardo long before M. Proudhon.<sup>16</sup>

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<sup>14</sup>Ibid.

<sup>15</sup>Ibid., 127.

<sup>16</sup>Ibid., 138.

Ideas have their own logic, independent of the intentions and political agendas that may inspire them.

Marx also shows that Proudhon confuses the value of the commodity with the value of labor. To Proudhon, the value of the commodity is equivalent to the value of labor that creates it. On these grounds he argues that there is no reason why workers should not receive the same value in wages (computed in labor tokens or time chits) as the value of the product. The exchange relation should be equalized by eliminating the class of capitalists, usurers, and middlemen that make off with a portion of the workers' value. Marx shows that such calls for equal exchange are based on an erroneous conflation of the value of labor with the value of the commodity:

It is going against economic facts to determine the relative value of commodities by the value of labor. It is moving in a vicious circle, it is to determine relative value by a relative value which itself needs to be determined.<sup>17</sup>

In sum, instead of opposing the “equalization” that reduces living labor to an abstraction, Proudhon endorses it as a principle of equality. He accepts the equalization of labor as a given in order to derive from it a principle of equal exchange. He has overlooked the contradictions inherent in capitalist production while seeking a modification in the form and mechanism of exchange relations.

For Marx, in contrast, the problem of capitalism is not that it distributes value in an unequal manner in contradistinction to the principle of equalization involved in its system of production. Instead, Marx argues that the problem of capitalism, and the reason for its unequal forms of exchange, is the *equalizing* tendencies of value production itself.

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<sup>17</sup>*The Poverty of Philosophy*, in *MECW* 6:128.

All labor in capitalism is reduced to an abstraction, to labor in general, as a result of the “collisions between the worker and the employer who sought at all costs to depreciate the workers’ specialized ability.”<sup>18</sup> The unequal distribution of wealth, Marx contends, is a consequence of a *class* relationship in which labor is reduced to an equal standard—to simple, general labor. There is no value production without the “equalization” of labor—without the reduction of living labor to a uniform abstraction governed by socially necessary labor time. Proudhon’s position is “accepting the present state of affairs; it is, in short, making an apology . . . for a society without understanding it.”<sup>19</sup>

In Marx’s first public discussion of his economic theory he therefore not only directly discusses the nature of a postcapitalist society; in doing so makes it clear that value production is incompatible with socialism.

There is, however, an important difference between Proudhon’s position and those of the English utopian socialists, even though their theoretical views rest on similar premises. While Proudhon embraces payment according to labor time as the governing principle of “socialism,” Bray “proposes merely measures which he thinks good for a period of transition between existing society and a community regime.”<sup>20</sup> This raises the question of whether Marx endorsed an alteration of exchange relations based on paying workers the value of their labor as a transitional form that could lead to a new society.

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<sup>18</sup>Ibid., 188.

<sup>19</sup>Ibid., 134.

<sup>20</sup>Ibid., 142.



The text of *The Poverty of Philosophy* suggests that the answer is in the negative. Marx does not think that production relations can be altered by tinkering with the form in which products are exchanged; he instead argues that alterations in the form of exchange follow from the transformation of relations of production. He writes, “In general, the form of exchange of products corresponds to the form of production. Change the latter, and the former will change in consequence.”<sup>21</sup> Moreover, he indicates that maintaining an exchange of equivalents based on value production undermines the effort to effect a fundamental transformation in production relations. He writes,

Thus, if all the members of society are supposed to be immediate workers, the exchange of equal quantities or hours of labor is possible only on condition that the number of hours to be spent on material production is agreed on beforehand. But such an agreement negates individual exchange.<sup>22</sup>

Marx is here envisioning a situation in which a social average that operates behind the workers’ backs—socially necessary labor time—no longer dictates the amount of time that the worker must spend producing a given product. Instead, the amount of time will be “agreed on beforehand” by the associated producers. Material production is now determined by the producers’ conscious decisions instead of by the autonomous force of value production. Such a situation “negates individual exchange” in that products do not exchange based on the amount of labor time embodied in them. Marx appears to be unequivocal on this point:

Either you want the correct proportions of past centuries with present-day means of production, in which case you are both reactionary and utopian. Or you want

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<sup>21</sup>Ibid., 143.

<sup>22</sup>Ibid.

progress without anarchy: in which case, in order to preserve the productive forces, you must abandon individual exchange.<sup>23</sup>

Hence, although Marx notes that Bray upholds the principle of the determination of value by labor time as a *transitional* form to a new society rather than the governing principle of socialism itself, he remains sharply critical of Bray's views. He is especially critical of Bray for proposing a national savings bank, established by the government, to regulate the distribution of labor tokens or time chits. Marx calls this "the golden chain by which the government holds a large part of the working class. The workers themselves thus give into the hands of their enemies the weapons to preserve the existing organization of society which subjugates them."<sup>24</sup> He sums up his critique thusly:

Mr. Bray does not see that this egalitarian relation, this *corrective ideal* that he would like to apply to the world, is itself nothing but the reflection of the actual world; and that therefore it is totally impossible to reconstitute society on the basis of what is merely an embellished shadow of it. In proportion as this shadow takes on substance again, we perceive that this substance, far from being the transfiguration dreamt of, is the actual body of the existing society.<sup>25</sup>

There is, therefore—at least for Marx—no room for a "transition" to socialism based on the governing principles of the old society. He conceives of a sharper break between capitalism and the transition to socialism than advocated by its neo-Ricardian socialist critics. The manner in which he further develops this argument emerges as one

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<sup>23</sup>Ibid., 138.

<sup>24</sup>Karl Marx, "Wages," in *MECW* 6:427. The manuscript on "Wages," written in December 1847, is part of his studies associated with his initial efforts to work out a critique of political economy and is closely connected with the content of *The Poverty of Philosophy*.

<sup>25</sup>*The Poverty of Philosophy*, in *MECW* 6:144.

of the central themes in his subsequent drafts of what will eventually become volume one of *Capital*.

The “Second Draft” of *Capital*: The *Grundrisse* (1858)

The *Grundrisse*, Marx’s first book-length draft of *Capital*<sup>26</sup> (although it can be considered the “second draft” in light of his writings of 1847), is a remarkable work of over 800 pages that contains a wealth of important philosophic insights. Written in 1857-58 but unknown until 1939, it has sparked numerous reexaminations and reconsiderations of Marx’s contribution as a whole since it became widely available in the 1970s.<sup>27</sup>

What is especially striking about the *Grundrisse* is its wealth of discussion of the alternative to capitalism. Indeed, it can be argued that no single work of Marx discusses a future postcapitalist society as directly or as comprehensively.

One reason for this is that the *Grundrisse* begins with a lengthy criticism of the concept of a postcapitalist society promoted by French and English socialists of the time, Proudhon especially. The latter’s sway over the labor and socialist movements had not receded by 1857-58; instead, in many respects his ideas had become more influential than

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<sup>26</sup>Marx did not provide a title for the work; it was entitled the *Grundrisse* or “rough draft” by its editors. Different as it is from *Capital* in many respects, it covers the subject matter that is contained in all three volumes of what eventually became *Capital*.

<sup>27</sup>Parts of the *Grundrisse*, such as the fragment “Bastiat and Carey” and its “Introduction,” were published in 1902-1904 in *Die Neue Zeit*, edited by Karl Kautsky. However, the work did not appear in full until 1939-1941, when the Marx-Engels-Lenin Institute in Moscow published it in two volumes, in German. Very few of copies of this edition ever reached the Western world and the work was not widely known until the 1960s. The first full English translation appeared in 1973. See *Grundrisse, Foundations of the Critique of Political Economy*, trans. Martin Nicolaus (New York: Vintage Books, 1973). I am here making use of the more recent translation, contained in vols. 28 and 29 of the *Marx-Engels Collected Works*.

ever. Marx was gravely concerned about this and devoted considerable space in the *Grundrisse* to distinguishing Proudhon's concept of a new society from his own. As Marx moves on to deal with other issues in the rest of the work—such as the difference between indirectly and directly social labor, the contradiction between necessary and surplus labor time, and the phases that characterize human development—he discusses the contours of a postcapitalist society to an extent not found in many of his other works.

At the same time, much of the *Grundrisse's* critique of Proudhon and other socialists returns to and further develops the points Marx had earlier formulated in 1847 in *The Poverty of Philosophy*. Marx begins the first chapter of the *Grundrisse*,<sup>28</sup> which deals with money, by critiquing Louis Alfred Darimon, a leading French follower of Proudhon who advocated a reform of the banking system through the creation of a currency based on denominations of labor time. Marx writes,

The general question is: is it possible to revolutionize the existing relations of production and the corresponding relations of distribution by means of changes in the instrument of circulation—changes in the organization of circulation? A further question: can such a transformation of circulation be accomplished without touching the existing relations of production and the social relations based on them?<sup>29</sup>

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<sup>28</sup>Aside from the “Introduction” and the fragment on “Bastiat and Carey” (which deals with the historical specificity of capitalism in the U.S.), the original manuscript contains only two chapters, with no subheadings or divisions into parts. “The Chapter on Money” is about 150 pages long, while “The Chapter on Capital” comes to over 650 pages. Marx often referred to the “shapelessness” of the manuscript in his correspondence.

<sup>29</sup>Karl Marx, *Grundrisse*, in *Marx-Engels Collected Works*, vol. 28 (New York: International Publishers, 1986), 60.

Darimon, like Proudhon and many of the English socialists of the time, thought that it was possible to “revolutionize” relations of production through an alteration of the medium of exchange. Why, Darimon asks, do capitalists accumulate so much wealth, given that labor is the source of all value? The reason, he argues, is the “irrational” nature of the medium of exchange, *money*, which alters and distorts the determination of value by labor time. Commodities are not sold at their value but instead at their *price*, as denominated in money. The “unregulated” nature of the medium of circulation, contends Darimon, is the lever that enables capitalists to “unfairly” pay workers less than the value of their labor. He argues that if commodities were *directly* sold at their “true value,” according to the actual amount of labor time that it takes to produce them—instead of *indirectly* through the medium of money—the very existence of the capitalist would become superfluous. Hence, altering the medium of circulation would abolish class society. To achieve this Darimon proposed creating a national bank to regulate the medium of circulation by replacing money with gold tokens representing the amount of labor time that workers perform in producing a given set of commodities.<sup>30</sup>

Marx engages in a lengthy and complex criticism of Darimon’s position. Much of it is based on his understanding of “the inner connection between the relations of production, distribution, and circulation”<sup>31</sup> as spelled out in the “Introduction” to the

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<sup>30</sup>Darimon’s proposal is somewhat different from that of the English socialists whom Marx also critiques, in that the latter proposes *paper* tokens or vouchers representing actual labor time whereas Darimon prefers gold labor tokens. As Marx sees it, both positions rest upon the same fundamental (and mistaken) set of premises.

<sup>31</sup>*Grundrisse*, in *MECW* 28:61.

*Grundrisse*. He there takes issue with such political economists as John Stuart Mill for viewing relations of production as governed by “eternal natural laws independent of history.”<sup>32</sup> Mill’s view that production relations adhere to eternal natural laws led him to argue that the proper object of political economy, which deals with specific historical formations, is the sphere of *distribution*. Marx objects to this on the grounds that “The structure of distribution is entirely determined by the structure of production.”<sup>33</sup> He develops this by directly employing the central Hegelian categories of Universal, Particular, and Individual.<sup>34</sup> Production, he writes, is the determinant category of capitalist society and therefore represents the Hegelian concept of the *Universal*. Consumption—without which production cannot be realized—corresponds to the Hegelian category of the *Individual*. Production and consumption are opposites and non-identical, but one cannot exist without the other; they co-exist in a state of negative self-relation. Distribution and exchange is the medium by which the Universal is individualized; it corresponds to the Hegelian concept of the *Particular*. “Production, distribution and exchange, and consumption thus form a proper syllogism.”<sup>35</sup> Distribution or exchange is not an independent sphere in its own right. It does not govern, it is governed; it does not determine, it determines; it is a mediatory moment between

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<sup>32</sup>Ibid., 25.

<sup>33</sup>Ibid., 32.

<sup>34</sup>See *Hegel’s Science of Logic*, chap. 3, “The Syllogism,” 664-704.

<sup>35</sup>*Grundrisse*, in *MECW* 28:27.

production and consumption.<sup>36</sup> This serves as the *philosophic* basis of his criticism of Darimon's *economic* theories.

Marx contends that Darimon's error lies in advocating a change in the *form* of wage labor instead of calling for the abolition of wage labor itself. He wants to change the manner in which labor is *remunerated* while leaving its commodification intact, since workers are to be paid in a labor voucher instead of in money. *Yet this retains the need for a universal equivalent with which labor can be bought and sold.*

In passages that recall his earlier discussion in *The Poverty of Philosophy*, Marx contends that Darimon dethrones money from its special role as universal equivalent by proposing that the quantity labor time assume that peculiar role. This is like saying "Let the Papacy remain, but make everyone Pope. Do away with money by turning every commodity into money and endowing it with the specific properties of money."<sup>37</sup> In the name of getting rid of the prevailing universal equivalent, money, every product of labor (as computed in labor time) gets placed in the position of serving as the universal equivalent. *This completely overlooks what allows a universal equivalent to exist in the first place.* One product of labor can be exchanged for all products of labor only if labor itself is reduced to an abstraction, to an abstract universal—to abstract labor. Darimon and Proudhon's plans for the reform of money not only fail to transform relations of

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<sup>36</sup>Another way to state this is to say that production and consumption represent a unity of opposites mediated by way of distribution and exchange. As Marx puts it, "This identity of production and consumption amounts to Spinoza's proposition: *determinatio est negatio*." See *Grundrisse*, in *MECW* 28:28.

<sup>37</sup>*Ibid.*, 65.

production in which labor is reduced to an abstraction. It pushes matters further in that very direction by bestowing universal equivalency upon all commodities.

Marx is not simply arguing that their approach would fail to *improve* matters. He indicates that it would actually make matters *worse*. He first asks if it is worthwhile to tinker with the form of money or the market “without abolishing the production relation itself which is expressed in the category of money; and whether it is not then necessarily a self-defeating effort to overcome the essential conditions of relationship by effecting a formal modification within it.”<sup>38</sup> Marx suggests this is a waste of time since it will create an even greater despotism than what exists under traditional market capitalism: “The inconveniences resulting from the existence of a special instrument of exchange, of a special and yet general equivalent, are bound to reproduce themselves (if in different ways) in every form”—even if it may “entail fewer inconveniences than another.”<sup>39</sup>

Ironically, what Marx is critiquing is a striking anticipation of what passed for “Marxism” in many “socialist” and “communist” regimes of the twentieth century. Such regimes eliminated private property and the “free market” by bringing the process of distribution and circulation under the control of the state. But they did little or nothing to transform *production* relations. Concrete labor was still reduced to a monotonous, routinized activity—to abstract labor. Abstract labor continued to serve as the substance of value. Marx’s discussion in the *Grundrisse* suggests that a planned economy—so long as there is no fundamental change in relations of production—may avoid some of the

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<sup>38</sup>Ibid., 61.

<sup>39</sup>Ibid., 65.



inconveniences of traditional market capitalism, but the problems end up becoming reproduced on another level. For instance, instead of a surplus of products that cannot be consumed (which characterizes traditional capitalism), there is a shortage of products that cannot be produced (which characterized statist “socialism”). Imbalances between production and consumption are bound to show up one way or another so long as the relations of production are not transformed, precisely because value production rests on a non-identity or non-equivalence between production and consumption. Marx puts the matter as follows:

The money system in its present form can be completely regulated—all the evils deplored by Darimon abolished—without the abandonment of the present social basis: indeed, while its contradictions, its antagonisms, the conflict of classes, etc. actually reach a higher degree . . . <sup>40</sup>

One reason that Darimon and Proudhon objected so strenuously to money as the medium of exchange is that gold and silver tend to appreciate in value relative to other commodities in periods of economic crisis. Since the wealthier classes tend to possess greater amount of precious metals and coinage than workers, the former’s income tends to rise even as the latter falls. Organizing exchange through a national banking system based on labor vouchers, Darimon claimed, would put an end to such inequities. Marx counters that he overlooks the other side of the issue—namely, that gold and silver tend to *depreciate* relative to other commodities in periods of economic *growth*. Marx does not deny that prices of commodities wildly fluctuate in periods of economic growth and

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<sup>40</sup>Ibid., 71.

crisis, and often to the detriment of the workers. Yet he does not agree with

Darimon's proposed solution. Does he have a solution of his own to offer? He writes,

Formulated in this way, the riddle would have solved itself at once: abolish the rise and fall in prices. That means, do away with prices. That, in turn, means abolishing exchange value, which, in its turn, requires the abolition of the system of exchange corresponding to the bourgeois organization of society. This last entails the problem of revolutionizing bourgeois society economically. Then it would have become evident from the start that the evils of bourgeois society cannot be remedied by banal "transformations" or the establishment of a rational "money system."<sup>41</sup>

Marx here appears to endorse efforts to ameliorate the deleterious impact of price fluctuations on the agents of production. He explicitly refers to the "abolition" of prices and exchange value. So why does he so sharply criticize the Proudhonists for proposing alterations in the sphere of exchange? The reason is that the abolition of prices and exchange value presuppose a revolutionary transformation of the underlying relations of production. What Marx means by "revolutionizing bourgeois society economically" is a radical transformation of *production* relations that would create, of their own accord, correspondingly new relations of *distribution*. He argues that taking the contrary approach, by focusing first of all on transforming exchange relations, not only leaves production relations intact but also fails to resolve the problems of exchange that so concern the Proudhonists in the first place.

Marx illustrates this by further developing the distinction posed in *The Poverty of Philosophy* between actual labor time and socially necessary labor time. He argues, "Not the labor time incorporated in [previous] output, but the currently necessary labor time

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<sup>41</sup>Ibid., 72.

determines value.”<sup>42</sup> Proudhon and his followers conflate the two. As a result, they fail to see that their “solution”—reorganizing exchange relations to conform to the determination of value by labor time—would do nothing to correct the deleterious impact of the depreciation of the medium of exchange. Marx writes,

According to the general economic law that production costs fall continually, that living labor becomes more and more productive, and that the labor time objectified in products therefore continually depreciates, constant depreciation would be the inevitable fate of this gold labor money.<sup>43</sup>

Darimon sees only the *appreciation* of gold and silver during an economic crisis. Yet Darimon does not realize that his labor money will tend to *depreciate* in value, since the average amount of labor time necessary to produce a given commodity tends to constantly fall. The labor tokens are bound to depreciate as the mode of production undergoes innovation under the pressure of competition. In the long run, workers would have less ability to “buy back” the value of their product than in a traditional monetary economy. Marx notes that this situation would in no way be altered if workers were paid in paper vouchers (as advocated by many English and German socialists of the time) instead of in gold or silver labor money:

The labor time embodied in the paper itself would be of as little account as the paper value of banknotes. The one would simply be a representative of labor hours, as the other is of gold or silver.<sup>44</sup>

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<sup>42</sup>Ibid., 73.

<sup>43</sup>Ibid.

<sup>44</sup>Ibid.

Marx shows that all of these efforts to address social problems by tinkering with the form of remuneration or exchange rest on the illusion that the distinction between value and price is arbitrary and unnecessary. The French and many English socialists consider value to be real and necessary, since it is determined by the quantity of labor time spent in producing an object. They consider price to be fictive and unnecessary, since it is determined by the whim of supply and demand. They therefore want to replace commodity prices with labor tokens that express the “real” value of the product. Marx counters that price cannot be treated as a mere nominal expression of value. Value *must* diverge from price because the value of the commodity is not determined by the actual number of hours engaged in producing the commodity but only by the *average* amount of time that is *socially necessary* for doing so.<sup>45</sup> This average is established behind the backs of the producers and is never *directly* intuited or known by them. Hence, commodities never sell at their value; they sell at prices that are above or below their value. It cannot be otherwise in a society in which the value of the product is established *behind the backs of the producers*, independent of their conscious activity.

Marx writes,

The market value equates itself to the real value by means of constant fluctuations, not by an equation with real value as some third thing, but precisely through continual inequality of itself (not, as Hegel would say, by abstract

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<sup>45</sup>Marx writes, “Price, therefore, differs from *value*, not only as the nominal differs from the real; not only by its denomination in gold and silver; but also in that the latter appears as the law of the movements to which the former is subject. But they are always distinct and never coincide, or only quite fortuitously and exceptionally. The price of the commodities always stands above or below their value . . .” See *Grundrisse*, in *MECW* 28:75.

identity, but by a continual negation of the negation, i.e., of itself as the negation of the real value).<sup>46</sup>

Marx finds much that is irrational in price formation under capitalism, since prices are not determined by the conscious decisions of the agents of production. *But this is because value production is itself inherently irrational* in so far as the value of the commodity is not determined by the conscious decisions by the agents of production. To leave production relations intact while attempting to eliminate the “irrationality” of price formation on the market is inherently self-defeating, since it assumes away the very irrationality of value production of which it is the expression.

The essence of Marx’s critique centers on the non-equivalence of actual labor time and socially necessary labor time, on the one hand, and the non-equivalence of value and price, on the other hand. *Taken together, both indicate that the labor vouchers proposed by Darimon and Proudhon are in principle non-convertible.* Marx writes, “The labor-time ticket, which represents the average labor-time, would never correspond to the actual labor-time, and never be convertible into it.”<sup>47</sup> Since socially necessary labor time is a constantly shifting magnitude, the amount of value embodied in the commodity would never be the same as the nominal “value” (or price) of the product expressed in the labor token. It is of course possible to consciously *assign* a given value to a labor voucher based on the number of hours of labor time that it expresses. However, the “value” of that voucher will never coincide with the actual value of the commodity, which is determined

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<sup>46</sup>Ibid.

<sup>47</sup>Ibid., 76-77.

by the *average* amount of time *necessary* to produce it—an average that cannot be consciously assigned since it undergoes constant change and variation.<sup>48</sup> The labor token would never command the same “value” as the *actual* value of the commodity; in fact, the value of the former would depreciate in comparison with the latter. Hence, the labor tokens would be non-equivalent or non-convertible. But without such convertibility, the labor token could not function as a medium of exchange—which is the entire reason for proposing them in the first place! Marx concludes,

*Because price does not equal value, the element determining value, labor time, cannot be the element in which prices are expressed. For labor time would have to express itself at once as the determining and the non-determining element, as the equivalent and the non-equivalent of itself. Because labor time as a measure of value only exists ideally, it cannot serve as the material for the comparison of prices.*<sup>49</sup>

On these grounds, he contends,

Just as it is impossible to abolish complications and contradictions arising from the existence of money alongside specific commodities by changing the form of money. . . . [I]t is likewise impossible to abolish money itself, so long as exchange value remains the social form of products. It is essential to understand this clearly, so as not to set oneself impossible tasks, and to know the limits within which

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<sup>48</sup>Such efforts to consciously plan out the “value” of the commodity characterized the command economies of the Soviet Union and Communist China. That their state-economic plans, no matter how elaborate, failed to overcome the discrepancies between the *nominal* and *real* value of the commodity was reflected in the widespread existence of a black market in goods and services. Where planning is, in principle, incapable of “rationally” allocating resources through the calculation of commodity values on the basis of political or other non-economic factors, the market will continue to manifest itself, in however distorted or non-traditional a form. This can also be seen as a major reason why most of the state-command economies eventually found it necessary to reconcile theory with reality by openly embracing market capitalism in one or another variant.

<sup>49</sup>*Grundrisse*, in *MECW* 28:77. Emphases are in Marx’s original.

monetary reform and changes in circulation can remodel the relations of production and the social relations based upon them.<sup>50</sup>

So far it may seem that Marx's critique is primarily *negative*, in that he emphasizes his opposition to the Proudhonist conception of how to organize a postcapitalist society. Does his critique posit or at least imply an alternative concept of life after capitalism? As he further develops his discussion, a positive vision of the future does begin to emerge—especially as he goes deeper into the reasons *why* the labor vouchers advocated by the Proudhonists are non-convertible.

Later in the end of the “Chapter on Money,” he notes that “this particular labor time cannot be directly exchanged for every other particular labor time; its general exchangeability must first be mediated, it must acquire an objective form distinct from itself, if it is to acquire this general exchangeability.”<sup>51</sup> Labor time cannot be *directly* exchanged for labor time because labor is *indirectly* social so long as capitalist production relations prevail. We have already seen a reason for this in the distinction between actual labor time and socially necessary labor time: the former expresses a specific number of hours of labor engaged in by a worker, while the latter expresses a social average that operates irrespective of that worker. Hence, the value of the product is not determined directly by the particular acts of the producers, but indirectly, through a social average of many acts of labor among an array of individuals.

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<sup>50</sup>Ibid., 83.

<sup>51</sup>Ibid., 107.

The indirectly social character of labor in societies governed by value production reaches its full expression in *money*. Money, as the universal equivalent, connects one individual's labor and product of labor to someone else's. The social connection between individuals is established through the mediation of exchange. Yet this social relation is *indirect* since one individual is connected to another through an *abstraction*—a universal equivalent. Under capitalism individuals are *socially* connected through the *indirect* medium of money because the production relation that exchange is based upon is itself indirect. As Marx puts it, money “can possess a social character only because the individuals have alienated their own social relationship in the form of an object.”<sup>52</sup>

This explains why “this particular labor time cannot be directly exchanged for every other particular labor time.” The advocates of the labor voucher assume that value production is compatible with *direct* social relations, since a given unit of labor time is (presumably) directly exchangeable for an equivalent product created in the same amount of time. Indeed, Proudhon and his followers assume that the determination of value by labor time is the condition for a truly “rational” and *direct* system of commodity exchange. *The position becomes implausible as soon as it is recognized that value production is anything but directly social.* Proudhon wants to eliminate the indirect character of exchange by harmonizing relations of exchange with social relations of production that are themselves indirect.

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<sup>52</sup>Ibid., 97.



In the course of elaborating upon this difference between directly social labor and indirectly social labor—the first time in his writings that he has made this distinction—Marx enters into a discussion of what he sees as the content of a new society. He writes,

Now if this assumption is made, the general character of labor would not be given to it only by exchange; its assumed communal character would determine participation in the products. The communal character of production would from the outset make the product into a communal, general one. The exchange initially occurring in production, which would not be an exchange of exchange values but of activities determined by communal needs and communal purposes, would include from the beginning the individual's participation in the communal world of products . . . labor would be *posited* as general labor prior to exchange, i.e., the exchange of products would not in any way be the *medium* mediating the participation of the individual in general production. Mediation of course has to take place.<sup>53</sup>

This is a remarkable passage that is worth careful analysis. First, Marx acknowledges that labor would have a “general” character in a new society. However, its generality would be radically different from what exists in capitalism, where discrete acts of individual labor become connected to one another (or are made general) through the act of commodity exchange. In contrast, labor becomes general in the new society *prior* to the exchange of products, on the basis of the “the communal character of production” itself. The community distributes the elements of production according to the individuals’ needs instead of being governed by social forms that operate independently of their deliberation. Labor is general in so far as the community directly decides the manner and form of production. *Labor is therefore directly social, not indirectly social.* Second, Marx acknowledges that exchange would exist in a new society. However, exchange would be

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<sup>53</sup>Ibid., 108.

radically different from what prevails in capitalism, which is governed by the exchange of *commodities*. Instead of being based on exchange values, distribution would be governed by an exchange of *activities* that are “determined by communal needs and communal purposes.” The latter determines the exchange of products, instead being determined by the exchange of commodities that operate independently of it. Third, Marx acknowledges that social mediation would exist in a new society. However, mediation would be radically different than under capitalism, where it has an abstract character since “mediation takes place through the exchange of commodities, through exchange value” and money. In socialism, in contrast, “the presupposition is itself mediated, i.e., communal production, community as the basis of production, is assumed. The labor of the individual is from the outset taken as [directly] social labor.”<sup>54</sup>

Marx’s distinction between indirectly social labor and directly social labor is central to his evolving concept of a postcapitalist society—not only in the *Grundrisse* but also (as I will attempt to show) in much of his later work. He contends that in capitalism the “social character of production is *established only post festum* by the elevation of the products into exchange values and the exchange of these exchange values,” whereas in socialism,

The *social character of labor is presupposed*, and participation in the world of products, in consumption, is not mediated by exchange between mutually independent laborers of products of labor. It is mediated by social production within which the individual carries on his activity.<sup>55</sup>

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<sup>54</sup>Ibid.

<sup>55</sup>Ibid., 108-9.

Marx is envisioning a totally new kind of social mediation, one that is *direct* instead of *indirect*, *sensuous* instead of *abstract*: “For the fact is that labor on the basis of exchange values presupposes that neither the labor of the individual nor his product is directly general, but that it acquires this form only through objective means of a form of money distinct from it.”<sup>56</sup> In sum, a society is governed by exchange value only in so far as the sociality of labor is established not through itself but through an objective form independent of itself. Such a society is an *alienated* one, since (as Marx has shown from as early as his writings of 1843-44), the domination of individuals by objective forms of their own making is precisely what is most problematic and indeed *perverse* about capitalism.

Marx proceeds to go deeper into what he means by directly social “communal production” by addressing the role of *time* in a new society. He writes, “Ultimately, all economy is a matter of economy of time.”<sup>57</sup> All societies strive to reduce the amount of time spent on producing and reproducing the necessities of life. No society is more successful at doing so than capitalism, in which the production relations *force* individual units of labor to conform to the average amount of time necessary to produce a given commodity. Since this compulsion issues from within the production process instead of from a political authority which lords over it from outside, capitalism is far more efficient

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<sup>56</sup>Ibid., 109.

<sup>57</sup>Ibid.

at generating efficiencies of time than pre-capitalist modes of production.<sup>58</sup> Marx repeatedly refers to this as capitalism's "civilizing mission." He says this because the development and *satisfaction* of the individual ultimately depends upon the saving of time so that life can be freed up for pursuits other than engaging in material production. But how does the economization of time relate to a new society governed by "communal production"? Marx indicates that it becomes just as important as in capitalism, although it is enforced in a different form and for a different purpose:

If we presuppose communal production, the time factor naturally remains essential. The less time society requires to produce corn, livestock, etc., the more time it wins for other production, material or spiritual. . . . Economy of time, as well as the planned distribution of labor time over the various branches of production, therefore, remains the first economic law if communal production is taken as the basis. *It becomes a law even to a much higher degree.* However, this is essentially different from the measurement of exchange values (of labors or products of labor) by labor time.<sup>59</sup>

Marx does not detail exactly *how* the economization of time operates in a society governed by communal production; the text mentions no single mechanism or lever for accomplishing this. However, in light of his earlier writings, we can surmise that he sees the motivation for the economization of time in a new society as resting upon the effort to achieve what he called in 1844 a "a totality of manifestations of life." When society is

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<sup>58</sup>This applies most of all to sectors of the capitalist economy that directly feel the pressure to organize themselves according to the social average of labor time because they are subject to competitive pressures. Where competition is restricted or eliminated due to social or political factors, such efficiencies of time will generally not be as forthcoming. One of the arguments for privatization, free trade, and globalization is to extend such efficiencies of time into all sectors of the capitalist economy. The current efforts in the U.S. and Europe to privatize public sector employment can be seen as one reflection of this.

