Epilogue to an Unfinished Reception of Hegel

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No writer, not even Marx himself, has exercised more influence on radical and critical thought than Hegel. Every radical or revolutionary thinker of the past 200 years has been either a follower or a critic of Hegel of the first, second or third generation. This is remarkable for a professor of logic who lived in what was then a social and political backwater of Europe.

Even though he lived under an absolute monarchy – the system of rule targeted in his *Philosophy of Right* – he believed that reform of the state must proceed through the legal mechanisms provided by the state, and firmly directed his students to refrain from participation in radical political agitation.

However, when the master died in 1831, his students translated his philosophy into politics – or more accurately, translated politics into the language of Hegelian philosophy. In the hands of his students, Hegelian philosophy spilled over the walls of the academy and onto the streets of Europe.

The birth of Hegelian politics in Germany coincided with the first entry of the working class into revolutionary politics in its own right in the July 1930 Revolution in Paris. The convergence of these two streams has marked revolutionary politics ever since.

King Friedrich Wilhelm IV of Prussia decided that the state had to intervene in philosophy and invited Hegel's old friend Friedrich Schelling to Berlin and deliver a course of lectures which would 'stamp out the dragon seed of Hegelian pantheism' (Pinkard, 2000, p. 662).

In his lecture on the 15 November 1841, Schelling claimed that Hegel had confused 'essence' and 'existence', and what was required was a return to a philosophy of existence.

In Schelling's audience that evening were Friedrich Engels, Søren Kierkegaard, and Mikhail Bakunin. Thus began the reception of Hegel for which I am now asked to write an epilogue. As it turns out, it is far too early to write such an epilogue. In his famous aphorism, Michel Foucault wrote:

> … our entire epoch, … is trying to escape from Hegel: and what I have tried to say just now about discourse is very unfaithful to the Hegelian logos. But … our resources against him are perhaps still a ruse which he is using against us, and at the end of which he is waiting for us.
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> Foucault, 1970, p. 74

The young Engels saw it differently: 'It will be our business to follow the course of his [Schelling's] thinking and to shield the great man's grave from abuse. We are not afraid to fight' (Engels, 1841/1975, p. 187).

But his soon-to-be comrade Karl Marx had already published his PhD on Greek natural philosophy in March, and taken the opportunity to begin his critique of Hegel. Whereas Hegel and everyone else had focused on Democritus, the young Marx held that it was Epicurus who provided a clue to the source in material reality of human self-consciousness and ideas. Moreover, 'the world confronting a philosophy total in itself, is … a world torn apart', presaging Marx's critique of religion contending that religious belief is not just an illusion (See Smith, 1999).

Throughout his life, whenever Marx took on a new topic, he turned first to Hegel. When he resigned from the *Rheinische Zeitung* in March 1843, he wrote that 'the first work which I undertook to dispel the doubts assailing me was a critical re-examination of *Hegel's Philosophy of Right*'. His study of the *Philosophy of Right* led Marx to the conclusion that the origin of legal relations and political forms had to be sought in political economy (Marx, 1859).

Political conditions in the lead-up to the revolutionary upsurge of 1848 prevented Marx from beginning his study of political economy until 1857, by which time he was living in London. Using a copy of Hegel's *Science of Logic* he had borrowed from Bakunin, Marx once again read through this forbidding tome. He used it as a stimulus to develop his ideas on political economy while simultaneously studying the works of the British political economists. The outcome of almost a year's study was the *Grundrisse* – not the first draft of *Capital*, but an exercise in dialectical argument.

Although almost everything Marx published on Hegel was critical – often damningly so – Marx continued to use Hegel as his teacher, but he decided thereafter to leave all references to Hegel out of his economic writing, believing that too much Hegelianism would be a barrier to his audience.

In 1859, the first draft of *Capital*, known as *A contribution to the critique of political economy*, was published, already anticipating the shape of *Capital*; a decade later, the first volume of *Capital* was published. Marx continued working, but it was left to Engels to complete the work. The three volumes of *Capital* were composed, like the *Logic* and the books of Hegel's *Encyclopaedia*, through a series of germ-cells, generating a 'circle of circles', to use Hegel's expression. Over and above this, *Capital* was structured as a syllogism of the immediate production of capital, the circulation of capital, and the production of capital in general. Also, Marx used the structure of the *Philosophy of Right*, the first book to which he had turned in 1843, to combine the three distinct ethoses of modern capitalism: exchange of commodities, production of capital, and the charging of interest,

In the last years of his life, Marx turned to calculus to equip his political economy with an adequate mathematical apparatus. Did Marx turn to one of the great French mathematicians of his time? No – he turned to Hegel.

