

Marx *Capital* volume 1 Marx 1887 (English edition): Lawrence & Wishart publication, first published 1954, reprinted 1971

1. What does Marx set out to do?

In *Capital*, Marx sets out to undertake a thorough analysis and critique of capitalism. He concentrates on the economic system but locates it in a wider social context and analyses it as a specific historical form.

Aims of *Capital*

According to Marx, the goal of the analysis undertaken in *Capital*, is to provide an analysis of the basic structure of capitalism, to present 'the inner organisation of the capitalist mode of production, in its ideal average...' (*Capital* vol. 3 p. 837.) Also '...it is the aim of this work, to lay bare the economic law of motion of modern society'. (*Capital* vol. 1 p. xix)

Marx analyses the capitalist economic system as a historically specific system.

2. What does he say?

Marx begins *Capital* with an analysis of commodities. He does so because he wants to investigate the taken for granted starting point of bourgeois economics, viz. money. For Marx, capitalism is a particular form of social production. Marx argues that money is not in itself the root of capitalist productive relations. Rather, commodity exchange is fundamental to bourgeois relations of production.

Commodities are the result of productive labour. They have an intrinsic use value and an extrinsic labour value. (Labour value is the amount of labour required to produce a commodity). Labour value can only be measured quantitatively in terms of labour time. This takes no account, Marx reminds us, of different quality of labour. It is therefore an abstraction based on a nominal 'average' worker's productivity (for each type of labour). Labour value becomes generalised exchange value when a commodity (e.g. gold) becomes used as a universal evaluator. This is the basis of the familiar money form.

The analysis of the basis of commodity production leads Marx to, what he calls, the fetishism of commodity forms. Commodities come to exist objectively apart from their producer when valued in terms of exchange value rather than their intrinsic use value. People become alienated from their own productive labour. Further, relations between people become relations between commodities. Human relations, literally, become objectified. (see : *Capital* vol 1, chap 1, section on 'Fetishism of Commodities')

The essential nature of commodification, then, is used by Marx as the basis for a critique of political economy.

In chapter two, Marx deals with exchange. He argues that objects become commodities when their owners enter into a mutual contract as private proprietors. This juridical relationship is a relation between two wills, but is itself

'the reflex of the real economic relation between the two. It is this economic relation that determines the subject- matter comprised in each juridical act. The persons exist for one another merely as representatives of, and, therefore, as owners of, commodities. In the course of our investigation we shall find, in general, that the characters who appear on the economic stage are but the personification of the economic relations that exist between them.' (Marx, 1887, pp. 88–89)

Exchange involves a 'reflex' relationship as commodities must be perceived by producers as exchange value if they are to be marketable, but also must first be the embodiment of use-value. Purchasers require use value from the product of labour, although the seller has no use of the commodity.

The role of money in exchange is as a facilitator. This universal equivalent commodity, Marx argues, appears to confer value on commodities as if by some act of Nature. This is false.

'What appears to happen, is not that gold becomes money, in consequence of all other commodities expressing their value in it, but, on the contrary, that all other values universally express their values in gold, because it is money. The intermediate steps of the process vanish in the result and leave no trace behind. Commodities find their own value already completely represented, without any initiative on their part, in another commodity existing in company with them. These objects, gold and silver, just as they come out of the bowels of the earth, are forthwith the direct incarnation of all human labour. Hence the magic of money. In the form of society now under consideration, the behaviour of men in the social process of production is purely atomic. Hence their relations to each other in production assume a material character independent of their control and conscious individual action. These facts manifest themselves at first by products as a general rule taking the form of commodities. We have seen how the progressive development of a society of commodity-producers stamps one privileged commodity with the character of money. Hence the riddle presented by money is but the riddle presented by commodities; only now it strikes us in its most glaring form. (Marx, 1887, p. 95–96)

Marx goes on:

'It is not money that renders commodities commensurable. Just the contrary. It is because all commodities, as values, are realised human labour, and therefore commensurable, that their values can be measured by one and the same special commodity, and the latter be converted into the common measure of their values, i.e. into money. Money as the measure of value, is the phenomenal form that must of necessity be assumed by that measure of value which is immanent in commodities, labour-time.' (Marx, 1887, p. 97)

In the process of ordinary commodity exchange, equal values of commodities (as measured by labour value) are exchanged. The consumers having use-value from the

value created by the producer in the exercise of his/her labour power, for whom the use value is in excess of his/her needs. While any one exchange may lead to someone being cheated, this is an aberration and does not effect the total social value of the commodities exchanged (any more than does a general price rise, or a change in the universal equivalent form from, say, gold to silver).