<sup>59</sup>*Grundrisse*, in *MECW* 28:109. Emphases are mine.

freed from the narrow drive to augment value as an end in itself it can turn its attention to supplying the multiplicity of needs and wants that are integral to the social individual. Instead of being consumed by *having* and possessing, individuals can now focus upon what is given short shrift in societies governed by value production—their *being*, their manifold sensuous and intellectual needs, whether “material or spiritual.” The more people get in touch with their *universality of needs*, the greater the incentive to economize time, to reduce the amount of hours engaged in material production, so that such multiple needs can be pursued and satisfied. In a word, whereas in capitalism the incentive to economize time is provided by an abstract standard, exchange value,<sup>60</sup> in socialism it is provided by the concrete sensuous needs of the individuals themselves. The drive to economize time no longer comes from *outside* the individuals, from value’s need to grow big with value, but from *within*, from the quest to manifest the totality of the individuals’ intellectual, sensuous, and spiritual capabilities.

Marx further spells out his concept of a postcapitalist society in the *Grundrisse* by outlining the three broad stages of human history. The first stage, which characterizes pre-capitalist societies, is based on *personal dependence*. Social relations dominate and control the individual. The individual is *personally* dependent on the lord or king, vizir or pharaoh. In such societies “human productivity develops only to a limited extent and at

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<sup>60</sup>Marx had earlier argued in the *Economic and Philosophic Manuscripts of 1844* that societies dominated by exchange value *narrow* and *constrict* a variety of needs at the same time as they expand certain ones. Whereas the need for having, owning, and consuming is amplified by capitalism, the need for caring, sharing, and loving is not. One issue that concerns Marx throughout the *Grundrisse* is the extent to which capitalism’s “civilizing mission” of achieving greater economization of time comes at the expense of hollowing out the richness of the human personality. I will return to this, below.

isolated points.”<sup>61</sup> Satisfaction is obtained on the basis of a narrow and relatively underdeveloped, patriarchal standpoint. The second stage, which characterizes capitalism, is “personal independence based upon dependence mediated by things.” In capitalism, individuals are formally “free” but they are actually dominated by things—by the products of their own hand. Dead labor, capital, dominates living labor. The social power of the individual develops in accordance with exchange value and money; subjective powers are now expressed in an *objective* form. Individuals are subsumed *under* social production, even as the personal bonds that connect them are broken up and dissolved: “Their production is not directly social, not the offspring of association distributing labor within itself.”<sup>62</sup> *Dissatisfaction* is obtained on the basis of a broad and relatively developed standpoint. However, this “second stage” creates the conditions for the *third* stage, postcapitalist society. Marx refers to this stage as follows: “Free individuality, based on the universal development of the individuals and the subordination of their communal, social productivity, which is their social possession.”<sup>63</sup>

Remarkably, Marx does not here use the word socialism or communism to describe a postcapitalist society. He instead refers to it as “free individuality.” In fact, most of Marx’s references to “socialism” in the *Grundrisse* are *critical* references to the standpoint of Darimon, Proudhon, and the English neo-Ricardian radicals. The word “communism” rarely appears at all. Marx appears to be trying to distinguish himself from

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<sup>61</sup>*Grundrisse*, in *MECW* 28:95.

<sup>62</sup>*Ibid.*, 95-96.

<sup>63</sup>*Ibid.*, 95.

other opponents of capitalism by further clarifying his understanding of the alternative to it. The “free individuality” that defines the third stage is a very different kind of individuality than found in capitalism, since it is based upon the “*universal* development of individuals.” What predominates is “the free exchange of individuals who are associated on the basis of common appropriation and control of the means of production.”<sup>64</sup> Marx is suggesting that capitalism *narrows* our individuality in that every aspect of life is reduced to one and only one sense: the sense of *having* or *possession*. The wealth and multidimensionality of the individual’s needs and desires are narrowed down and hollowed out in capitalism, in which augmenting value—as expressed most of all in obtaining money—is considered the greatest good. In contrast, in a socialist or postcapitalist society the *universal* needs of the individual determine social development.

Marx sharply distinguishes this third stage of history from pre-capitalist formations, in that society and/or the community no longer *dominate* the individual. Relations of personal dependence are transcended. *The individual now becomes the social entity*.<sup>65</sup> He also sharply distinguishes the realm of free individuality from the second stage—capitalism—because individuals are no longer cut off from connection or communion with one another but instead relate to each other on the basis of their mutually acknowledged *universal* needs and capabilities.

Marx elaborates upon this by writing that in capitalism, “The individuals are subsumed under social production, which exists outside them as their fate; but social

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<sup>64</sup>Ibid., 96.

<sup>65</sup>*Economic and Philosophic Manuscripts of 1844*, in *MECW* 3:299.

production is not subsumed under the individuals who manage it as their common wealth.”<sup>66</sup> In capitalism individuals are subsumed by social production in so far as relations of production and exchange take on a life of their own and confront the individual as a hostile force. Marx does not think that capitalist society respects the freedom of the individual; it instead dominates and controls individuals under social relations of their own making. *Therein lies the perversity of capitalism.* It is therefore quite pointless to speak of a new society as one in which the freedom of individuals is overcome by subjecting them to the control of social relations *because this is exactly what governs the social relations of capitalism.*

To use Karel Kosik’s phrase, Marx does not envision a new society as one in which the individual is “walled in” by society.<sup>67</sup> He argues that this is what occurs under capitalism. He conceives of the new society as the realm of *free* individuality.

But what about capitalism’s “civilizing mission”? Marx does not leave aside the *contributions* of capitalism as he envisions a new society. He notes that “the dissolution of all products and activities into exchange values presuppose both the dissolution of all established personal (historical) relations of dependence in production, and the all-round dependence of producers upon one another.”<sup>68</sup> Capitalism gives rise to the *idea* of free individuality even as it subsumes individuals under social relations of their own making. Value production acts as the great *dissolver* of firm and fixed social relations, allowing

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<sup>66</sup>*Grundrisse*, in *MECW* 28:96.

<sup>67</sup>See Karel Kosik’s *Dialectics of the Concrete*.

<sup>68</sup>*Grundrisse*, in *MECW* 28:93.



individuals for the first time to conceive of themselves as self-determining subjects. Hence, the “free individuality” that Marx conceives of as defining the third stage “presupposes precisely the production on the basis of exchange value, which, along with the universality of the estrangement of individuals from others, now also produces the universality and generality of all their relations and abilities.”<sup>69</sup> The achievement of a new society based on “free individuality” depends on the formation of new needs and capabilities generated by capitalist relations of production and exchange. Without the generation of such new needs and capacities a new society would lack the incentivizing principle for economizing on labor time. Largely for this reason, Marx repeatedly argues throughout the *Grundrisse* that the third stage of human history arises from the “material and spiritual conditions”<sup>70</sup> created by capitalism itself.<sup>71</sup>

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<sup>69</sup>Ibid., 99.

<sup>70</sup>Marx writes, “It is precisely the production process of capital that gives rise to the material and spiritual conditions for the negation of wage labor and capital,” See *Grundrisse*, in *Marx-Engels Collected Works*, vol. 29 (New York, International Publishers, 1987), 133. He also notes earlier in the work that, “The beauty and greatness lies precisely in this spontaneously evolved connection, in this material and spiritual exchange” and refers to “the expansion of the range of needs, the differentiation of production, and the exploration and exchange of all natural and spiritual powers.” See *Grundrisse*, in *MECW* 28: 98, 337.

<sup>71</sup>This should not be confused with the claim, which became predominate among the Marxists of the Second International and among many others in the twentieth century, that *every country in the world* therefore must first undergo capitalism before they can be ready for socialism. Marx explicitly argued against that position in his writings on the Russian village commune in particular at the end of his life. For an exploration of Marx’s position on this issue, see Kevin Anderson, *Marx at the Margins, On Nationalism, Ethnicity, and Non-Western Societies* (Chicago: University of Chicago Press, 2010).

He sums this up in writing, “It is equally certain that individuals cannot subordinate their own social connections to themselves before they have created them.”<sup>72</sup> It makes a huge difference as to whether the effort to create a postcapitalist society arises from the womb of social relations already in existence or whether it must instead create them *sui generis*. It is impossible to create a new society from scratch. Marx clearly rejects the notion that a new society can be constructed by turning one’s back to history. The “universally developed individuals” that characterizes the stage that follows capitalism is itself a product of prior stages of historical development.

Largely for this reason, the *Grundrisse* contains a considerable amount of historical analysis of the development of capitalism as well as of precapitalist forms of production. The latter range from discussions of the economic and social formations in the ancient Greek and Roman world to communal forms of labor and land tenure that characterized pre-capitalist societies in India, Russia, and China. The section on “Pre-Capitalist Economic Formations” is one of the most famous and widely discussed sections of the *Grundrisse*, and it has given rise to lively debates since it first became widely available (at least in German, Russian and Chinese) in the 1950s.<sup>73</sup> At issue in many of these debates is *why* Marx accorded so much attention to precapitalist formations. Was it part of an effort to extend a “historical materialist” analysis of

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<sup>72</sup>*Grundrisse*, in *MECW* 28:98.

<sup>73</sup>For a discussion of how discussions of Marx’s analysis of pre-capitalist formations in the *Grundrisse* were stimulated by the Chinese Revolution of 1949, see Anne M. Bailey and Josep R. Llobera eds. *The Asiatic Mode of Production: Science and Politics* (London: Routledge, 1981).

capitalism to a delineation of the forms of social production that have characterized all of human history? Or did Marx have a different aim in mind?

There is no question that Marx was deeply interested in comprehending the manner in which capitalist social relations emerged from out of the womb of precapitalist modes of production.<sup>74</sup> At the same time, the *Grundrisse* indicates that Marx was just as interested in how a historical understanding of the emergence of capitalist commodity production could shed light on a future *postcapitalist* society. He points to this in writing,

On the other hand—and this is much more important for us—our method indicates the points at which historical analysis must be introduced, or at which bourgeois economy as a mere historical form of the production process points beyond itself towards earlier historical modes of production. . . . These indications, together with the correct grasp of the present, then also offer the key to the understanding of the past—a work in its own right, which we hope to be able to undertake as well. This correct approach, moreover, leads to points which indicate the transcendence of the present form of production relations, the movement coming into being, thus *foreshadowing* the future. If, on the other hand, the pre-bourgeois phases appear as *merely historical*, i.e. transcended premises, so [on the other hand] the present conditions of production appear as conditions which *transcend themselves* and thus posit themselves as *historical premises* for a new state of society.<sup>75</sup>

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<sup>74</sup>It would be incorrect to presume that Marx was solely concerned with delineating the transition from *feudalism* to capitalism in this section of the *Grundrisse*, since he denied that feudalism characterized social relations in South Asia and China prior to the intervention of European imperialism. He instead contended that such societies were characterized by a different mode of production, which he often referred to as “the so-called Asiatic mode of production.” For more on this, see “Karl Marx. Excerpts from M.M. Kovalevskij,” in *The Asiatic Mode of Production: Sources, Development, and Critique in the Writings of Karl Marx*, ed. Lawrence Krader (Assen: Van Gorcum, 1975), 343-412, Hans-Peter Hartstick ed., *Karl Marx über Formen vorkapitalistischer Produktion: Vergleichende Studien zur Geschichte des Grundergentums 1879-80* (Frankfurt: Campus Verlag, 1977), and Peter Hudis, *Marx Among the Muslims, Capitalism, Nature, Socialism*, vol. 15, no. 4 (December 2004): 51-68.

<sup>75</sup>*Grundrisse*, in *MECW* 28:389.

Marx contends that the analysis of earlier historical forms facilitates the effort to envisage *future* social forms. The social relations of any given society generally appear “natural” and “normal” in the eyes of its participants, especially when they have prevailed for a considerable length of time. This proclivity to *naturalize* social relations is no less prevalent among philosophers, as he shows in his comments about John Stuart Mill and others in the “Introduction” to the *Grundrisse*. One way to challenge this tendency towards naturalization is through the historical investigation of social formations that *preceded* capitalism. The peculiar and transitory nature of capitalism is brought into focus by elucidating the marks that distinguish its relations of production from precapitalist forms. By thusly shaking up the understanding’s proclivity towards naturalization, the examination of the past in turn creates a conceptual lens with which to discern intimations of the *future*. The antagonistic contradictions of the present historical form are brought into focus through an examination of the past, which makes it possible to see how such contradictions foreshadow their transcendence in a future form of social organization. In this sense, Marx’s work does not only address the nature of a possible postcapitalist society when he directly comments on the future; his analysis of the contrast between capitalist and precapitalist societies does so as well.

This is illuminated in a number of ways in the *Grundrisse*’s discussion of precapitalist economic forms. First, Marx argues that while capitalist wage labor is superior in many respects to slavery in pre-capitalist societies, wage labor does not represent a normatively “free” contractual relation between employers and employees. Wage laborers are *formally* free in so far as they sell their capacity to labor to a discrete

entity, the capitalist, in exchange for monetary remuneration. The capitalist pays the workers not for the actual amount of time worked but rather for their potential or *ability* to work.<sup>76</sup> In contrast, slaves are not formally free since the master purchases not their *capacity* to labor but their *actual* labor—their full physical being, the entire *body* of their labor. Therefore, “labor capacity in its totality appears to the free worker as his own property, one of his own moments, over which he as subject exercises control, and which he maintains in selling it.”<sup>77</sup> Since the wage laborer appears to act as a self-determining subject in so far as a contractual relationship is established with the capitalist, it *appears* to be a social form that best corresponds to the concept of freedom. For many living in such a system, this condition of formal “equality” seems to offer the best of all possible worlds. Matters are very different, however, in pre-capitalist societies, where no slave considers herself the equal of the master since a contractual relation is absent; the master simply *imposes* labor upon the slaves and decides arbitrarily how they shall live. By contrasting such pre-capitalist forms with capitalism, Marx is able to pinpoint a contradiction *immanent* to wage labor that is easy to overlook. In slavery and serfdom there is no separation between the active *being* of persons and the “inorganic or objective

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<sup>76</sup>The *Grundrisse* is the first work in which Marx makes this all-important discussion between labor and labor power or labor capacity. Tom Rockmore summarizes the concept thusly: “What the worker offers is not labor, but labor power required to maintain himself, which he does by objectifying himself in the form of a commodity, or product exchanged for money. In other terms, there is a difference between labor and labor time, and the latter is the quantified form of the power, or the capacity to produce commodities, and, in this way, capital.” See Tom Rockmore, *Marx After Marxism, the Philosophy of Karl Marx* (London: Blackwell, 2002), 102.

<sup>77</sup>*Grundrisse*, in *MECW* 28:393.

conditions”<sup>78</sup> of their existence. In capitalism there *is* such a separation, since “living labor appears as alien vis-à-vis labor capacity whose labor it is, whose life it expresses, for it is surrendered to capital in return for objectified labor, for the product of labor itself.”<sup>79</sup> *Despite appearances, in capitalism there is no equal exchange of objectified labor (in the form of capital) for living labor.* There is instead an exchange of objectified labor for labor *capacity*. The contractual relation between worker and capitalist rests on *that* basis. In being paid not for their actual labor but only for their capacity to labor, the active being of the workers is *separated* or *alienated* from the objective conditions of existence. “Labor itself, like its product, is negated in its form as the labor of the particular, individualized worker.”<sup>80</sup> Wage labor is therefore far from being either natural or an expression of *actual* freedom. It is rather a peculiar social relation in which the *formal* equality between capitalist and worker rests upon the *alienation* of labor. It follows that wage labor will come to an end with the abolition of alienated labor.

Second, Marx shows that while relations of exchange and commodity production long preceded capitalism and are found in diverse forms of precapitalist societies, only in capitalism do they *define* and *determine* social reproduction. Relations of exchange, as is the case with exchange value, exist on the margins of precapitalist society, or in their

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<sup>78</sup>Ibid., 413.

<sup>79</sup>Ibid., 390.

<sup>80</sup>Ibid., 398.

“interstices.”<sup>81</sup> The subordination of the producers to relations of exchange that exist outside of their control is historically specific and is not at all “natural.” *The same is true of the concept of value itself.* He writes,

The economic concept of value does not occur among the ancients. Value as distinct from *pretium* [price] was a purely legal category, invoked against fraud, etc. The concept of value wholly belongs to the latest political economy, because that concept is the most abstract expression of capital itself and of the production based on it. In the concept of value, the secret of capital is betrayed.<sup>82</sup>

It follows that just as value production and exchange value do not *dominate* society prior to capitalism, they do not do so *after* capitalism.

Third, Marx shows that the isolated individuality and atomization that characterize modern capitalism are by no means natural or eternal by focusing on communal forms of association, production and distribution that precede capitalism. The *Grundrisse* contains one of the most extensive treatments of the Germanic, Slavic, and “Asiatic” communal forms found in any of his writings. He denies that the “Asiatic” form is a historic aberration, noting that the later Germanic forms are derived from it. The historical aberration is instead the concept of free individuality abstracted from communal conditions that prevail in modern capitalist societies. The very concept of the atomized and independent individual, he argues, arises and can only arise on the basis of developed social and economic relations, including communal ones. As he puts it, “Man

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<sup>81</sup> Ibid., 155: “In antiquity, exchange value was not the *nexus rerum*; it appears as such only among the trading nations, but they had only a carrying trade and did not themselves produce. At least production was secondary among Phoenicians, Carthaginians, etc. They could live in the interstices of the ancient world, like the Jews in Poland or in the Middle Ages.”

<sup>82</sup> *Grundrisse*, in *MECW* 29:159-60.

becomes individualized only through the process of history.”<sup>83</sup> Moreover, he argues that precapitalist communal forms, despite the social backwardness and political despotism that were often associated with them, “seems very exalted, when set against the modern world, in which production is the end of man, and wealth the end of production.”<sup>84</sup> It follows that just as non-communal forms of labor and production did not prevail prior to capitalism, they will not prevail after capitalism. Marx fleshes out this conception by directly addressing the contours of a postcapitalist society, as follows:

In fact, however, if the narrow bourgeois form is peeled off, what is wealth is not the universality of the individual’s needs, capacities, enjoyments, productive forces, etc., produced in universal exchange; what is it if not the full development of human control over the forces of nature—over the forces of so-called Nature, as well as those of his own nature? What is wealth is not the absolute unfolding of man’s creative abilities, without any precondition other than the preceding historical development, which makes the totality of this development—i.e. the development of human powers as such, not measured by any *previously given* yardstick—an end-in-itself, through which he does not reproduce himself in any specific character, but produces his totality, and does not seek to remain something he has already become, but is in the absolute movement of becoming?<sup>85</sup>

Although there is much that can be said of this striking passage, what stands out most of all is the distinction Marx makes between material wealth and value production. In capitalism, material wealth takes the form of value; however, there is no reason for wealth to forever exist in a value-form. *It ceases to do so in a postcapitalist society.* In a new society wealth becomes reconfigured from a merely quantitative to a qualitative

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<sup>83</sup>*Grundrisse*, in *MECW* 28:420.

<sup>84</sup>*Ibid.*, 411.

<sup>85</sup>*Ibid.*, 411-2.



determinant; instead of expressing the reduction of human sensuousness to the abstraction of value, wealth becomes “the absolute unfolding of man’s creative abilities.”<sup>86</sup> In such a society material wealth is not, as in capitalism, a mere *means* to the augmentation of value. Instead, wealth—understood as the unfolding of the richness of the human personality—now becomes an end in itself.

Marx is here returning to and deepening the conception he earlier elaborated in 1844, when he wrote:

It will be seen how in place of the *wealth* and *poverty* of political economy come the rich *human* being and the rich *human* need. The rich human being is simultaneously the human being *in need of* a totality of human manifestations of life—the man in whom his own realization exists as an inner necessity, as *need*.<sup>87</sup>

For Marx the new society is the realm in which the development of the totality of human powers is its own end. In capitalism, in contrast, human powers exist to service capital, self-expanding value.<sup>88</sup> The latter serves as the “yardstick” of social development. In contrast, no “previously given” yardstick that is independent of the individuals’ subjective self-activity governs social development in a postcapitalist society.

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<sup>86</sup>In a work written shortly after the completion of the *Grundrisse*, Marx favorably quotes the comment of Pierre Le Pesant Boisguillebert: “Truth wealth . . . is the complete enjoyment not only of the necessities of life but also of all the superfluities and of all that can give pleasure to the senses.” See *Contribution to the Critique of Political Economy* [1859], in *MECW* 29:295.

<sup>87</sup>*Economic and Philosophic Manuscripts of 1844*, in *MECW* 3:304.

<sup>88</sup>Marx defines capital as “a sum of values employed for the production of values,” and as “self-reproducing exchange value.” It should be noted that Marx is not satisfied with Smith and Ricardo’s definition of capital as congealed or accumulated labor, since that suggests that capital is a transhistorical phenomenon that characterizes all modes of production. See *Grundrisse*, in *MECW* 28:189.

Capitalism, as Marx was fully aware, constantly creates new needs as the forces of production expand. Such needs, however, are generated in order to service capital's thirst for self-expansion. A new society, on the other hand, is one in which the creation and development of human needs is a *self-sufficient* end.<sup>89</sup> New needs are generated through a "universal exchange" of humanity's creative capacities and serve no purpose other than to augment those capacities. The generation of such needs, of course, is potentially endless; needs are limited only by the capacity to envision them.<sup>90</sup> However, this is not commensurate with the "bad infinite" of value production, in which new needs are generated for the sake of endlessly augmenting an abstraction, value. Value, as Marx notes several times in the *Grundrisse*, appears as the *absolute subject* in

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<sup>89</sup>There are striking similarities between Marx's discussion of activities that are end-in-themselves and Aristotle's discussion of the self-sufficient end in his *Ethics* and *Politics*. Whereas Marx speaks of human *power* as an end in itself, Aristotle speaks of *energeia* (sometimes translated as energy or power, but more recently rendered as "being-at-work") as an end in itself: "[A]mong some ways of being-at-work, some are necessary and are chosen for their own sake, it is clear that one ought to place happiness as one of those that are chosen for their own sake and not among those that are for the sake of something else, since happiness stands in need of nothing but is self-sufficient." See *Aristotle's Nicomachean Ethics*, trans. Joe Sachs (Newburyport MA: Focus Publishing, 2002), 190 [1176b3-7].

<sup>90</sup>It is possible to discern a homology between Marx's understanding of *need* and Emmanuel Levinas' discussion of metaphysical *desire*: "The metaphysical desire does not rest upon any prior kinship. It is a desire that can not be satisfied. . . . The metaphysical desire has an other intention; it desires beyond everything that can simply complete it. It is like goodness—the Desired does not fulfill it, but deepens it. It is a generosity nourished by the Desired, and thus a relationship that is not the disappearance of distance, not a bringing together, or—to circumscribe more closely the essence of generosity and goodness—a relationship whose positivity comes from remoteness, from separation, for it nourishes itself, one might say, with its hunger." See Emmanuel Levinas, *Totality and Infinity: An Essay on Exteriority*, trans. Alphonso Lingis (Pittsburgh: Duquesne University Press, 1969), 34.

capitalism.<sup>91</sup> In contrast, once wealth is freed from its value integument, a “multiplicity of needs”<sup>92</sup> is generated for the sake of augmenting a concrete, *sensuous* force—that of the individuals themselves. *The actual individual now finally emerges as the absolute subject.* Perhaps for this reason, Marx writes that an “absolute movement of becoming”<sup>93</sup> characterizes a postcapitalist society. Such an “absolute movement,” which is thwarted by capitalist value production, is the basis of the new society.

Throughout the *Grundrisse*, Marx points to a possible transcendence of value production by emphasizing the *dissolution* of social formations. There is hardly any word that appears more often in his work than *dissolution*. He writes,

Wage labor appears as the dissolution, the destruction of relations in which labor was fixed in all respects of income, content, locality, scope, etc. *Hence as negation of the fixity of labor and its remunerations.*<sup>94</sup>

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<sup>91</sup>See *Grundrisse*, in *MECW* 28:196: “But the whole of circulation considered in itself consists in the same exchange value, exchange value as subject, positing itself once as commodity and again as money; it is the movement by means of which exchange value posits itself in this dual determination . . .” See also *Ibid.*, 237: “Value enters as subject.” It should be noted, however, that value is the subject in capitalism only in a *restricted* sense, since (as Marx states) “it is *labor* which appears confronting capital as subject.” “Value enters as subject” only in so far as labor is employed as a means to augment value, which means that the self-expansion of value is *dependent* on a force or subject that is *exterior* to itself—living labor. Value is the absolute subject only in a qualified, Hegelian sense—as an absolute that contains its highest opposition within itself.

<sup>92</sup>*Ibid.*, 451.

<sup>93</sup>The formulation recalls Marx’s statement in “Private Property and Communism” (1844) that “communism as such is not the goal of human development, the form of human society.” No particular form of society represents the “end” of history if it is defined by the satisfaction of human needs and capacities as an end in itself, since needs are interminable. See *Economic and Philosophic Manuscripts of 1844*, in *MECW* 3:306.

<sup>94</sup>*Grundrisse*, in *MECW* 28:13.

He adds, “The dissolution of all products and activities into exchange values presupposes both the dissolution of all established personal (historical) relations of dependence in production, and the all-round dependence of producers upon one another.”<sup>95</sup> And he writes of how capital promotes the “*dissolution* of the relation to the earth—to land or soil—as a natural condition of production . . . ”<sup>96</sup> Marx’s emphasis on dissolution is no less emphatic when it comes to analyzing precapitalist economic formations, as the following passage—in which dissolution is mentioned no less than six times—suggests:

Such historical processes of dissolution can take the form of the dissolution of the dependent relationship which binds the worker to the soil and to the lord but which actually presupposes his ownership of the means of subsistence. . . . They can also take the form of the dissolution of these relations of landed property which constitute him as yeoman, as a free working petty landowner or tenant (*colonus*), i.e. as a free peasant. The dissolution of the even more ancient forms of communal property and of real community needs no special mention. Or they can take the form of the dissolution of guild relations. . . . Lastly, they can take the form of the dissolution of various client relationships . . . <sup>97</sup>

The reason for Marx’s repeated emphasis on dissolution is not immediately self-evident. The *Grundrisse* explores a number of social formations that existed for many centuries or even millennia, including the so-called “Asiatic” mode of production. Surely not all of these formations were forever on the verge of collapsing or dissolving. So why does Marx place so much emphasis on the tendency towards dissolution, even when he is analyzing relatively stable social formations?

<sup>95</sup>Ibid., 93.

<sup>96</sup>Ibid., 421.

<sup>97</sup>Ibid., 426.

The reason appears to be that Marx was not interested in writing a history of social or economic *development* as much as detailing the process by which a new, *free* society is compelled to come into being. If Marx were engaged in historical analysis for the purpose of developing an empirical sociology, he would need to give as much weight to tendencies towards stability and equilibrium as to dissolution and decay. Yet Marx does not do so; his historical analyses are decidedly one-sided, in so far as they emphasize the constraints faced by social formations in the face of changing historical circumstances. He does so because his real object of analysis is not so much the past as the future. In tracing out how various formations undergo dissolution, Marx is elucidating the factors immanent in the present that point to a future state of affairs. Contrary to the claim that Marx focused mainly on the present and secondarily on the past, his emphasis on tendencies toward dissolution in his analyses of both the present and the past indicate that he was most of all concerned about the future. The future, however, cannot simply be spelled out on the basis of the individual's imagination; it must be traced out through an analysis of *existing* social formations. Marx spells this out in the following passage:

Within bourgeois society, based as it is upon *exchange value*, relationships of exchange and production are generated which are just so many mines to blow it to pieces. (A multitude of antagonistic forms of the social entity, whose antagonism, however, can never be exploded by a quiet metamorphosis). On the other hand, if we did not find latent in society as it is, the material conditions of production and the corresponding relationships of exchange for a classless society, all attempts to explode it would be quixotic.<sup>98</sup>

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<sup>98</sup>Ibid., 96-97.

Marx locates the specific process by which capitalist social relations create the conditions for a supersession of value production in his discussion of the relation between necessary and surplus labor time. This represents one of the most important sections of the *Grundrisse*. Along with its accompanying discussion of the machinery and “the automaton,” it has given rise to a large number of debates in the history of Marxism and Marx scholarship.

Necessary labor is the amount of labor time needed to ensure the *subsistence* of the laborer—the time requisite for enabling the worker to re-enter the labor process on a renewed basis. It depends on an assortment of factors, such as the level of a society’s material development, what is specifically required in a given time or place for workers to replenish their labor power, etc. Surplus labor refers to the excess of time needed to ensure the workers’ subsistence. This distinction is of great importance, as it serves as the basis of Marx’s concept of *surplus value*.<sup>99</sup> He argues,

The great historical aspect of capital is the creation of this surplus labor, superfluous from the point of view of mere use value. Or mere subsistence, and its historical mission is fulfilled when, on the one hand, needs are developed to the point where surplus labor beyond what is necessary has itself become a general need and arises from the individual needs themselves; and on the other, when, by strict discipline of capital to which successive generations have been subjected, general industriousness has been developed as the universal asset of the new generation.<sup>100</sup>

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<sup>99</sup>To my knowledge, the first time that Marx explicitly used the term “surplus value” was in the *Grundrisse*, in the course of discussing the difference between necessary and surplus labor. See *Grundrisse*, 28:249-50. The concept is implicit in *The Poverty of Philosophy*, although the phrase as such does not appear there.

<sup>100</sup>*Ibid.*, 250.

Capital spurs the formation of new needs *beyond* what is required for subsistence, as part of spurring the augmentation of value. The less (relative) amount of value that goes to sustain the worker, the greater the (relative) amount of value that accrues to capital. The greater the ratio of surplus relative to necessary labor, the more expansive human needs become—even as they are subjected to capital’s dominance. Capital’s “progressive” or “civilizing” mission is to expand the boundaries of human needs. Although this unfolds in an alienating process at the expense of the workers, it creates the possibility for richer and more expansive conditions of life: “As the ceaseless striving for the general form of wealth, however, capital forces labor beyond the limits of natural need and thus creates the material elements for the development of the rich individuality.”<sup>101</sup>

There are, however, internal barriers to capital’s effort to surmount all obstacles to its drive to increase the proportion of surplus labor relative to necessary labor, since “The smaller the fractional part already which represents necessary labor, the greater the surplus labor, the less can any increase in productivity perceptively diminish necessary labor.”<sup>102</sup> Surplus labor expands so dramatically vis-a-vis necessary labor that capital cannot further reduce necessary labor without undermining the only source of value, living labor itself:

It is the law of capital, as we have seen, to produce surplus, disposable time. It can do this only by setting in motion *necessary labor*, i.e., by entering into exchange with the worker. It is therefore the tendency of capital to produce as much labor as

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<sup>101</sup>Ibid., 251.

<sup>102</sup>Ibid., 265.

possible, just as it is its tendency to reduce necessary labor to a minimum. . . . It is just as much the tendency of capital to render human labor (relatively) superfluous, as to drive it on without limit.<sup>103</sup>

In rendering human labor relatively superfluous, even as the magnitude of capital increases, the rate of profit begins to decline. The decline in the rate of profit, Marx argues, is merely a manifestation of the increased productivity of labor—that is, capital’s effectiveness at increasing surplus labor relative to necessary labor. Capital can of course try to get around this problem. One way is by increasing the length of the working day, to increase *absolute* surplus value. Yet there are limits to this since a day only contains 24 hours. Another way is through a “spatial addition of *more simultaneous working days*”<sup>104</sup>—such as by increasing the size of the laboring populace by evicting farmers from the land. At the same time, however, capital’s tendency is to “reduce to a minimum the many simultaneous working days.”<sup>105</sup> As much as capital tries to increase the amount of working time in order to accrue more value, it is driven, at one and the same time, to reduce the amount of *necessary* working time. Surplus labor increases at a faster rate than necessary labor time, replicating the original problem. There is too much capital relative to living labor.

