

What is bourgeois society in Marx's *Capital*?

Abstract: The concept of 'bourgeois society', the subject matter of Part I of *Capital*, plays a crucial role in grasping the structure of capitalist society. Alongside productive capitalism and finance capitalism, it is the first of three economic spheres characteristic of modern capitalism, alongside productive capitalism and finance capital. It is an analytical abstraction, but one with a real historical basis. It is important to distinguish 'bourgeois society' from the myth of 'simple commodity production' if the role of the study of history in constructing the logic of *Capital* is to be understood. Marx's use of what I call 'categorical genealogy' marks the distinction between Hegel's Logic, whose concepts are formal, and the concepts of Capital, which represent forms of socialised human labour.

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Origin and Meaning of the Term

'Bourgeois society' is the English translation of *die bürgerliche Gesellschaft*, literally, the society of townspeople, and refers to the concept of the same name in Hegel's *Philosophy of Right*, conventionally translated as 'civil society'. It included the merchants and artisans in the towns, along with their guilds, public authorities, education and welfare systems, and courts. The guilds included apprentices and journeymen who earned a 'wage' set by the guilds, municipal councils, and magistrates, not by a labour market, and masters who lived on the profit of trade, in a highly regulated commodity market. These categories of citizen were more akin to the life-stages of townspeople than classes, however, and Hegel treated them as a single class. Thus, bourgeois society included both a proto-bourgeoisie and a proto-proletariat. It is unfortunate in this context that the French equivalent adopted by English, bourgeois, explicitly indicates a class and excludes the proletarian.

'Bourgeois society' was not a figment of Hegel's imagination; it had a real basis in history, and although Germany's guilds were in decline in Hegel's lifetime, the guilds were one of those features of life in Germany for centuries that Hegel wanted to preserve.

In British history, for example, bourgeois society emerged in the interstices of feudal society. Initially, sale of products had to be authorised by a theyn in court sessions held typically monthly. With the growth of towns and the minting of gold and silver coins, bourgeois society flourished. The first guilds dated from late Anglo-Saxon England, and by the fourteenth century, wealthy leaders of the guilds occupied seats in the House of Commons. From the time of Elizabeth I, the guilds went into decline and more or less disappeared from view after 1821, having been undermined by labour mobility and the growing flood of imported products. Following the enclosures, class differentiation within bourgeois

society was gradually exacerbated due to the excess of unskilled labour and cheap imported material.

The emergence of modern bourgeoisie from the decline of bourgeois society

In the 'Unpublished Chapter six of *Capital*' (1864), Marx described an intermediate stage in which a master would employ a large number of artisans in a single workshop. This was followed by the transformation of the labour process through division of labour and cooperation, and full-blown capitalism. Marx described the resistance of the guilds to the emergence of this formation and the barriers it faced:

The rules of the guilds, as I have said before, by limiting most strictly the number of apprentices and journeymen that a single master could employ, prevented him from becoming a capitalist. Moreover, he could not employ his journeymen in many other handicrafts than the one in which he was a master. The guilds zealously repelled every encroachment by the capital of merchants, the only form of free capital with which they came in contact. A merchant could buy every kind of commodity, but labour as a commodity he could not buy. He existed only on sufferance, as a dealer in the products of the handicrafts. If circumstances called for a further division of labour, the existing guilds split themselves up into varieties, or founded new guilds by the side of the old ones; all this, however, without concentrating various handicrafts in a single workshop. Hence, the guild organisation, however much it may have contributed by separating, isolating, and perfecting the handicrafts, to create the material conditions for the existence of manufacture, excluded division of labour in the workshop. On the whole, the labourer and his means of production remained closely united, like the snail with its shell, and thus there was wanting the principal basis of manufacture, the separation of the labourer from his means of production, and the conversion of these means into capital. (Marx, 1867, Part IV)

The guilds of bourgeois society also limited the working day. Once freed from the straitjacket of bourgeois society, the capitalist could increase the length of the working day to the limits of human endurance. Prices had been tightly regulated until the volume of foreign imports made this impossible.