I.e., at anyone point in time a society has a given number of products of labour power. The total value in terms of labour power for the society as a whole is not affected by who owns them. Exchanging this fixed amount does not increase the social value.

The peculiar nature of capitalist social relations (*viz.*, the creation of capital) arises when the process of commodification is effectively reversed. Instead of money being a lubricant in the exchange of commodities that are ultimately consumed (and made use of), a commodity becomes the medium through which money is exchanged. In extreme cases, i.e. usury, no commodity is involved and money is exchanged directly for money. Thus instead of

C - M - C (commodity - money - commodity)

we have

M - C - M' (or M - M')

where M' is M plus surplus value.

It appears as if value is created out of this exchange process. But how is this possible when the creation of value can only be achieved through productive labour? The answer is dependent upon one very special commodity; that is labour power. Under capitalism, labour power itself becomes a commodity bought and sold. Labour power has a use value and a labour (exchange) value like all other commodities. The labour value of labour power is the sum of the means of subsistence, plus the training plus the physical reproduction of the labourer (and dependents). This is its exchange value.

Now, whereas the use value of other commodities is not measurable, and thus exchange is based upon quantitative measures of labour value, in the case of labour-power the situation is different. The use value of labour power is its production of commodities. If this production of commodities exceeds the labour value of labour power, then there is surplus value, which the purchaser of labour power appropriates. Hence the basis of profit. (See *Capital*, vol 1, chapter 7.)

An employee has a use value for the capitalist who employs him. So, take, for example, the case where a male labourer produces four chairs a day. This is his use value. Assume that the exchange value paid to the employer (which covers his subsistence etc.) is £50 per day. If the exchange value of four chairs is more than the monetary equivalent of £50 (for example if chairs have an exchange value of £25 each) then the employer, by

purchasing labour power as a commodity, appropriates the surplus value (of £50 in this example).

Thus, as Marx points out, new value is the result, not of labour taking a specific form such as spinning or weaving, but

'because it is labour in the abstract, a portion of the total labour of society; and we see next that the value added is of a given definite amount, not because his [the labourer's] labour has a special utility, but because it is exerted for a definite time.' (Marx, 1887, p. 194.)

Thus

'It is every bit as important, for a correct understanding of surplus value, to conceive it as a mere congelation of surplus-labour time, as nothing but materialised surplus-labour, as it is, for a proper comprehension of value, to conceive it as a mere congelation of so many hours of labour, as nothing but materialised labour. The essential difference between the various economic forms of society, between, for instance, a society based on slave-labour and one based on wage-labour, lies only in the mode in which this surplus-labour is in each case extracted from the actual producer, the labourer. (Marx, 1887, p. 209)

In short then, the social value of commodities depends upon the labour value (as measured by labour time) that goes into them. Exchanging commodities cannot lead to an overall increase in use value. Profit, under capitalism, arises because labour power itself becomes a commodity. The exchange value of labour (i.e. what the labourers receive for their own use in exchange for their labour power) is less than the use value of the commodities they create. The difference, or surplus value, is appropriated by the capitalist.

In subsequent chapters, Marx elaborates the process he has outlined, both in terms of general abstract propositions (which he calls laws) and in terms of an assessment of practices in the advanced industrial nations.

An example of an 'abstract law' developed by Marx is the following. The degree of exploitation in a society can, Marx claims can be exactly measured by the rate of surplus value. The rate of surplus value is the ratio of surplus value to variable capital. Variable capital is labour power as it undergoes an alteration of value, as it both reproduces the equivalent of its own value, and also produces an excess, surplus value. Thus variable capital is the value of labour power. Marx proposes the equation:

Mass of surplus value = Average rate of surplus value x total variable capital.

This he refers to as a law. However, it is not a law in the sense of a causal explanation, rather it is a tautology. All it says, in effect, is that the total amount of surplus value in a society is the average amount of surplus value per labourer multiplied by the number of

labourers. This does not constitute a transcendent law, but is merely a shorthand definition for analytic purposes of a particular social system.

This elaboration of the abstracted nature of capitalist production goes on throughout *Capital* side by side with historical and contemporary (for Marx) case studies, which lead Marx to an examination of contemporary economic debates.

In Chapter ten, for example, he examines the nature and debates about the 'working day' in England and its bearing on other countries. Here he draws on contemporary and historical data. His primary concern, however, is not a simple account of capitalist practices but an illustration of the nature of capitalist exploitative thinking, its 'reification' in bourgeois economics and an illustration of how such economic theorists (be they professors or industrialists) fail to understand the nature of capitalist exploitation

Similarly, in his discussions of the division of labour, of machinery and modern industry and of wages, Marx outlines the basic principles of capitalist production in respect of these elements within the structure, examines them historically, provides case material and engages political economic theory.