Capitalist value production therefore finds itself caught in an insuperable contradiction: “Capital, in positing surplus labor, equally and simultaneously posits and does not posit necessary labor; it exists only as necessary labor both exists and does not

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<sup>103</sup>Ibid., 326.

<sup>104</sup>Ibid.

<sup>105</sup>Ibid., 327.



exist.”<sup>106</sup> This very contradiction creates the conditions for a higher form of social organization, since “an individual can satisfy his *own* needs only by simultaneously satisfying the needs of, and producing a surplus over and above that for, *another* individual.” Thus, “it is this very development of wealth which makes it possible to transcend these contradictions.”<sup>107</sup>

Marx concludes, “Capital posits the *production of wealth* itself and thus the universal development of the productive forces, posits the continual overthrow of its existing presuppositions, as the presuppositions of its reproduction.” Capital is based on conditions that point beyond itself, not despite but because “the elaboration of the productive forces, of general wealth, etc., knowledge, etc., takes place in such a way that the working individual *alienates* himself.” This serves as

The basis [of] the possibility of the universal development of the individuals, and their actual development from this basis as constant transcendence of their *barrier*, which is recognized as such, and is not interpreted as a *sacred* limit. The universality of the individual not as an imaginary concept, but the universality of his real and notional relations.<sup>108</sup>

The development of the material productive forces posits the *possibility* of this transcendence; however, it does not by itself *constitute* it. What constitutes the transcendence of capitalist value production is a state of existence in which the universality of needs is *actualized*. The very process that limits and impoverishes the workers by reducing their laboring activity to a mere means of increasing the productive

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<sup>106</sup>Ibid.

<sup>107</sup>Ibid., 328.

<sup>108</sup>Ibid., 465-6.

forces turns into its opposite, in that this process helps lead to a new sensitivity and understanding of universal needs, connections, enjoyments, and experiences that can realize the wealth of the human personality.

It appears, therefore, that even when tackling such basic economic categories as the relation between necessary and surplus labor time, Marx focuses much of his theoretical attention on forms of social existence that could follow capitalism.

This becomes further attenuated in Marx's discussion of machinery and "the automaton" in the concluding part of the "Chapter on Capital." He argues that the logical trajectory of capitalism is to replace living labor at the point of production with dead labor—machinery and labor saving technology. The greater the productivity of labor, the greater the output of value. The value of each particular commodity *decreases* with increases in productivity, since each commodity embodies less hours of labor time. Yet by producing greater amounts of commodities in a given unit of time, the total amount of value *increases* considerably. As a result, "immediate labor and its quantity disappear as the determining principle of production, of the creation of use-values. "Although labor remains "indispensable" to capitalist production, it "becomes a subaltern moment in comparison to scientific work, the technological application of the natural sciences."<sup>109</sup>

It may appear that Marx is simply discussing the well-known tendency of capitalism to promote technological innovation. While that is surely his focus, he is not only detailing a major component of how capitalism grows and develops. His attention is focused just as much on how this phenomenon points to a form of social existence that

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<sup>109</sup>*Grundrisse*, in *MECW* 29:86.

can *follow* capitalism. He writes, “Thus capital works to dissolve itself as the form which dominates production.”<sup>110</sup> Since living labor as the source and determinant of value begins to disappear under the impact of technological innovation, the existence of value production itself is placed in jeopardy—even though the mass of capital grows under its impetus. As the importance of living labor as the source value begins to recede, the possibility arises of another way of producing use-values—one that is not tied to labor as the universal medium of social reproduction. The very principle that governs the *development* of capitalism—the increased productivity of labor through the use of labor saving devices—points towards a possible *supersession* of capitalism. Just when capital takes over and dominates living labor to an unprecedented degree, the conditions that ensure the existence of capital begin to dissolve. Marx states that capitalism “quite unintentionally reduces human labor, the expenditure of human energy, to a minimum. This will be to the advantage of emancipated labor and is the condition for its emancipation.”<sup>111</sup>

Marx argues that the logical trajectory of this substitution of dead labor for living labor is the following:

Labor no longer appears so much as included in the production process, but rather man relates himself to that process as its overseer and regulator . . . [the laborer] stands besides the production process, rather than being its main agent. Once this transformation has taken place, it is neither the immediate labor performed by man himself, nor the time for which he works, but the appropriation of his own general productive power, his comprehension of Nature and domination of it by virtue of his being a social entity—in a word, the development of the social

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<sup>110</sup>Ibid.

<sup>111</sup>Ibid., 87.

individual—that appears as the cornerstone of production and wealth. . . . As soon as labor time in its immediate form ceased to be the great source of wealth, labor time ceases and must cease to be its measure, and therefore exchange value [must cease to be the measure] of use value. The surplus labor of the masses has ceased to be the condition for the development of general wealth, just as the non-labor of a few has ceased to be the condition for the development of the general powers of the human mind. As a result, production based upon exchange value collapses, and the immediate material production process itself is stripped of its form of indigence and antagonism.<sup>112</sup>

Marx is envisioning a situation in which labor ceases to be the measure or medium of social relations. Marx denies that labor is the “cornerstone of production and wealth” in all forms of society. Least of all does he think that labor will serve as the cornerstone of a postcapitalist society. Instead, “the development of the social individual” in its variety of manifestations—including those not limited to labor or material production—will serve as the cornerstone of wealth. Capitalism prepares the way for this through its proclivity to reduce the relative importance of living labor. This will free up individuals in the new society to pursue talents and capacities that are not restricted to the labor process. Marx envisions the following:

Free development of individualities, and hence not the reduction of necessary labor time in order to posit surplus labor, but in general the reduction of necessary labor of society to a minimum, to which then corresponds the artistic, scientific, etc., development of individuals, made possible by the time thus set free and the means produced for all of them.<sup>113</sup>

These passages clearly highlight Marx’s emphasis on how the specific features of a postcapitalist society emerge from within the womb of capitalism itself. At the same time, his analysis raises many unresolved questions. If living labor “disappears” or is

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<sup>112</sup>Ibid., 91.

<sup>113</sup>Ibid.

severely reduced as capitalism fully develops, how is a new society going to actually come into being? Will it arise quasi-automatically, through the development of the capital relation? Or will it arise consciously, through a revolution by social agents resisting the capital relation? How is it possible to uproot the capital relation from within if the role of living labor “disappears” from the process of producing and reproducing it? Marx does not explicitly address these questions in this section of the *Grundrisse*, and it is not easy to discern how he would address them were he given the chance.<sup>114</sup> It appears that there is somewhat of a discord between objective and subjective factors in his analysis, in that he does not directly indicate how subjective forms of resistance can overcome the objective tendency of capitalist accumulation that he outlines in his analysis.<sup>115</sup>

On these grounds, many objectivist Marxists have argued that the *Grundrisse* indicates that Marx did not place as much emphasis on class struggle and subjective forms of resistance as have been widely assumed. Moishe Postone sees the *Grundrisse* as

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<sup>114</sup>Marx does nevertheless note, “Just as the system of bourgeois society unfolds to us only gradually, so also does its negation of itself, which is its immediate result.” See *Grundrisse*, in *MECW* 29:98. Later, in volume one of *Capital*, Marx will radically revise his discussion of this phenomenon in his discussion of “The Absolute General Law of Capitalist Accumulation.” He identifies this as the formation of a surplus army of labor—the *unemployed*—as a direct result of the rising organic composition of capital. He there discusses this reserve army of labor as a potentially revolutionary force that can bring the system down. See *Capital* 1:927-30.

<sup>115</sup>Raya Dunayevskaya has argued that the role of subjective resistance tends to be downplayed in the section on machinery because the *Grundrisse* was written during the quiescent 1850s, when the working class was not in motion: “Thus, as against *Capital’s* graphic description of the workers’ resistance to the discipline of capital in the process of production itself, the *Grundrisse* still stresses the *material* condition for the solution of conflict and contradictions.” See *Philosophy and Revolution, from Hegel to Sartre and from Marx to Mao*, 70.

the most graphic confirmation that for Marx not living labor but *dead* labor is the emancipatory alternative. Postone is very much following the lead of Herbert Marcuse in this regard, who argued many decades earlier that this section of the *Grundrisse* anticipates contemporary capitalism, in so far as the existence of a politicized working class has become largely non-existent.<sup>116</sup>

In contrast to Marcuse, Postone, and other objectivist Marxists, Antonio Negri has argued that the *Grundrisse* is more deeply rooted in proletarian subjectivity than any of his other major works. He does so by focusing on the sections of the *Grundrisse* in which Marx explicitly connects subjective and objective factors, as when he writes, “But capital too, cannot confront capital, if it is not confronted by labor, for capital is capital only as non-labor, in this antithetical relation.”<sup>117</sup> Negri also makes much of the section on machinery and “the automaton” by arguing that its discussion anticipates the emergence of a post-industrial information economy. As a result of decades of intense proletariat revolt, he contends, capitalism has been forced to replace living labor with labor saving devices, thereby making the former so superfluous that value production has ceased to govern contemporary capitalism. What Marx posits as occurring *after* capitalism—the transcendence of value production through the elimination of living labor from the production process—Negri sees as defining the contemporary information economy. Value production, he argues, no longer characterizes capitalism, which makes it all the easier, in his view, to move toward replacing it with an alternative form of social

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<sup>116</sup>See *One-Dimensional Man, Studies in the Ideology of Advanced Industrial Society*, by Herbert Marcuse (Boston: Beacon Press, 1964), 22-48.

<sup>117</sup>*Grundrisse*, in *MECW* 28:218.

organization. The emancipatory project, for Negri, is fundamentally political in character, since capitalism has already sublated its economic reliance on value.

While a full analysis and evaluation of these positions cannot be included here, it is important to exercise caution when it comes to drawing conclusions from the passages in the *Grundrisse* concerning the relation of necessary and surplus labor time and machinery. While Marx sometimes writes of the “disappearance” of living labor in the production process, it appears that he is addressing a *tendency* more than an accomplished *fact*. This is reinforced by the fact that the “Chapter on Capital” also emphasizes the ways in which the incorporation of labor saving devices into the production process can also *increase* the employment of living labor. Marx writes,

This is striking proof that, under the dominion of capital, the employment of machinery does not reduce work, but rather lengthens it. What it reduces is necessary labor, not the labor necessary for the capitalist. Since fixed capital is devalued as long as it is not employed in production, its growth is linked with the tendency to make work *perpetual*.<sup>118</sup>

While capitalism strives to reduce the relative amount of labor time at the point of production, it also strives to augment value. Capitalism is defined by a complex dynamic rather than by a unilinear replacement of all workers by machines. The incorporation of new machinery in the production process necessitates that the value of the constant capital be reproduced with each new cycle of capitalist production, thereby creating an impetus to increase the absolute (if not relative) employment of labor. Marx refers to this process as follows: “By striving to reduce labor time to a minimum, while, on the other hand, positing labor time as the sole measure and source of wealth, capital itself is a

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<sup>118</sup>*Grundrisse*, in *MECW* 29:204.

contradiction-in-progress.”<sup>119</sup> Two contradictory tendencies occur side-by-side. On the one hand, capitalism is driven to reduce necessary labor time to a minimum; on the other hand, capitalism creates disposable time by increasing surplus labor. Marx notes that this contradiction becomes increasingly evident with the development of the productive forces.<sup>120</sup> The reduction of necessary labor time does not necessarily lead to an absolute reduction of surplus labor time, which still creates value. Marx writes, “Hence, the most developed machinery now compels the laborer to work for a much longer time than the savage does, or than the laborer himself did when he was using the simplest, crudest instruments.”<sup>121</sup>

Marx refers to this contradiction being superseded in a new society, in which necessary labor “will be measured by the needs of the social individual” while “the disposable time of *all* will increase.”<sup>122</sup> While many issues remain unresolved about Marx’s discussion of machinery and “the automaton” in the “Chapter on Capital,” it seems over-hasty to conclude that he is suggesting that the actual elimination of living labor from the production process will occur in capitalism. Marx is delineating a *tendency*, not a finished *result*. Objectivist and subjectivist Marxists appear to have seized on these passages by jumping to conclusions not warranted by the full text. Marx neither infers that value production will be annulled in capitalism, nor does he suggest that living

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<sup>119</sup>Ibid., 91.

<sup>120</sup>Ibid., 94.

<sup>121</sup>Ibid. Emphasis is in Marx’s original.

<sup>122</sup>Ibid., 94.



labor ceases to be a socially determinative force in capitalism.<sup>123</sup> The transcendence of both value production and labor as the medium governing the social metabolism occur in a new, postcapitalist society, even if the conditions for this future state of existence are readied and prepared in the womb of the old one.

Marx takes a step further into a new society at the end of the *Grundrisse* in addressing whether *play* can replace *labor* after capitalism. He cites Fourier, stating that it was his “great merit” to have emphasized the need to transform conditions of production instead of relations of exchange. However, he takes issue with Fourier’s view that play can replace labor on the grounds that freely-associated human relations require great discipline and development. Marx conceives of free activity as not only *leisure* but also as *exercise*,<sup>124</sup> writing of the importance of “material creative and self-objectifying science, with respect to the developed man, whose mind is the repository of the accumulated knowledge of society.”<sup>125</sup> Truly *free* activity, for Marx, consists of *conscious*, purposeful activity—which is an arduous exercise.

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<sup>123</sup>I am not suggesting that either of these outcomes is implausible. I am only suggesting that they are not supported by the text of the *Grundrisse*. Whether or not a capitalist economy can exist without either value production or living labor as a major component are issues that need to be explored in their own right, and they fall outside the scope of this study.

<sup>124</sup>The parallels with Aristotle’s discussion in his *Ethics* are again striking. Aristotle writes, “Therefore, happiness does not consist in play, for it would be absurd for our end to be play, and to work hard and undergo troubles all though one’s life for the sake of playing. For we choose everything so to speak, for the sake of something else, except happiness, since this is the end. But to be earnest and to labor for the sake of play seems foolish and too childish.” See *Aristotle’s Nicomachean Ethics*, 191 [1176b30-11712].

<sup>125</sup>*Grundrisse*, in MECW 29:97.

Far from denigrating the role of ideas or seeing them as merely epiphenomenal, Marx considers it imperative for a new society to appropriate the “accumulated knowledge” of previous historical eras. The fully developed person, who seeks to express a totality of manifestations of life, cannot be without the vast storehouse of accumulated knowledge that human history provides us with. A new society is not defined only by its level of material development, but also by its intellectual and spiritual level.

#### The “Third Draft” of *Capital*, 1861-63

After finishing the *Grundrisse*, Marx published a relatively brief work entitled *A Contribution to the Critique of Political Economy*. Although it marked his effort to publicly present some of his theoretic discoveries of the late 1850s, it is far less comprehensive and sweeping than either the *Grundrisse* or volume one of *Capital*. Marx was not yet prepared in 1859 to publish the comprehensive study that he had in mind for some time; therefore, *A Contribution to the Critique of Political Economy* has a more modest scope, containing only two brief chapters—“The Commodity” and “Money or Simple Reproduction.” Marx later considerably re-worked these chapters in volume one of *Capital*, published in 1867. Since many of the points contained in *A Contribution to the Critique of Political Economy* are found in either the *Grundrisse* or *Capital*, it will not be analyzed here.

More germane to this study is the work that comes between *A Contribution to the Critique of Political Economy* and volume one of *Capital*—the 1861-63 draft of *Capital*.

This “third” draft of *Capital*<sup>126</sup> is extremely detailed and comprehensive, consisting of over 2,000 printed pages.<sup>127</sup> A section of the draft, consisting of a lengthy criticism of the works of other economic theorists, was published several decades after Marx’s death as a separate work, entitled by its editors *Theories of Surplus Value*.<sup>128</sup> The entire draft has only recently become available and is just beginning to receive the scholarly attention that it deserves.<sup>129</sup>

The 1861-63 draft contains a number of innovative formulations and concepts that are not explicitly found in Marx’s earlier work, the *Grundrisse* included. These include a detailed analysis of the origin and nature of surplus value, discussions of the

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<sup>126</sup>This is based on our considering the 1847 *Poverty of Philosophy* as the first “draft.” Most discussions of the manuscript of 1861-63 consider it as the *second* draft of *Capital*.

<sup>127</sup>The English edition of the 1861-63 draft of *Capital* takes up four full volumes of the *Marx-Engels Collected Works*—vols. 30-33.

<sup>128</sup>Karl Kautsky published the first German edition of this work in 1905-1910, which he extracted from the manuscript of 1861-63 and published as a separate work under a title of his own choosing. The rest of the manuscript remained unpublished and did not appear in German until the late 1970s and early 1980s. It first appeared in English between 1988 and 1991 in vols. 30-33 of the *Marx-Engels Collected Works*. Although Marx originally intended (as of 1863) for what he called the “history of theory” to be included in the first volume of *Capital*, he changed his mind in the mid-1860s and decided instead to relegate this material to a separate “Book Four” of *Capital*. Since he originally planned that what appeared, after his death, as volumes two and three of *Capital* to be a single volume comprising “Book Two” and “Book Three,” *Theories of Surplus Value* should be considered “volume four” of *Capital*. It has never, however, been published in this form, which in part explains its neglect by many commentators on Marx’s works. See Marx’s “Postface to the First Edition” of *Capital*, 1:93.

<sup>129</sup>See especially Enrique Dussel, *Hacia un Marx desconocido, un comentario de los Manuscritos del 1861-63* (Mexico City: Siglo XXI, 1988). An abbreviated version is available in English as *Towards an Unknown Marx: A Commentary on the Manuscripts of 1861-63*, trans. Yolanda Angulo, ed. Fred Mosely (London and New York: Routledge, 2001).

contradiction between “living labor” and objectified or “dead labor,” and a preliminary discussion of the *forms* of value as well as the fetishism of commodities. The draft of 1861-63 also represents Marx’s first effort to develop a theory of “average prices,” the difference between “market value” and “individual value,” over-production, and capitalist crisis, all of which later become critically important in volumes two and three of *Capital*.

The 1861-63 draft also touches on the nature of a postcapitalist society in a number of important ways. However, Marx’s discussion of this is not as explicit or detailed as in the *Grundrisse*. One reason for this may be that Marx decided not to directly enter into a critical discussion of the shortcomings of other socialist and communist writers in the work on the grounds that it was more important for him to focus on a critique of the major *bourgeois* economists. He writes,

In accordance with the plan of my work socialist and communist writers are entirely excluded from the historical reviews. . . . I therefore exclude such eighteenth century writers as Brissot, Godwin and the like, and likewise the nineteenth socialists and communists.<sup>130</sup>

At the same time, since most of the socialist and communist writers critiqued by Marx in other contexts take Ricardo’s formulation of the determination of value by labor time as their conceptual point of departure, Marx’s extended criticism of Ricardo in the

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<sup>130</sup>*Economic Manuscript of 1861-63*, in *Marx-Engels Collected Works*, vol. 31 (New York, International Publishers, 1989), 241. See also *Marx-Engels Collected Works*, vol. 32 (New York, International Publishers, 1989), 373: “During the Ricardian period of political economy its antithesis, communism (Owen) and socialism (Fourier, St. Simon, the latter only in its first beginnings), [come] also [into being]. According to our plan, however, we are here concerned only with that opposition which takes as its starting-point the premises of the economists.”

draft of 1861-63 has important implications for understanding his view of the alternative to capitalism.

Marx's criticism of Ricardo and his followers (such as James Mill, John Stuart Mill, Thomas Hodgskin and others) are quite lengthy, totaling over 600 pages. His main objection is that Ricardo and the post-Ricardians focus exclusively on the *quantitative* side of value, on the *amount* of labor time embodied in a product, rather than on the *qualitative* side, on the *kind* of labor that creates value. He writes, "Ricardo starts out from the determination of *the relative values (or exchangeable values) of commodities by 'the quantity of labor.'*" However, "The character of this 'labor' is not further explained."<sup>131</sup> If the value of all commodities is determined by the quantity of labor time embodied in them, all commodities must contain a common *substance*. Commodities have differing exchange values in so far as they contain different amounts of this substance. Yet why does living labor, a *subjective* activity, take the *form* of this *substance*? Ricardo and his followers never ask the question because they assume that value is simply a *natural* property of labor. Marx, on the contrary, argues that living labor serves as the substance of value only when labor assumes a specific social *form*—the *dual* form of concrete versus abstract labor. Labor can serve as the substance of value only if it is *alienated* labor. "But *Ricardo* does not *examine* the form—the peculiar

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<sup>131</sup>*Economic Manuscript of 1861-63*, in *MECW* 31:389.

characteristic of labor that creates exchange value or manifests itself in exchange values—the *nature* of this labor.”<sup>132</sup>

*Why* does Ricardo never investigate the nature of value creating labor? Why does he conflate “labor” with value creating labor? What prevented him from grasping the historical specificity of value-creating labor? The answer is that his theoretic categories did not proceed from the standpoint of the subjectivity of the laborer. Ricardo is more interested in the *products* of labor than in the laborer. He wants to understand how products come into being (such as commodities, capital and money) and how their value is determined. The product is the subject of his analysis, not the human being who creates and shapes it. He never conceptually looks into the factory to see what occurs in the “storm and stress” of the actual production process. As a result, he fails to distinguish between living labor as a generic activity and the peculiar kind of (alienated) labor that actually creates value.

The manuscript of 1861-63, when read as a whole, shows that Marx took a very different approach. The section on Ricardo and other economists is preceded by a part on “The Production Process of Capital.”<sup>133</sup> Marx here focuses on the central contradiction that is internal to the capitalist process of production—the antithesis between objectified

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<sup>132</sup>Ibid. See also *MECW* 32:325: “All commodities can be reduced to labor as their common element. What Ricardo does not investigate is the *specific* form in which labor manifests itself as the common element of commodities.”

<sup>133</sup>This is actually how the 1861-63 manuscript begins. The subject matter of this section does not appear in *A Contribution to the Critique of Political Economy*, nor is it explicitly spelled out in the *Grundrisse*. It largely corresponds to what later becomes pt. 2 of vol. 1 of *Capital*, “The Transformation of Money into Capital.”

labor and living labor. He writes, “an increase in value means nothing more than an increase in objectified labor; but it is only through living labor that objectified labor can be preserved or increased.”<sup>134</sup> He refers to living labor as the “subject” of this process—since no value can be created without it—while showing that living labor becomes subsumed by objectified labor:

A further antithesis is this: in contrast to money (or value in general) as *objectified labor*, labor capacity appears as a capacity of the living subject; the former is past labor, labor already performed, the latter is future labor, whose existence can only be the living activity, the currently present activity of the living subject itself.<sup>135</sup>

Marx has entered into the heart of the process of production by showing what occurs *within* the factory. Not only are products being produced by workers, the workers themselves are being transformed from living, creative, subjective agents into mere appendages of the machine. A split occurs between the subjectivity of the laborer and the labor that they perform. Marx describes this split in terms that recall, but also further extend, his earlier formulations of 1844:

The labor goes over from the form of activity to the form of being, the form of the object. As alteration of the object it alters its own shape. The form-giving activity consumes the object and itself; it forms the object and materializes itself; it consumes itself in its subjective form as activity and consumes the objective character of the object, i.e., it abolishes the object’s indifference towards the purpose of the labor.<sup>136</sup>

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<sup>134</sup>*Economic Manuscript of 1861-63*, in *Marx-Engels Collected Works*, vol. 30 (New York: International Publishers, 1988), 36.

<sup>135</sup>*Ibid.*, 41.

<sup>136</sup>*Ibid.*, 59.

By directly exploring the contradictions internal to the capitalist labor process, what becomes visible is the specific *kind* of labor that creates value. This becomes of critical importance in his criticism of Ricardo. Whereas prior to 1861 Marx often credited Ricardo for pinpointing the determination of value by labor time, he now emphasizes his radical departure from him. Marx indicates that positing labor as the source of value fails to get to the critical issue—the kind of labor that creates value. When the latter is passed over it becomes hard to see *why* living labor serves the *substance* of value. Marx is suggesting that it is not enough to ameliorate the *quantitative* inequities associated with the determination of value by labor time; instead, what is most needed is to *qualitatively* eliminate the kind of labor that creates and constitutes value in the first place.

This has important ramifications for a Marxian understanding of a postcapitalist society. This can be best discerned when Marx's critique of Ricardo and post-Ricardians is considered in light of his preceding discussion in "The Production Process of Capital."<sup>137</sup> Marx argues that Ricardo's failure to grasp the nature of the labor that creates value leads to an erroneous theory of *money*. Ricardo argues that money, like other market phenomena, only *appears* to contradict the determination of value by labor time in so far as its value is determined by supply and demand instead of by the amount of labor time that it takes to produce it. Ricardo seeks to dispel what he considers this false

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<sup>137</sup>The fact that Marx's critique of Ricardo and the post-Ricardians was separated out from the rest of the manuscript of 1861-63 and published as *Theories of Surplus Value* has made it difficult to appreciate the central point he was driving at in his critique of these and other theorists—namely, that a failure to specify the form of value results from keeping one's conceptual distance from the standpoint of the laborer or what happens to the laborer inside the factory.



appearance by arguing that money, like the market price of a commodity, is ultimately reducible to the determination of value by labor time. He “*directly* seeks to prove the congruity of the economic categories with one another.”<sup>138</sup> By reducing market phenomena to the determination of value in an unmediated fashion, Ricardo posits an *identity* of essence and appearance. Marx argued that this is even truer of John Stuart Mill, who “transforms the unity of opposites into the direct identity of opposites.”<sup>139</sup>

Marx does not deny that the determination of value by labor time is an essential economic category of capitalism, which is hidden and distorted by transactions on the phenomenal level of the market. He denies, however, that there is a direct, *unmediated* connection between the law of value and market phenomena. Prices *must* diverge from value, Marx contends, because of the specific kind of labor that creates value—abstract or *indirectly* social labor. Since “the definite, particular labor of the private individual must manifest itself as its opposite, as equal, necessary, general labor,”<sup>140</sup> the exchange value of the commodity obtains an *independent* existence in money. Exchange values calculated in money, or price, can therefore never be *directly* reduced to the commodity’s “real” value. While the sum of all prices is equal to the sum of all values, the price of any given commodity generally diverges from its value because of the peculiar form of labor

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<sup>138</sup>*Economic Manuscript of 1861-63*, in *MECW* 31:390.

<sup>139</sup>*Economic Manuscript of 1861-63*, *MECW* 32:278. See also *MECW* 32:290: “The logic is always the same. If a relationship includes opposites, it comprises not only opposites but also the *unity* of opposites. It is therefore a *unity without opposites*. This is Mill’s logic, by which he eliminates the ‘contradictions.’”

<sup>140</sup>*Economic Manuscript of 1861-63*, in *MECW* 32:317.

that governs capitalist production. Value becomes price through *a transformation into opposite*; the two are not identical, even though they exist in a state of dialectical unity.

The reason why Ricardo and the neo-Ricardians *force* the opposites of price and value<sup>141</sup> into an unmediated unity is that they fail to comprehend the historical peculiarity of value-creating labor. They do not grasp that the concrete labor of individuals in capitalist society *must* be represented in terms of its “immediate opposite, abstract, general labor.” Essence and appearance cannot be made to coincide so long as abstract or alienated labor persists, since “Only by its alienation does individual labor manifest itself as its opposite.”<sup>142</sup>

By failing to grasp this, Ricardo and his school present “the whole bourgeois system of economy as subject to one fundamental law, and extract the quintessence out of the divergency and diversity of the various phenomena.”<sup>143</sup> While this has the advantage of concentrating attention on the determination of value by labor time, it is outweighed by its disadvantages:

As the work proceeds, there is no further development. Where it does not consist of a monotonous formal application of the same principles to various extraneous matters, or of polemical vindication of these principles, there is only repetition or amplification.<sup>144</sup>

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<sup>141</sup>Marx will also contend that this is true of their understanding of the relation of surplus value and profit as well.

<sup>142</sup>*Economic Manuscript of 1861-63*, in *MECW* 32:323.

<sup>143</sup>*Economic Manuscript of 1861-63*, in *MECW* 31:394.

<sup>144</sup>*Ibid.*, 394-5. Marx’s comments bring to mind Hegel’s criticism of formal abstraction in the *Phenomenology of Spirit*: “The Idea, which is of course true enough on its own account, remains in effect always in its primitive condition, if its development involves nothing more than this sort of repetition of the same formula. . . . Rather it is a

Although Marx states that he intends to focus on the classical political economists like Smith, Ricardo and Mill and not on the radical or socialist thinkers who were influenced by them, he does venture into a critical discussion of the latter. He does not dispute the contention of an important American advocate of free trade and critic of Ricardo, Henry Charles Carey, that Ricardo's economic theories made him "a father of communism" in many respects.<sup>145</sup> The manuscript of 1861-63 also contains an extended section on "Proletarian Opposition on the Basis of Ricardo," in which he discusses such thinkers as Thomas Hodgskin, George Ramsey, and Richard Jones.<sup>146</sup> Marx's analysis indicates that it should come as no surprise that the socialist followers of Ricardo adopted the notion that money could be replaced by another means of measuring the quantity of labor time, such as time chits or labor tokens. They found no fault with Ricardo's purely quantitative analysis of value production since they also did not ask the question of what kind of labor creates value. Like Ricardo, the post-Ricardian socialists simply assumed that it was a natural property of labor to serve as the substance of value. For this reason, they thought it is possible to replace money by a direct determination of value by labor time instead of relying on the indirect medium of price formation on the market. Marx contends that they shared with Ricardo a failure to understand that money—or any alternative medium that is adopted as a universal equivalent—is not just the expression of

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monochromatic formalism which only arrives at the differentiation of its material since this has been already provided and is by now familiar." See G.W.F. Hegel, *Phenomenology of Spirit*, trans. A.V. Miller (Oxford: Oxford University Press, 1977), 9.

<sup>145</sup>*Economic Manuscript of 1861-63*, in *MECW* 31:392.

<sup>146</sup>See *Economic Manuscript of 1861-63*, in *MECW* 33, 253-371.

a *quantity* of labor time, but of a specific *quality* of labor. This is why they held that the ills of capitalism could be remedied by eliminating the “anarchy” of the market, such as by replacing money with labor tokens.

Marx does not share their conception of the alternative to capitalism because he does not hold that price formation on the market is “arbitrary” and contingent whereas value production is predictable and transparent. The arbitrary and contingent nature of market phenomena is itself a reflection of the irrational and indirect nature of value production. Instead of contrasting the transparency of value production to the opaqueness of market transactions, Marx sees both as constituting irrational and contradictory forms within capitalist society. As long as the production relations of capitalism are presupposed as natural and eternal, it is impossible to overcome the irrational and crisis ridden nature of capital:

[I]t is quite clear, that between the starting-point, the prerequisite capital, and the time of its return at the end of one of these periods, great catastrophes must occur and elements of crisis must have gathered and developed, and these cannot in any way be dismissed by the pitiful proposition that products exchange for product.<sup>147</sup>

As Marx also puts it, “Crisis is nothing but the forcible assertion of the unity of phases of the production process which have become independent of each other.”<sup>148</sup>

Ricardo himself, Marx notes, denies the possibility of crises that are endemic to value production<sup>149</sup> because he posits an identity between production and consumption as well as between purchase and sale. This implies that society,

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<sup>147</sup>*Economic Manuscript of 1861-63*, in *MECW* 32:126.