'Bourgeois society' is the subject matter only of Part I, the first three chapters on Commodities, Exchange and Money. Wages and the working day are not included, because, with the domination of bourgeois society by capital, breaking the strict regulation of bourgeois society, proto-capital, proto-wages and proto-unpaid-labour-time were replaced by the fully developed elements of productive capitalism, and the reduction of wages to subsistence level and the extension of the working day sufficient to allow the master to become an industrial capitalist had not yet ruptured bourgeois society into two classes.

Bourgeois society, however, always operated under the strictest control of the landed aristocracy, who also prevented the development of the private farmer. It took about seven centuries in England for the bourgeoisie to free itself of

bourgeois society and its feudal rulers and complete the English Revolution. Bourgeois society was however the dominant economic sphere in some mediaeval city-states in Northern Italy and in the Hanseatic and imperial German cities and in some cases ruled on the basis of merchant capital. But the point is only that bourgeois society is an analytical abstraction with a historical basis. Industrial capital did not grow out of city-states like Venice.

Marx's use of history

The above citation from Part II of *Capital* is an example of Marx's use of history in *Capital*.

One sense in which Hegel was an Idealist is that Hegel overestimated the power of the reasoning of an individual person. Hegel was the last great encyclopaedic thinker. Most of his *Encyclopaedia of the Philosophical Sciences* was simply an outline of the existing sciences, and did not represent original research on his own account. After Hegel, no one else tried to emulate his *Encyclopaedia*. Each science was pursued relatively independently of the others, and connections between the sciences were allowed to emerge of themselves with the passage of time.

No one after Hegel had the benefit of such an encyclopaedia. Identifying the unit which was to be the embryo of a new science could not simply rely on deducing it from the outcome of the 'preceding' or underlying science. While an individual thinker cannot devise a complete encyclopaedia, this limitation does not apply to the 'real subject'. 'The real historical process' (Marx, 1858, 101) suffers no such limitation. However, a particular kind of historical investigation is required to determine the necessary concepts as they are realised within the historical process.

Analysis of the concepts of political economy must be informed by a study of the real historical process by means of which *each* of the 'simplest economic categories' came about. It is impossible to perceive and understand any complex social entity without understanding something of the the history which produced it. To believe that you can reconstruct a given social formation simply by the application of logic to actuality is a Hegelian illusion which Marx did not share.

The birth and further development of a new economic sphere is always dependent on the social and historical context. It is not entirely internal to the given economic sphere itself. Alongside its inner contradictions, the relation of any economic sphere to its context is indeed essential to understanding its development.

Capital is not a historical work (though it does have some historical chapters). However, a deep study of economic history was necessary to select, sequence and understand the concepts of political economy, and in particular to determine the starting point and the sequence of concepts to be elaborated. An example of such a study is cited above in connection with the emergence of industrial capital. If you believed that *Capital* is a work of logic, then there would be no place in it for such a study of history. On the contrary, if the concepts of political economy, unlike the concepts of Logic, have a *content*, then it is impossible to grasp them without knowing the history through which they acquired that content.

Christopher Arthur says:

I draw a distinction between systematic dialectic (which is a method of exhibiting the inner articulation of a given whole) and historical dialectic (which is a method of exhibiting the inner connection between stages of development of a temporal process). (Arthur, 2011)

and

Systematic dialectic draws on Hegel's work. This interest in Hegel is unconcerned with recovering the grand narrative of Hegel's philosophy of history and relating it to historical materialism; rather it is focused on Hegel's Logic and how this fits the method of Marx's *Capital*. The effort is to deploy a systematic dialectic in order to articulate the relations of a given social order, namely capitalism, as opposed to a historical dialectic studying the rise and fall of social systems. (Arthur, 2011)

I differ with Arthur on a number of issues in the above.