In the century following the publication of the first volume of *Capital*, *science* gained enormous popularity in the workers' movement. But encyclopaedic thinkers like Hegel were not just out of fashion; it had become impossible to carry forward scientific work in this speculative way. Science could advance only through myriad researchers, each focused on a single problem in isolation from any concern for the whole. In Hegel's day, the overall connectedness of all the processes in the universe was just becoming visible, but it could only be advanced speculatively until the hypotheses of science were filled with real content.

That idea that the continents had risen from the oceans was only formulated by Lyell in the last days of Hegel's life. Hegel would have been aware of Lamarck's speculation about the inheritance of acquired characteristics, but rightly as it happens, Hegel thought this implausible. Until Darwin's observations on the Galápagos Islands were reported with the publication of *On the Origin of*

Species, 28 years after Hegel's death, no one had ever witnessed a species in the process of change. Although Robert Hooke had speculated about cells in the 1660s, microscopes capable of observing the microscopic life of plants and animals were not developed until the 1830s. Hegel never travelled outside of Europe, and the only knowledge he had of life in Asia or Africa came through the distorted lens of Christian missionaries. His knowledge of history was considerable, but limited to the classics of Greco-Roman literature preserved through the Church.

As a result, the only parts of Hegel's writing which, as to their *content*, have any merit whatsoever for the modern reader are the *Logic* and the *Philosophy of Right*. Logic, of course, has no positive content, and Hegel's *Logic* has proved to be timeless. The *Philosophy of Right* is the only example Hegel left us of a positive science in which he had personal expertise and which, although outdated in some respects, still stands up to critique. Leaving aside those with an academic interest in early German philosophy as such, Hegel's interpreters have had little time for constitutional monarchy.

Thus, for most of the two hundred years since Hegel's death in 1831, his reception has been based on the *Logic*. Lenin helped ensure this by advising Communists that:

> It is impossible completely to understand Marx's *Capital*, and especially its first chapter, without having thoroughly studied and understood the whole of Hegel's *Logic*.
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> Lenin, 1914, p. 180

In short, people don't read the *Encyclopaedia*. They read the *Logic*, but it is very difficult to see how Hegel applied it to the study of the sciences without also studying Hegel's *Encyclopaedia*.

The only writers who understood how Hegel advised us to study the sciences are a few of Lenin's followers in the early Soviet Union, and, so far as I know, one later Soviet philosopher who continued their work: Evald Ilyenkov.

Nonetheless, one of the main ideas that 20th-century writers acquired from Hegel – and to a degree the whole movement of philosophy generated by the critique of Kant – was the concept of *immanent critique*: the idea that in criticizing a writer, rather than counterposing your view to that of your protagonist, you should *appropriate* was is valuable in the other's position, and, by critically examining it, demonstrate that it leads not to where the protagonist believed but to somewhere else – in this way showing that a counter-thesis is 'immanent' in the writer's own prose.

Immanent critique is, however, the method Hegel applies in the *Logic* to the critique of concepts, summed up in the notion of 'sublation'.

An archetypal immanent critique in the development of a science is found in Hegel's Introduction to the *Encyclopaedia*, which is the source of the fabled 'thesis–antithesis–synthesis', which, so far as I know, is not characteristic of any part of the work after the Introduction. Proudhon embraced 'thesis-antithesis-synthesis', which Marx and subsequent Marxists have ridiculed, but Marx did adopt immanent critique and applied it to political economy.

Political economy was the ideology of capitalism itself, enacted daily by its denizens. Simply counterposing the socialist utopia to capitalism was a hopeless

task, albeit one which absorbed Marx's fellow exiles in Britain. As a result of Marx's appropriation of Hegel's philosophy, immanent critique is the principal element of the reception of Hegel's philosophy to this day.

With the approach of the German Revolution in 1923, the first Marxist Work Week met in the summer of 1922 in Thüringia, inspired by publications of Karl Korsch and Georg Lukács (See Jay, 1973). Although these two did not join, the Frankfurt Institute was founded by others who attended the occasion – Felix Weil, Friedrich Pollock, Max Horkheimer, and Karl Wittfogel. The Frankfurt School launched what has become known as Critical Theory, probably the main vehicle for the reception of Hegel over the following century.

The Frankfurt Institute aimed to carry out scientific work in the service of the Communist Movement modeled on the concept of a university. Later they were joined by Franz Borkenau, Erich Fromm, Wilhelm Reich, Karl Landauer and Heinrich Meng of Frankfurt Institute of Psychoanalysis. When Hitler came to power, the Institute was closed down, and by various routes, most of the participants regrouped in New York, with a new Institute affiliated to Columbia University. They continued to publish in German however, ensuring their isolation from the workers' movement in America, so that the influence of their ideas on the Communist movement – already firmly in the grip of Stalinism – was limited.