<sup>148</sup>*Ibid.*, 140.

as if according to a plan, distributes its means of production and productive forces in the degree and measure which is required for the fulfillment of the various social needs, so that each sphere of production receives the quota of social capital required to satisfy the corresponding need. This fiction arises entirely from the inability to grasp the specific form of bourgeois production and this inability in turn arises from the obsession that bourgeois production is production as such, just like a man who believes in a particular religion and sees it as the religion, and everything outside of it only as *false* religions.<sup>150</sup>

Marx's statement that Ricardo assumes that the disproportionalities of value production can be smoothed out "as if according to a plan" is striking in light of the experience of the state-controlled "planned" economies in the USSR and elsewhere in the twentieth century. By 1943 Soviet economists admitted that the law of value continued to operate in their putatively "socialist" society. They contended, however, that because of state planning the disproportionalities inherent in value production had been overcome.<sup>151</sup> That they succeeded in actually overcoming such disproportionalities can be doubted, given the history of the Soviet economy. Much like the socialist neo-Ricardians of the

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<sup>149</sup>Ricardo held that economic crises are merely an exogenous hangover of feudal appendages, such as legislation preventing free trade and competition.

<sup>150</sup>*Economic Manuscript of 1861-63*, in *MECW* 32:158.

<sup>151</sup>See "Teaching of Economics in the Soviet Union," trans. Raya Dunayevskaya, *American Economic Review*, vol. 34, no. 3 (September 1944):501-30. The article originally appeared in the Russian journal *Pod Znamenem Marxizma*, no. 7-8 (1943). Whereas previously Soviet textbooks had argued that the law of value did not operate under socialism, they now proclaimed that it was an operative principle of the Soviet economy. For the debate touched off by this declaration, see Raya Dunayevskaya, "A New Revision of Marxian Economics," *American Economic Review*, vol. 34, no. 3 (September 1944), 531-37; Paul Baran, "New Trends in Russian Economic Thinking?" *American Economic Review*, vol. 34, no. 4 (December 1944):862-71; Oscar Lange, "Marxian Economics in the Soviet Union" and Leo Rogin, "Marx and Engels on Distribution in a Socialist Society," *American Economic Review*, vol. 35, no. 1 (March 1945):127-33 and 137-43, respectively.

nineteenth century critiqued by Marx, they thought it was possible to eliminate indirect and “anarchic” market relations while maintaining a system of value production based on indirectly social labor.

Marx’s discussion lends credence to Moishe Postone’s argument that Marx’s critique of capital applies to what he calls “traditional” or “Ricardian Marxism.”<sup>152</sup> The manuscript of 1861-63 indicates that Marx’s criticism of Ricardo and the neo-Ricardians sheds illumination on the shortcomings of various “alternatives” to capitalism proposed or implemented during the twentieth century.<sup>153</sup>

The 1861-63 draft of *Capital* also introduces a new concept that is not explicitly developed in the *Grundrisse*—commodity fetishism.<sup>154</sup> Marx argues that in capitalism

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<sup>152</sup>I am referring only to Postone’s contention that many twentieth century Marxists were “Ricardian” in so far as they focused on the magnitude of value rather than on the dual character of labor. As indicated above, I do not share his view that those who consider workers as revolutionary subjects to be “Ricardian Marxists.”

<sup>153</sup>Marx anticipates the shortcomings of twentieth century “socialism” in numerous places in the manuscript. He goes so far as to view various socialist tendencies as expressing the logic of capital. This is especially evident when he takes issue with those who confuse the abolition of interest-bearing or monetary capital with the elimination of the capitalist mode of production. He writes, “It is thus clear why superficial criticism—in exactly the same way as it wants [to maintain] commodities and combats money—now turns its wisdom and reforming zeal against interest-bearing capital without touching upon real capitalist production, but merely attacking one of its consequences. This polemic against interest-bearing capital, without touching upon real capitalist production, but merely attacking one of its consequences. This polemic against interest-bearing capital, undertaken from the standpoint of capitalist production, a polemic which today parades as ‘socialism,’ occurs, incidentally, as a phase in the development of capital itself . . .” See *Economic Manuscript of 1861-63*, in *MECW* 32:453.

<sup>154</sup>Although the concept is not spelled out in the *Grundrisse*, Marx does refer to the phenomena of social relations appearing in “perverted” form several times in it as

“the social character of labor ‘manifests itself’ in a perverted form—as the ‘property’ of things: that a social relation appears as a relation between things (between products, value in use, commodities).”<sup>155</sup> This is not simply an illusory appearance. Social labor *necessarily* appears as a property of things because the labor that creates value, abstract or alienated labor, is homogeneous and thing-like.

Marx notes, “As a commodity, a commodity can only express its value in other commodities, since general labor time does not exist for it as a commodity.”<sup>156</sup> Labor time serves as the determination of value only when it exists in an *objectified* form, in the shape of a *thing* or a commodity. It therefore appears that what establishes the exchangeability of a given set of commodities is their thing-like nature—their natural properties. Value appears as a property of the object. Value, however, is not a property of objects but “only a *representation* in objects, an objective expression, of a relation between men, a social relation, the relationship of men to their reciprocal productive activity.”<sup>157</sup> It appears that value is an attribute of the things-in-themselves instead of a *representation* of specific social relations. Value production becomes *naturalized* in appearing to be a property of things-in-themselves. And it must appear this way so long as the peculiar social form of labor that characterizes capitalism remains intact. Here we

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well as in *A Contribution to the Critique of Political Economy*. See MECW 29:275-6 and 289-90.

<sup>155</sup>*Economic Manuscript of 1861-63*, in MECW 32:317.

<sup>156</sup>*Ibid.*, 329.

<sup>157</sup>*Ibid.*, 334. My emphasis.

see why so many critics as well as defenders of capitalism assume that value production is “natural.”<sup>158</sup>

Marx is engaging in a kind of phenomenological reduction in showing that what appears to exist independent of us is actually a representation of our *human* relations. As he puts it, “Thus commodities, things in general, have value only because they *represent* human labor, not in so far as they are things in themselves, but in so far as they are incarnations of social labor.”<sup>159</sup> The fetishism of viewing the commodity as a thing-in-itself, which he considers “perverse,”<sup>160</sup> is *inevitable* so long as value production persists.

Marx is not arguing that fetishism is simply a mental defect that can be stripped away by enlightened critique. Although fetishizing the products of our own creation is surely perverse, it cannot be avoided so long as the perverse system of value production is maintained. Marx takes issue with fellow socialists on this:

The *capitalist*, as capitalist, is simply the personification of capital, that creation of labor endowed with its own will and personality which stands in opposition to labor. Hodgskin regards this as a pure subjective illusion which conceals the deceit and interests of the exploiting classes. He does not see that the way of looking at things arises from out of the actual relationship itself; the latter is not

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<sup>158</sup>Marx expresses this as follows: “Thus the participants in capitalist production live in a bewitched world and their own relationships appear to them as properties of things, as properties of the material elements of production.” See *Economic Manuscript of 1861-63*, in *MECW* 33:514.

<sup>159</sup>*Economic Manuscript of 1861-63*, in *MECW* 32:336.

<sup>160</sup>The German term used by Marx is *verkehrt*, which can also be translated as “inverted” or “turned upside down.” It can also be rendered as “mad.” For Marx, a world in which the relation of subject and predicate is *inverted* through a process in which we become subordinated to the products of our own creation is indeed a *mad* world.



the expression of the former, but vice versa. In the same way, English socialists say: “We need capital, but not the capitalist.”<sup>161</sup>

Marx does not oppose the capitalists on the grounds that they treat human beings as objects—as if they had any choice in the matter. Capitalists treat human beings as objects in so far as capital remains the defining principle of social organization. In arguing that human relations appear as relations between things because that is what they truly are in capitalism, Marx is fully breaking from the illusions of both Ricardo and the neo-Ricardian socialists. Marx therefore does not propose replacing the capitalists with some other agency that can more rationally allocate resources according to the determination of labor time. Instead, he writes: “Where labor is communal, the relations of men in their social production do not manifest themselves as ‘values’ of ‘things.’”<sup>162</sup> Marx’s critique of other theorists in the manuscript of 1861-63 thus speaks directly to his view of a postcapitalist society.

There are several other ways in which the 1861-63 draft speaks to the nature of a postcapitalist society. Marx returns to and further develops his argument in the *Grundrisse* that capitalism stimulates the development of new needs and capacities that provide a material foundation for a higher form of social existence. He writes,

But it is a law of the development of human nature that once the satisfaction of a certain sphere of needs has been assured *new needs* are set free, created. Therefore when capital pushes labor time beyond the level set for the satisfaction of the worker’s natural needs, it impels a greater division of social labor—the labor of society as a whole—a greater diversity of production, an extension of the sphere of social needs and the means for their satisfaction, and therefore also

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<sup>161</sup>*Economic Manuscript of 1861-63*, in *MECW* 32:429.

<sup>162</sup>*Ibid.*, 316-7.

impels the development of human productive capacity and thereby the activation of human dispositions in fresh directions. But just as surplus labor time is a condition for free time, this extension of the sphere of needs and the means for their satisfaction is conditioned by the worker's being chained to the necessary requirements of his life.<sup>163</sup>

Marx is emphasizing the *contradictory* character of capitalism's development of new needs and capacities—something that is not as explicitly spelled out in the *Grundrisse*, which tended to emphasize capital's positive contributions. While capital “activates” new “dispositions in fresh directions,” the contrary development also occurs: “Once the *commodity* becomes the general form of the product, or production takes place on the basis of exchange value and therefore of the exchange of commodities, the production of each individual, first of all, becomes one-sided, whereas his needs are many-sided.”<sup>164</sup> Marx is acknowledging that with the development of capitalism the worker (as well as others) “lose room for intellectual development, for that is time.”<sup>165</sup> People are deprived of a host of “pleasures of life,” leading to “the vacuity of their lives.”<sup>166</sup> However, he contends,

[A]lthough at first the development of the capacities of the *human* species takes place at the cost of the majority of human individuals and whole human classes, in the end it breaks through this contradiction and coincides with the development of the individual; the higher development of individuality is thus only achieved by a historical process during which individuals are sacrificed . . .<sup>167</sup>

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<sup>163</sup>*Economic Manuscript of 1861-63*, in *MECW* 30:199.

<sup>164</sup>*Ibid.*, 298.

<sup>165</sup>*Ibid.*, 301.

<sup>166</sup>*Ibid.*, 302.

<sup>167</sup>*Economic Manuscript of 1861-63*, in *MECW* 31:348.

Hence, as Marx develops his discussion of the contradictions inherent in capital's generation of new needs and capacities, he looks ahead to what would characterize a postcapitalist society once such contradictions are transcended:

*Time of labor*, even if exchange value is eliminated, always remains the creative substance of wealth and the measure of the cost of its production. But *free time*, *disposable time*, is wealth itself, partly for the enjoyment of the product, partly for *free activity* which—unlike labor—is not determined by a compelling extraneous purpose which must be fulfilled, and the fulfillment of which is regarded as a natural necessity or a social duty, according to one's inclination.<sup>168</sup>

In a new, postcapitalist society, in which exchange value is “eliminated,” the amount of time that individuals spend on the production and reproduction of basic necessities will remain an important factor. However, such labor time—and indeed labor time in general—will cease to be the *determining* principle governing such a society. Labor that is engaged in material production and reproduction, even when creating wealth instead of value, is still determined by “extraneous” purposes in so far as it is subject to some degree of natural necessity. Human activity can therefore not be its own end where labor remains the determining principle of social reproduction. A truly free society, according to Marx, is not governed by labor time but by free time—the time taken to express the totality of one's sensuous and intellectual capacities. Marx spells out the nature of such a new society thusly:

It is self-evident that if *time of labor* is reduced to a normal length and, furthermore, labor is no longer performed for someone else, but for myself, and, at the same time, the social contradictions between *master and men*, etc., being abolished, it acquires a quite different, a free character, it becomes real social labor, and finally the basis of *disposable time*—the *time of labor* of a man who

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<sup>168</sup>*Economic Manuscript of 1861-63*, in *MECW* 32:391.

also has *disposable time* must be of a much higher quality than that of the beast of burden.<sup>169</sup>

The length of labor time dramatically declines in a new society at the same time as its character is qualitatively transformed with the abolition of class divisions and social domination. What provides the material condition for this reduction of labor time to a minimum is the development of capital itself, which relentlessly increases labor's productivity as it seeks to augment value. At the same time, however, capital's thirst for self-expansion is inseparable from a drive to appropriate ever-more unpaid hours of living labor. To put an end to this contradictory process, a new *kind* or form of labor and human activity is needed. Marx writes, "The capitalist mode of production disappears with the form of alienation which the various aspects of social labor bear to one another and which is represented in capital."<sup>170</sup> Therefore, he concludes, "Just as one should not think of sudden changes and sharply delineated periods in considering the succession of the different geological formations, so also in the case of the creation of the different economic formations of society."<sup>171</sup>

Nevertheless, while the new society emerges from within the womb of the old one, the former represents a qualitative break and leap from the latter. Marx never ceases to stress the radically different way in which time becomes treated in the new society:

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<sup>169</sup>Ibid.

<sup>170</sup>Ibid., 446.

<sup>171</sup>Ibid., 442.

“But *time* is *in fact* the active existence of the human being. It is not only the measure of human life. It is the space for its development.”<sup>172</sup>

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<sup>172</sup>Ibid., 493.

## CHAPTER FOUR

### THE VISION OF THE NEW SOCIETY IN MARX'S *CAPITAL*

#### Volume One of *Capital*

Volume one of *Capital* is Marx's most important work and represents the culmination of over a quarter-century of intense research and philosophic development. As indicated by its subtitle, "A Critique of Political Economy," it consists of an analysis of *capitalist* production and *only* capitalist production. Since its purpose is to discern the "law of motion" of *existing* society, it might seem to have little to say about a future society. Marx's own words tend to reinforce this perception. His "Postface to the Second Edition" notes that a reviewer of the first edition "reproaches me for, on the one hand, treating economics metaphysically, and, on the other hand—imagine this!—confining myself merely to the critical analysis of the actual facts, instead of writing recipes (Comtist ones?) for the cook-shops of the future."<sup>1</sup> At the same time, Marx does not deny that his critique of capitalism is intended to point to or intimate its future transcendence. He positively cites the review by the Russian economist I.I. Kaufman, who wrote, "For [Marx] it is quite enough, if he proves, at the same time, both the necessity of the present

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<sup>1</sup>Marx, *Capital*, 1:99. The "Postface to the Second Edition" is dated January 1873. At the time Marx was also preparing the French edition of *Capital*, which appeared in serialized form between 1872-75. The French edition introduced several important changes and additions to the original German edition of 1867, some of which will be discussed below.

order of things and the necessity of another order into which they first must inevitably pass over, and it is a matter of indifference whether men believe or do not believe, whether they are conscious of it or not.”<sup>2</sup> While the scope of *Capital* is restricted to an analysis of capitalism, an examination of its most important concepts shows that they contain a number of suggestions regarding his view of a postcapitalist society.

One of the most important concepts in *Capital*, and a novel theoretic development as compared with his earlier work, is that for the first time Marx explicitly distinguishes between exchange value and value. Marx’s previous work treated exchange value and value as more or less interchangeable.<sup>3</sup> He now writes, however, that “Exchange value cannot be anything other than the mode of expression, the ‘form of appearance’ [*Erscheinungsform*] of a content distinguishable from it.”<sup>4</sup> He adds,

The progress of the investigation will lead us back to exchange-value as the necessary mode of expression, or form of appearance, of value. For the present, however, we must consider the nature of value independently of its form of appearance.<sup>5</sup>

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<sup>2</sup>Ibid., 101.

<sup>3</sup>As late as the first (1867) edition of the first volume, Marx still treats value and exchange value as interchangeable terms. He writes, “When we employ the word value with no additional determination, we refer always to exchange value” (*Wenn wir künftig das Wort “werth” ohne weitere Bestimmung brauchen, so handelt es sich immer vom Tauschwerth*). See *Das Kapital. Kritik der politischen Ökonomie*, in *MEGA*<sup>2</sup> II/6 (Berlin: Dietz Verlag, 1983), 19. It was only with the 1872-75 French edition that the distinction between exchange value and value explicitly appears. Marx considerably reworked chapter one of *Capital* in the French edition, and the English translations (based on the fourth German edition) incorporate many (but not all) of the changes introduced into chapter one in the French edition.

<sup>4</sup>Ibid., 127.

<sup>5</sup>Ibid., 128.

Why does Marx make this distinction between exchange value and value, and what is its significance? The answer lies in the peculiar nature of value production itself. Value, Marx writes, “does not have its description branded on its forehead.”<sup>6</sup> Value does not exist on its own account, independent of the products in which it is embodied. It first appears as a *quantitative* relationship—one commodity can be exchanged for another because both contain equal *quantities* or *amounts* of (socially average) labor time. Value is therefore never *immediately* visible; it *necessarily* first *appears* as exchange value, as a quantitative relation between *things*. However, the exchange of things is not only a *quantitative* relation, since there must be a *quality* common to the things that can enable them to be exchanged for one another. Without a commensurate quality or substance, the exchange of discrete products is not possible.<sup>7</sup> Two commodities can enter into a *quantitative* relation only if they share a common *quality*. This quality, Marx shows, is abstract or homogenous labor: “Equality in the full sense between different kinds of labor can be arrived at only if we abstract from their real inequality, if we reduce them to the characteristic they have in common, that of being the expenditure of human labor power,

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<sup>6</sup>Ibid., 167.

<sup>7</sup>Marx quotes Aristotle on this: “There can be no exchange without equality, and no equality without commensurability.” See *Capital* 1:151. See also Aristotle, *Nicomachean Ethics*, trans. Joe Sachs, 90 [1133b16-19]: “So the currency, like a unit of measure, equalizes things by making them commensurable, for there would be no community if there were not exchange, and no exchange if there was not equality, and no equality if there were not commensurability.”



of human labor in the abstract.”<sup>8</sup> Abstract labor—labor expended without regard for the usefulness or use value of the product—is the *substance* of value. But since abstract labor is objectified in products, value first appears (and *must* appear) as a quantitative relationship between products—as exchange value.

Marx contends that neither the greatest philosophers, such as Aristotle, nor the greatest classical political economists, such as Ricardo, were able to go beyond the *appearance* of value in exchange to the examination of value itself.<sup>9</sup> This limitation has *objective* roots. It flows from the fact that value “can only appear in the social relation between commodity and commodity.”<sup>10</sup> The essence, value, appears, and *must* appear, as exchange value. Since “reflection begins *post-festum*, and therefore with the results of the process of development ready at hand,”<sup>11</sup> it is virtually inescapable, at least initially, to conflate value with exchange value. So objective is this conceptual barrier that even Marx does not arrive at the explicit distinction between exchange-value and value until quite late—until 1872. As Marx writes in the first chapter of *Capital*,

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<sup>8</sup>Ibid., 166. See also 141: “It is overlooked that the magnitudes of different things only become comparable in quantitative terms when they have been reduced to the same unit. Only as expressions of the same unit do they have a common denominator, and are therefore commensurable magnitudes.”

<sup>9</sup>Marx writes, “Aristotle therefore himself tells us what prevented any further analysis: the concept of value. What is the homogenous element, i.e. the common substance, which the house represents from the point of view of the bed, in the value expression for the bed? Such a thing, in truth, cannot exist, says Aristotle.” See *Capital* 1:151.

<sup>10</sup>Ibid., 139.

<sup>11</sup>Ibid., 168.

When at the beginning of this chapter, we said in the customary manner that a commodity is both a use value and an exchange value, this was, strictly speaking, wrong. A commodity is a use value or object of utility, and a “value.” It appears as the twofold thing it really is as soon as its value possesses its own particular form of manifestation, which is distinct from its natural form. The form of manifestation is exchange value, and the commodity never has this form when looked at in isolation, but only when it is in a value-relation or an exchange relation with a second commodity of a different kind.<sup>12</sup>

How does Marx finally get to explicitly specify the difference between exchange value and value, and how does it impact his understanding of the alternative to capitalism? Marx proceeds phenomenologically, by beginning with the appearance of value in the relation between discrete commodities. After delineating the quantitative determination of value (two different commodities can be exchanged for each other in so far as they contain equal *amounts* of socially necessary labor time), he probes into the conditions that make this exchange possible. He discovers that the condition for the possibility of magnitudes of labor time to be exchanged for one another is a common quality or element. That common element is abstract or undifferentiated labor. Marx’s delineation of the dual character of labor—which he calls his unique contribution to the critique of political economy<sup>13</sup>—brings to light the substance of value, abstract labor. That in turn makes it possible to conceptualize value independent of its form of

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<sup>12</sup>Ibid., 152.

<sup>13</sup>Ibid., 132: “I was the first to point out and examine critically this twofold nature of the labor contained in commodities.” To my knowledge, this is the only time that Marx refers to himself in the first person in *Capital*, aside from the Prefaces and Postfaces.

appearance. He writes, “In fact, we started from exchange value, or the exchange relation of commodities, in order to track down the value that lay hidden within it.”<sup>14</sup>

The movement from exchange value (appearance) to value (essence) is not only the course by which Marx structures his argument; it also corresponds to the historical development of economics. Economic theory develops from classical political economy’s emphasis on the quantitative determination of value, in which commodities exchange against one another based on embodying given magnitudes of labor time, to Marx’s emphasis on the *kind* of labor that enables this exchange to occur—abstract, homogenous labor. The development from classical political economy to Marxism is a movement from quantity to quality, from the appearance of exchangeability to the identification of the conditions that make such exchangeability possible. Marx does not arrive at this result by jumping to the absolute like a shot out of a pistol. He instead traverses the pathway initially laid out by classical political economy itself by beginning with the appearance of value as exchange value and then proceeding to discover what makes this quantitative relation possible. By explicitly distinguishing value from exchange value, Marx succeeds in overcoming the historical limits reached by classical political economy.

It bears repeating that the value cannot be conceptualized *immediately*, without going through a philosophic detour that proceeds *from* appearance, because value shows itself in the exchange relation of commodity to commodity. We *must* begin with the form of appearance of exchange value and “track down” the value relation that is immanent in

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<sup>14</sup>Ibid., 139.

it. It is not possible to proceed the other way around, by proceeding from value to exchange value, because the essence (value) is not immediately accessible. However, the fact that the “identical social substance” that enables one commodity to exchange for another can be grasped only by proceeding *from* the exchange relation *to* that which makes exchange possible carries with it a grave risk: namely, that consciousness will get stuck in the detour by stopping at the phenomenal manifestation of value without inquiring into the conditions of its possibility. Since value can only show itself as a social relation between one commodity and another, it all too readily *appears* that relations of exchange are responsible for value production. So powerful is that appearance that even Marx does not explicitly pose the difference between exchange value and value until quite late in his development of *Capital*.

That Marx ultimately makes this distinction is of critical importance, since it suggests that attempting to ameliorate the deleterious aspect of value production by altering the exchange relation is fundamentally flawed. Since exchange value is a manifestation of value, whose substance is abstract labor, the essential problem of capitalist production can be addressed only by altering the nature of the labor process.

Marx points to this when he writes, “Our analysis has shown that the form of value, that is, the expression of the value of a commodity, arises from the nature of commodity-value, as opposed to value and its magnitude arising from their mode of expression as exchange-value.”<sup>15</sup> This helps to illuminate *why* many fail to correctly identify the central problem of capitalism. Since value *must* show itself as exchange

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<sup>15</sup>Ibid., 153.

value, it *appears* that uprooting value production depends upon altering relations of exchange. However, altering relations of exchange in lieu of changing conditions of labor cannot eliminate value production, even though value production is inseparable from relations of exchange. While altering the exchange relation can influence the quantitative determination of value, it cannot change its qualitative determination, the *substance* of value itself. Yet the peculiar nature of capitalism's social relations, in which the substance of value appears in quantitative proportions in the exchange of products, makes it *appear* as if altering the exchange relation is of cardinal importance.

As Marx will indicate throughout much of *Capital*, the fundamental problem of capitalism is not its exchange relations as much as the specific form assumed by labor—abstract or alienated labor. For this reason he is not satisfied with the classical political economists' discovery that labor is the source of all value. Far more important, Marx argues, is the *kind* of labor that creates value and serves as its substance. Only when this is recognized is it possible to focus on the defining social relation of capitalism that needs to be uprooted. He insists, "It is not sufficient to reduce the commodity to 'labor'; labor must be broken down into its twofold form—on the one hand, into concrete labor in the use value of the commodity, and on the other hand, into socially necessary labor as calculated in exchange value."<sup>16</sup> It is all too easy to hold stubbornly to a vantage point that never gets to the critical issue, precisely because of the specific nature of value production itself. As Marx puts it, "But it does not occur to the economists that a purely

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<sup>16</sup>Ibid., 992.

quantitative distinction between the kinds of labor presupposes their qualitative unity or equality, and therefore their reduction to abstract human labor.”<sup>17</sup>

Another major conceptual innovation in *Capital* is its discussion of commodity fetishism. While Marx refers to the fetishism of commodities a number of times in his earlier work, it is only in *Capital* that he devotes a full section (in the first chapter) to delineating it.<sup>18</sup> Georg Lukács was one of the first post-Marx Marxists to call attention to its central importance:

It has often been claimed—and not without a certain justification—that the famous chapter in Hegel’s *Logic* treating of Being, Non-Being, and Becoming contains the whole of his philosophy. 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.<sup>19</sup>

The basis of commodity fetishism is that value *appears* to be an attribute of the physical or thing-like character of products of labor. Marx writes, “The fetishism peculiar to the capitalist mode of production . . . consists in regarding *economic* categories, such as being a *commodity* or *productive* labor, as qualities inherent in the material

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<sup>17</sup>Ibid., 173.

<sup>18</sup>The section on commodity fetishism as presently found in the English edition of *Capital* actually first appeared the French edition of *Capital* in 1872. Although the first German edition of 1867 discussed commodity fetishism, it did not contain the section entitled “The Fetishism of the Commodity and its Secret.” For an English translation of the original 1867 version of chapter one of *Capital*, see *Value Studies by Marx*, trans. and ed. Albert Dragstedt (London: New Park Publications, 1976), 1-78.

<sup>19</sup>Georg Lukács, *History and Class Consciousness: Studies in Marxist Dialectics*, trans. Rodney Livingstone (London: Merlin Press, 1968), 170.

incarnations of these formal determinations of categories.”<sup>20</sup> Marx asks *why* does this “folly of identifying a specific *social relationship of production* with the thing-like qualities of certain articles”<sup>21</sup> arise. “Whence, then, arises the enigmatic character of the product of labor, as soon as it assumes the form of a commodity?”<sup>22</sup> Marx provides the following answer:

Clearly, it arises from this form itself. The equality of the kinds of human labor takes on a physical form in the equal objectivity of the products of labor as values; the measure of the expenditure of human labor-power by its duration takes on the form of the magnitude of the value of the products of labor; and finally the relationships between the producers, within which the social characteristics of their labors are manifested, take on the form of a social relation between the products of labor.<sup>23</sup>

Marx is here returning to and deepening a concept that was integral to his work from as early as 1843-44—the inversion of subject and predicate. Value is a *product* of a definite form of human labor; it is the predicate of human activity. So why does value take on a life of its own in so far as it appears to be the property of the thing-like character of objects? Why does the predicate come to dominate the subject, the active agents who create value in the first place? Why is it that “Their own movement within society has for them the form of a movement made by things, and these things far from being under their control, in fact control them”?<sup>24</sup>

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<sup>20</sup>*Capital*, 1:1046.

<sup>21</sup>*Ibid.*, 998.

<sup>22</sup>*Ibid.*, 164.

<sup>23</sup>*Ibid.*

<sup>24</sup>*Ibid.*, 168.

Marx's answer is that the mysterious character of the product of labor, wherein the product is the subject instead of the predicate, arises from the *form* of the commodity itself—from the fact that value appears in the form of a relation between products of labor that are exchanged for one another. The product appears as the active agent because its value can only show itself as an exchange relation between the products. Hence, the real subject, the labor that assumes a peculiar social form and is responsible for the ability of the products to exchange against one another, is rendered invisible by the *necessity* for value to appear as a relation between things, as exchange value—even though value itself has nothing to do with the physical properties of these things.

In sum, the subject appears to be the predicate and the predicate appears to be the subject because that is how things really are in capitalist society. Marx writes,

To the producers, therefore, the social relations between their private labors appear as what they are, i.e. they do not appear as direct social relations between persons in their work, but rather as material relations between persons and social relations between things.<sup>25</sup>

The fetishism of commodities is no mere illusion that can be stripped away by enlightened critique. It is a valid and *adequate* form of consciousness that corresponds to the actual conditions of capitalist production. Abstract labor, the equality of all labors, takes on a physical form in being materialized or objectified in a commodity. The value of the commodity is measured by the magnitude of time that it takes to create it. Its value cannot be discerned independent of this quantitative measurement. Hence, the relation of

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<sup>25</sup>Ibid., 165-6.



producers that creates value appears as a property of the thing-like character of the commodities and not of their own labor. Fetishism arises from the *necessity* of value to assume a form of appearance that is contrary to its essence. This mystified form of appearance is *adequate to its concept*, for it corresponds to the nature of the actual labor process in capitalism in which living labor, an activity, is transformed into a *thing* in the process of production: “It is nothing but the definite social relation between men themselves which assumes here, for them, the fantastic form of a relation between things.”<sup>26</sup> Marx sums it up as follows: “This fetishism of the world of commodities arises from the peculiar social character of the labor that produces them.”<sup>27</sup>

This fetishism of commodities is so overpowering that even Smith and Ricardo fell victim to it. Despite their important discovery that labor is the source of value, they viewed this source, living labor, as a *thing* or a commodity that can be bought and sold. In doing so they fell prey to the fetishism that treats value as a property of *things* instead of as the expression of social relations that take on the form of things. Marx avoids this defect by distinguishing between labor and labor power. Living labor is not a thing; nor is it a commodity. It is an *activity*. The commodity is instead labor power, the *capacity* to labor. By distinguishing between labor and labor power, Marx avoids falling victim to the fetishism that ascribes value to the physical character of things. As Dunayevskaya argues,

[Marx] rejected the concept of labor as a commodity. Labor is an *activity*, not a *commodity*. It was no accident that Ricardo used one and the same word for the activity and for the commodity. He was a prisoner of his concept of the human

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<sup>26</sup>Ibid., 165.

<sup>27</sup>Ibid.

laborer as a thing. Marx, on the other hand, showed that what the laborer sold was not his labor, but only his capacity to labor, his *labor power*.<sup>28</sup>

The question that still needs to be answered, however, is what enabled Marx to make this conceptual distinction that went beyond the framework of classical political economy? If commodity fetishism is an *adequate* expression of existing social relations, how does Marx manage to penetrate through the mystified veil of commodity fetishism in such a way as to show the inadequacy and transitory nature of existing social relations? After all, as Marx writes in chapter one of *Capital*, “The categories of bourgeois economics . . . are forms of thought which are socially valid, and therefore objective, for the relations of production belonging to this historically determined mode of social production, i.e. commodity production.”<sup>29</sup> If this is so, how does it become possible to avoid falling prey to the fetishism of commodities?