In the penultimate part of *Capital*, Marx examines the accumulation of capital. The first step, for Marx, is the conversion of a sum of money into the means of production, including labour power. The second step is the production of surplus value, appropriated by the capitalist. The third step is the sale of commodities and the reconversion into the means of production, and so on, round the circle. Marx acknowledges that he is considering accumulation from an abstract point of view (i.e. as a mere phase in the actual process of production) and thus, for simplicity, at this stage treats the capitalist as the representative of all those who share surplus value. As Marx bluntly puts it, in order to see what is going on 'we should, for a time, disregard all phenomena that hide the play of its [capital accumulation's] inner mechanism' (Marx, 1887, p. 530).

Throughout the first volume of *Capital* Marx points to elaborations of the basic thesis that appears in subsequent volumes. His aim, in volume one, is to provide an overview of the processes of capitalist production in general. He is outlining the principles of a particular form of productive relations.

Marx's thesis in *Capital*

Marx sees the commodity form as intrinsic to capitalist relations of production. The social value of commodities depends upon the labour value that goes into them. Exchanging commodities cannot lead to an overall increase in use value. Profit, under capitalism, arises because labour power itself becomes a commodity. The exchange value of labour is less than the use value of the commodities they create. The difference, or surplus value, is appropriated by the capitalist.

3. How Does Marx Do His Analysis In *Capital*?

Marx is engaged in a critique of the capitalist mode of production. He argues against political economists of his time who adopt a positivist approach to economics. Marx's

engagement is, thus, not just a disagreement about their interpretation of the economic system, but also involves a critique of a positivist approach.

It is all the more surprising, then, that some commentators still refer to Marx as a positivist, especially in relation to his economic analysis. This clearly has no credibility as Paul Thomas (1976) has shown. Thomas points to several aspects of Marx's work which have been taken as indicative of positivism and shows how such an assessment is based on misunderstanding and misconstrual. Marx is 'accused' of being a positivist because, among other things, he is assumed to have referred to 'Iron laws' of history. However Marx is fundamentally opposed to positivism and his methodology and theory of knowledge production are in no way positivistic as will be shown when examining his approach.

The initial analysis of bourgeois relations of production in *Capital* is ahistorical. Marx is examining an abstracted form of a particular mode of production: capitalism. His analysis of commodities is, thus, similar to the supply and demand analysis of bourgeois economics. Marx, however, then locates the abstract analysis as a specific socio-historic form of economic relations.

Marx's approach involves a critique of positivism, concentrating, in the first instance on the structural relations, but exploring the nature of capitalist relations as a historically specific phenomenon.

a. Abstraction in *Capital*

Marx does not start with factual observations and abstract from them. Rather, he operates the other way round. Factual observation is not the starting point because Marx argues that beginning with the 'real and the concrete' is a superficial exercise as objects of observation are only apparently concrete but in actuality are abstractions. This superficiality rests on the contextuality of observation; observed objects are not self-evident facts but are constituted in a theoretical context. In short, a critical approach is anti-empiricist, although, of course, not anti-empirical.

For example, in *Capital*, Marx takes the category of 'population' and, in contrast to Ricardo, argues that it is an abstraction if the classes of which it is composed, the factors upon which they depend, are ignored.

'If one were to take the population as the point of departure, it would be a very vague notion of a complex whole and through closer definition one would arrive analytically at increasingly simple concepts; from imaginary concrete terms one would move to more and more thinner abstractions until one reached the most simple definitions. From here it would be necessary to make the journey again in the opposite direction until one arrived once more at the concept of population which is this time not a vague notion of a whole, but a totality comprising many determinations and relations.' (Marx, 1971, pp. 205–6)

Marx's method then, stands in contradistinction to that of classical political economy, which begins from the concrete (factual observation) and works towards the abstract. Population is a correct starting point for analysis, but it is a mistake to construe it as a concrete fact, as opposed to an abstract whole emptied of empirical content.

The correct procedure, for Marx, is to move from the abstraction to the concrete because beginning from general categories facilitates the analysis of the 'inner structures' of objects.

To move from the abstract to the concrete is the way in which the concrete is assimilated in thought and reproduced as a concrete mental category. So, abstract constructs are the starting point. Such abstractions must not, however, be construed as concrete facts in themselves, rather, they must be approached in the first instance as abstract wholes emptied of empirical content.

Concepts, for Marx, represented the intellectual expression of the inner structure of the object. To comprehend the capitalist system one does not begin with the concrete historically grounded elements because the plethora of variants obscure what they have in common. Marx sought the essential quality of capitalism.