Hegel-inspired criticism did not take root in America until the great social movements of the 1960s transformed America and the world. However, that characteristically American philosophy, Pragmatism, had been formulated by the Progressive Movement of the first decade of the twentieth century. John Dewey had studied Hegel under George Sylvester Morris, who had acquired his Hegelianism during his studies in Germany between 1865 and 1868. Morris gave Dewey a strongly Christian reading of Hegel, but Dewey successfully translated this version of Hegel into a materialist philosophy suited to American conditions. The rather eccentric Charles Sanders Peirce founded Semiotics and had a complex relationship with Hegel, describing his own philosophy as 'Hegelism in a strange costume' (1892).

In the Trotskyist movement, just as in the Comintern, a manufactured dogma of 'dialectical materialism' obscured the abandonment of Hegel's legacy and Anarchism likewise found little use for Hegel. After the fall of the Soviet Union, many writers from these currents have worked to revive Hegelianism.

Up until World War II, almost no one read the *Phenomenology*. Only a limited first edition existed in Hegel's lifetime, and it was not taken up widely until the French did so beginning in 1947. Appropriation of Hegel in France was limited by the absence of a satisfactory translation of Hegel's *Encyclopaedia*. It was only with the appearance of Hyppolite's excellent French translation of the *Phenomenology* in 1941 (and subsequently other works) that Hegel caught the eye of Francophones. With Kojève's lectures shortly before the outbreak of World War II, suddenly everyone wanted to read the master-servant narrative.

This highly eccentric passage is very uncharacteristic of Hegel, but since 1947 it became the touchstone of French philosophy. It struck a chord in France when the Algerian War broke out in 1954, giving the Left a philosophical model of

domination and resistance. Hegel had appropriated the catchcry of the Haitian Revolution: 'Death before slavery!' *This* Hegel resonated with French radicals.

France is also home, however, to Structuralism, which marked its founding in the Linguistics of Saussure and the Anthropology of Lévi-Strauss. Structuralism appealed to the ethos of postwar Europe and to the appearance of an unchangeable structure. If there was to be change, it could only be the work of the structure itself. The Structuralists became the foremost critics of Hegel, and proved a major obstacle to the appropriation of Hegel in Sociology.

In the mid-1960s, in the wake of the death of Stalin, *Marxist humanism* emerged in Eastern Europe. In 1965, Erich Fromm, encouraged by the emergence of the *Praxis* group in Yugoslavia, published *An International Symposium on Socialist Humanism*. Among those who submitted contributions were Erich Fromm, Herbert Marcuse, Raya Dunayevskaya, Ernst Bloch, T.B. Bottomore, Lucien Goldmann, Maximilien Rubel, Eugene Kamenka, Mathilde Niel, Richard Titmuss, Umberto Cerroni, Predrag Vranicki, Gajo Petrović, Mihailo Marković, Adam Schaff, Marek Fritzhand, Léopold Senghor (see Jay, 1973). These writers, from every corner of the world, were among those who drew on the *active* role of the subject in Hegel's philosophy to respond to the deadening hand of Soviet orthodoxy.

Those who initiated the 'New Left' in the early 1960s in Britain and the U.S. were also stimulated by the emergence of new social movements in the West. These include the founders of the *New Left Review* in England (E.P. Thompson, Raphael Samuel, Raymond Williams, Stuart Hall, Ralph Miliband, Alasdair MacIntyre, Isaac Deutscher and John Saville) and people like C. Wright Mills in the U.S., and German Greens like Rudolf Bahro. All these radical critics of modernity drew on the *active role of the subject* in Hegel's philosophy – which Marx had referred to in *Theses on Feuerbach* (1845): 'Hence it happened that the active side, in opposition to materialism, was developed by idealism' – to break out of the straightjacket of Functionalism, Structuralism and orthodox Soviet Marxism.

The upsurge of the 1960s was obviously not *caused* by Hegelian philosophy. The leaders of these movements, however, did study Hegel. According to his autobiography, Martin Luther King studied Hegel while at Crozer and later at Boston University, attracted by the idea that truth unfolds through history.

The founder of the modern Women's Liberation Movement, Simone de Beauvoir, studied Hegel's *Phenomenology* and drew it a critique of patriarchy, introducing the use of 'the Other' to into Hegelian social criticism.