Marx himself provides the answer: “The whole mystery of commodities, all the magic and necromancy that surrounds the products of labor on the basis of commodity production, vanishes therefore as soon as we come to other forms of production.”<sup>30</sup> *The only way to overcome the fetishism that attaches itself to products of labor is to step outside of capitalism’s confines and examine it from the standpoint of non-capitalist social relations.* Marx therefore proceeds to examine value production from the vantage point of precapitalist societies *and* postcapitalist social relations. In doing so he returns to

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<sup>28</sup>Raya Dunayevskaya, *Marxism and Freedom, from 1776 Until Today* (Amherst, NY: Humanity Books, 2000), 108.

<sup>29</sup>*Capital* 1:169.

<sup>30</sup>*Ibid.*

and further concretizes his conception in the *Grundrisse* that “the correct grasp of the present” hinges on “the understanding of the past” which “leads to points which indicate the transcendence of the present form of production relations, the movement coming into being, thus *foreshadowing* the future . . . for a new state of society.”<sup>31</sup>

After discussing the precapitalist relations of feudal Europe in which “the social relations between individuals in the performance of their labor appear all events as their own personal relations, and are not disguised as social relations between things,”<sup>32</sup> he writes: “Let us finally imagine, for a change, an association of free men, working with the means of production held in common, and expending their many different forms of labor power in full self-awareness as one single social labor.”<sup>33</sup> In one of the most explicit and direct discussions of the transcendence of capitalist value production found in any of his writings, Marx outlines the following about such a future state of affairs:

First, he nowhere refers to value or exchange value in discussing this future non-capitalist society. All products are “directly objects of utility”<sup>34</sup> and do not assume a value-form. Second, what characterizes this postcapitalist society is “an association of *free men*”—not a mere association as such. He notes that precapitalist feudal societies

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<sup>31</sup>*Grundrisse*, in *MECW* 28:389.

<sup>32</sup>*Capital* 1:170

<sup>33</sup>*Ibid.*, 171.

<sup>34</sup>*Ibid.*

were characterized by “directly associated labor.”<sup>35</sup> Yet such societies were not free since they were based on “patriarchal” and oppressive social relations. The new society, in contrast, is one in which social relations are *freely* constituted. Third, the individuals in this freely associated society directly take part in distributing and consuming the total social product. There is no objectified expression of social labor that exists as a person apart from the individuals themselves.

Marx spells this out as follows: “The total product of our imagined association is a social product.”<sup>36</sup> One part of the aggregate social product serves to renew or reproduce the means of production. It “remains social” since it is not individually consumed. The other part of the aggregate social product “is consumed by members of the association as means of subsistence.”<sup>37</sup> How is this division of the aggregate product to occur? No mechanism independent of the free association of the producers decides this for them. It is decided by the conscious deliberation of the free association itself. Marx does not go into any details of how this will be arranged, since it “will vary with the particular kind of

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<sup>35</sup>Ibid. This point is overlooked by Ernest Mandel in his Introduction to the Ben Fowkes translation of volume one of *Capital*, in which he says that Marx aimed to show “why and how capitalism created, through its own development, the economic, material and social preconditions for society of associated producers.” This disregards the radical difference between precapitalist forms of association, based on force and compulsion, and those delineated by Marx as constituting the operative principle of a *non-capitalist* society. See *Capital* 1:17.

<sup>36</sup>Ibid., 171.

<sup>37</sup>Ibid., 172.

social organization of production and the corresponding level of social development attained by the producers.”<sup>38</sup>

Marx seems reticent about going into too many details about this new society. This is because of his emphasis on the freely associated character of such a society. The specific manner in which the total social product is divided between individual consumption and means of production depends on a number of variables that cannot be anticipated in advance. Marx is wary about suggesting any mechanism or formula that operates irrespective of what the freely associated individuals decide to do based upon their specific level of social development.

Marx then writes, “We shall assume, but only for the sake of a parallel with the production of commodities, that the share of each individual producer in the means of subsistence is determined by his labor time.”<sup>39</sup> He suggests that labor time plays a double role in this new society. First, it functions as part of “a definite social plan [that] maintains the correct proportion between the different functions of labor and the various needs of the associations.”<sup>40</sup> Labor time is divided up or proportioned in accordance with the need to replenish the means of production as well as meet the consumption needs of individuals. He continues, “On the other hand, labor time also serves as the measure of the part taken by each individual in the common labor, and of his share in the part of the

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<sup>38</sup>Ibid.

<sup>39</sup>Ibid.

<sup>40</sup>Ibid.

total product destined for social consumption.”<sup>41</sup> The specific share of each individual in social consumption is determined by the actual amount of labor time that they perform in the community.

Since this passage has been subject to a wide variety of interpretations, it is important to pay close attention to Marx’s specific wording. Although he speaks of a “parallel” with commodity production in so far as “the share of each individual producer in the means of subsistence is determined by his labor time,” Marx is not suggesting that the new society is governed by *socially necessary* labor time. As noted earlier, there is a vast difference between *actual* labor time and *socially necessary* labor time. In capitalism actual labor time does not create value; instead, the social *average of necessary* labor time creates value. That he does not envision the latter as operating in a postcapitalist society is indicated by the sentence that concludes his discussion: “The social relations of the individual producers, both towards their labor and the products of their labor, are here transparent in their simplicity, in production as well as in distribution.”<sup>42</sup> Social relations based on necessary labor time are anything but transparent since they are established behind the backs of the producers by a social average that operates outside of their control. If social relations in the new society are “transparent in their simplicity,” this can only mean that the social product is distributed not on the basis of socially necessary labor time but rather on the actual amount of time that the individual engages in material production. Such a principle is completely alien to capitalist value production.

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<sup>41</sup>Ibid.

<sup>42</sup>Ibid.

The distinction between actual labor time and socially necessary labor time is of cardinal importance, since conflating the two leads to the erroneous conclusion that Marx posits value production as continuing to operate in a postcapitalist society. This is how Georg Lukács read these passages in his *Ontology of Social Being* and *The Process of Democratization*. He writes,

For Marx, labor exploitation can exist under socialism if labor time is expropriated from the laborer, since “the share of every producer to the means of production is determined by his labor time”. . . . For Marx, the law of value is not dependent upon commodity production . . . according to Marx these classical categories are applicable to any mode of production.<sup>43</sup>

Lukács misreads Marx’s phrase “for the sake of a parallel with the production of commodities” as suggesting not just a parallel but an *identity* between commodity production and forms that prevail in a postcapitalist society. Marx mentions this parallel only to emphasize the role that labor time would play in the future. But what does he mean by labor time? The actual labor time that operates *after* capitalism is far from identical with the socially average necessary labor time that operates *in* capitalism. In Lukács’ reading the two become conflated, even though the latter implies value production whereas the former implies its transcendence. Marx never mentions value or exchange value in discussing the new society in chapter one, and for good reason: he holds that its social relations are “transparent in their simplicity.” Lukács fails to mention Marx’s discussion of the “transparent” nature of social relations in the future, even

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<sup>43</sup>Georg Lukács, *The Process of Democratization*, trans. Susanne Bernhardt and Normal Levine (Albany: SUNY Press, 1991), 120-1.

though Marx repeats it on several occasions.<sup>44</sup> If Lukács paid greater attention to this issue he would have recognized that Marx is not referring to socially necessary labor time in discussing the operative principles of a postcapitalist society.

Nevertheless, why does Marx suggest in chapter one of *Capital* that in a new society “the means of subsistence is determined by labor time” when he has spent many years attacking Proudhon and the socialist neo-Ricardians for their proposals to “organize” exchange along the lines of labor vouchers and time chits? Why does he do so when he continues to criticize these utopian experiments in *Capital* itself?<sup>45</sup> The answer again lies in the distinction between actual labor time and socially necessary labor time. The socialist neo-Ricardians presumed that *actual* labor time is the source of value. Like Ricardo himself, they focused on the quantitative determination of value by labor time without ever inquiring into what *kind* of labor creates value in the first place. They conflated actual labor time and socially necessary labor time and therefore imagined that a “fair exchange” of labor time for means of subsistence is possible on the basis of value production. Marx castigated their position as completely utopian because it is impossible, he shows, to establish social equality on the basis of inequitable social relations in which

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<sup>44</sup>See *Capital* 1:173: “The religious reflections of the real world can, in any case, vanish only when the practical relations of everyday life between man and man, and man and nature, generally present themselves to him in a transparent and rational form.”

<sup>45</sup>See especially chapter two, where Marx takes issue with “the craftiness of petty-bourgeois socialism, which wants to perpetrate the production of commodities while simultaneously abolishing the ‘antagonism between money and commodities,’ i.e. abolishing money itself, since money only exists in and through this antagonism. One might as well abolish the Pope while leaving Catholicism in existence.” See *Capital* 1:181.



the very activity of the laborer is treated as a thing. As Marx reiterates in chapter three of *Capital*, “private labor cannot be treated as its opposite, directly social labor”<sup>46</sup> because social relations based on value production are inherently indirect.

The situation becomes very different, however, with the abolition of value production. With the creation of a free association of individuals in which social relations are “transparent,” individuals are no longer governed by an abstract average that operates behind their backs. The production and distribution of the social product is instead determined by their free and conscious activity. Labor is directly social. It now becomes possible to distribute the social product on the basis of the actual amount of time that individuals contribute to society, since production relations have been transformed in such a way as to make such a distribution possible. Marx addresses this by contrasting the utopian schemes of Proudhon and the socialist neo-Ricardians to what he considers the more practical approach of Robert Owen:

Owen presupposes directly socialized labor, a form of production diametrically opposed to the production of commodities. The certificate of labor is merely evidence of a part taken by the individual in the common labor, and of his claim to a certain portion of the common product which has been set aside for consumption. But Owen never made the mistake of presupposing the production of commodities, while, at the same time, by juggling with money, trying to circumvent the necessary conditions of that form of production.<sup>47</sup>

Marx’s comments on the new society in chapter one of *Capital* are brief and somewhat cryptic. However, they represent an important development in exhibiting a

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<sup>46</sup>Ibid., 188.

<sup>47</sup>Ibid., 188-9.

willingness on his part to directly discuss the nature of a postcapitalist society.<sup>48</sup> What is most striking about Marx's discussion is the suggestion that it is impossible to penetrate through the mystified veil of commodity fetishism unless capitalist value production is critiqued from the standpoint of its transcendence. The fact that the chapter on commodity fetishism was written only *after* the experience of the 1871 Paris Commune—the first time in history that a mass revolt attempted an exit from capitalism—suggests the importance of analyzing the present from the vantage point of the future.<sup>49</sup> This may be what Rosa Luxemburg had in mind when she wrote,

The secret of Marx's theory of value, his analysis of money, this theory of capital, his theory of the rate of profit, and consequently of the whole existing economic system is—the transitory nature of the capitalist economy, its collapse: thus—and this is only another aspect of the same phenomena—the final goal, socialism. And precisely because, *a priori*, Marx looked at capitalism from the socialist's viewpoint, that is, from the historical viewpoint, he was enabled to decipher the hieroglyphics of capitalist economy.<sup>50</sup>

As Marx himself puts it at the end of chapter one, “The veil is not removed from the countenance of the social life-process, i.e. the process of material production, until it

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<sup>48</sup>This will take on even more importance following his completion of *Capital*, as is indicated by his *Civil War in France* (1871) and *Critique of the Gotha Program* (1875). This will be discussed in chap. 5, below.

<sup>49</sup>Dunayevskaya writes, “The totality of the reorganization of society by the Communards shed new insight into the perversity of relations under capitalism. . . . The richness of human traits, revealed in the Commune, showed in sharp relief that the fetishism of commodities arises from the commodity form itself. This deepened the meaning of the form of value as both a logical development and as a social phenomenon.” See *Marxism and Freedom*, 98, 101-2.

<sup>50</sup>Rosa Luxemburg, *Social Reform or Revolution*, in *The Rosa Luxemburg Reader*, ed. Peter Hudis and Kevin B. Anderson (New York: Monthly Review Books, 2004), 151.

becomes production by freely associated men, and stands under their conscious and planned control.”<sup>51</sup>

Although no section of volume one of *Capital* discusses the new society as directly as the concluding pages of chapter one, Marx’s discussion of a number of critical theoretic categories in the rest of it sheds illumination on his understanding of the alternative to capitalism. I will focus on four such categories: (1) The transformation of money into capital; (2) The nature of wage labor; (3) The “despotic form” of capital at the point of production; and (4) The distinction between two kinds of private property in the means of production, with which *Capital* ends.

Much of the first volume of *Capital* is concerned with how money becomes transformed into capital. The transformation is by no means self-evident. Since “the value of a commodity is expressed in its price before it enters into circulation,” Marx holds that it is “therefore a pre-condition of circulation, not its result.”<sup>52</sup> At the same time, money cannot become transformed into capital without being valorized in the process of circulation. Although the creation of value precedes circulation, the transformation of money into capital requires circulation. Hence, “Capital cannot therefore arise from circulation, and it is equally impossible for it to arise apart from circulation. It must have its origin both in circulation and not in circulation.”<sup>53</sup>

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<sup>51</sup>*Capital* 1:173.

<sup>52</sup>*Ibid.*, 260.

<sup>53</sup>*Ibid.*, 268.

Marx wrestles with this somewhat puzzling contradiction throughout the rest of the book. In order to transform money into capital, the capitalist must find on the market a commodity that produces a value greater than itself. There is only one commodity that meets this requirement—labor power. The transformation of money into capital requires the purchase and sale of labor power. Put differently, money cannot be transformed into capital in the absence of a labor market. By purchasing labor power the capitalist can compel the laborers to create a value greater than the value of their labor power or means of subsistence. The increased value is what Marx calls “surplus value.” Money is transformed into capital through the production of surplus value.

However, what allows for the existence of a market in labor power? The mere act of buying and selling labor power is not enough. The laborers have to be *compelled* to sell their labor power by being separated from the objective conditions of production—from the land and control over their labor. A market in labor power can arise only if the workers become dispossessed of owning anything except their labor power, which they sell for a wage in order to survive. Marx contends,

In themselves, money and commodities are no more capital than the means of production and subsistence are. They need to be transformed into capital. But this transformation can itself only take place under particular circumstances.<sup>54</sup>

The most important of these circumstances is the creation of a class of “free” wage laborers—“Free workers, in the double sense that they neither form part of the means of

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<sup>54</sup>Ibid, 874.

production themselves, as would be the case with slaves, serfs, etc. nor do they own the means of production, as would be the case with free peasant proprietors.”<sup>55</sup>

Hence, although a market for labor time is an essential condition for the transformation of money into capital, the separation of the worker from the objective conditions of production is an essential condition for the existence of a labor market. In the absence of a generalized labor market it is impossible for surplus value and capital to arise. The mere existence of a *commodity* market does not therefore imply capitalist relations of production. Capitalist relations of production arise on the basis of a generalized *labor* market that enables money to be converted into capital. But the emergence of that labor market depends in turn upon a transformation of specific *production* relations—most of all the separation of the laborer from the objective conditions of production. Marx therefore argues,

The production of commodities leads inexorably to capitalist production, once the worker has ceased to be a part of the conditions of production (as in slavery, serfdom), or once primitive common ownership has ceased to be the basis of society (India).<sup>56</sup>

The transformation of money into capital therefore occurs in two “wholly distinct, autonomous spheres, two entirely separate processes.”<sup>57</sup> One is the realm of circulation—the buying and selling of labor power in the marketplace. The other is “*the consumption*

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<sup>55</sup>Ibid.

<sup>56</sup>Ibid., 951.

<sup>57</sup>Ibid., 1002.

*of the labor-power that has been acquired, i.e. the process of production itself.*”<sup>58</sup>

Both are necessary, but the latter makes the former possible. What makes it possible for a market in labor power to arise, and for money to be converted into capital, is the existence of alienated labor. It is crucial that,

[T]hese means of production and these means of subsistence confront labor-power, stripped of all material wealth, as autonomous powers, personified in their owners. The objective conditions essential to the realization of labor are alienated from the worker and become manifest as fetishes endowed with a will and a soul of their own. Commodities, in short, appear as the purchasers of persons.<sup>59</sup>

Marx’s discussion indicates that the market is not the primary object of his critique of capital. Even when discussing the market in labor power, without which the transformation of money into capital cannot occur, he emphasizes the formation of specific (alienated) relations of production that make such a market possible. The implication is that ending the separation of the laborers from the objective conditions of production would render superfluous the necessity of a labor market.

This carries over into Marx’ detailed analyses of wage labor. The existence of wage labor is the key to capital formation. He writes, “The capitalist form presupposes from the outset the free wage laborer who sells his labor power to capital.”<sup>60</sup> He adds, “The whole system of capitalist production is based on the worker’s sale of his labor power as a commodity.”<sup>61</sup> And he notes that the means of production and subsistence

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<sup>58</sup>Ibid.

<sup>59</sup>Ibid, 1003.

<sup>60</sup>Ibid., 452.

<sup>61</sup>Ibid., 557.

“become *capital* only because of the phenomenon of wage labor.”<sup>62</sup> However, it takes a lot more than the existence of money or a commodity market to generate wage labor. Wage labor can only arise if workers have become separated from the objective and subjective conditions of production. They must be torn from the land, from their instruments of production, and most of all, from control over their own laboring activity. *Only then* do the laborers become compelled to sell themselves for a wage. Marx writes that this means, “In reality, the worker belongs to capital *before* he has sold himself to the capitalist.”<sup>63</sup>

It appears from the purchase and sale of labor power that the market transaction between buyer and seller is the defining feature of capitalist social relations. But Marx is telling us that the workers “belongs to capital” even *before* they are offered up for sale on the market. The sale of labor power is merely the consequence of a much more irksome experience that occurs within the work process itself. Marx writes: “The starting point of the development that gave rise to the wage laborer and to the capitalist was the enslavement of the worker.”<sup>64</sup> The critical determinate to both wage labor and capital, each of which cannot exist without the other, is this:

The capital-relation presupposes a complete separation between the workers and the ownership of the conditions for the realization of their labor. As soon as capitalist production stands on its own feet, it not only maintains this separation, but reproduces it on a constantly extending scale. The process, therefore, which

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<sup>62</sup>Ibid., 1005.

<sup>63</sup>Ibid., 723. My emphasis.

<sup>64</sup>Ibid., 875.

creates the capital-relation can be nothing other than the process which divorces the worker from the ownership of the conditions of his own labor.<sup>65</sup>

This has a number of implications when it comes to conceiving of an alternative to capitalism. Marx is suggesting that a postcapitalist society will eliminate wage labor. That in turn suggests that a labor market will not exist in it. However, the abolition of the labor market does not depend upon the abolition of money and the commodity market as much as upon the transformation of the process of production. *More specifically, the split between the worker and the objective conditions of production would have to be healed.* It is surely possible to conceive of a world without money and commodity markets but which still leaves this separation unhealed. Such a society is far from Marx's concept of socialism.

What has often stood in the way of this realization is the assumption that Marx counterpoised the "anarchy of the market" to the social "organization" found in the capitalist process of production. Numerous thinkers have argued in favor of correcting the inefficiencies and "anarchy" of markets by extending the presumably more "rational" and ordered mechanisms of the production process into the sphere of distribution.<sup>66</sup> Marx's discussion of *the despotic form of capitalist production* tends to undermine claims that he favored this approach. He writes,

If capitalist direction is thus twofold in content, owing to the twofold nature of the process of production which has to be directed—on the one hand a social labor

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<sup>65</sup>Ibid., 874.

<sup>66</sup>For a recent expression of an argument that is largely along these lines, see Jacques Bidet, *Exploring Marx's Capital: Philosophical, Economic, and Political Dimensions* (Chicago: Haymarket Books, 2009).



process for the creation of a product, and on the other hand capital's process of valorization—in form it is purely despotic.<sup>67</sup>

This despotism is contained in the fact that “it is not the worker who employs the conditions of his work, but rather the reverse, the conditions of work employ the worker.”<sup>68</sup> It is true that Marx refers to “the anarchic system of competition” which he calls “the most outrageous squandering of social means of production.”<sup>69</sup> However, he notes, “the immanent laws of capitalist production *manifest themselves* in the external movement”<sup>70</sup> of individual units of competing capitals. He contends that the “scientific analysis of competition is possible only if we can grasp the inner nature of capital.” “Anarchic” competition is not the cause but the consequences of despotic relations of production.

According to Marx, what makes such relations of production despotic is the subordination of living labor by “dead labor.” He argues in “The Results of the Immediate Process of Production,” “In fact, the rule of the capitalist over the worker is nothing but the rule of the independent *conditions of labor* over the *worker*, conditions that have made themselves independent of them.”<sup>71</sup>

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<sup>67</sup>*Capital* 1:450.

<sup>68</sup>*Ibid.*, 548.

<sup>69</sup>*Ibid.*, 667.

<sup>70</sup>*Ibid.*, 433. My emphasis.

<sup>71</sup>*Ibid.*, 989.

Viewed from this perspective, neither the “anarchy of the market” nor even the actions of the capitalists vis-à-vis the workers serve as the essential objects of the Marxian critique of capital. The capitalist too is merely the expression of the separation of the worker from the objective conditions of production. For once these conditions become independent from the worker, the *necessity* arises for an alien class of capitalists to chain the workers to the alienated work process.<sup>72</sup> This suggests that even the elimination of the personifications of capital does not suffice to free the worker so long as the breach between the worker and the objective conditions of production remains unhealed. On these grounds Marx often criticizes his fellow socialists for wanting capital without the capitalists. He argues,

The *functions* fulfilled by the capitalist are no more than the functions of capital—viz. the valorization of value by absorbing living labor—executed *consciously* and *willingly*. The capitalist functions only as *personified* capital, capital as a person, just as the worker is no more than *labor* personified. . . . Hence the rule of the capitalist over the worker is the rule of things over man, of dead labor over the living, of the product over the producer.<sup>73</sup>

The fullest indication that Marx neither posits the market as the major object of his critique nor conceives of its abolition as the key to creating an alternative to capitalism is contained in a paragraph added to “The General Law of Capitalist Accumulation” in the French edition of *Capital*, in 1872-75. In discussing the concentration and centralization of capital to its ultimate limit, he writes:

In any branch of industry centralization would reach its extreme limit if all the individual capitals invested there were fused into a single capital. In a given

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<sup>72</sup>The process becomes reciprocal, of course, in turn.

<sup>73</sup>*Capital* 1:889-990.

society this limit would be reached only when the entire social capital was united in the hands of either a single capitalist or a single capitalist corporation.<sup>74</sup>

This indicates that capitalism's law of motion would not be radically altered even if "the *entire* social capital" became united "in the hands of either a single capitalist or a single capitalist corporation." Such a situation would, of course, imply the effective abolition of a competitive free market. But it need not imply the end of capitalism itself. Capitalism can survive, Marx appears to be suggesting, with a variety of forms of circulation and distribution. It is at least *theoretically* possible that capitalist social relations could persist even in the absence of an anarchic "free" market.<sup>75</sup>

This possibility is further bolstered by Marx's discussion of two kinds of "private property" at the very end of the first volume of *Capital*. In discussing the "So-Called Primitive Accumulation of Capital," he points to the destruction of *two kinds* of private property in the means of production. One is "the dissolution of the private property based on the labor of its owner." This refers to "The private property of the worker in his means of production."<sup>76</sup> This property is based on small land holding and small-scale industry. This kind of private property is ruthlessly and violently destroyed by the process that

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<sup>74</sup>Ibid., 779.

<sup>75</sup>This is not to suggest that such an extreme form of concentration and centralization of capital would necessarily be more productive or efficient. Volume three of *Capital* suggests that a radical suppression of competition between individual units of capital would be likely to deprive capitalism of its vivacity. He writes, "And if capital formation were to fall exclusively into the hands of a few existing big capitals, for whom the mass of profit outweighs the rate, the animating fire of production would be totally extinguished. It would die out. It is the rate of profit that is the driving force in capitalist production, and hence nothing is produced save what can be produced at a profit." See Karl Marx, *Capital*, vol. 3, trans. David Fernbach (New York: Vintage, 1981), 368.

<sup>76</sup>*Capital* 1:927.

brings *capitalist* private property into being. Modern capitalism arises most of all from the eviction of the peasant proprietors from the land, from the *destruction* of their private property.

Although Marx sharply criticizes the way in which capitalist private property supplants the private property of the direct producer, he does not advocate returning to the landowning patterns that characterized precapitalist societies in the West.<sup>77</sup> Such small, isolated, and relatively fragmented landowning patterns do not befit the higher form of social organization that will follow capitalism. But they do indicate that forms of private ownership and possession have existed that are qualitatively different from capitalist private property, which is based on the complete separation of the laboring populace from the objective conditions of production.

Marx here directly brings in the Hegelian concept of “the negation of the negation” to elucidate this process. The first negation is capitalist private property that supplants the property of workers and peasants. As capitalism undergoes a further concentration and centralization of capital in fewer and fewer hands, the point is reached wherein this negation is itself negated: “But capitalist production begets, with the inexorability of it a natural process, its own negation.”<sup>78</sup> This *second negation* does not reestablish the fragmented and isolated parcels of precapitalist private property, but it

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<sup>77</sup>The situation is quite different in the non-Western world, where communal property predominated. Marx tends to see these communal property forms as a possible material condition for enabling developing societies to shorten or even bypass the stage of capitalist industrialization. An examination of this issue falls outside the scope of this study.

<sup>78</sup>*Capital* 1:929.

does end the breach between the laborers and the objective conditions of production. What emerges is “cooperation and the possession in common of the land and the means of production produced by labor itself.”<sup>79</sup> The new society, for Marx, represents a reversal of the basic principle of capitalism: “the annihilation of that private property which rests on the labor of the individual himself.”<sup>80</sup> A free association of producers overcomes the separation between individuals and the conditions of material wealth. This entails something far more emancipatory than the transference of private property into state property; indeed, Marx never mentions the state once in his discussion. His analysis of the two kinds of private property at the end of the first volume of *Capital* indicates that he is not limiting his horizon to the contrast of private versus collective property. Instead, he is focusing on the contrast between property relations that fragment individuals from their natural and subjective capacities and forms that overcome this separation. The latter, for Marx, constitutes the substance of a new society.

#### Volumes Two and Three of *Capital*

Volumes two and three of *Capital* are integral to Marx’s overall theoretic project. Marx planned for volume one to deal with the process of production, volume two with the process of circulation, and volume three with the process of capitalist production as a whole.<sup>81</sup> He only lived to complete the first volume, even though most of the manuscripts

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<sup>79</sup>Ibid.

<sup>80</sup>Ibid., 940.

<sup>81</sup>As noted earlier, he also intended that what became published after his death as *Theories of Surplus Value* to serve as volume four.

of what became volumes two and three were written prior to the publication of the first volume in 1867. Volumes two and three have to be read with a degree of caution, since they were edited and published after Marx's death by Engels (volume two appeared in 1885; volume three appeared a decade later). It cannot therefore be assumed that either volume would have appeared in its present form and content had Marx succeeded in completing it.<sup>82</sup> Volume two clearly lacks the polish as well as literary quality of the first volume, and its more rarified subject matter makes it one of the least amenable to immediate application on behalf of political causes than perhaps any of his writings. Volume three has given rise to far more discussion and debate in the critical literature on Marx, largely because it deals with topics that touch directly on matters of concern to traditional economists, such as credit, interest, rent, the rate of profit, speculative capital and the causes of crises. Given the great span of topics covered in these two volumes (most of which is not touched upon in volume one at all), we must limit ourselves to those passages that directly speak to the subject matter of this study.

Although volume two of *Capital* deals with circulation, it would be a mistake to assume that it deals with the circulation of *commodities*, since that is analyzed in the first part of volume one. The second volume instead deals with the circulation of *capital*. The circulation of capital comprises three component parts—money capital, productive capital, and commodity capital. These are not three independent classes of capital but

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<sup>82</sup>*MEGA*<sup>2</sup> has published Marx's original manuscripts for volumes two and three, which for the first time has allowed scholars to critically evaluate Engels' role in editing the manuscripts for publication. This has led to a lively controversy, especially among Marx scholars in Germany. This debate falls outside the scope of this study and is not discussed here.

rather three forms of *industrial capital*, separate moments of the same aspect of the economy. Capital of necessity takes on these three modes of existence; they are “different forms with which capital clothes itself in its different stages.”<sup>83</sup> Their interrelation is Marx’s primary object of investigation in the second volume.

Marx’s aim is to describe how these circuits operate in a chemically pure *capitalist* economy. He writes, “In order to grasp these forms in their pure state, we must first of all abstract from all aspects that have nothing to do with the change and constitution of the forms as such.”<sup>84</sup> He abstracts from contingent or secondary factors that get in the way of grasping the object of his analysis by assuming: (1) Commodities are sold at their value. (2) No revolutions in value occur in the circulation process.<sup>85</sup> (3) There is no foreign trade: “We therefore completely abstract from it here, and treat gold as a direct element of the annual [domestic] production.”<sup>86</sup> (4) There are no crises of realization. Marx is not leaving aside these factors in order to create a purely abstract model of capitalist accumulation that has little or no bearing on reality. Instead, his approach is to strip away secondary or tertiary phenomena that get in the way of delineating capitalism’s actual law of motion. According to Marx, capital can “only be

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<sup>83</sup>*Capital*, vol. 2, trans. David Fernbach (New York: Penguin, 1978), 109.

<sup>84</sup>*Ibid.*

<sup>85</sup>Marx does so because such revolutions do not alter the proportions of the elements of value in terms of its various components so long as they are universally distributed.

<sup>86</sup>*Capital* 2:546.

grasped as a movement, not as a static thing.”<sup>87</sup> He employs this method of abstraction in order to present the circuits of capital in the clearest possible terms.

Given its relatively rarified subject matter, it is surprising that volume two contains any discussion of a postcapitalist society at all. However, several passages address the issue. What grounds much of Marx’s discussion of the issue is a concept that is introduced in its opening pages of volume two—the “distribution of the elements of production.” This does not refer to distribution of relations of circulation as opposed to those of production. It instead refers to how one class—the workers—become torn from the objective conditions of production and become “distributed” as “free” wage laborers, while another class—the capitalists—effectively own them. As Marx puts it:

Thus the situation that underlines the act of M-C (L/MP) is one of distribution; not distribution in the customary sense of distribution of the means of consumption, but rather the distribution of the elements of production themselves, with the objective factors concentrated on one side, and labor-power isolated from them on the other. The means of production, the objective productive capital, must thus already face the worker as such, as capital, *before* the act M-L can become general throughout society.<sup>88</sup>

The importance of this concept becomes clearer later in the third part of volume two, “The Reproduction and Circulation of the Total Social Capital.” This part has a largely *polemical* thrust, in that Marx aims to show what he considers the erroneous nature of two prevailing tendencies in political economy. One is that of Adam Smith, who “spirited away” constant capital by arguing that it is ultimately consumed as revenue. The other is underconsumptionism, represented by such figures as Sismondi,

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<sup>87</sup>Ibid., 185.

<sup>88</sup>Ibid., 116.



Malthus, and Rodbertus (and more recently by Paul Sweezy and Ernest Mandel), which argues that the critical determinant in capital accumulation is a level of effective demand sufficient to buy up the surplus product.