The purpose of the general category, the abstraction, is to avoid the confusion of complicated phenomenal factors of historically specific phenomenal forms and to represent, in ideal type, the inner structures without which phenomenal form, or outward appearance, has no meaning. Once the underlying principles of the general phenomenon, in this case capitalism, are grasped in its 'totality' then the historically specific may be analysed in terms of its points of congruence and incongruence with the ideal type, thus revealing the secret of its structure and development.

Marx's use of abstractions, therefore, differs from positivist economists because he uses them to get beneath the surface of appearances, rather than simply to provide a basis for ordering appearances and ultimately reifying them. (There are many notions of positivism, but all seem to include the following: (a) the world can only be apprehended directly/empirically via the senses; (b) the procedures of natural science are applicable to the social world, i.e. the social world is amenable to causal laws (and cumulative theorising or testing); (c) social science should be value free.)

Marx's process of abstraction in *Capital* involves a rejection of the taken for granted starting point of bourgeois economics, i.e. the money form of exchange. Marx wants to examine the essential nature of capitalist relations. He does not, therefore, start with money values, but examines the basis of production and exchange to see what lies behind the obfuscation of money values. The commodity is the essence he reveals. In this sense his approach is phenomenological.

However, while Marx is concerned to get beneath the surface of phenomenological appearances his aim is not a mere reduction to essences. Rather the aim is to utilise the examination of the essential nature of phenomenal appearances as a base for a

fundamental critique of the social process (system). He wants to analyse the essential nature of the social (economic, political) world. It is a work of critique. The unveiling of surface appearance is but an initial step. The ultimate aim is to provide a basis for practical revolutionary activity. The abstract relationships Marx proposes, which he calls laws, are merely logical statements (given Marx's analysis and definitions) expressed in shorthand. Such laws are essentially tautological; they do not transcend the specific analytic framework (i.e. capitalism) to provide a transcendent law of nature. Marx's laws, then, are not laws of history, nor of the nature of 'man' but are abstract formulations about a specific form of productive relations. They are logical statements about these abstract categories but do not attempt to explain reality.

Rather than argue for trans-historical laws of society, Marx argued that there are no permanent laws to be sought; society is transitional. Marx's 'laws' refer to developments of the mode of production *within* a given epoch or type of system. Such laws do not transcend the qualitative changes from one system to another. (Thus, for Marx, scientism is a conservative doctrine as it confuses the immediate with the eternal.)

For Marx, then, the scientific analysis in *Capital* is not in any way a reflection of positivist science. Marx neither agreed with positivistic epistemology nor did he practice positivistic science. He argued that knowledge is not the revelation of an objective world but a product of practical activity. In the process of elaborating the nature of the physical and social world, science is not simply set the task of explaining surface appearances. For Marx, if one needed only to explain surface appearances there would be no need of science

'scientific truth is always paradox if judged by everyday experience, which catches on the elusive appearance of things... [and that] all science would be superfluous if the manifest form and the essence of things directly coincided.' (Marx, 1894, *Capital*, vol 3, p. 797)

Thus, for Marx, the scientific process differed from the positivist view of science in that he saw science as transcending the world of appearances. Positivistic science attempted to abstract the apparent world and construct conceptual arrangements, which provided explanations at the level of 'objective' manifestation. This positivist approach failed to get beneath the surface of appearances and, especially when applied to the social world, resulted in an explanation dependent upon characteristics dictated by the prevailing (bourgeois) conditions of production.

Thus, Marx argued that the positive view of science does not allow it to discover differences between the given and the essences of any shape or form. It does not even begin to search for such differences. It believes science is a classification of facts that add nothing to their content.

Marx's critical method is designed to get beneath the surface of appearances. Accepting the theoretical context of empirical data, Marx argues that the structure of capitalism must be grasped in abstract terms, rather than derived inductively. Marx does not simply

use prevailing abstract categories but through critique generates new abstractions which enable him to grasp the essential nature of capitalist production.

b. Essence and Totality in *Capital*

Marx's analysis in *Capital*, then, attempts to get to the meaning behind the categories used by the political economists of the time. He constantly sought the 'hidden substratum', the 'inner connections', the 'intrinsic movements', or the 'inner structure' connecting the phenomena under investigation. Such terms, while central to Marx, are anathema to positivists. Marx wanted more than the organisation of 'facts', he wanted to reveal the essential nature of the social world that lay beneath the world of appearances

Further, Marx argued, phenomenal forms obscure their own inherent historicity because they present themselves to people as self evident, natural forms of social life, which at the same time denies the possibility of transformation.

'The categories of bourgeois economy consist of such like forms. They are forms of thought expressing with social validity the conditions and relations of a definite, historically determined mode of production, viz. the production of commodities.' (Marx, 1887, pp. 75–76)

It is at this point that Marx's conception of essence and phenomenal form are shown to be qualitatively different from the notions of 'fixed essences' and 'natural forms' employed by the classical political economists.