Following the lead of the French Left, Franz Fanon also appropriated Hegel's *Phenomenology* for his critique of colonialism, and Gayatri Spivak likewise engaged with Hegel through a postcolonial and deconstructive lens.

On the other hand, Edward Said, a founder of Post-colonialism, cast Hegel as a foundational figure in 'Orientalism' and took Hegel as his *protagonist* as a philosophical representative of Imperialism.

The melding of Hegelian philosophy with Freudian Psychoanalysis which the Frankfurt School had initiated in the 1930s was taken up by Jacques Derrida. Likewise, French Poststructuralists have have often taken Hegel as their whipping boy.

Nancy Fraser, a leading Critical Theorist, has drawn selectively on Poststructuralism while returning to Hegel – especially the *Philosophy of Right* – as a resource for the immanent critique of modern capitalist society..

The youngest of the first generation of the Frankfurt School and an important leader of Critical Theory in postwar period, Jürgen Habermas is one of those Critical Theorists who abandoned Hegelian critique and instead returned to Kant. Without denying Habermas's contribution to Critical Theory, it spoke volumes that he and the spokesperson of American liberalism, John Rawls, published a dialogue between them concluding that there were no essential differences between them.

In general, wherever it went, Hegelianism ran against the stream.

But this epilogue comes too soon.

Immanent critique is the engine of the *Logic* itself, applied to one concept at a time. The logic *moves* by pushing a concept to its limits and then beyond. The dialectic thus retains the truth of a concept while negating it, thereby generating a new concept. This process is known by its uniquely German word, 'sublation'. On the whole, through the practice of immanent critique in discourse, interpreters of Hegel have learned to apply the method of sublation.

One feature of the dialectic was obscured in the very act of demonstrating it. Where to begin? 'Every beginning is difficult, holds in all sciences', said Marx (1867, Preface).

Mastering the technique of immanent critique and sublation does not provide this answer, precisely because Hegel applied it consistently in the *Encyclopaedia*. The beginning of each science was given by the resolution of a problem or singularity in the 'preceding' science. But 'preceding' makes sense only in the context of a complete encyclopaedia of the sciences. Only Hegel had such a system in his hands. Thus, for example, the starting point for the *Philosophy of Right* was already given in the concluding paragraphs of the 'preceding' science, the *Philosophy of Subjective Spirit*. Without the benefit of such a comprehensive system, already arranged in 'logical' order, how is one to determine the starting point of a science?

This element of the dialectic, though its *genesis* was explained in the Doctrine of Essence in the *Logic*, was itself left unexplained. Any positive science aims to elucidate some phenomenon or discover the solution to some problem. How to determine the starting point for such a science was buried deeply in arcane prose of the *Logic*.

What is demanded is the capacity to recognize, in any concrete individual object, what is universal and what is particular, and to discover the simplest something which is universal to that phenomenon or problem. This Hegel appropriated from the great poet and naturalist Goethe.

Marx was a near contemporary of Hegel's – his PhD was published only a decade after Hegel's death. The milieu in which Marx spent his youth was saturated with Hegelianism, and the epoch-making discoveries of natural science that would sideline Hegel's *Encyclopaedia* still lay ahead, even at the time when Marx was writing the *Grundrisse*.

This method is explained in the passage of the *Logic* entitled 'The Idea of the True', the key passage being on page 801 of 842 in what appears to be a kind of

afterthought to the *Logic*. Is it any wonder that twentieth-century writers never discovered it?

This element of Hegel's dialectic has been forgotten, but in my contribution to the Montreal Conference in December 2025 I demonstrated how Marx applied the method outlined in the 'Idea of the True' in writing *Capital*. The Soviet psychologist Lev Vygotsky (1896–1934) also used it in his short-lived career to build a general psychology based on his reading of *Capital*.

This epilogue is written too early because an entirely new generation of applications of Hegel's dialectic can now be developed. That is the next chapter.

How Marx used Hegel in his Critique of Political Economy

Marx grasped the *content* of political economy chiefly through a critical appropriation of the writings of the political economists, especially those of David Ricardo. But the *structure* of *Das Kapital* is drawn from 'The Idea of Cognition'. *Das Kapital* also reflects the structure of Hegel's *Philosophy of Right*, with *three distinct but interlacing ethical formations*.

In the way Marx appropriated the scientific work of others, *Das Kapital* thus resembles one of the books of Hegel's *Encyclopaedia*. Marx differed from Hegel in that he relied on 'categorical genealogy', his distinctive approach to historical analysis. Marx used this method in the selection, ordering, and analysis of concepts of political economy, rather than seeking superhistorical logical insights into categories, as Hegel had done.