Marx counters Smith's view by arguing that the value of constant capital does not dissolve into wages and profits, since a considerable portion of it is consumed productively. There are *two* reasons for Marx's criticism of Adam Smith on this issue. The first, and most obvious, is that if Smith were right that the value of constant capital ultimately dissolves into revenue there would be no reason for workers to fight against the appropriation of their unpaid hours of labor by the capitalists. Although that is doubtless an important consideration, there is also a deeper issue involved in Marx's critique of Smith than the alienation of the product from the producer. The most egregious aspect of Smith's error is that it conceals how constant capital is the instrumentality through which the capitalist gains the mastery over the worker. If the value of constant capital dissolves into revenue, the domination of dead over living labor dissolves as well. Smith's position completely obscures what Marx considers the crux and distinctiveness of the class relation of capitalist society.

Some of the same considerations explain Marx's objection to underconsumptionism—the notion that the central contradiction of capitalism is the inability of workers to buy back the surplus product. Marx of course fully knows that the purchasing power of the workers does not enable them to buy back the surplus product. But the *reason* for this, he contends, is not the lack of effective demand; instead, the lack of effective demand is a result of a deeper problem. Although crises often *manifest* themselves in an inability to sell the surplus product, they “first become evident not in the

direct reduction of consumer demand, the demand for individual consumption, but rather a decline in the number of exchanges of capital for capital, in the reproduction process of capital.”<sup>89</sup> Marx counters the underconsumptionist argument as follows:

It is precisely a tautology to say that crises are caused by the scarcity of solvent consumers, or of a paying consumption. The capitalist system does not know any other modes of consumption than a paying one. . . . But if one were to attempt to clothe this tautology with a semblance of profounder justification by saying that the working class receives too small a portion of their own product, and the evil would be remedied by giving them a larger share of it, or raising their wages, we should reply that crises are always preceded by a period in which wages rise generally and the working class actually gets a larger share of the annual product intended for consumption.<sup>90</sup>

Marx objected to underconsumptionism because it tends to locate the central contradiction of capitalism in the *market* instead of in *production*. To Marx, this not only gets the *facts* of capitalism wrong; it also misconstrues how to correct them. If capitalism’s main problem is the lack of effective demand, it follows that resolving it centers on paying workers better wages and benefits. The need to uproot the domination of dead over living becomes just as readily obscured as by Smith’s error.

Marx’s view, which is spelled out in the formulas of expanded reproduction, did not at all satisfy critics such as Rosa Luxemburg. As she saw it, Marx’s assuming away of realization crises projects a tendency of unimpeded equilibrium or balanced growth. She wrote in her *Accumulation of Capital*,

The complicated problem of accumulation is thus converted into a diagrammatic progression of surprising simplicity. We may continue the above chain of

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<sup>89</sup>Ibid., 156-7.

<sup>90</sup>Ibid., 486-7.

equations *ad infinitum* so long as . . . a certain increase in the constant capital in Department I<sup>91</sup> always necessitates a certain increase in the variable capital.<sup>92</sup>

She found the implications of this profoundly disturbing, for some of the same reasons that a number of economists have found it appealing—that it *seems* to suggest the possibility of infinite capitalist expansion.<sup>93</sup>

Luxemburg's sharp criticism of Marx's presentation of the formulas of expanded reproduction did not stop her, however, from suggesting that it offered a possible model of a postcapitalist society that overcomes the "anarchic" character of capitalism. She wrote in *The Accumulation of Capital*: "Marx's diagrams of enlarged reproduction has objective validity—*mutatis mutandis*—for a planned society."<sup>94</sup> While she held that Marx's formulas failed to present the actual dynamic of *capitalism* by ignoring effective demand and realization crises, they are valid for a "planned" economy in which "market anarchy" is overcome. Three years earlier, and writing from the very different perspective

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<sup>91</sup>In volume two, Marx distinguished between two departments of social production. Department I is means of production, consisting of: a) the value of means of production consumed in creating means of production (which Marx calls "productive consumption"); b) the value of means of production laid out in labor-power (or the sum of wages paid out in the sphere of production); and c) the profits of the industrial capitalist. Department II is means of consumption, consisting of: a) the value of means of production transferred to commodities that are individually consumed by workers and capitalists; b) the value of the labor power that produces such consumption goods; and c) the profits of the capitalists accrued from it. Surplus value is embodied in both departments.

<sup>92</sup>Rosa Luxemburg, *The Accumulation of Capital*, trans. Agnes Schwarzschild (New York: Modern Reader, 1968), 118.

<sup>93</sup>For more on this, see Meghnad Desai, *Marx's Revenge: The Resurgence of Capitalism and the Death of Statist Socialism* (London: Verso, 2002).

<sup>94</sup>Luxemburg, *The Accumulation of Capital*, 131.

of disproportionality theory, Rudolf Hilferding argued that Marx's formulas suggest the kind of normative balance between production and consumption that could be achieved through state intervention in the economy. Whereas Luxemburg criticized Marx's formulas on the grounds that they suggest balanced growth, Hilferding embraced them for presumably offering a model of balanced growth. As one recent study puts it,

By assuming balance in the reproduction schema, co-ordination is established between capital and consumer-good producing sectors. For some Marxists, writing at the start of the twentieth century, this provided a seductive insight into how governments might impose order on the economic system.<sup>95</sup>

A more recent articulation of this view was expressed by Ernest Mandel, author of the Introduction to the current English translation of *Capital*. He writes, "It follows logically from this idea that if the capitalists were capable of investing 'rationally,' i.e., so as to maintain proportions of equilibrium between the two main sectors of production, crises could be avoided."<sup>96</sup> Mandel denies that *capitalists* can or will rationally plan; he instead calls for rational planning based on the elimination of private property and private capitalists by bringing capital accumulation under the management of a state plan. His position owes much to the efforts of such thinkers as Wassily Leontief, who earlier sought to apply Marx's theory of expanded reproduction to the state centralized economies of the USSR.

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<sup>95</sup>A.B. Trigg ed., *The Marxian Reproduction Schema: Money and Aggregate Demand in a Capitalist Society* (London: Routledge, 2006), 64. In *Finance Capital*, Hilferding argued that "order" could only be established by "subordinating the whole of production to conscious control." It is instructive that this *fetishism of the plan*, which later became so pronounced in Stalinist Russia and China, had its origins in the Second International.

<sup>96</sup>Ernest Mandel, *Marxist Economic Theory* (London: Merlin Press, 1962), 366.

The problem with these approaches is that the formulas of expanded reproduction, as is true of Marx's analysis of capitalist production as a whole, are not applicable to any society other than capitalism because the value production upon which they are based is applicable only to capitalism. There is very little textual evidence to suggest that Marx's aim in presenting the schemas of expanded reproduction was to imply anything about a postcapitalist society, one way or the other. Although he emphasizes the material form of constant capital, he deals with constant capital—as all of the factors of production and circulation—in *value* terms. And for Marx value production is the *differentia specifica* of capitalism.

However, while Marx does not address the nature of a postcapitalist society in his formulas of expanded reproduction, he does discuss it in a number of other places in volume two of *Capital*. In discussing the exchange between the two departments of social capital in the chapter on “Simple Reproduction,” Marx suddenly breaks into a discussion of a new society:

If production were social instead of capitalist, it is evident that these products of department I would be no less constantly redistributed among the branches of production in this department as means of production, according to the needs of reproduction; one part directly remaining in the sphere of production from which it entered as a product, another part being shifted to other points of production.<sup>97</sup>

Marx is suggesting that the *form* of the distribution of the elements of production is of decisive significance for any social order. In capitalism this distribution occurs behind the backs of the producers, according to the dictates of value production. In socialism the distribution is based on the “needs of reproduction” itself. This distribution

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<sup>97</sup>*Capital* 2:500-1.

is of a radically different kind in socialism, since the producers allocate a given amount of material wealth to replenish means of production and another amount to supply their consumption needs. *Value production does not enter the picture.*<sup>98</sup>

Earlier, in chapter sixteen on “The Turnover of Variable Capital,” Marx goes into much greater detail by discussing what prevails “If we were to consider a communist society in place of a capitalist one.” His writes:

Money capital would immediately be done away with, and so too the disguises that transactions acquire through it. The matter would be simply reduced to the fact that the society must reckon in advance how much labor, means of production and means of subsistence it can spend, without dislocation.<sup>99</sup>

Since value production ceases in a postcapitalist society, there is no reason for its transactions to occur through the medium of monetary capital; society itself, through the free association of producers, would “reckon in advance” how the elements of social wealth are to be produced and distributed. Marx elaborates upon this in even more detail in chapter eighteen:

With collective production, money capital is completely dispensed with. The society distributes labor power and means of production between the various branches of industry. There is no reason why the producers should not receive paper tokens permitting them to withdraw an amount corresponding to their labor time from the social consumption fund. But these tokens are not money; they do not circulate.<sup>100</sup>

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<sup>98</sup>It is important to note that Marx is here discussing the distribution of the elements *of production*, not distribution in the sense of the sphere of circulation, which is of secondary and derivative importance.

<sup>99</sup>*Capital* 2:390

<sup>100</sup>*Ibid.*, 434.

This passage builds upon and extends his discussion of the new society at the end of chapter one of volume one of *Capital*, since Marx explicitly refers to receiving tokens or vouchers based on the *amount* of labor time contributed by the individual to the community. It is just as necessary for a socialist society to distribute the elements of production as any other. In contrast to capitalist society, however, this distribution does not occur through an autonomous force that is independent of the producers. The distribution of the elements of production is not computed on the basis of an abstract social average of labor time, but on the actual amount of labor time contributed by the individual. Labor time in socialism, as Marx has earlier indicated in volume one of *Capital*, simply refers to the *amount* of physical hours employed in a given enterprise. One receives in the form of tokens a share of the common goods of society that is materially equivalent to the actual amount of time engaged in producing them for the community.

Curiously, none of Marx's discussions of a postcapitalist society in volume two of *Capital* mentions the state. He instead refers to the control of the elements of production and distribution by *society*. He also does not mention the state in his brief discussion of a postcapitalist society in chapter one of volume of *Capital*.

While Marx's comments in volume two on postcapitalism are hardly systematic or detailed, they are conceptually consistent with his earlier comments on the subject in volume one of *Capital*. From his earliest writings of the 1840s to his late ones, Marx insisted that the aim of capitalist society is not to enrich human needs and capabilities but rather to augment value. Capitalism is an abstract form of domination that has one overriding goal: to accumulate value for its own sake. A new society would need to radically

reverse this. On these grounds, Marx writes in chapter four of volume two, “For capitalism is already essentially abolished once we assume that it is enjoyment that is the driving principle and not enrichment itself.”<sup>101</sup>

Volume three of *Capital* may seem to be even less likely than the second volume to venture into a discussion of a new society, since it is largely devoted to a detailed analysis of such economic phenomena as profit rates, credit, interest, rent, and speculative capital. Yet even in the course of discussing these issues some important comments are made about what is to follow a capitalist society.

This is especially seen from Marx’s analysis of credit. He shows that credit works to accelerate and amplify the concentration and centralization of capital, as it enables larger units of capital to buy up and absorb its competitors. This leads to the formation of joint-stock companies and mega-firms. Joint-stock companies allow for an enormous development of economies of scale and output that small, individual units of capital find impossible to match. Private capital is increasingly forced out by what Marx calls, “social capital.” He writes,

Capital . . . now receives the form of social capital (capital of directly associated producers) in contrast to private capital, and its enterprises appear as social enterprises as opposed to private ones. This is the abolition of capital as private property within the confines of the capitalist mode of production itself.”<sup>102</sup>

Marx is indicating that the capitalist mode of production does not necessarily depend upon capital taking the form of private property. In the joint-stock company the individual entrepreneur tends to lose private ownership of the enterprise. As the firm

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<sup>101</sup>Ibid., 199.

<sup>102</sup>*Capital* 3:567.



becomes larger and more complex, individual private property becomes socialized. It is not socialized, of course, either by or in the interest of the workers. But it still represents “the abolition of capital as private property.” He adds,

In joint-stock companies, the function is separated from capital ownership, so labor is completely separated from ownership of the means of production and of surplus labor. This result of capitalist production in its highest development is a necessary point of transition towards the transformation of capital back into the property of the producers, though no longer as the private property of individual producers but rather as their property as associated producers, as directly social property. It is furthermore a point of transition towards the transformation of all functions formerly bound up with capital ownership in the reproduction process into simple functions of the associated producers, into social functions.<sup>103</sup>

Joint-stock companies further extend the alienation and dispossession of the laborer. The workers—as well as the capitalists—cease to have even an indirect ownership stake in the enterprise. The firm becomes completely autonomous from the social forces that comprise it. The joint-stock company can in no way therefore be considered an expression of “socialism.” At the same time, the joint-stock company represents a possible *transitional* form *towards* a new social order, in that it undermines the principle of private ownership of the means of production. In doing so it helps prepare the ground for a form of socialization that can overcome the separation of the laborers from the conditions of production.

Marx is not suggesting that the formation of the credit-system and joint stock companies *on their own* impel the formation of a socialist society. He directly criticizes those “socialists” who have “illusions” about the ability of mega-firms to directly lead to a new society:

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<sup>103</sup>Ibid., 568.

Finally, there can be no doubt that the credit system will serve as a powerful lever in the course of transition from the capitalist mode of production to the mode of production of associated labor; however, only as one element in connection with other large-scale organic revolutions in the mode of production itself. On the other hand, illusions about the miraculous power of the credit and banking system, in the socialist sense, arise from complete ignorance about the capitalist mode of production and about the credit system, as one of its forms.<sup>104</sup>

Marx's description of the joint-stock company as a possible *transitional* form to a new society, even though it is firmly within the confines of the capitalist mode of production, suggests that he does not conceive of it as part of a distinct phase *between* capitalism and socialism. The joint-stock company is firmly embedded within the capitalist mode of production—indeed, it can be considered its “highest” expression. And yet this highest expression of *capitalism* represents a possible transitional form to a *future* society. This suggests that for Marx, the transitional formation that leads to socialism is nothing other than *capitalism*. He contends,

This is the abolition of the capitalist mode of production within the capitalist mode of production itself, and hence a self-abolishing contradiction, which presents itself *prima facie* as a mere point of transition to a new form of production. It presents itself as such a contradiction even in appearance. It gives rise to monopoly in certain spheres and hence provokes state intervention. It reproduces a new financial aristocracy, a new kind of parasite in the guise of company promoters, speculators, and merely nominal directors; an entire system of swindling and cheating with respect to the promotion of companies, issues of shares and share dealings. It is private production unchecked by private ownership.<sup>105</sup>

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<sup>104</sup>Ibid., 743. Marx's criticism of the illusions about the joint-stock company “in the socialist sense” anticipates what became standard orthodoxy in much of the Second International after his death. Its leading theoreticians (such as Kautsky and Hilferding) argued that such formations would naturally “grow over” into socialism on their own. The consequences of such gradualism set the stage for its demise in 1914.

<sup>105</sup>Ibid., 569.

Marx's discussion of the "swindling" and "cheating" that characterize the mega-firm indicates that he is by no means embracing it as a liberatory form. Nor is he endorsing the tendency of these mega-firms to "provoke state intervention" in the economy, since he says that that produces a parasitic financial aristocracy. Nor does he contend that the joint-stock company represents a form of socialized *production*. He explicitly refers to it as "*private* production unchecked by private ownership." Precisely because no single individual or unit of capital has complete ownership of the mega-firm, the latter *extends* rather than mitigates the central problem of capitalism—the separation of the producers from the conditions of production.

As Marx shows at the end of volume one of *Capital*, the distinguishing mark of *capitalist* private property is not that private individuals own property. Non-capitalist producers also own property, but they are *destroyed* by capitalist private property. The distinguishing mark of capitalist private property is that it rests upon the dispossession of the laborer. This is why Marx says that private ownership can be eliminated without eliminating private production. He makes this explicit by writing that the joint-stock system "is an abolition of capitalist private industry on the basis of the capitalist system itself."<sup>106</sup> Nevertheless, the separation of the enterprise from the control of private capitalists creates a material condition for the laborers to eventually create genuinely socialized relations—once, that is, they manage to strip the cooperative content of labor from its despotic form by achieving an "organic revolution in the mode of production."

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<sup>106</sup>Ibid., 570.

This leads Marx into a direct discussion of what *can* produce such a transition from the old society to the new one—worker-owned and managed cooperatives. Marx was always very interested in worker cooperatives and did not downplay their importance, including when undertaken by such utopian socialists as Fourier and Owen. On the other hand, he was very critical of socialists who disparaged such efforts, like Saint-Simon.<sup>107</sup> Marx writes of worker cooperatives,

The cooperative factories run by workers themselves are, within the old form, the first examples of the emergence of a new form, even though they naturally reproduce in all cases, in their present organization, all the defects of the existing system, and must reproduce them. But the opposition between capital and labor is abolished here, even if at first only in the form that the workers in association become their own capitalist, i.e. they use the means of production to valorize their own labor. These factories show how, at a certain stage of development of the material forces of production, and of the social forms of production corresponding to them, a new mode of production develops and is formed naturally out of the old. Without the factory system that arises from the capitalist mode of production, cooperative factories could not develop.<sup>108</sup>

There is much to be said of this passage. First, Marx explicitly avers that worker cooperatives represent a new *form* of production. He does not say that of the joint-stock company, which he sees as the highest expression of *capitalist* production. The fact that the latter does away with private ownership does not change that one iota. This is an important consideration, since it was already misunderstood by many socialists of the time (and afterward) who held that the credit system would enable capitalism to naturally

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<sup>107</sup>See *Capital* 3:740: “All his earlier writings are in fact simply a glorification of modern bourgeois society against feudal society, or of the industrialists and bankers against the marshals and law-mongers of the Napoleonic era. How different from the contemporary writings of Owen!”

<sup>108</sup>*Ibid.*, 571.

evolve directly into socialism.<sup>109</sup> Second, Marx states that worker cooperatives represent a new form of production in so far as they overcome the opposition between capital and labor, at least initially and provisionally. This is because “In the case of the cooperative factory, the antithetical character of the supervisory work disappears, since the manager is paid by the workers instead of representing capital in opposition to them.”<sup>110</sup> Third, despite the importance of these cooperatives in foreshadowing the future, they are limited by the fact that the “workers in association become their own capitalist” in so far as the collectively owned and managed enterprise is still subject to value production. They still “valorize their own labor.” Marx does not go on to explain exactly *how* they valorize their own labor, but he appears to be suggesting that since these cooperatives exist as islands in a capitalist ocean they cannot avoid operating in accordance with the law of value. In this sense, they still remain within capitalism, even as they contain social relations that point to its possible transcendence.

It may seem that workers who take over a productive enterprise and run it as their own cooperative have freed themselves from the capital relation, and in one sense they have. They have certainly eliminated the need for the capitalist. As Marx puts it, “the capitalist vanishes from the production process as someone superfluous.”<sup>111</sup> At the same time, Marx repeatedly criticizes the socialists of his time for “wanting capital without the

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<sup>109</sup>This was one of the central issues in the dispute between Rosa Luxemburg and Eduard Bernstein, which consumed the German Social Democratic movement in 1898-99 and afterwards. See Luxemburg’s *Reform or Revolution*, in *The Rosa Luxemburg Reader*.

<sup>110</sup>*Ibid.*, 512.

<sup>111</sup>*Ibid.*, 511.

capitalist.”<sup>112</sup> While the workers who take over the productive enterprise may free themselves from the need to subject themselves to a capitalist, that does not necessarily mean that they have freed themselves from the social power of capital. Worker cooperatives that exist in a context in which exchange value continues to govern the production and circulation of commodities tend to eventually discover that they have less freedom and control than may at first appear. For while there is no longer a particular capitalist within the enterprise to tell them what to do, the system of value production informs or even governs their decisions as to what to produce, how much to produce, how fast to produce, and in what form to produce. The more social cooperatives continue to operate as islands within a sea of value production, the less *real* social power the workers actually have as they find themselves subject to an autonomous force of value production.

This does not prevent, however, worker-owned cooperatives from constituting a transitional form to socialism—any more than the fact that the joint-stock company is firmly rooted in capitalism prevents it from constituting a possible transitional form to a new society. *That is because capitalism, for Marx, is the transitional form for a socialist reorganization of social relations.* Marx writes,

Capitalist joint-stock companies as much as cooperative factories should be viewed as transition forms from the capitalist mode of production to the associated one, simply that in the one case the opposition is abolished in a negative way, and in the other, in a positive way.<sup>113</sup>

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<sup>112</sup>*Grundrisse*, in *MECW* 28:229.

<sup>113</sup>*Capital* 3:572.

Marx concludes his discussion of a new society in volume three of *Capital* by speaking of the kind of social relations that will directly characterize it. In one of his most explicit discussions of a socialist society, he writes:

The realm of freedom really begins only when labor determined by necessity and external expediency ends; it lies by its very nature beyond the sphere of material production proper. Just as the savage must wrestle with nature to satisfy his needs, to maintain and reproduce his life, so must civilized man, and he must do so in all forms of society and under all possible modes of production. This realm of natural necessity expands with his development, because his needs do too; but the productive forces to satisfy these expand at the same time. Freedom in this sphere, can consist only in this, that socialized man, the associated producers, govern the human metabolism with nature in a rational way, bringing it under their collective control instead of being dominated by it as a blind power; accomplishing it with the least expenditure of energy and in conditions most worthy and appropriate of their human nature. But this always remains realm of necessity. The true realm of freedom, the development of human powers as an end in itself, begins beyond it, though it can only flourish with this realm of necessity as its basis.<sup>114</sup>

The realm of freedom, for Marx, begins when humanity no longer has to define itself by its laboring activity. He is not suggesting that labor as such literally comes to an end. After all, he explicitly states that labor exists “in all forms of society and under all possible modes of production.” In a truly free society, however, human life activity is no longer *defined* by labor. It is not defined by external or natural necessity. Marx’s statement renders completely implausible the claim made by N.R. Berki:

In *Capital* Marx more or less completely acquiesces in the continuing—and indeed, *permanent*—superiority of nature over the human species. And correspondingly his earlier vision of ‘labor’ as integrated species-activity, as full and free individual self-realization, is all but completely overshadowed by a decidedly pessimistic view of labor as *eternal* toil and drudgery.<sup>115</sup>

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<sup>114</sup>Ibid., 958-9.

<sup>115</sup>N.R. Berki, *Insight and Vision: The Problem of Communism in Marx’s Thought* (London and Melbourne: J.M. Dent & Sons, 1983), 134.

The amount of time engaged in material production will be drastically reduced in the new society, thanks to technological innovation and the development of the forces of production, at the same time as labor, like all forms of human activity, will become *freely* associated and not subject to an autonomous power that operates behind the backs of individuals.

Here is the most important determinate in Marx's concept of the new society: social relations must cease to operate independent of the self-activity of the associated individuals. Marx will oppose any force—be it the state, a social plan, or the market itself—that takes on a life of its own and utilizes human powers as a mere means to its fruition and development. Marx's opposition to the inversion of subject and predicate constitutes the reason for his opposition to all forms of value production. It is also what grounds his conception of socialism. Human power, he insists, *must* become its own end—it must cease to serve as a means to some other end. He will project this concept even more explicitly in his last writings, in which he issues his most detailed discussion of the content of a postcapitalist society.



## CHAPTER FIVE:

### MARX'S LATE WRITINGS ON POSTCAPITALIST SOCIETY

#### The Impact of the Paris Commune on Marx

There is no question that the Paris Commune had an enormous impact on Marx. Although it was restricted to the city of Paris and lasted only six weeks, the Commune marked the first time in Marx's life that the working class seized hold of a major urban area and attempted to reorganize social relations in a revolutionary direction. Although he was living in London at the time, Marx was in close contact with events on the ground (thanks to his network of correspondents and his role in the International Workingmen's Association)<sup>1</sup> and he made an important study of it in his booklet *The Civil War in France*.

Marx was deeply impressed with the liberatory content of the Commune. In the matter of a few weeks the populace of Paris put an end to the Second Empire of Louis Napoleon by eliminating the standing army; stripped the police force of its political powers; established the separation of church and state; organized the production and distribution of foodstuffs through deliberative bodies of producers; and arranged for municipal officials to be democratically elected and subject to immediate recall. It placed

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<sup>1</sup>Marx composed *The Civil War in France* as an address to the Central Council of the International Workingmen's Association (or the "First International"), for which he served as correspondence secretary.

“the whole initiative hitherto exercised by the State . . . into the hands of the Commune.” It compelled the “old centralized government” to “give way to the self-government of the producers.”<sup>2</sup> All of this was achieved without a single party or political tendency monopolizing power.<sup>3</sup> For these reasons, Marx considered the Commune to be “a thoroughly expansive political form, while all previous forms of government had been thoroughly repressive.” He viewed it as “the political form at last discovered under which to work out the economical emancipation of labor.”<sup>4</sup>

In the *Communist Manifesto* of 1847, Marx had written,

The proletariat will use its political supremacy to wrest, by degrees, all capital from the bourgeoisie, to centralize all instruments of production in the hands of the State, i.e., of the proletariat organized as the ruling class; and to increase the total productive forces as rapidly as possible.<sup>5</sup>

In contrast, in *The Civil War in France* he writes, “But the working class cannot simply lay hold of the ready-made State machinery and wield it for its own purposes.”<sup>6</sup> His first draft of the address notes that earlier revolutions were “forced to develop, what absolute monarchy had commenced, the centralization and organization of state power, and to

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<sup>2</sup>Karl Marx, *The Civil War in France*, in *MECW* 22:332.

<sup>3</sup>Numerous clubs, organizations, and political parties participated in the Commune. The most predominant political tendency was the Proudhonists. Marx’s own followers represented a relatively small minority among the communards.

<sup>4</sup>*The Civil War in France*, in *MECW* 22:334.

<sup>5</sup>*Manifesto of the Communist Party*, in *MECW* 6:504.

<sup>6</sup>*The Civil War in France*, in *MECW* 22:328.

expand the circumference and the attributes of the state power.”<sup>7</sup> He adds, “All revolutions thus only perfected the state machinery instead of throwing off this deadening incubus.”<sup>8</sup> The Paris Commune, in contrast, sought to *dismantle* the machinery of the state through decentralized, democratic control of society by the freely associated populace.

This was, therefore, a Revolution not against this or that, legitimate, constitutional, republican, or Imperialist form of State Power. It was a Revolution against the *State* itself, this supernaturalist abortion of society, a resumption by the people for the people, of its own social life. It was not a revolution to transfer it from one fraction of the ruling classes to the other, but a Revolution to break down this horrid machinery of class domination itself.<sup>9</sup>

This marks a distinct departure from the view of the state expressed in the *Manifesto*. The Paris Commune taught Marx that the state is not a neutral instrument that can be *used* to “wrest” power from the oppressors. *Its very form is despotic*. In recognizing this, the communards did not aspire to *centralize* power into the hands of a state of their own.<sup>10</sup> They instead aimed for “the destruction of the State power which

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<sup>7</sup>Karl Marx, “Drafts of *The Civil War in France*,” in *MECW* 22:484.

<sup>8</sup>*Ibid.*

<sup>9</sup>*Ibid.*, 486.

<sup>10</sup>Marx praises the Commune for centralizing legislative and executive functions in the hands of its self-governing popular assemblies, but this is quite different from centralizing these branches of government into a single agency of the *state*. One of the most outstanding achievements of the Commune was its degree of the *decentralization* of power.

claimed to be the embodiment of that unity independent of, and superior to, the nation itself, from which it was but a parasitic excrescence.”<sup>11</sup>

Far from being a neutral instrument, the state is a disfiguring outgrowth of society. Society gives birth to this monstrosity, which takes on a life of its own and operates behind its back. “The centralized state machinery . . . entoids (inmeshes) the living civil society like a boa constrictor.”<sup>12</sup> A *social* revolution aims to reverse this reversal: “The Communal Constitution would have restored to the social body all the forces hitherto absorbed by the State parasite feeding upon, and clogging the free movement of, society.”<sup>13</sup> The Paris Commune is therefore not a new form of the state. Instead, “this new Commune . . . breaks the modern State power.”<sup>14</sup> It aspires for “the reabsorption of the State power by society.”<sup>15</sup>

The Paris Commune was unlike anything that had emerged in previous revolutions. Marx generalizes its experience by contending that it discloses the proper political form that can enable revolutions to break free from the despotism of capital: “The Commune was therefore to serve as a level for uprooting the economical foundations upon which rests the existence of classes, and therefore of class rule.”<sup>16</sup>

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<sup>11</sup>*The Civil War in France*, in *MECW* 22:332.

<sup>12</sup>“Drafts of *The Civil War in France*,” in *MECW* 22:483.

<sup>13</sup>*The Civil War in France*, in *MECW* 22:333.

<sup>14</sup>*Ibid.*, 333.

<sup>15</sup>“Drafts of *The Civil War in France*,” in *MECW* 22:487.

<sup>16</sup>*The Civil War in France*, in *MECW* 22:334.

Since the new society consists of freely associated producers planning and allocating social wealth, it must be created by means of such a free association. The vision is fundamentally democratic. “Such is the *Commune—the political form of the social emancipation*, of the liberation of labor from the usurpation of the (slaveholding) monopolies of the means of labor.”<sup>17</sup>

This is quite a distance from the view of the state as the principal instrument of revolutionary transformation that has tended to dominate efforts at social transformation in the twentieth century. The Commune was a cooperative form of administration that was not weighted down by being dominated by one political party or tendency, centralized or otherwise. Yet it managed to institute a series of wide-ranging transformations in social relations that has attracted the imagination of people around the world ever since.<sup>18</sup> Marx now conceives of an association of freely associated cooperatives as the most effective form for making a transition to a new society.<sup>19</sup>

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<sup>17</sup>“Drafts of *The Civil War in France*,” in *MECW* 22:490.

<sup>18</sup>Among these were the dramatic changes it began to introduce in gender relations. For more on this, see Edith Thomas, *The Women Incendiaries* (Chicago: Haymarket Books, 2007).

<sup>19</sup>As one recent study puts it, “Therefore, when Marx criticized Bakunin, he did it not as an authoritarian. Rather, he took the antimony that Proudhon pointed out much more seriously than Bakunin did. What is more, Marx praised the Paris Commune, carried out mainly by Proudhonists, in which he found the vision of ‘possible communism.’ . . . Marx also speculated that an ‘association of associations’ would replace the capitalist nation-state.” See Kojin Karatani, *Transcritique: On Kant and Marx*, trans. Sabu Kohso (Cambridge: The MIT Press, 2003), p. 178.

The Commune was the political *lever* or *form* for the transformation of the despotic relations of capital, but it did not *constitute* the transcendence of capital—nor could it in the mere six weeks of its existence. Marx never claimed that Paris was a socialist society under the Commune. It rather marked the self-government of the producers on a *municipal* scale. It only could have constituted a transitional form to socialism had it been allowed to survive and spread. As Marx notes in his comments on cooperatives in volume three of *Capital*, a liberatory form that exists within a capitalist context can still represent the transition to a new society, so long as a number of historical conditions are present.

Marx himself notes, “The working class did not expect miracles from the Commune. They have no ready-made utopias to introduce *par décret du peuple*.”<sup>20</sup>

They know that in order to work out their own emancipation, and along with it that higher form to which present society is irresistibly tending by its economical agencies, they will have to pass through long struggles, through a series of historic processes, transforming circumstances and men. They have no ideas to realize, but to set free the elements of the new society with which the old collapsing bourgeois society itself is pregnant.<sup>21</sup>

Marx repeatedly emphasizes not only the achievements but also the limitations of the Commune—which, he contends, the communards were fully conscious of:

They know that the superseding of the economical conditions of the slavery of labor by the conditions of free and associated labor can only be the progressive work of time, (that economical transformation) that they require not only for a change of distribution but a new organization of production, or rather the delivery (setting free) of the social forms of production in present organized labor

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<sup>20</sup>*The Civil War in France*. 22:334.