'Nature does not produce on the one side owners of money or commodities, and on the other men possessing nothing but their own labour power. This relation has no natural basis, neither is its social basis one which is common to all historical periods. It is clearly the result of a past historical development.' (Marx, 1887, p. 69)

To Marx essences are dynamic and historical, and structure and history are complementary aspects of a single totality

It is this unified conception that allows us to understand more clearly Marx's claim for the central significance of empirical investigation. The categories of experience that represent phenomenal form are not to be subsumed into a grand theory. The aim of abstract analysis is to uncover the conditions that make these categories possible. These conditions are revealed to be historical and, therefore, empirical. The task of science is to critically analyse abstract categories, penetrate empirical observations, grasp them in concepts, and reproduce them in concrete thought

To illustrate these ideas it will be useful to reconsider Marx's critique of particular phenomenal categories in *Capital*. Marx presents the 'law of value' as the underlying condition that makes capitalist commodity production and exchange possible. If, however, the value of equally exchangeable commodities is determined by the amount of socially necessary time entailed in its production, how can profit, the essence of capitalism, arise? How can extra value be extracted in the exchange of equivalents? This

contradiction between conditions (generalised exchange of equivalents) and phenomena (the fact of profit generated in the exchange process) is resolved through the commodification of labour power (as determined, like all commodities, by the labour necessary to produce it). Surplus value is generated and appropriated by the capitalist. The discrepancy between conditions and phenomena is thus explained through an examination that addresses the essence of capitalist relations, i.e. the commodity form.

Underlying the first problem is a second; which Marx again proceeds to resolve through analysis designed to penetrate phenomenal form: under what conditions can the commodification of labour power take place? In answering this question it becomes clear that capitalism, whose phenomenal form appears as a mode of production characterised by commodity exchange, is itself presupposed by a class relation between labour (who are 'free' from the means of production and so to sell the one commodity they own, their labour power.) and capital as a condition of its existence. This cannot be understood simply through the phenomenal forms such as 'profit' and 'commodity', but only through a critique of these categories in respect of their relation to the totality.

A totalistic approach, one that located particular analyses in a wider social structure, was intrinsic to Marx's analysis. An emphasis on totality involves relating empirical detail to a structural and historical whole.

Marx transformed the category of the 'totality' from a speculative philosophical principle to a methodological instrument. As a methodological precept, totality lies at the heart of dialectical analysis. The concept of the 'totality' informs method to the extent that analysis constantly shifts from the parts to the whole. Thus, in *Capital*, in his discussion of value, Marx claims that the commodity form contains the basic contradictions of capitalism in seed-like form. Nevertheless the commodity cannot be understood in isolation from the whole. It cannot be seen as an atomistic unit but is an element integrally and internally related to the totality. Facts become meaningless as isolated atoms of empirical data divorced from the essential, integral structure of the whole

'...a dress becomes a dress only by being worn, a house which is uninhabited is indeed not really a house; in other words a product as distinct from a simple natural object manifests itself as a product, becomes a product, only in consumption... which, by destroying the product, gives it the finishing touch, for the product is a product, not because it is materialised activity but only in so far as it is the object of an active subject,' (Marx, 1971, p. 196)

In this Marx rejects positivistic objectivism. For him, 'facts' exist only within the complex totality of social relations and institutions. As facts are mediated through human consciousness and practice they are imbued with meaning. Scientific method must, Marx argued, therefore, encompass this crucial relationship between subject and object and between part and whole.

For Marx, then, science as the basis for the understanding of the social world was not the construction of causal laws, but of a deeper understanding, arrived at through a process of

deconstruction and reconstruction, in which the part is dialectically related to the whole. Marx's methodology was to 'appropriate the material in detail, analyse its different forms and development, and trace their inner link'. (Marx, 1887, p. 19.)

This methodology is distinct from a positivistic notion of science. It is unrestricted by ontological assumptions about 'matter' and the nature of 'matter'. It differs too, from phenomenological approaches in relating its essentialist analysis to the social totality.

What Marx's dialectical methodology involves is the following. Focussing on the structural totality and critically reflecting on its essential nature as a synchronic entity. The totality (in *Capital* the bourgeois relations of production) is taken initially as an existent whole. This structure presents itself as natural, that is, it is ideologically constituted. The critical analysis of the structure must therefore go beyond the surface appearances and lay bare the essential nature of the relationships that are embedded in the structure. This critique ostensibly begins by fixing on the essential unit of the structural relationships and decomposing it. The fundamental unit must be broken down until its essential nature is revealed; the structure is then reconstituted using this essentialised construct. Which is what Marx does in *Capital* where the fundamental unit of analysis of bourgeois relations of production is the commodity.