The history Marx needs is not the history of which economic relation dominated when, but the history of the development of *each single economic relation taken on its own*. I do not claim that the 'historical dialectic studying the rise and fall of social systems' plays *any part* whatsoever in Marx's use of Hegel in *Capital*.

Insofar as the rise and fall of a social system is internally intelligible, and not due to some external or accidental cause, then the key to understanding that does indeed lie in the tendencies revealed by systematic dialectic, insofar as the concepts used are those of political economy. However, while an economic system is generally consistent within itself and able to cope with internal conflicts within the economic system as such, this is not true of its relations to *other* circles of human practice. The economic whole is but a *part* of the totality of human practice, of human social life in Nature.

It is in the nature of a systematic whole that it is able to reproduce itself out of its conditions despite changes in those conditions. However, this capacity is finite. At some point, other aspects of a form of life go beyond the limit of what is capable of supporting a given economic regime. This is analogous to an organism which continues to reproduce itself despite disruptions in its environment, but only up to a point.

In the absence of his own *Encyclopaedia*, and in the spirit of a philosophy of which the substance is human practice, Marx relied on the work of the 'real subject' which 'retains its autonomous existence outside the head':

In the succession of the economic categories, as in any other historical, social science, it must not be forgotten that their subject – here, modern bourgeois society – is always what is given, in the head as well as in reality, and that these categories therefore express the forms of being, the characteristics of existence, and often only individual sides of this specific society, this subject, and that therefore this society by no means begins only at the point where one can speak of it *as such*; this holds *for science as well*. This is to be kept in mind because it will shortly be decisive for the order and sequence of the categories. (Marx, 1858, 106)

Categorical Genealogy

The sequence of categories is different in the systematic elaboration of an economic system from their sequence as dominant relations in the real history of economic systems. But that is not the question at issue. The determination of the logic of political economy requires a study of the historical development of each of those relations themselves, abstracted from their conditions, and not just in their present situation or in their period of dominance.

This is what I call ‘categorical genealogy’. And all the component parts of modern capitalism have a genealogy which begins long before their subordination to capital and conversion into a sphere of modern capitalism. Marx concerns himself with these genealogies in establishing their place in the conceptual reconstruction of modern capitalist society.

This is different from the kind of history done by professional historians who prefer to study forms of life as a whole and eschew narratives across large stretches of time. The kind of history needed here is more akin to genealogy in that it traces the line of development of a particular relationship as the world changes around it, and it does so from the point of interest in the present, rather than in its own terms in any given epoch, as would normally be required by the professional historian.

It is also true, as Christopher Arthur says elsewhere, that the capitalist economy is conceived by Marx as a systematic, self-reproducing whole, and that an exposition of this system cannot include an examination of production within its scope. Technique is a sphere which proceeds according to its own laws, although always with the stimulus and constraints of the political-economic system in which the technical-scientific activity takes place.

The economic system determines the various economic forms in which the products of the system of production will be represented in the economy but does not as such *determine* production, which is a unique form of interaction between humans and Nature, the subject matter of the science of technique. Within the Earth’s natural system as a whole, the only genuinely self-reproducing, self-adapting systematic whole is the entirety of human practice in general. Not any economic or political system alone. Within the system of human practice, economic activity, technique, science, reproductive activity, art, etc., are each a *relatively* self-reproducing system, all of which interact with one another. The system of technique on which an economic system rests may be more or less independent, more or less insulated against external disturbances. But at some point the capacity of the economic activity to sustain itself will be exhausted.

At a certain stage of development, the material productive forces of society come into conflict with the existing relations of production or – this merely expresses the same thing in legal terms – with the property relations within the framework of which they have operated hitherto. From forms of development of the productive forces these relations turn into their fetters. Then begins an era of social revolution. The changes in the economic foundation lead sooner or later to the transformation of the whole immense superstructure. (Preface, Marx, 1859)

It is not necessary to go so far as social revolution. The development of technique is continuously disrupting the social relations within which production is taking place. In itself, productive capitalism is a self-sustaining system, but it cannot ensure for itself a stable technical relation to Nature, nor a stable social and political environment. On the contrary, unlike all previous economic systems, capitalism continuously stimulates the revolutionising of the techniques of production, and the political conditions that make capital accumulation possible are subject to unceasing change in the economic system. Meanwhile, capitalism continuously exacerbates inequality and concentrates wealth in the hands of a few, threatening its social and political presuppositions, which demand the consent of the overwhelming majority.