<sup>21</sup>*Ibid.*, 335.

(engendered by present industry) of the trammels of slavery, of their present class character, and their harmonious national and international coordination.<sup>22</sup>

Marx does not hesitate to emphasize how laborious is the process of creating a new society, since it depends not only upon national but international cooperation as well as transforming not only of relations of distribution but also of production. Marx was clearly disappointed at the bloody suppression of the Commune by the forces of reaction, but not long afterwards he became even more disappointed at the realization that his own followers had failed to learn its lessons. Nowhere is the depth of Marx's dissatisfaction expressed more sharply than in his work composed in the aftermath of the Commune's defeat, the *Critique of the Gotha Program*.

#### The Critique of the Gotha Program

Marx's *Critique of the Gotha Program* of 1875 contains his most sustained, detailed, and explicit discussion of a postcapitalist society. It was not written, however, as part of an effort to provide a blueprint as to the kind of society that would follow capitalism. Its composition was instead driven by *organizational* considerations. The German socialist movement comprised two tendencies in the 1860s and 1870s. One was the General Union of German Workers, whose founder was Ferdinand Lassalle. It was the first nationwide socialist organization of the German proletariat, and its energetic and charismatic leader helped make it the largest and best-known leftwing organization in Europe. After a period of collaboration, Lassalle and Marx had a bitter breakup, largely occasioned by what Marx considered Lassalle's unprincipled interest in forging alliances with sections of German officialdom in order to secure organizational legitimacy for his

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<sup>22</sup>“Drafts of *The Civil War in France*,” in *MECW* 22:491.

party and social reforms. The other tendency of the German workers' movement was the much-smaller Eisenachers (named for the city in which they were founded), which considered themselves Marx's followers. In 1875 the two groups entered into unity negotiations in the city of Gotha, and against Marx's wishes formed a united organization based on a brief program named after the site of the conference. This marked the birth of what later was known as the German Social-Democratic Party, which became the largest socialist organization in European history after Marx's death.

Marx was furious when he read the Gotha Program, which he considered to be a complete capitulation to Lassallean principles.<sup>23</sup> He threatened to break off his relations with his German followers unless they disavowed the decisions made at the unity congress. They refused to do so, but Marx decided not to go through with his threat and in the end chose not to make his denunciation public, in part because Bismarck had jailed several leading Eisenachers.

There were a number of formulations in the Gotha Program that infuriated Marx,<sup>24</sup> but none more so than its brief discussion of the alternative to capitalism. Point

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<sup>23</sup>Lassalle had died a decade earlier, in 1864. Although the extent of Marx's differences with Lassalle became public knowledge only decades after his death when his correspondence began to be published, many of the Eisenachers were well aware of Marx's longstanding hostility to Lassallean conceptions and practices, among which was Lassalle's theory of "the iron law of wages."

<sup>24</sup>Marx especially castigates the program's opening declaration, "Labor is the source of all wealth." He counters, "Labor is *not the source* of all wealth. *Nature* is just as much the source of use values . . . as labor, which itself is only the manifestation of a force of nature, human labor power." Labor is instead the source of *value*. Despite Marx's criticism, the false conflation of wealth and value has been ubiquitous in discussions of Marx's work for over a century. See *Critique of the Gotha Program*, in *MECW* 24:81.



three of the Program stated, “The emancipation of labor demands the raising of the means of labor to the common property of society and the collective regulation of the total labor with a fair distribution of the proceeds of labor.”<sup>25</sup> The Gotha Program was not referring to distribution of the elements of production. It was instead referring to the distribution of the social product, which Marx saw as a wholly secondary and subsidiary matter. In fact, the Gotha Program failed to refer to production relations or their transformation at all. It instead focused on the “fair” distribution of the products of labor in a new society.

Marx sharply attacks the claim that in a future “communist society every worker must receive his ‘undiminished’ Lassalleian ‘proceeds of labor.’”<sup>26</sup> He denies that workers would receive an “undiminished” share of the total social product, since a number of deductions would be needed to pay for depreciation of the means of production, the expansion of production, and for an insurance fund against accidents. None of these factors can be calculated in advance, since they depend on an assortment of contingent conditions. Moreover, additional deductions from the now “diminished” proceeds of labor would be needed to pay for the costs of social administration, schools and health services, and compensation for those too old or too ill to work. These would increase “considerably in comparison with present-day society and it grows in proportion as the

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<sup>25</sup>Ibid., 83.

<sup>26</sup>Ibid., 84.

new society develops.”<sup>27</sup> Marx thoroughly rejects the claim that workers in a new society obtain the full value of their labor.

Marx is clearly irritated at having to write his criticism of the Gotha Program. As he puts it in a letter to Wilhelm Bracke, “it was by no means a pleasure to write such a lengthy screed.”<sup>28</sup> He is not issuing his critique in order to delineate the nature of distribution in the new society; the matter is clearly of secondary interest to him. But he is deeply concerned at the implications of the Gotha Program’s focus on distribution to the exclusion of emphasizing the need to transform relations of production. For this reason he directly addresses the form of collective ownership of the means of production in a society that does manage to radically transform production relations—a matter that was not discussed in the Gotha Program itself. He writes,

Within the collective society based on common ownership of the means of production, the producers do not exchange their products; just as little does the labor employed on the product appear here *as the value* of these products, as a material quality possessed by them, since now, in contrast to capitalist society, individual labor no longer exists in an indirect fashion but directly as a component part of the total labor.<sup>29</sup>

Marx leaves no doubt that his description of such a state of affairs represents a socialist or communist society:

What we are dealing with here is a communist society, not as it has *developed* on its own foundations, but on the contrary, just as it *emerges* from capitalist society,

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<sup>27</sup>Ibid., 85.

<sup>28</sup>“Letter to Wilhelm Bracke” in *MECW* 24:77.

<sup>29</sup>*Critique of the Gotha Program*, in *MECW* 24:85.

which is thus in every respect, economically, morally, and intellectually, still stamped with the birth-marks of the old society from whose womb it emerges.<sup>30</sup>

This represents the first time in any of his writings that Marx explicitly refers to two “phases” of the new society. These are not two distinct *stages* that are respectively termed “socialism” and “communism.” For Marx, “socialism” and “communism”—along with “free association,” “society of free individuality,” or simply “the new society”—are completely interchangeable terms. The notion that “socialism” and “communism” represent distinct stages of social development was alien to Marx’s thought and only entered the lexicon of “Marxism” after his death.

To see why Marx contends that neither value nor the exchange of *products* characterizes the initial phase of socialism or communism, it is necessary to closely examine his statement that individual labor exists as a *direct* component part of the sum of social labor only in a new society. The total sum of labor can be treated as an aggregate, just like the amount of labor performed by an individual can be treated as a discrete unit. In the capitalist mode of production individual labor exists *indirectly* as a part of the sum of total labor, since the only labor that counts is that which corresponds to the average amount of time socially necessary to create a product. Individual labor that fails to conform to that average is socially useless and expendable. It does not *directly* figure into the aggregate. This situation prevails so long as actual labor time is subsumed by socially necessary labor time. Individual labor can exist or count only *indirectly* “as a component part of the total labor” so long as capitalist relations of production are maintained.

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<sup>30</sup>Ibid.

With socialism or communism, on the other hand, the disregard of actual labor time in favor of socially necessary labor time is annulled. The exertion of concrete acts of labor, performed by freely associated individuals, becomes the one and only expression of living labor. No longer does a force operate behind the backs of the producers—socially necessary labor time—that renders their individual activity useless or unproductive if it fails to meet an abstract standard. The formation of *freely* associated production relations therefore heals the split between abstract and concrete labor. With the elimination of the dual character of labor, the substance of value—abstract labor—drops out of existence. As a result, value production itself ceases to exist. The “labor employed on the products” therefore no longer appears in the form of “the value of these products.”

With the abolition of the conditions of value production, value’s form of appearance—exchange value—likewise ceases to exist. Value *must* take on a form of appearance distinct from itself, as exchange value; *but exchange value can only be the appearance of something if there is something to appear*. Exchange value is readily visible, but it is far more difficult, as *Capital* shows, to “track down” the value immanent in it. So difficult is it to discern value independent of its manifestation that it appears to be a property of the physicality of things instead of the peculiar social form of labor in capitalism. Yet with the abolition of this peculiar social form, the conditions for the possibility of both value and exchange value cease to exist.

However, if value and exchange value cease to exist, how is the mutual and universal exchangeability of products of labor possible? As we have seen, products of labor, as well as labor power, can be rendered mutually exchangeable only if there is an

abstract denominator or principle of *equality* that makes such exchangeability possible. The universal exchange of discrete products requires a commensurate quality or substance: “There can be no exchange without equality, and no equality without commensurability.”<sup>31</sup> This equal quality is value, and abstract labor is its substance. But the new production relations in a socialist or communist society eliminate abstract labor, and with it, value production itself. How is it possible, then, for products of labor to be mutually exchangeable? *The answer is that they can't be universally exchangeable.* This is why Marx writes that even in the initial phase of a socialist or communist society “the producers do not exchange their products.”

This suggests that a socialist or communist society, as Marx envisions it, eliminates the possibility of a market in which products of labor are mutually and universally exchanged. A generalized commodity market cannot exist if there is no substance that renders different magnitudes qualitatively equal. Does this mean that a market in *any* possible sense of the word cannot exist in a new society? Marx does not directly address the question. However, given the logic of his argument, it does not necessarily follow that the answer is in the affirmative. First, as Marx often notes, markets existed long before capitalism. The mere existence of a market is not therefore *ipso facto* evidence of capitalist relations of production. Second, the object of Marx's critique of capitalism is not the market; it is instead the relations of production and the distribution of the conditions of production. Third, in the *Critique of the Gotha Program*, Marx is responding to what he considers the erroneous theoretical statements in a

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<sup>31</sup>Aristotle, *Nichomachean Ethics*, trans. Joe Sachs, 90 [1133b16-19].

program of a political party. He does not intend for his critique be read as a detailed blueprint that accounts for any and all possible conditions and institutions of a postcapitalist society.

This much is clear: a *generalized* commodity market, one in which products of labor are mutually interchangeable, cannot exist if the substance of value, abstract labor, ceases to exist. A society cannot be defined or dominated by market transactions or a market if the conditions for its possibility are not present. It is one thing, however, for a *generalized* commodity market to exist, and quite another for a much more limited market to persist (whether temporarily or not) in a *subordinate* and *subsidiary* role in comparison to a society's governing social relations.

A few years before the *Critique of the Gotha Program*, Marx wrote in *The Civil War in France*:

If cooperative production is not to remain a sham and a snare; if it is to supersede the capitalist system; if united cooperative societies are to regulate national production upon a common plan, thus taking it under their own control, and putting an end to the constant anarchy and periodical convulsions which are the fatality of capitalist production—what else, gentlemen, would it be but Communism, “possible” Communism?<sup>32</sup>

For cooperative production not to be “a sham and a snare,” it has to be under the control of the workers themselves. But what does he mean by *control*? Surely, Marx is referring to effective as well as formal control. And the workers will not have effective control of their cooperative production if an independent pricing mechanism acts in disregard of their collective deliberations by dictating the manner, form, and nature of their laboring activity. Marx's conception of socialism is fundamentally *democratic*, and democracy

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<sup>32</sup>*The Civil War in France*, in *MECW* 22:335.

must exist on the economic as well as the political level. Throughout his writings, Marx never wavers from his emphasis on the need for the producers to have power and control over the process of forming the social product. He is conceiving of a new society in which the products of human activity can no longer take on an autonomous power independent of the producers. He opposes the existence of a market in so far as its existence implies the existence of such an autonomous force. But he does not explicitly rule out a market *if* it exists in a subsidiary position and does not assume such a role.

As Marx repeatedly stresses, the process of creating such a society is a long and laborious one. The effort extends far beyond the moment of revolution itself. It is impractical to presume that a new society can emerge *sui generis*, without bearing the birthmarks of the society from which it emerges. At the same time, Marx wishes to emphasize that a socialist or communist society represents a qualitative *break* from the conditions and social forms that define capitalism. This two-fold concern governs his discussion through the rest of the *Critique of the Gotha Program*.

As noted earlier, Marx explicitly states that his discussion thus far is of “a communist society, not as if has developed on its own foundations, but on the contrary, just as it emerges from capitalist society,” and is “still stamped with the birth-marks of the old society from whom womb it emerges.” So how would the laborers be remunerated in this lower phase of a new society? Since, for Marx, a radical break occurs between capitalism and even the most initial phase of socialism or communism, it is crucial that the defining characteristics of capitalism be eliminated from the outset. And the most defining characteristic of capitalism, for Marx, is wage labor. He makes it clear that there is no place for it in the initial phase of a new society by spelling out an

alternative form of remuneration. This form is as follows: each individual *gives to* society “his individual quantum of labor” which is measured in “the sum of hours of work.” The “individual labor time of the individual” represents the individual’s share in society, and the individual receives back from society a corresponding amount of means of subsistence. “The individual producers receive back from society—after the deductions have been made—exactly what he gives to it. What he has given to it is his individual quantum of labor.”<sup>33</sup> The individual receives from society a voucher or token that he has “furnished such and such an amount of labor (after deducing his labor for the common funds)” and from it obtains from “the social stock of means of consumption as much as the amount of labor costs.”<sup>34</sup> Remuneration is based on an “equal standard”—*labor time*.

Marx is not suggesting that the worker’s labor is computed on the basis of a social *average* of labor time. Labor time here simply refers to the amount of actual hours of work performed by the individual. Remuneration is based on “the individual labor time of the individual producer.” This is completely different than in capitalism, where remuneration is based on *socially necessary* labor time. As Marx puts it, “The same *amount* of labor which he has given to society in one form he receives back in another.”<sup>35</sup>

Marx states, “Here obviously the same principle prevails as that which regulates the exchange of commodities, as far as this is the exchange of equal values.” He is

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<sup>33</sup>*Critique of the Gotha Program*, in *MECW* 24:86.

<sup>34</sup>*Ibid.*

<sup>35</sup>*Ibid.* My emphasis.



referring to values in the *generic* sense of an exchange of equal *quantities*, of equal sums of actual (concrete) labor time. Yet the “content and form” of this exchange are radically distinct compared with what occurs in capitalism, since “nothing can pass to the ownership of individuals except individual means of consumption.”<sup>36</sup>

Why does he compare remuneration by labor time to the “principle” of commodity exchange? Simply because there is an exchange of two items of equal worth: one hour of actual labor is exchanged for an equal amount of goods or services produced in the same amount of time, just two commodities are exchanged on the basis of an equality between them. However, the exchange of labor time for goods and services in the initial phase of a new society is radically different in form and content from capitalist commodity relations, since the former is based on the equality of concrete magnitudes posited by the producers—not on an abstract average that operates independently of the producers.

It is important to emphasize that Marx is not suggesting that remuneration in this lower phase of socialism or communism is based on the level of productive output by the laborer. It is instead based on “the natural measure of labor”<sup>37</sup>—*time*, the actual number of hours performed by the individual. The difference between labor and labor time is a critical analytical distinction, and conflating the two readily leads to misconstruing

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<sup>36</sup>Ibid.

<sup>37</sup>Engels used this phrase in his *Anti-Dühring* in explaining why distribution according to actual time labor in a new society does not imply value production. See Friedrich Engels, *Herr Eugen Dühring’s Revolution in Science*, in *MECW 25* (New York: International Publishers, 1987), 288. The book was written shortly after Marx composed the *Critique of the Gotha Program*, and Marx was very familiar with its content.

Marx's position. He is not suggesting that the operative principle of the lower phase of socialism or communism is "from each according to their ability, to each according to their work." No such formulation appears either in the *Critique* or in any of Marx's work. Yet it became the widespread interpretation of Marx in the statist "communist" regimes of the twentieth century. As János Kornai writes,

Under classical socialism the principle of socialist distribution stated in every textbook is, "To each according to his work." But the question remains of how performance can be measured and what the income proportionate with the performance should be. To an extent the principle "distribution according to work" applies under capitalism as well, at least in the case of earned income. There performance is measured and rewards are set mainly (but not exclusively) by an anonymous, decentralized process: the labor market, on which the relative wages emerge. Whereas in a classical socialist economy the question of what income is due for what quantity and type of work is decided arbitrarily by persons appointed to do so.<sup>38</sup>

Kornai is correct that "distribution according to work" became the justification by which the centralized command economies in the USSR, East Europe and China imposed draconian social control upon the workforce. Far from representing a form of the "new" society, it became an administrative formula for getting the workers to produce under degrading conditions for the sake of "catching up with the West." He is also correct that "distribution according to work" is not at odds with the principle by which *capitalism* operates. He fails to notice, however, that Marx was fully aware of this, *which is why no such formulation or conception enters his own discussion of a postcapitalist society.*<sup>39</sup>

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<sup>38</sup>János Kornai, *The Socialist System: The Political Economy of Communism* (Princeton: Princeton University Press, 1992), 324.

<sup>39</sup>Although Kornai quotes from the *Critique of the Gotha Program*, he neglects to mention Marx's all-important concept of remuneration based on labor time. It is ironic that many critics of "actually existing socialism" fail to take issue with its central

Marx is not concerned with the form by which the worker is compelled to provide greater and greater amounts of work for social agents. He is not concerned with whether the mechanism that compels the workers to produce more than they consume is accomplished through the arbitrary vehicle of the market or through the equally arbitrary whims of government officials. Both forms “reward” laborers based on their productive output; they are made to produce more and more within a unit of time in accordance with the average amount of time that it takes to produce the product on the world market. In this sense, both forms rest upon the existence of wage labor, which is inseparable from the despotic plan of capital.

In direct contrast, Marx’s concept of socialism or communism is premised upon the abolition of wage labor and capital, as seen from his discussion of remuneration by labor *time* in the *Critique of the Gotha Program*. The worker receives an amount of means of subsistence based on the unit of *time* worked, not on the amount of productive output within that unit. Labor time is a purely internal standard, based on a given hour of actual labor performed by the individual. The workers are not “paid” according to whether or not their *labor* conforms to some other standard. The latter, distribution according to labor, is entirely consistent with value production, whereas the former, distribution according to actual labor time, represents a break from value production altogether.

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ideological premise—namely, the claim that they operated according to principles laid down by Marx.

Marx's discussion in the *Critique of the Gotha Program* is his most detailed discussion of a postcapitalist society, but it is entirely consistent with his previous writings on the issue in the drafts of *Capital* as well as in its published version.

His critique of Proudhonian proposals for utilizing time chits or labor vouchers in *The Poverty of Philosophy* and *Grundrisse* is based on the conflation of actual labor time with socially necessary labor time. He rejects such proposals because they are premised upon the *existing* system of commodity production. Exchange relations cannot be rendered transparent or rational by being grafted onto a system of commodity production that is itself irrational and mystified. Marx's sharp critique of his followers in 1875 for accepting the Lassallean notion that workers can obtain the full value of their product carries forward the critique he had earlier made of the Proudhonists for presuming that an "equitable" distribution of the products of labor is consistent with value production.

Marx's *Critique of the Gotha Program* is also remarkably consistent with his earlier comments about the new society in *Capital*. This is especially seen from his statement in the *Critique*, "Here obviously the same principle prevails as that which regulates the exchange of commodities . . . ." Marx is restating his formulation at the end of chapter one of volume one of *Capital*, which stated, "We shall assume, but only for the sake of a parallel with the production of commodities, that the share of each individual producer in the means of subsistence is determined by his labor time."<sup>40</sup> In neither case is Marx suggesting that value production prevails under "socialism." A fundamentally different content and form are operative in the new society, but they can be *compared* to

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<sup>40</sup>*Capital* 1:172.

the exchange of commodities in so far as an exchange of equal determinants occurs in both cases. What makes the two radically distinct is that in the new society the exchange of labor time for social products is transparent whereas in the old society it is not. And it is not transparent in the old society because labor is indirectly social. This is of cardinal importance, for it signifies that production relations in the new society have become radically transformed.<sup>41</sup>

Marx's discussion in the *Critique of the Gotha Program* is also consistent with his earlier discussions in volumes one through three of *Capital*. These three works emphasize the difference between actual labor time and socially necessary labor time. These three works state that remuneration in the society will at least initially be based on the labor time of the individual, not on labor output that is governed by an abstraction. Neither indicates that exchange value or value exists in the new society. Moreover, volume two of *Capital* explicitly endorses remuneration based on labor tickets or vouchers along basically the same lines as the 1875 *Critique*. Volume two also states that money ceases to be the medium of social interaction in the new society and that the vouchers do not circulate, that is, they do not augment value.

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<sup>41</sup>Although a considerable amount of critical commentary has appeared on Marx's *Critique of the Gotha Program*, almost none of it discusses his concept of the replacement of indirect social labor by direct social labor. This is true of N.R. Berki's discussion in *Insight and Vision* (150-61), Samuel Hollander's in *The Economics of Karl Marx* (386-7), and David Campbell's in *The Failure of Marxism: The Concept of Inversion in Marx's Critique of Capitalism* (Aldershot: Dartmouth, 1996), 206-8. The neglect of Marx's concept of direct versus indirect social labor also characterizes many of those who have attempted to appropriate Marx's 1875 *Critique* for conceptualizing a postcapitalist society. See especially as Otto Neurath's *Economic Writings: Selections 1904-1945*.

There is, however, an important difference between the *Critique of the Gotha Program* and these earlier writings, in that the *Critique* for the first time specifies that the postcapitalist relations under discussion thus far pertain to the *initial* phase of new society, which still is *defective* from the vantage point of what eventually follows it.<sup>42</sup>

The initial phase of socialism or communism is defective for a number of reasons. Some degree of social inequality will exist, since some individuals will work more hours than others and will therefore obtain a larger amount of means of consumption. Likewise, an individual who produces more in a given hour than another will not receive greater remuneration than one who labors for the same amount of time. Since “one man is superior to another physically or mentally and so supplies more labor in the same time, or can work for a longer period of time”<sup>43</sup> the levels of remuneration will be unequal. Most important of all, remuneration takes into consideration “a certain side only” of individuals—their contribution in terms of labor time—“everything else being ignored.”<sup>44</sup> Since labor time—albeit in the radically altered form of actual and not average labor time—governs the distribution of the elements of production, social existence is still based on natural necessity. Marx writes, “Hence, *equal right* here is still in principle—bourgeois right, although principle and practice are no longer at loggerheads, while the

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<sup>42</sup>The exception to this is Marx’s discussion of the “realm of freedom” at the end of volume three of *Capital*. “The true realm of freedom, the development of human powers as an end in itself,” resonates with Marx’s 1875 discussion of a higher phase of communism.

<sup>43</sup>*Critique of the Gotha Program*, in *MECW* 24:86.

<sup>44</sup>*Ibid.*, 87.

exchange of equivalents in commodity exchange only exists *on the average* and not in the individual case.”<sup>45</sup> He introduces an important note of caution here:

But these defects are inevitable in the first phase of communist society as it is when it has just emerged from capitalist society. Right can never be higher than the economic structure and its cultural development which this determines.<sup>46</sup>

As Marx states in volume three of *Capital*, “The realm of freedom really begins only when labor determined by necessity and external expediency ends; it lies by its very nature beyond the sphere of material production proper.”<sup>47</sup> *True* freedom represents a *higher* phase in which society is no longer *measured* by labor time or *defined* by material production. This higher phase is “the development of human powers as an end in itself.”<sup>48</sup> At that point no longer will only “a certain side” of the individual determine the distribution of the elements of production. Social production and distribution will instead be based on the *totality* of the individual’s needs and capacities.

Marx discusses the radically different distributive principle that governs a higher phase of socialism<sup>49</sup> as follows: “From each according to his abilities, to each according to his needs!” This represents a significant development as compared with the lower

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<sup>45</sup>Ibid., 86.

<sup>46</sup>Ibid., 87.

<sup>47</sup>*Capital* 3:958-9.

<sup>48</sup>Ibid, 959.

<sup>49</sup>Marx refers to *a* higher phase, not *the* higher phase. He also never refers to this higher phrase as an *ultimate* or *conclusive* stage. This is consistent with Marx’s earlier formulation from 1844 that “communism as such is not the goal of human development, the form of human society.” Marx does not appear to have ever endorsed the notion that there is an endpoint or culmination of human history.

phase, since society no longer operates on the basis of an exchange of equivalents.

The lower phase represents a radical departure from commodity production, since there is an exchange of concrete, sensuous equivalents—so many hours of labor in exchange for so many goods and services produced in that amount of actual time. *But no such exchange occurs in a higher phase of socialism or communism.* “From each according to his abilities, to each according to his needs” is not a *quid pro quo*. It is not as if one’s needs are met only to the extent that they correspond to the expression of a given set of abilities. If such a principle prevailed, human relations would still be governed by natural necessity and external expediency. Society would remain governed by material production. But the *true* realm of freedom lies beyond all of this. This does not mean that labor as such vanishes in a higher phase of socialism or communism. Marx explicitly states that in such a higher phase, labor will no longer be “only a means of life but life’s prime want.”<sup>50</sup> Labor is now radically transformed as compared with capitalism, since it serves not as a means to an end but as an end in itself. In a higher phase of socialism or communism, labor is fully inseparable from the individual’s self-activity and self-development.

It is not hard to see that Marx’s vision of a higher phase of socialism or communism requires a momentous material and intellectual transformation. It certainly does not emerge overnight! Marx explicitly states that it cannot come into existence without a whole series of preconditions. These include the end to the separation between

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<sup>50</sup>*Critique of the Gotha Program*, in *MECW* 24:87. Some translations give this passage as “labor has become not merely a means to live but is in itself the first necessity of living.” See Karl Marx, *Critique of the Gotha Program* (New York: International Publishers: 1933), 31.



mental and manual labor, the transformation of labor from a means to an end to an end in itself, a dramatic increase of the productive forces such as to alleviate the possibility of poverty and want, and “the all-round development of the individual.” He does not specify any time frame for these transformations. Marx is always cautious about getting ahead of what individuals could or could not achieve in the course of their practical history, precisely because he is wary of imposing any conceptions upon individuals that are independent of their own self-activity.

This also explains the nature of his discussion of the distributive principles of a lower and higher phase of a new society in the *Critique of the Gotha Program*. He is not trying to formulate a normative model of how distribution *ought* to function in a new society. He is instead addressing what would occur of necessity if and only if a radical transformation occurred in production and human relations. Marx does not feel the need to *advocate* specific forms of distribution in a postcapitalist society, because they will arise, he contends, from the nature of the new forms of production. He insists,

If the elements of production are so distributed, then the present-day distribution of the means of consumption results automatically. If the material conditions of production are the collective property of the workers themselves, then there likewise results a distribution of the means of consumption different from the present one.<sup>51</sup>

This does not mean that Marx’s discussion of the lower phase of socialism or communism is of incidental or passing importance. For Marx’s discussion points to the specific conditions that are needed to eventually make the principle “From each according to his abilities, to each according to his needs” a reality. The most important

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<sup>51</sup>*Critique of the Gotha Program*, in *MECW* 24:88.

condition, which defines the emergence of socialism or communism, is that indirectly social labor is replaced by directly social labor. Without this fundamental transformation it is impossible to abolish the dual character of labor and with it value production.

The nuances of Marx's discussion of the new society in the *Critique of the Gotha Program* can be brought into focus by noting an important comment made by Herbert Marcuse on Marx's view of the new society. According to Marcuse, the problem of capitalism,

is to be solved by a revolution which brings the productive process under the collective control of the "immediate producers." But this is not freedom. Freedom is living without toil, without anxiety: the play of human faculties. The realization of freedom is a problem of *time*: reduction of the working day to the minimum which turns quantity into quality. A socialist society is a society in which free time, not labor time is the social measure of wealth and the dimension of the individual existence.<sup>52</sup>

Marcuse is correct that for Marx the realization of freedom involves the problem of time. Marx repeatedly emphasizes throughout his work that in a new society time will become the space for human development. However, Marcuse is not correct that the problem of time revolves solely around the reduction of the working day to an absolute minimum. Labor time is not only a quantitative but also a qualitative determination. As can be seen from a careful reading of the *Critique of the Gotha Program*, Marx's view is that labor time does not cease to be the measure of social wealth in the lower or initial phase of socialism. This does not mean that Marx conceives of this initial phase as one in which freedom remains unrealized, since the replacement of indirect social labor by

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<sup>52</sup>Herbert Marcuse, "Preface" to Raya Dunayevskaya's *Marxism and Freedom, from 1776 Until Today*. Marcuse wrote the Preface in 1958.

direct social labor signals the abolition of alienated labor, and with it, of value production itself. Freedom defines every phase of the new society for Marx, even when that phase still operates in accordance with natural necessity, since it consists of “free men” “expending their many different forms of labor power in full self-awareness as one single social labor force.”<sup>53</sup> A society is unfree not because labor time is its measure but because social necessary labor time is its measure. By failing to conceptually distinguish between actual labor time and socially necessary labor time, Marcuse is led to conclude that a new society, for Marx, entails the abolition of labor per se.<sup>54</sup> Marx does speak, as noted in chapter two, of the abolition of labor in his early writings, but he means by that the abolition of *alienated* labor. And the *Critique in the Gotha Program* explicitly states that labor exists not only in the initial phase of socialism but also in a higher phase in so far as labor becomes “life’s prime want.”<sup>55</sup> In a higher phase of socialism, but only in a higher phase, labor ceases to be the measure of social relations. Freedom in the initial phase of socialism or communism remains defective in so far as it remains tied to the

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<sup>53</sup>*Capital* 1:171.

<sup>54</sup>Marcuse’s position also seems to be premised upon the view that “toil” necessarily involves “anxiety.” This is clearly not Marx’s view. As he writes in the *Grundrisse*, “Adam Smith conceives labor to be a curse. To him, ‘rest’ appears as the adequate state, as identical with ‘liberty’ and ‘happiness’ . . . for work to become *travail attractif*, to be the realization of the individual, in no way implies that work is pure fun, pure amusement, as in Fourier’s childishly naïve conception. Really free work, e.g., the composition of music, is also the most damnably difficult, demanding the most intensive effort.” See *Grundrisse*, in *MECW* 28:530.

<sup>55</sup>Marx’s formulation causes considerable problems for Postone’s interpretation of Marx as well, given his position that the elimination of labor as a socially constitutive category is a precondition of a new society. He appears to side step the issue by not mentioning the *Critique of the Gotha Program* in *Time, Labor, and Social Domination*.

necessity of remunerating individuals based on actual labor time. But that is a far cry from suggesting that that has anything to do with value production.