The choice of fundamental unit as a basis for deconstructive analysis is not arbitrary. It is the result of critique. It is determined initially by reflective thought that shuttles backward and forward between the part and the whole, the structure and its history. The unit of analysis is itself mediated. There is nothing preordained about it. (Only as Marx deconstructed commodities did the fundamental nature of the objectification of relationships between people emerge, (i.e. the fetishism of commodities)). The analysis of the nature of the 'fundamental unit' and its relationships with other elements of the structure itself is developed dialectically.

While the fundamental unit remains throughout, it does not prejudge the outcome, this is because its nature is mediated. The working through of the analysis itself mediates the units of analysis. The concentration on the abstract ahistorical concept of commodity is a pivotal device for elaborating the structural and historically specific nature of capitalism. The use of the commodity as pivot was the result of a dialectical analysis, not a phenomenological reduction.

Marx shows that the concept of commodity involves something other than the object in itself, it embodies relationships between people. With this as base, Marx reconstituted the nature of bourgeois economy. While the essential nature of bourgeois economy is thereby exposed in general abstract or logical terms, the result is not a metaphysical abstraction. On the contrary, it is grounded in material history.

Marx attempts to grasp the essential nature of capitalist relations, not as phenomenal form in themselves but as a basis for the deconstruction and reconstruction, dialectically, of the productive process. This dialectical process involves relating parts to whole, through the analysis of concrete historical practices.

c. History in *Capital*

Schmidt (1981) argues that history constituted part of Marx's dialectical way of thinking, but that Marx (and Engels) treated history logically rather than as narrative. What this amounts to is that Marx constructs history schematically in terms that are given by a logical analysis of the prevailing structural mode. In the analysis of capitalism, Marx first grasps the essence of capital theoretically and then adhered to the logic of that analysis in constructing the history. Empirical history then appears to be processed to remove vicissitudinal instances. Marx denied the positivist historicist view of a self-evident unproblematic history. The past cannot be reclaimed, merely reconstituted, and such reconstitution is ideologically imbued. Similarly Marx denied the utopian view of the linear progress of history. For Marx, history could only be appropriately understood if one had a 'correct grasp of the present'. This required that the primary pivot of attention in the construction of history be the logically generated critical theoretical perspective.

In his analysis of bourgeois economy, Marx starts out from the existing social relations rather than beginning with an analysis of the origin of bourgeois social relations. Marx conceives of bourgeois society, irrespective of its origins, as a closed system explicable in terms of itself. However, Marx sees nothing inevitable or natural in bourgeois relations of production, essentially they are arbitrary historically specific relations. The historical data in *Capital* serves primarily to illustrate a theory that has been developed logically. This does not simply mean that Marx rationally reconstructed history to fit his theory. Rather, the theoretical analysis is informed by, as well as informing, historical detail. Historical 'fact' is reviewed in terms of the critical theoretical analysis of present social relations. The present, as Marx argued, must be grasped and the past interpreted in terms of it. But, the theoretical analysis is also mediated by an analysis of past events. History, like structure is treated dialectically.

The dialectical process developed by Marx involves two essential elements, the grounding of a generalised theory in material history and the exposure of the essential nature of structural relations that manifest themselves historically. Thus, in order to comprehend the nature of capitalist relations of production it was necessary for Marx to get at the essential nature of capital, rather than simply present its historical origin. The essential nature is manifested structurally.

The process of reconstructing history starts out from an analysis of structures, but rather than begin with dogmas or arbitrary premises, Marx analysed the prevailing structure, deconstructed it, raised questions about its ideological underpinnings, and then 'logically' constructed the history. However, Marx has no pre-given, the structural analysis emerges critically.

Marx's approach to history in *Capital* focussed on immanent developments and shelved particular details that may have served to clutter the analysis. The logic of the essential frame that resulted from the analysis of the structure has primacy in the historical

reconstruction. The dialectical deconstituting-reconstituting analysis embodied in it involves a shuttling backwards and forwards between structure and unit and, with structural exposition as orienting principle, shuttling between past and present.

History is understood as a critical analysis of the present structure.

d. Conclusion on Marx's methodology in *Capital*

Marx was opposed to the analytic approach of the classical economists because it accepted surface appearances at face value. Marx was concerned to lay bare the essential relationships manifested in capitalism. His aim was to analyse the structure of bourgeois economy dialectically. This involved, initially, taking the social structure of a historically specific moment as pre-given, and by concentrating on the fundamental unit of capital relations (commodities) to decompose the nature of commodities and thereby reconstitute the relations of production thus revealing the essential structure. History would then be logically reconstructed using this revealed structure as guiding principle. Thus Marx uses structure to guide history, but this theoretical orientation is not a timeless abstraction, it is historically specific, and its illustration is grounded in material history. Essentially, the process incorporates history in the grasping of the essential nature of the totality.