Marx needed to discover how the relations between the economic system, the political system and the production system disrupt one another. For this, a preparatory study of history was required.

‘Categorical genealogy’ is the type of historical investigation which was necessary before Marx could determine the logical relations between the various concepts of the political economy of bourgeois society.

In approaching a critique of the existing science of political economy, Marx needed to investigate the history of each of its categories. This is self-evidently a task entirely different from investigating the historical sequence of dominant economic formations, the usual subject matter of economic history and what Christopher Arthur was referring to above as ‘the historical dialectic’.

Marx needed to investigate the history of the concept of ‘value’ and its various social forms, in particular but not limited to, the commodity, money, capital, and wages.

The results of his genealogical study of value-forms up to and including money are briefly presented in §3 of Chapter 1 of *Capital*, where it is already exhibits a logical form while laying claim to be a historical narrative: ‘Commodities come into the world in the shape of ...’, and demonstrably shaped by the concrete understanding of value which Marx had arrived at by the time of writing *Capital*. His ‘categorical genealogy’ is a merging of both logical and historical investigation. The various forms of commodity that arise in this section do so specifically because of a social context that facilitates their emergence.

Genealogy is not a ‘smoothing out’ of the historical process, as Engels had supposed. The outcome is a logical exposition of the subject matter, but one which has been tested against the critique of each category by the ‘real subject ...outside the head’ (Marx, 1858, 101). But ‘it is not necessary to write the *real history of the relations of production*’ (Marx, 1858, 460).

Once production founded on capital is presupposed ... its *historic presuppositions*, which, precisely as such *historic* presuppositions, are past and gone, and hence belong to the *history of its formation*, but in no way to its *contemporary* history, *i.e.* not to the real system of the mode of production ruled by it. ... While e.g. the flight of serfs to the cities is one of the *historic* conditions and presuppositions of urbanism, it is not a *condition*, they therefore disappear as real capital arises, capital which itself, on the basis of its own reality, posits the conditions for its realisation. ... These presuppositions, which originally appeared as conditions of its becoming – and hence could not spring from its *action as capital* –

now appear as results of its own realisation, reality, as *posited by it* – *not as conditions of its arising, but as results of its presence*. ... These indications, together with a correct grasp of the present, then also offer the key to the understanding of the past ... In order to develop the laws of bourgeois economy, therefore, it is not necessary to write the *real history of the relations of production*. But the correct observation and deduction of these laws, as having themselves become in history, always leads to primary equations ... which point towards a past lying behind this system. (Marx, 1858, pp. 459-460)

Thus Marx was able to determine not only that the commodity was the simplest form of value, but that it appeared long before and independently of the bourgeoisie and was the chief process which paved the way for the growth of the bourgeoisie and the dominance of capital. Further, capital did not just exploit the existence of an impoverished mass of proletarians, but actively and continuously reproduced and expanded that class, ensuring that they earned just enough each day to be able to return to work the next day. Capital now did not merely bring industrial workers together under one roof, but actively drove the continuous revolutioning of the techniques of production.

In short, Marx had to study the *history* of the commodity, of capital, wages and so on, the various forms of value, *in order to* understand their essential nature and their relation to one another, *their logic* – their genealogy.

‘Simple Commodity Production’

‘Bourgeois society’ has been referred to as ‘simple commodity production’ in the literature around Marx’s *Capital* and in turn wrongly interpreted as characterising a certain stage in the development of the economy as a whole. I commissioned Arthur’s (2005) article exposing the ‘myth of simple commodity production’ for Marxists.org, and this article is quite correct.