“Socialism,” for Marx, was never meant to serve as a transitional stage to some distant “communist” formation. He is not pushing off the realm of freedom to some distant horizon. *The realm of freedom emerges simultaneously with the elimination of capitalism.* Marx is realistic enough to understand, however, that a free society itself undergoes self-development. There would be no necessity for it to undergo further development if it did not contain some kind of defect that impels the forward movement.<sup>56</sup>

This is not to suggest that Marx did not conceive of a possible transitional stage *between* capitalism and the initial phase of socialism. He addresses this in the *Critique of the Gotha Program* thusly:

Between capitalist and communist society lies the period of the revolutionary transformation of the one into the other. Corresponding to this is also a political transition period in which the state can be nothing but *the revolutionary dictatorship of the proletariat*.<sup>57</sup>

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<sup>56</sup>This would also apply, one can conjecture, to that higher phase in which the totality of human sensuousness is allowed its full and free manifestation. As Marx stated in 1844, “to be sensuous is to suffer.” Perhaps this is why he held that “communism as such is not the goal of human development” and why in the *Grundrisse* he speaks of an “absolute movement of becoming.” Marx never explicitly addresses this issue in terms of a higher phase outlined in the *Critique of the Gotha Program*.

<sup>57</sup>*Critique of the Gotha Program*, in *MECW* 24:95. In his discussion of the *Critique of the Gotha Program*, David Campbell cites “Marx’s reference to socialism as the period of the dictatorship of the working class.” However, Marx does not refer the dictatorship of the proletariat as socialism. He clearly refers to it as lying “*between* capitalist and communist [or socialist] society.” This failure to distinguish the *political* form of transition *between* capitalism and socialism from socialism itself is extremely widespread in the secondary literature of Marx, but it has no basis in Marx’s actual writings. See David Campbell, *The Failure of Marxism*, 207.

Based on the above discussion of the impact of the Paris Commune, it appears that Marx conceived of this transitional period along the lines of the non-statist and *freely associated* form of self-governance that emerged in the Commune. Marx saw in the Commune an exemplar of the political form best suited for exiting capitalism. It is a mediatory or transitional *political* stage in which capitalist social relations have not yet been fully overcome. But this is not what Marx means by the lower phase of socialism. With the lower phase, capitalism has been left behind altogether. He did not view socialism as a preliminary stage that is compatible with the existence of value production.

The latter notion, which largely defined the discourse of established “Marxist” thought in the twentieth century, is alien to Marx’s thought. Such misreadings of his work had already begun to emerge in his own lifetime, and he lived long enough to directly answer them. One of his most poignant critiques is found in his “Notes on Wagner’s *Lehrbuch des politischen Ökonomie*,” which was one of the first works by a professional economist to directly engage Marx’s theoretic contribution:

*Value.* According to Mr. Wagner, Marx’s theory of value is the “cornerstone of his socialist system.” As I have never established a “socialist system,” this is a fantasy of Wagner, Schäffle *e tutti quanti*. . . . [I]n my *investigation* of value I have dealt with bourgeois relations, not with the application of this theory of *value* to a “social state” not even constructed by me but by Mr. Schäffle for me.<sup>58</sup>

Marx’s entire body of work shows that socialism or communism, which he treats as mutually interchangeable terms, is conditional upon a radical transformation of labor and social relations. The measure of whether such a transformation is adequate to the

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<sup>58</sup>Karl Marx, “Notes on Wagner’s *Lehrbuch des politischen Ökonomie*,” in *MECW* 24:533, 537.

concept of a new society is the abolition of the law of value and value production by freely associated individuals.

This goal is not achieved, however, merely by some act of revolutionary will. It is achieved by discerning and building upon the elements of the new society that are concealed in the shell of the old one. This includes elucidating the forces of liberation that arise against capitalist alienation—which Marx referred to as “new forces and passions” for the reconstruction of society.”<sup>59</sup> It is the development of both capitalism “as such” and the forms of resistance that arise against it that create the possibility for a new society. It is on these grounds that Marx argues, “The capitalist mode of production is in fact a transitional form which by its own organism must lead to a higher, to a cooperative mode of production, to socialism.”<sup>60</sup>

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<sup>59</sup>*Capital* 1:928.

<sup>60</sup>“Daß die kapitalistische Produktionsweise eigentlich nur eine Übergangsform ist, die durch ihren eigenen Organismus zu einer höheren, zur *genossenschaftlichen* Produktionsweise, zum Sozialismus führen *muß*.” See Karl Marx, “Johann Most. Kapital und Arbeit,” in *MEGA*<sup>2</sup> II/8 (Berlin: Dietz Verlag, 1989), 783-4. I am indebted to Paresh Chattopadhyay of the University of Quebec for bringing this passage to my attention.

## CONCLUSION

### EVALUATING MARX'S CONCEPT OF A POSTCAPITALIST SOCIETY

This study has shown that a coherent and consistent concept of a new society is contained in Marx's work, which is present from his early work of the 1840s to his last writings in the 1880s. From the inception of his philosophic project, Marx expressed strong opposition to any formation or situation in which individuals become dominated by social relations and products of their own making. His criticism of the inversion of subject and predicate, which is evident from his early writings on the state and civil society, carries over into his critique of the economic formations of capitalism, in which the self-development of individuals becomes thwarted by the products of their productive activity. This perspective is hardly restricted to his early writings. His two-decade long process of developing *Capital*, as well as the content of *Capital* itself, shows that Marx's primary object of criticism was the domination of things over individuals, of dead labor over living labor, of the object over the subject. It is on these grounds that he not only opposed capitalist commodity production but also the system of value production upon which it is based. Marx's critique of capital is part of a complex argumentative approach that is directed against all social phenomena that take on a life of their own and dictate the behavior and actions of the social agents that are responsible for creating them.

Marx's philosophic approach, both to the critique of capitalism and to the delineation of its alternative, is rooted in a particular conception of *freedom*. Free

development, for Marx, is not possible if the products of human activity take on the form of an autonomous power and proscribe the parameters in which individuals can express their natural and acquired talents and abilities. As this study has sought to show, Marx's commitment to this concept of freedom owes much to his effort to re-think the status of human relations in the aftermath of the philosophic discoveries of German idealism, on the one hand, and the emergence of industrial capitalism and the formation of a radicalized working class opposing it, on the other. His conclusion that the modern world is a fundamentally inverted (and indeed a *mad*) phenomenon does not derive from an exaggerated commitment to "rationalism" or speculative metaphysics; instead, it derives from his understanding of freedom as the subject's ability to feel at one with and at home in its objective manifestations instead of being controlled and dominated by them.

This conception of freedom serves as the basis of Marx's objections to the myriad forms of social phenomena associated with modern capitalism—value, exchange value, money, commodity production and circulation, and not least, capital itself. It also grounds his criticism of the state and civil society. For this very reason, Marx does not object to capitalism because of the existence of the market and private property. He objects to the market and private property in so far as they are expressions of capital—a formation that crystallizes the transformation of human relations into relations between things.

Marx's conception of a postcapitalist society is therefore radically different from what has characterized most approaches to "socialism" and "communism" in the century since his death. His critique of existing society goes much deeper than the contrast between the "anarchic" market and the "organized" factory, just as it extends beyond the



boundaries of defining socialism as the mere abolition of private property and the market. Marx above all focuses on the need to eliminate the basis of both modern capitalism and its statist “socialist” alternatives—value production. Since he objects to value production in so far as it crystallizes the subjection of individuals to social relations of their own making, he can hardly conceive of its alternative as another structure in which human relations takes on the form of things. Marx’s conception that only *freely* associated labor can strip the mystical veil from commodity production is not a mere humanitarian adjunct to an otherwise objectivistic economic theory. His concept of the alternative to capitalism flows from the same normative concerns as governs his critique of capital itself. Just as he opposes any social formation that acts behind the backs of individuals, so he opposes any social solution that imposes itself irrespective of the self-activity of the subject.

Marx’s conception of a postcapitalist society is therefore both expansive and visionary, in that it excludes any social formation that takes on an autonomous power at the expense of its creators. This is why even when he endorsed worker cooperatives as a possible transitional form to socialism, he warned that they too can become a “sham and a snare”<sup>1</sup> if they are not under the workers’ actual and not just formal control. This is why even when he noted that the concentration and centralization of capital points toward socialized relations of the future, he argued that they could serve as the basis for a future society only if there were accompanied by “other large-scale organic revolutions in the

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<sup>1</sup>*The Civil War in France*, in *MECW* 22:335

mode of production.”<sup>2</sup> Marx never endorses a given social form as the solution unless it avoids the tendency of human subjective activity to become constrained by forces of its own making.

At the same time, there is an underlying realism and sobriety in Marx’s work that runs counter to the claim that his concept of a free society requires the existence of perfect and error-free individuals. Most of his discussions of a post-capitalism actually deal with a socialist or communist society that is “still stamped with the birth-marks of the old society from whom womb it emerges.”<sup>3</sup> This is especially the case with his discussions of the new society in volumes one and two of *Capital*, and in much of the *Critique of the Gotha Program*.

Marx understands that it is not possible to achieve complete social equality in the immediate aftermath of the demise of capitalism. Nor is it possible to leave behind such cardinal principles of the old society as basing remuneration on an exchange of labor time for means of consumption—even though labor time functions in a radically different form and content in the new society as compared with the old one. It is indeed *fundamentally* different, since social relations become “transparent in their simplicity” once socially necessary labor time is abolished and indirect social labor is replaced by direct social labor. Marx is *not* suggesting that *all facets of life* become transparent in the lower phase of socialism or communism; indeed, he never suggests this about conditions in a higher phase either. He is addressing something much more specific: namely, the

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<sup>2</sup>*Capital* 3:743.

<sup>3</sup>*Critique of the Gotha Program*, in *MECW* 24:85.

transparent nature of the exchange between labor time and products of labor. This relation can never be transparent so long as there is value production; it becomes transparent only once value production is annulled by freely associated labor.

The fact remains, however, that conditions in the lower phase of socialism or communism are defective and limited as compared to those that follow in a higher phase. Indeed, Marx contends that they are “still stamped with the birthmarks of the old society” in “*every* respect, economically, morally, and intellectually.”<sup>4</sup> This is a far cry from someone who thinks that a socialist society entails the perfected man.

Marx does not, of course, limit his horizon to the initial phase of socialism or communism. He discusses it as part of understanding what is needed in order to bring to realization the more expansive social relations of a higher phase. Marx conceives of this phase as the passing beyond of natural necessity—not in the sense that labor as such would come to an end, but rather that society would no longer be *governed* by the necessity for material production and reproduction. This higher phase, however, can only come into being as a result of a whole series of complex and involved historical developments, which include the abolition of the “the enslaving subordination of the individual to the division of labor, and thereby also the antithesis between mental and physical labor.”<sup>5</sup> It is impossible to achieve this, he reminds us, in the absence of highly developed productive forces. Marx never conceived it as possible for a society to pass to

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<sup>4</sup>Ibid.

<sup>5</sup>Ibid., 87.

“socialism” or “communism” while remaining imprisoned in conditions of social and technological backwardness.<sup>6</sup>

Marx’s realism is most of all expressed in his insistence that the new society is contained in the womb of the old one. For Marx there was never a question of calling socialism or communism into being through the projection of a subjective wish. The new society will immanently emerge from the existing conditions prepared by capitalist production and reproduction. If those conditions are not present, he held, it would not emerge at all, regardless of how much such a state of being is desired by particular individuals. This is the reason that Marx devoted so much of his life to a detailed study and analysis of *existing* capitalist relations and why he spends so little time elaborating any kind of blueprint for the future.

That he said relatively *little* about the future, however, has been wrongly interpreted to mean that he said *nothing* about the future. Moreover, it has been wrongly interpreted to mean that one *ought* not to say anything about the future—presumably because normative considerations and “oughts” are out of place for “socialists” and “historical materialists.” The self-refuting nature of the proposition is self-evident but is all too rarely reflected upon by its expositors. Normative considerations are as

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<sup>6</sup>Even when Marx, at the end of his life, entertained the possibility that a country like Russia could experience a socialist *revolution* ahead of the West, he held that it would not succeed unless the revolution was joined and supported by a proletarian revolution in the industrially developed countries. He never held that Russia (or any other country for that matter) could create a *socialist* society in the absence of such an international transformation of social and production relations. See Karl Marx, “Draft Letters to Vera Zasulich,” in *Late Marx and the Russian Road: Marx and ‘The Peripheries of Capitalism,’* ed. Teodor Shanin (New York: Monthly Review Books, 1983), 97-126.

inescapable as language itself, precisely because what *ought* to be is inscribed within what *is*.<sup>7</sup> Reflection about the future is impossible to avoid, nor is it desirable to avoid it—at least so long as it has some grounding in *reality*. The inescapable nature of normative statements about the future is evident from the content of Marx’s own work. Much as he may have wanted to avoid speaking about the future, he often found it necessary to do so *precisely because elements of the future are contained within the very structure of the present* that he subjected to such careful and painstaking examination.

Marx definitely understood his role as delineating the “law of motion” of capitalism towards its collapse, but the very fact that he analyzed it with this aim in mind suggests that he approached his subject matter with a conception of the necessity for its transcendence. If he did not have a specific kind of *future* in mind, why would he have adopted the specific argumentative approach found in his greatest theoretical work, *Capital*, which centers upon tracing out the processes toward *dissolution* of a given social phenomena? Marx’s entire vantage point hinges on not just *having*, but also being *committed* to, a specific vision of the future. Without it the very nature of his philosophic project could not have developed as it did.

Does this mean that Marx finds himself in something of a bind—wanting to avoid “utopian” speculation about the future, on the one hand, while not being able to avoid

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<sup>7</sup>“Many attempts have been made to deduce ‘ought’ from ‘is’ or to base it on some kind of ‘ought-free’ being of facticity. These attempts are not based on the presupposition that ‘is’ and ‘ought’ are opposed, but instead on the hypothesis that the meaning of ‘is’ or ‘being’ is more universal or more fundamental than that of ‘ought,’ and that the latter can somehow emerge out of the former. . . . In this hypothesis, ‘ought’ and ‘is’ are simultaneously given—they belong together—but our awareness of this belonging would require an awakening.” See Adriaan T. Peperzak, *Elements of Ethics* (Stanford: Stanford University Press, 2004), 46.

analyzing the present on the basis of some (however general) conception of the future, on the other? Can he successfully carry out the “scientific” and “materialist” nature of his project while remaining wedded to a conception of how the future should or ought to evolve? There is clearly a tension between these two dimensions of Marx’s work, and it would take an additional study to unravel all of its implications. However, it is possible that a famous analogy from an earlier philosopher may help illuminate how Marx sought to navigate through this issue. I am referring to the Plato’s conception of *maieutics*—of the philosopher as the *midwife* of knowledge.<sup>8</sup>

References and illusions to the new emerging from within the “womb” of the old constantly appear in Marx’s work. If there is one persisting and recurrent theme in Marx’s analysis of capital, it is this:

The development of the productive forces of social labor is capital’s historic mission and justification. For that very reason, it unwittingly creates the material conditions for a higher form of production.<sup>9</sup>

The new society, for Marx, always emerges from within the womb of the old one. But what does this say about Marx’s own standpoint vis-à-vis the object of his investigation? He does not want to project a vision or concept of the new society from out of his head, irrespective of the social conditions and relations of reality itself. To do so, after all, would violate the very concept of freedom since it would entail imposing a conception

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<sup>8</sup>The concept is central to Plato’s *Theaetetus*. The image of midwifery (*maieutics*) is mentioned 26 times in Plato’s dialogues, 24 times of them in the *Theaetetus* and once in the *Cratylus* and *Statesman*. See Leonard Brandwood, *A Word Index of Plato* (Leeds: W.S. Maney and Son, 1976), 544.

<sup>9</sup>*Capital* 3:368

*upon* the subject from outside. And yet neither can he avoid speaking about the future in some way, since his conception of the future (in however general a form) has helped inform his very approach the object of his investigation. He therefore adopts the approach of elucidating the elements of the future that he finds contained within the present.

Marx therefore serves as a kind of midwife of the new society. He does not give birth to the idea of socialism or communism; he elicits it from the movement of capitalism itself. In other words, it is not only that Marx holds that the new society will emerge from within the womb of the old one. It is that for this very reason he sees his role as being no more than the midwife that assists its delivery. By elucidating capitalism's *tendency* toward dissolution and collapse, he is able to explicate the main elements of that new society without falling prey to utopianism.

Given the tragic outcome of what has passed for "Marxism" in the past century, how valid is such a methodological approach and perspective? In one sense it remains extremely valuable, precisely because Marx's *maieutic* approach avoids the voluntarism and elitism that have marred far too many "experiments" at social transformation. The tragedy of "Marxism" is that a philosophy that originated (at least in Marx's hands) with the aim of abolishing any social powers that operate behind the backs of the producers ended up creating dictatorial regimes that imposed their will on individuals without even a minimal degree of democratic control or public accountability. Nor was this only a political problem: the economic plans of the state-controlled economies operated no less outside the control of the producers, who were reduced to wage slavery (where they were

not subjected to slavery of a more nefarious kind).<sup>10</sup> The notion that a “new” society can be imposed behind the backs of the producers and irrespective of specific social conditions faced by that society has done enormous damage. It is not idle speculation to presume that Marx would be the first to criticize this, since, as we have seen, he *did* criticize it repeatedly in his disputes with a number of socialist tendencies of his era.

At the same time, precisely because we live in the shadow of the crimes committed in Marx’s name, can the Marxian project be fully renewed if the conception of a new society found in his writings remains only implicit? Is it not necessary to project a much more explicit notion of what constitutes a viable notion of the alternative to capitalism, given the enormous impact that the misrepresentation of the meaning of socialism or communism has had—and continues to have—in our time? For while the future may well be contained in the womb of the old, the extent to which it comes into being or flowers depends on how well it is understood and nurtured. Although our age may well be defined as a “birth-time of history,”<sup>11</sup> we have also experienced all too many stillbirths—in large part because so many have misconstrued the nature of what constitutes a genuinely free, non-capitalist society. The history of the past 100 years makes it painfully evident that while the material conditions for the existence of socialism are a *necessary* condition for freedom, they are by no means *sufficient*. They

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<sup>10</sup>It has been widely estimated that between 12 and 15 million Russians labored in the slave labor camps at any given during and after the forced industrialization campaign in the USSR under Stalin.

<sup>11</sup>“Besides, it is not difficult to see that ours is a birth-time and a period of transition to a new era.” Hegel, *Phenomenology of Spirit*, 6.



can even lead to a new form of tyranny based on the despotic plan of capital, if the effort to elicit the emancipatory forms contained within the womb of the old is mishandled.

This study has aimed to show that a much deeper, richer, and more emancipatory conception of a postcapitalist society is found in Marx's work than has heretofore been appreciated. This is not to say that Marx provides anything in the way of a detailed answer as to what is a viable alternative to capitalism. His work does, however, contain crucial conceptual markers and suggestions that can help a new generation chart its way towards the future. Rather than wait upon "a sunburst, which, in one flash, illuminates the features of the new world,"<sup>12</sup> the realities of our time, in terms of its triumphs as well as its tragedies, calls on us to develop a much more explicit and articulated alternative to capitalism than appeared necessary in Marx's time, and even to Marx himself. It is to this end that this study is devoted.

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<sup>12</sup>Ibid., 7.

APPENDIX A

TRANSLATION OF MARX'S NOTES OF 1844 ON G.W.F. HEGEL'S

*PHENOMENOLOGY OF SPIRIT*

Note: Marx's notes on the chapter "Absolute Knowledge" from Hegel's *Phenomenology of Spirit* have never before appeared in English translation. They were composed at the time Marx wrote the *Economic and Philosophic Manuscripts of 1844*, most likely as part of his work on the concluding part of the Third Manuscript, now known as "Critique of the Hegelian Dialectic and Philosophy as a Whole." The original can be found in *Karl Marx-Friedrich Engels Gesamtausgabe [MEGA<sup>2</sup>]* IV/2 (Berlin: Dietz Verlag), 483-500. Pages numbers in the text (in brackets) are to the edition of the *Phenomenology* used by Marx (G.W.F. Hegel, *Phänomenologie des Geistes*, hrsg. Johann Schulze [Berlin, 1841]), as supplied by the editors of *MEGA<sup>2</sup>*.

Marx's notes consist mostly of copying out passages and paraphrasing parts of this final chapter of Hegel's *Phenomenology*. Places where Marx inserts his own comments are indicated by boldface. All emphases and elipses are by Marx. The manuscript breaks off about two-thirds into the chapter on "Absolute Knowledge." In translating these notes, I have consulted the translation of Hegel's *Phenomenology* by A.V. Miller and J.B. Baillie without, however, necessarily committing myself to their respective rendering of Hegel's text.

**In the *Phenomenology*, *Absolute Knowledge* thus becomes described as:**

1) In revealed religion the *actual* self-consciousness of Spirit is not yet the *object of its consciousness*; it and its moments fall within picture thinking and in the form of objectivity. The content of this picture thinking is absolute spirit; it is still a matter of transcending this *mere* form. [p. 574.]

2) This *surmounting of the object* of consciousness . . . is not to be taken in a one-sided manner, that the object showed itself returning into the self; rather, it is to be taken *specifically* .. to not only mean that the object showed itself as returning into the self, but above all that the object presents itself not only as a vanishing factor but as the externalization of self-consciousness that posits thinghood. This *externalization* has not merely a negative but a *positive* meaning, not merely *for us* or in itself but for *self-consciousness itself*. The negative of the object, or its self-transcendence, has a positive meaning, *for* on the one side it *knows* this nothingness of the object that it itself externalizes; —for in this externalization it posits itself as the object or the object as the inseparable unity of *being-for-self*. On the other hand, there is also this other moment, that self-consciousness has equally transcended this externalization and objectification as it has returned to itself, so that it is *with itself* in its otherness as such.

3) This is the movement of consciousness and herein is found the totality of its moments. — It must have taken up a relation to the object in the totality of its determinations and from the point of view of each of them. This totality of its determinations means the object is *in itself* a *spiritual* being and it is so because in truth consciousness apprehends each individual one of them as its *own self*, through the *spiritual relationship* just mentioned. [p. 574-575.]

4) The *object* is thus the partly *immediate* being or the *thing* in general — corresponding to its immediate consciousness. It is partly a becoming other of itself, its *relationship* or *essential being is for another and for itself*; its determinateness — corresponds to *perception*, partly to essential being in the form of a universal corresponding to the understanding. **(Being, Essence, Concept; Universality.**

**Particularity. Individuality. Position. Negation. Negation of the Negation; simple, differentiated, transcended opposition. Immediacy. Mediation. Self-transcending mediation. Being in itself. Externalization. Return to itself from externalization. In-itself. For-itself. In-and-for-itself. Unity. Differentiation. Self-differentiation. Identity. Negation. Negativity. Logic. Nature. Spirit. Pure Consciousness. Consciousness. Self-Consciousness. Concept. Judgment.**

**Syllogism.**) It is then a whole, a syllogism, or the movement of universality through particularization to individuality, as also the reverse movement, from the individual through its transcendence or determination to the universal. — These are the three determinations by which consciousness must know the object *as itself*. This *knowing* of which we here speak is not that of the *pure comprehension* of the object; instead, this knowing is to be taken only as aspects or moments of its coming to be in the manner appropriate to consciousness as such, as moments of pure knowledge, the Concept itself, in the form of shapes of consciousness. For this reason the object does not yet appear in consciousness as the spiritual essence that we have spoken of; the relationship of consciousness to it is not the view of this totality as such nor in its *pure* form as the Concept. Instead, it is from one side a *shape* of consciousness in general, and from the other side a number of moments that we bring together, in which the totality of the moments of the object and the relations of consciousness to the object can be indicated only as resolving itself into its moments. [p. 575-576.]

5) In regard to the *object* in so far as it is an immediacy, a being of *indifference*, we saw Observing Reason *seeking and finding* itself in this indifferent thing—that is, as equally conscious of its action being *external* to it, and as the object that is only known

immediately .. its specific determination is expressed in the infinite judgment that *the being of the I is a thing*. And moreover, the I is a being of sensuous immediacy; when the I is called a *soul* it is in fact represented as a thing, but as something invisible, intangible; in fact not as an immediate being, what one means by a *thing*. That *non-spiritual* judgment [2] is the concept of its spirituality. **Now to see how this inner sense becomes pronounced.** The *thing is I*, that is, the thing transcended; in itself it is nothing. It has meaning only in the *relation*, through the *I* and its *connections* with it. — This moment comes forth for consciousness in pure insight and enlightenment. Things are simply considered to be *useful* and are considered only in terms of their *utility*. .. The *cultivated* self-consciousness, which has traversed the world of self-alienated spirit, has through its externalization produced the thing as its own self; it therefore retains it in itself, and knows that the thing has no independence, that the thing is *essentially* only *being for an other*; or, to provide complete expression to the *relationship*, to what here constitutes the nature of the object, the thing *exists as being-for-self*, it declares sense-certainty to be absolute truth; however, this *being for self* is itself declared a vanishing moment which passes into its opposite, into a being that is at the mercy of *another*. — But the knowledge of the thing is still not complete; it must become known not only in terms of the immediacy of its being and determinateness, but rather also as *essence* or *inner being*, as *self*. This is present in *moral self-consciousness*. It knows its knowing to be what is *absolutely essential* or that *being* is pure will and pure knowledge; *it is nothing else* except this willing or knowing. Any other has only unessential being, that is, not *being in and for itself*, only its empty husk. In so far as the moral consciousness lets *determinate being* go forth freely from the self,

so too it takes its conception of the world back into itself once again. Finally, as *conscience* it is no longer this ceaseless alteration of determinate being placed and displaced in the self; instead, it knows that its *determinate being* as such is this pure certainty of its own self; the objective element in which it puts itself for is this nothing other than pure *knowledge of itself by itself*. [p. 576-77.]

6) These are the moments of which the reconciliation of spirit with its own particular consciousness are composed. By themselves they are single and solitary, and their spiritual unity alone provides the power of this reconciliation. The last of these moments is this unity itself and binds them all together into itself. *Spirit*, which in its determinate being is certain of itself, has for the element of its *existence* nothing else but this very knowledge of itself. The declaration that what it does is in accordance with the conviction of duty, it is the *valuing (Money)* of its action. — Action is the first *inherent* division of the simple unity of the notion and the return from out of this division. This first movement turns over into the second, in that this element of recognition posits itself as *simple* knowledge of duty as against the *distinction* and *diremption* that lie in action as such; in this way it constitutes a stubborn actuality confronting action. In *forgiveness* we saw how this hardness surrenders and divests itself. Actuality, therefore, as *immediate determinate being*, has no other significance for self-consciousness than that of being a pure knowing; — likewise, as *determinate being* or as relation, what is self-opposed is a knowing partly of this purely individual self and partly of knowledge as a universal. Herein it is equally posited that the third moment, the *universality* or *essence*, is valued only as *knowledge* for each of the two sides that stand in opposition to one another. Finally, they put an end to the empty

opposition that still remains and are the knowledge of I = I—this *individual* self that is immediately a pure knowing or a universal. [p. 577-78.]

**[3] How reconciliation of consciousness with self-consciousness comes about is stated in two ways: 1) In religious spirit, 2) in the consciousness of itself as such. 1) Reconciliation in the form of being-in-itself; 2) in the form of being-for-itself. In our consideration of them they fall apart. The unity of the two sides is not exhibited: 1) Spirit *in itself*, absolute content; 2) for itself, contentless form or as the aspect of self-consciousness; 3) Spirit in and for itself. [p. 578-579.]**

7) This unification in religion, as present in the return of picture thinking into self-consciousness, but not however according to the intrinsic form, since the religious aspect is the aspect of the *in-itself*, which the movement of self-consciousness stands against. The unification belongs to this other aspect, which in contrast is the aspect of reflection into self; it contains itself and its opposite, not only implicitly but explicitly or in a developed and differentiated way. The content, as well as the other aspect of spirit, *as other*, have been brought forth and is here in its completeness; the unity, which is still lacking, is the simple unity of the concept. — It is as the particular shape of consciousness, the *beautiful soul*, the shape of self-certain spirit, in which the concept stands forth. Its realization firmly opposed, it is the one-sided shape that vanishes into thin air but also positively externalizes itself and moves forward. Through this realization, the *determinateness* of the concept is raised up against its *fulfillment*; its self-consciousness attains the form of universality. The genuine concept is the *knowing* of *pure* knowledge as its being, as essential being that *this* pure self-consciousness, is equally a *genuine object*, for it is self-existent being itself. [p. 579-580.]



The fulfillment of the concept is partly in the *acts* performed by Spirit, partly in *religion*. .. In the prior shape the form is that of the self itself, in that it contains the self-certain spirit that *acts*; the *self realizes the life of absolute spirit*. This shape is just that of the simple concept, which relinquishes its *eternal essence*, *it is there* or it acts. The *diremption* or coming forth out of its inwardness, lies in the purity of the concept, for this is the *absolute abstraction of negativity*. Similarly, it has the element of its being or reality in itself, for this is simple *immediacy*, which is *being* and *existence* as well as essence; the former the negative, the latter positive thought itself. **Hegel keeps developing the tedious process of the beautiful soul, whose result is the pure universality of knowledge**, which is self-consciousness. — The concept connects the *content* to itself; and the concept is the knowledge of the *self's act within itself* as all that is essential and all existence, the knowledge of this *subject* as *substance* and of substance as this knowledge of its own act. [p. 580-582.]

8) *Spirit* knows itself in the *shape of spirit, comprehended knowing*. *Truth* not only *is itself* identical with *certainty*, but it also has the *shape of certainty* of its own self or its determinate being, that is, in the *form* of comprehended spirit that knows itself. *Truth* is the *content*, which in religion is still not identical with its certainty. This equality however is obtained, since the concept has secured the shape of the self. In this way that which is the very essence has become the element of existence, or has become the *form of objectivity* for consciousness—that is, the concept. *Spirit, appearing* in this element in consciousness, or produced by consciousness, is *science*. It is the pure *being-for-self* of consciousness; it is I, that is this and no other I and is no less so an immediately *mediated* or transcended *universal I*. It has a *content* that it *differentiates*

from itself; for it is pure negativity or diremption; it is consciousness. This content in its differentiation is the I itself, for it is the movement of transcending itself or the pure negativity that the I is. In it the I as differentiated, is reflected into itself; the content is grasped only when the I in its *otherness* is at one with itself. [p. 582-583.]

[4] *This content*, stated more *specifically*, is nothing other than *the movement just spoken of*; for the content is the spirit that traverses its own self and does so *for itself* as spirit, by the fact that it possesses the shape of the concept in its objectivity. As regards the existence of this concept, *science* does not appear in time or reality until spirit has attained this consciousness of itself. As spirit that knows what it is, it exists not before and nowhere at all until after spirit has completed its work of overcoming its incomplete shape so as to secure for consciousness the shape of its essence—and in this way to equate its *self-consciousness* with its *consciousness*. **See the continuation, p. 583 ff. Being that is hidden to itself is apparently only the certainty of itself. The relationship of time to history.** Comprehended spirit the *annulling* of time. ***Experience, Knowledge, transformation of substance into subject, the object of consciousness into the object of self-consciousness, that is, in as much as the transcended object or concept.*** It is only as this reflection of itself into itself that it is the truth of spirit. In so far as spirit is of necessity this self-differentiation, its intuited whole appears over against this simple self-consciousness; and since the whole is differentiated, it is differentiated into its intuited pure concept—into time and the content of the *in-itself*. Substance as subject involves the at *first inner necessity* to represent in itself what it inherently is as spirit. *The completed objective presentation* is equally the *reflection* of substance or its *development into* the self. Consequently,

unless spirit *completes itself* in itself, has not done so as world spirit, it cannot reach its completion as *self-conscious* spirit. Therefore, the content of religion expresses earlier in time than science what *spirit is*; but science alone is the true knowledge of itself. The *movement, the form of its knowing as such* [p. 583-585.]

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