Marx was fundamentally opposed to positivism. He regarded it as inadequate because it did not go beyond surface appearances. Marx was opposed to Comte and regarded positivism as naive. Positivism fails to distinguish the difference between essential and the given. Despite Marx's reference to laws, he was not constructing transcendent laws of economics. His reference to 'iron laws' of capitalism is a polemical device to galvanise the German proletariat. Marx disclaimed the possibility of permanent laws: 'laws' only operate within a particular epoch, scientism is thus conservative; it encumbers transcending a particular milieu/social system. Marx saw no inevitability of progress to socialism for him it was a function only of praxis. 'Man makes his own history but doesn't have control over it'

Similarly, accusations of 'determinism' in Marx's work are misleading. Determinism has been applied to Marx, not extracted from his work. Marx did not adopt Engels 'dialectics of nature' and its rigid (intrinsic) determinism. Marx did not use the term 'dialectics' in relation to his own thought but rather adopted a dialectical method. Marx was opposed to 'scientism', as it fails to reach essentials.

Finally, Marx never used the term 'scientific socialism'. Marx was a communist not a socialist.

Marx's analysis of capitalism is both structural and historical. The structural relationships are the result of a critical abstraction based on a historically specific analysis. History is reconstructed through a critical analysis of the present, but in turn, historical evidence mediates the analysis of structural forms.

4. What kind of epistemological framework does Marx adopt in *Capital*?

In order to come to assess the structuralist or historicist and materialist or idealist aspects of Marx's analysis in *Capital*, one has to look at the composite (rather than any selected quotes) in terms of what Marx set out to do and the approach to the work that he adopted.

a. Historicism and structuralism in *Capital*

In *Capital*, Marx appears only to use historical analysis as an adjunct to support his structural analysis. Marx characterised his work as the 'conscious product of historical movement'. However, this does not mean, as has been shown, that knowledge simply coincides with history as constructed of its object, nor does it mean that knowledge merely 'chronologically traces its historical process'. Marx does not simply provide an analysis based on narrative history, rather he 're-constructs' history. That is, the existing structure of capitalist relations is 'reconstituted' historically. Further, the historical data is used to provide a framework for Marx's critique. In short, the historical material does not appear to have a great deal of 'integrity'. This suggests that Marx tends to give a primary place to structure rather than history, in *Capital*. As Marx sees no need to uncover the historical origins, this has been taken by structuralists to indicate that Marx, at the least, regarded history of secondary significance. Marx, it is claimed, was concerned with a closed system of arbitrary relations. The extent to which Marx adopted a structuralist approach has been extensively discussed and is linked to the debate on the 'epistemological break' in Marx's work.

(see <http://www.qualityresearchinternational.com/socialresearch/marx.htm#epistemologicalbreak>)

While Marx is concerned with the structural relations within capitalism, he does not, as we have seen above, ignore historical processes. The idealisations embodied in the abstractions are not trans-historical categories but are historically specific analytic devices for the critical examination of given material reality.

Marx is clearly not interested in historicalist mediation, or even in objective reconstruction of the past. Similarly he disassociates himself from any idea that there is an ultimate goal of history. Marx is able to do this because he denies a pre-formed 'world view'. History is the result of a theoretically informed critique of social structure. An analysis of the historically specific structure informs the historical analysis.

The examination, above, of the content and approach adopted by Marx in *Capital*, has suggested that he adopted a dual approach which allowed him to examine the historically specific structure of capitalism. Schmidt (1981) argues that, in *Capital*, Marx used a method which was both structural-analytic and historical-genetic. A view supported by Zeleny (1980) who argues that while the analysis is not historical in the strictest sense it is 'structural genetic', the purpose of which is to reveal internal relations. For Zeleny, there is no necessary contradiction between structural and genetic (historical) analyses.

Essentially, in *Capital*, Marx was analysing a historically specific structure not a timeless, abstract, one. Further, his analysis of structure is mediated by history. The coming into being of the structure is examined through an examination of the evolution of specific concepts within the structural whole, the way certain elements develop their relations with other elements, rather than attempt a history of the whole complex totality.

Thus Marx is concerned, for example, to show how the division of labour has manifested itself diachronically, rather than how bourgeois economy emerged from feudalism. This diachronic analysis, however, is constructed using highly generalised material. Marx is not concerned with the particular detail of narrative history.