I have never used the expression ‘simple commodity production’ (1) because Marx never used the expression; (2) it carries the connotation of being a *stage* in the development of production; and (3) it bears little relation to bourgeois society in which the prices of all commodities and wages were legally regulated and kept insufficient to allow for the accumulation of capital. I emphatically do not regard bourgeois society as a stage in the development of modern capitalist society. Bourgeois society as analysed in Part I of *Capital* has a real historical basis, however, and Marx uses his method of categorical genealogy to trace the development of this *sphere* of activity from antiquity up to modern capitalism, where it is wholly subjected to capital.

Christopher Arthur on ‘simple commodity production’

Arthur (2005) has made this point, that there has never been in history any such thing as a stage or period of ‘simple commodity production’. And of course there hasn’t. Neither Hegel, nor Marx, nor I (I can’t answer for anyone else) has ever used the expression or claimed that there was such a stage in the development of modern society.

The leap from a ‘bourgeois society’, as one economic sphere of society, found in the interstices of antiquity, mediaeval and feudal times, including some

mediaeval city-states, and into the modern era — to an entire social formation in which exchange of commodities is supposed to have been the dominant economic and social relation, presumably in the absence of traditional landownership, family, state and capital — is uncalled for. Interpreting ‘bourgeois society’ as synonymous with ‘simple commodity production’ would be mistaken.

Logic and Science

Arthur is evidently not familiar with Marx’s use of what I call ‘categorical genealogy’. As a result, he is ‘focused on Hegel’s Logic and how this fits the method of Marx’s *Capital*’ (Arthur, 2011). Hegel’s claim is that the *Science of Logic* expresses the ‘pure essentialities’ of the *Phenomenology*:

In the *Phenomenology of Spirit*, consciousness is spirit as a concrete knowing, a knowing too, in which externality is involved; but the development of this object, like the development of all natural and spiritual life, rests solely on the nature of the pure essentialities which constitute the content of logic. (Hegel, 1816, 25)

So it is not entirely divorced from history, but fundamentally the Logic is *formal*, expressing only the logic of human practice *in general*. Unlike the concepts of any positive science, such as political economy, the concepts of the Logic have *no concrete content*.

‘Capital, compared with the universe as a whole, is characterised by a poverty-stricken ontology’ (Arthur, 2011) suggests to Arthur that *Capital* will exhibit a *selection* of the 400 formal concepts made available in the *Science of Logic*.

This is partly true. Part I of *Capital* is almost exclusively concerned with how abstract labour-time becomes a measure over the set of all commodities, while the first 40% of the Logic (322 pages), is concerned with the development of the category of Measure. It makes sense then, that Arthur finds ‘homologies’ across these two texts. But capital, the subject matter of the *Capital*, does not even appear until Part II. On this basis, it appears that the Logic has little to tell us about the following sixteen Parts of *Capital* which reconstruct modern capitalism.

The point is that the unit of Part I of *Capital* is the commodity, and this unit turns out to have a truly vast *content*. It is far from formal, like the first unit of the Logic, namely, the One. So long as you are operating with the concepts of the Logic, you are not doing political economy; you are doing logic.

So Arthur’s project never actually gets to the consideration of productive and finance capital, far less show how Marx resolved the contradiction between the ‘law of value’ and the uniform rate of profit.

How is the categorical genealogy used in Capital?

Capital famously begins with the commodity – the simplest social form of value, and in Part I §3, the commodity relation is developed via a categorical genealogy to money, shown to be the universal form of commodity.

Marx does not introduce the buying and selling of labour-power until Part II, after introducing the unit of capital. In effect, capital did not exist in bourgeois society. And wages came later, because there was no labour market in bourgeois

society. The lengthening of the working day also follows the arrival of capital which brought about the inhuman extension of the working day relying on the mass of impoverished and unemployed proletarians to enforce it.