Marx discounts the need to embrace an inductivist approach to theorising from historical instance. Indeed, he accepts that such inductivism is unlikely to generate a useful theory; first because such historical analysis is too specific and ungeneralisable, and second, because inductivism lacks an adequate theoretical base, grounded as it is in a perspective which assumes the validity of the observational base. Inductivism ignores the theory laden nature of observation. Marx, on the other hand, was well aware of the superficiality of 'reality', its ideological manifestations, and the consequent mediation of 'history'.

Marx uses an approach that is both structural and historical
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b. Materialism or idealism in *Capital*

In *Capital*, there is no idealist ontological construction of the nature of humanity external to the scientific process of cognition and thus Marx merely reaffirms, in a taken for granted way, the ontological position he had adopted in his earliest writing.

An assessment of the extent to which Marx's analysis in *Capital* involves a materialist or idealist epistemology must, however, address Marx's use of abstract generalisations, his approach to essentialism and totality, and his approach to history.

The use of abstraction clearly involves an idealisation of capitalist relations. However, one must ask, are these idealisations idealist? The assessment of Marx's approach above clearly shows that Marx neither derived abstractions in a simple empiricist manner nor did he impose abstract speculative categories on the material world. His use of abstraction was entirely directed towards a materialist analysis, consistent with his materialist ontology.

An important element in Marx's analytic armoury is the concept of totality. For Marx, knowledge resides in the grasping of the totality, not in empiricist fragmentation.

This raises questions about the extent to which Marx reflects Hegel's idealistic totality. Schmidt (1980) argues that Hegel had advocated a process of 'ascending' from the abstract to the concrete and provided a critique of conceptless empiricism. (Concrete in this sense does not mean a 'classifiable fact' but a synthetic knowledge that is more than the subsuming of a mass of cases under a general principle.) Schmidt argues that Marx adopted and developed this Hegelian concept. Ideas and facts are not separate realms for Hegel and Marx; rather they are concerned to develop a synthetic knowledge of concrete universals. Marx, unlike Hegel, rooted his totality in practical conscious historically specific subjective activity. There was no idealistic utopian totality to which history progressed.

Further, Marx also reflects Hegelian methodology in preserving the starting, or fundamental unit of analysis throughout. This again raises the spectre of idealism in Marx's critique of capitalism. However, while Hegel proceeded by adopting a historically transcendent abstract category as a fundamental unit, Marx firmly grounds his dialectical critique in the material world, thus providing the basis for a substantive transformation of the fundamental unit of analysis. Marx's approach to history, in *Capital*, also raises the spectre of idealism. Marx argues that the relationship between history and theory is not self-evident. Historical events are primary but historical reality cannot be embraced through a process of parallel representation of real events in thought. Such a procedure is flawed because it takes phenomenal form as an unproblematic given. History must, therefore, be reproduced intellectually as an ideal expression of reality. This ideal expression is a consequence of the interplay between the level of theoretical development and real historical events. Historical events are not uncritically presented, they are probed for meaning. Theoretical formulations depart from history to develop ideal representations that reveal the deep character and essence of capitalism, which underpins historical events. This is clearly problematic for an assertion of Marx's materialism.

However, as has been discussed above, theory does not remain detached, it returns to empirical history constantly to confirm or deny ideal representations, but without becoming entangled in its sequences and superficialities. The reproduction of reality in ideas, therefore, is not simply a presentation of historical facts but an attempt to grasp history in ideas. The relation between the ideal expression of history and historical events is an analytic one. Marx does not impose unproblematic idealist categories on history; rather he deconstructs abstractions via the medium of historical enquiry.

Thus Marx's historicism, in *Capital*, is neither normative nor a substitute for idealist categorisation. It is intrinsic to his analytic framework, which is directed towards a fundamental materialist critique.

Critique specifies the parameters of historical analysis and makes explanation possible. The purpose of critique, however is not to establish causal relations through empirical investigation. Critique is aimed at investigating phenomenal forms, thus, for example, profit, rent wages, are not consequences of a set of underlying 'relations of production', they are relations of production.

Marx analysis in <i>Capital</i> is materialist
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Conclusion

Marx, then, provides a unique and comprehensive materialist conception of the world in which the underlying significance of phenomenal form is obscured in experience. Understanding requires the penetration of outward appearances through the methodological process of abstraction from the general category to the concrete historical specific, which is then organically related to the whole. Comprehension of even the most apparently simple form requires a grasp of the structural-genetic determinants (made accessible through abstraction from the general category), and the historical determinants

constantly referred to in a spiralling process of continuous engagement and disengagement within a comprehensive methodological framework which seeks to demonstrate, not final absolute truth, but always to present an approximate reflection of reality which is subject to continuous change.

Other references

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