Rather than existing in the interstices of modern capitalism, bourgeois society is an analytical abstraction, but like all the analytical abstractions Marx introduces in his conceptual reconstruction, it has a real historical basis, a basis which Marx explored using categorical genealogy. To this day, a form of bourgeois society underpins modern capitalism, but essentially, the only commodity it produces now is labour-power.

The frequent excursions into history that are found throughout *Capital*, may appear to be illustrations, but they are not. Marx's long excursions in the history of the guilds in Chapters 6 and 11 were needed to establish the conditions required for factory work and its inhumanly long hours which were impossible so long as labour was controlled by the guild system.

The overarching rationale for *Capital* is *logical* coherence: each layer must rest on the layer below it in the reconstruction of the whole logically, both enabling and necessitating it. Categorical genealogy requires that each abstract general starting point must be verified by historical observation. An appropriate historical investigation is required to justify the introduction of each new unit with its new content. Marx provided this throughout *Capital*. An abstract-general definition like $M-C-M'$ may be posited without reference to history. However, a historical genealogy shows that the earliest forms of capital were usury and merchant capital, but only the latest form, industrial capital, created the conditions for its own reproduction – an impoverished proletariat. It is not just a matter of starting from M instead of C. Industrial capital alone created the surplus value to be shared with landowners and bankers, but what of the Physiocrats? Their claim was that all value was derived from the soil, subsequently to be shared with the townspeople. But they did not create more land.

Ideality

It was Hegel's concept of *ideality* that made it possible for *Capital* to resolve the contradiction between the 'law of value' and the 'general rate of profit' which ultimately forced positivist economics to abandon the concept of value. Ricardo had been right to make a beginning from value, but he also simply accepted the uniform rate of profit as a datum. Only with the concept of ideality can science make a beginning from value, in its simplest social form, and produce the uniform rate of profit as an *outcome*, as part of a systematic science. This is because Marx recognised that modern capitalism was made up of three *spheres* of economic activity, each with its own ideal – bourgeois society, productive capitalism and finance capital.

Ideality concerns the social properties of material objects and practices – or norms. Norms exist because they reflect and maintain institutional relations or practices which regulate one sphere of activity in a complex social formation.

After one hundred years, political economy had established that value was determined by socially necessary labour time, but they treated this property of the commodity in much the same way that they treated the material properties of products. But it was only *price* that was a real, empirically verifiable measure; value appeared to be just a 'first approximation' to price, which would in

addition be subject to various transitory market conditions. So it was price that was real, and 'value' was just the expected, average, or hypothetical price realised only when supply and demand were taken into account. Hegel taught, however, that the ideal, value, is the *primary* category, and price is merely the *appearance* of value. Any sphere of activity in a social system is regulated by an ideal that both arises from the nature of the activity of that sphere and at the same time regulates that sphere, relatively indifferent to what is going on in any other sphere, so long as a more dominant sphere imposes itself on it.

In bourgeois society, that is, a society of independent producers exchanging their products at value, no contradictions arise from the conception of value as 'average' price. However, in an economy dominated by industrial capital or finance capital in particular, labour time is *not* the only determinant of price. The appearance of value is in fact subject to other norms. Three different economic spheres jointly determine the appearance of value.

The 'law of value' (that is, the value of a commodity is equal to the average labour time required for its production in the given economic conditions) is not a law of nature. Ask any woman, African American or immigrant worker. Equal pay for equal work is a *norm* is generally applicable in modern capitalist nations, and Marx and the Political Economists were right to take the law of value as applicable in bourgeois society. But the in-principle equality of all labour-power is a *norm*, not a law of nature. It is a norm which is implicit in bourgeois society, although centuries of cultural development are required to fully realise it.

Products of productive capitalism and products of finance capital are subject to different norms, and the products of capital are in general *not* exchanged at their value.

The Spheres of Economic Activity in *Capital*

There are three spheres that figure in the structure of *Capital*. Each sphere, taken on its own, gives a characteristic appearance to value:

- *Bourgeois society*: commodities are products of independent producers and are exchanged at value, that is, value appears as price, subject only to inessential variation;
- *Productive capitalism*: commodities are products of capital, and are sold at cost price plus profit. A general rate of profit is the ideal governing productive capitalism, realised through the capital market and the commodity market;
- *Finance capital*: products (such as capital or infrastructure) are loaned at interest, irrespective of profit on enterprise. A uniform rate of interest on borrowing is the ideal governing finance capitalism, despite differences across the financial system. This sphere was underdeveloped in Marx's lifetime.

When a number of spheres of activity exist within the same social formation, relations of dominance and synergy exist between different spheres. Hegel explains the relative independence of the spheres as follows:

"Each of these spheres is a thing independent, self-subsistent in its aims and modes of working, something immersed solely in itself. ...

“(i) In times of peace, the particular spheres and functions pursue the path of satisfying their particular aims and minding their own business, and it is in part only by way of the unconscious necessity of the thing that their self-seeking is turned into a contribution to reciprocal support and to the support of the whole. In part, however, it is by the direct influence of higher authority that they are not only continually brought back to the aims of the whole and restricted accordingly, but are also constrained to perform direct services for the support of the whole.

“(ii) In a situation of exigency, ... The sovereign [the dominant sphere] is entrusted with the salvation of the state at the sacrifice of these particular authorities .” (Hegel, 1821, Remark to §278)

In the context of the economics of modern capitalism, this means that capital subjects the independent producers – whose only commodity is now labour-power, and who contribute no capital to production – to the norms of capital, and buys their labour-power at cost-price. Bourgeois society has become the sphere in which labour-power alone is produced, all the protection afforded to that sphere by the feudal state having been withdrawn and its custodianship handed to capital.

Likewise, finance capital reduces the productive capitalist to the status of a salaried employee. As Marx puts it:

[For the productive capitalist using borrowed capital] profit of enterprise appears to him ... as the result of his function as a non-proprietor – a *labourer*. ... his profit of enterprise, far from being the unpaid labour of others, is itself rather a *wage* or wages of superintendence of labour. (Marx, 1894, Part V)

Interestingly, we also see today the tendency of the production of labour-power to upwardly adapt to capital, via franchise and outsourcing of labour and the transformation of wage-workers into subcontractors. At the same time, productive capitalism has spawned industries based on the *hire* rather than the purchase of their products, most notably in the internet industries.

Ideality resolves the conflict between ‘law of value’ and the general rate of profit and rate of interest. Value retains its meaning because it is manifested in the distribution of the total social labour-power across the economy. This claim only makes sense on the basis that value is abstract human labour. Likewise, the general rate of profit makes sense of the necessity to arrange for the distribution of the nation’s capital across the whole economy, producing the needed means of production and means of consumption for the population. The interest rate regulates the amount of profit extracted from the economy by productive capitalism.

Conclusion

The claim that Part I of *Capital* is concerned with ‘bourgeois society’ makes sense so long as it is understood as a *sphere* of capitalist society and value is understood as an ideality with a real historical basis. This approach opens the way to the use of Hegel’s concept of ideality to resolve the contradiction between the ‘law of value’ and the general rate of profit while utilising Marx’s categorical

genealogy to understand the real basis of each sphere. The recognition of 'bourgeois society' as an ideality described and analysed in Part I of *Capital* has nothing to do with a 'society of pure commodity production' preceding modern capitalism. 'Bourgeois society' is an analytical abstraction, *and* a real sphere of economic activity with its own history.

Appendix: References to Bourgeois Society in *Capital*

Marx never used the expression 'simple commodity production', but he did use the expression 'bourgeois society' 11 times across the three volumes of *Capital*.

Let us look at each of these 11 references to see if they are consistent with my claim that the term refers to the analytical abstraction which is the subject matter of Part I of *Capital* which has a real history as a subordinate sphere of pre-capitalist societies.

1. references to bourgeois society as an analytical abstraction in Part I

In Part I (on 'bourgeois society'):

'Those ancient social organisms of production are, as compared with **bourgeois society**, extremely simple and transparent. But they are founded either on the immature development of man individually, who has not yet severed the umbilical cord that unites him with his fellowmen in a primitive tribal community, or upon direct relations of subjection'.

'Such an idea could only spring up in a **bourgeois society** already well developed. It dates from the last third of the 17th century, and the first attempt to put it in practice on a national scale was made a century afterwards, during the French bourgeois revolution'.

and in the Afterword to Volume One with reference to the first chapter:

'But in **bourgeois society**, the commodity-form of the product of labour – or value-form of the commodity – is the economic cell-form'.

2. References to modern bourgeois society under the rule of capital

In the Hanseatic states of mediaeval times, a bourgeois society had flourished in the market towns, and bourgeois society was a feature early modern Germany. Marx refers to:

'in Germany, the development of the capitalist mode of production, and consequently the development, in that country, of modern **bourgeois society**'.

In the first line of Part V of Volume One, on Wages

'On the surface of **bourgeois society** the wage of the labourer appears as the price of labour, a certain quantity of money that is paid for a certain quantity of labour'.

Marx introduced labour-power, and therefore wages, only after introducing capital in Part II, because the 'wages' of apprentices and journeymen of mediaeval times were not truly wages, they were only the *appearance* of wages.

Wages existed in *rudimentary* form in bourgeois society, but *superficially*, they were the same as modern wages, and nothing in this line contradicts my claim.

The next mention of bourgeois society is after the end of Part III of Volume Three on Productive Capitalism. But the editor, Engels, noted:

‘The foregoing is placed in brackets, because, though a rehash of the notes of the original manuscript, it goes in some points *beyond the scope of the material found in the original*. – F.E.’

‘(... capitalists. These are the trustees of **bourgeois society**, but they pocket all the proceeds of this trusteeship.)’

Exactly. These are consistent with references to ‘modern bourgeois society’, subjected to the norms of capital, in the *Grundrisse*, and still consistent with my claim.

3. References to pre-capitalist realisations of bourgeois society

In a historical section of Volume Three, Part V on Finance Capital, Marx makes a comparison with the historical emergence of bourgeois society.

‘Just as the development of **bourgeois society** witnessed a separation of the functions of judges and administrators from land-ownership, whose attributes they were in feudal times’.

‘Saint-Simon speaks directly for the working-class and declares their emancipation to be the goal of his efforts. All his former writings are, indeed, mere encomiums of modern **bourgeois society** in contrast to the feudal order, or of industrialists and bankers in contrast to marshals and juristic law-manufacturers of the Napoleonic era’.

The remaining three mentions of ‘bourgeois society’ are all in the context of the early or pre-capitalist formations when the state was dominated by landowners.

In Vol. Three, Part VI on traditional landowning and rent – essentially antiquated spheres of modern capitalism – Marx makes three observations about the historical emergence of bourgeois society as a prerequisite for modern capitalism.

‘The assumption that the capitalist mode of production has encompassed agriculture implies that it rules over all spheres of production and **bourgeois society**, i.e., that its prerequisites, such as free competition among capitals, the possibility of transferring the latter from one production sphere to another, and a uniform level of the average profit, etc., are fully matured’.

‘Under the pretext of concern solely for the wealth of the nation and the resources of the state, they, in fact, pronounce the interests of the capitalist class and the amassing of riches in general to be the ultimate aim of the state, and thus proclaim **bourgeois society** in place of the old divine state. But at the same time they are consciously aware that the development of the interests of capital and of the capitalist class, of capitalist production, forms the foundation of national power and national ascendancy in modern society’.

‘It confounds them with questions that could only have been posed on a lower level of development of **bourgeois society**. The same holds true of its incessant and self-complacent rumination of the Physiocratic phrases concerning free trade. These phrases have long since lost all theoretical interest, no matter how much they may engage the practical attention of this or that state’.

In short, nothing Marx says contradicts my claim that ‘bourgeois society’ is an analytical abstraction with a real historical basis in preparing the preconditions for capitalist development.

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