Since the publication of Lenin's *Annotations on Hegel's Logic* in 1929, all the Marxists who have tried to show that Marx's *Capital* somehow mirrors the *Logic*, have got it wrong (see Blunden 2025). Unlike every other science, logic has no definite content, being the logic only of human practice *in general*. By contrast, all the positive sciences, political economy included, do have a definite content. Claims of a direct relationship between the *Logic* and political economy are baseless. However, none of the Marxists who have contributed to this debate have really studied Hegel, in particular the penultimate chapter of the *Logic* in which Hegel explains how he applied the *Logic* in the *Encyclopaedia*.

I will now present an overview of the *structure* of Marx's *Capital* (see Blunden 2025a). There are many other aspects of *Capital*, but I focus here only on its *structure*, which is Hegelian through and through.

First, *Das Kapital* presents the capitalist economy in three layers, each of which is an analytical abstraction, but one that has a real historical and social basis and is characterized by a specific economic ethos. This structure resembles that used by Hegel in his *Philosophy of Right*, which represents the modern state as the unity of civil rights belonging to all persons, subjects pursuing their own welfare according to morality, and a state whose laws apply to citizens according to their social position.

In **Bourgeois Society**, independent producers, whether individuals or companies, own their means of production and exchange their products at their value– that is, according to the average labor time required for the production of each particular commodity – and money singles itself out to play the role of a *universal* commodity. Producers do not necessarily appropriate a surplus and

may stop work once they have produced the equivalent of the necessities for their subsistence.

This formation is analyzed in Part I of Volume One of *Capital*. Bourgeois society originated in towns in the Middle Ages, within the interstices of feudal society. Guildmasters organized themselves in companies and guilds in which decisions were made on the basis of one man, one vote. These guilds included merchants concerned with the technical business of commodities circulation.

People must labor, whatever the social form of that labor and however surplus labor is appropriated; but exchange determines the meaning of 'value' in its simplest social form – the commodity – and its magnitude, abstract labor time.

In **Productive Capitalism**, capitalist firms buy and sell their products as commodities. The independent producers of bourgeois society have been split into capitalists and proletarians. Capitalists use labor-power purchased from proletarians, who are paid a subsistence wage and forced to work long hours, the surplus of which is appropriated by the capitalists.

Capitalist firms sell their products at cost-price plus profit, profit being proportional to the total capital turned over in a given period.

Commercial capital develops as a particular branch of productive capital engaged in the technical business of the circulation of commodity-capital and its conversion into money-capital.

Productive capital is dealt with beginning with Part II of Volume One, where the unit of capital is defined, right up to Part III of Volume III. Part IV deals with commercial capital, which exists alongside industrial capital.

Finance Capitalism arises out of commercial capital but is concerned only with the lending of money and the trading of various forms of credit. The productive capitalist is transformed into a salaried manager or supervisor of productive capital. Ownership is separated from function, and capital achieves its pure form, lacking any role in production. Just as productive capital reduces the worker to the rank of an instrument wielded by the capitalist in production, finance capital reduces the industrial and commercial capitalist to the status of a salaried employee of finance capital.

Finance capital is dealt with in Part IV and landowning capital in Part V of Volume Three.

Landowning Capital has ancient roots but is transformed into a particular branch of Finance Capital and plays no role in production.

Each of the these three layers corresponds to a distinctive economic ethos. In Bourgeois Society, products are sold at their value. In Productive Capitalism, products are sold at the cost of production plus profit. Finance and landowning capital lend their property (capital or land) at interest without relinquishing ownership, and play no role in production. Finance capitalists *redistribute* capital within the bounds set by the total social value.

This three-layered formation represents developed industrial capitalism, now dominated by finance capital.

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Productive capitalism itself is grasped as a Hegelian syllogism.

The **immediate production of capital** begins by defining the unit of capital in Part II of Volume One, and each capital is analyzed as independent of every other unit. Each unit produces commodities, each of whose value has sub-units: *constant* capital (the value of means of production consumed), *variable* capital (the value of labor-power consumed) and *surplus* value.

The total values of each of these components correspond to the *same* components of the total social labor, which can be derived by simple addition, because each unit of capital is considered separately.

Commodities are sold at their value by each unit of capital. Although competition is not dealt with until Volume Three, the tendency of prices to their average does not affect the total value of each component, only the *division* of value between buyers and sellers. The division of the total social labor into constant, variable, and surplus value is the secure outcome of Volume One. Nothing that follows in *Das Kapital* or in real life undermines this conclusion.

The **circulation of capital** is dealt with in Volume Two**.** Each of the separate capitals of Volume One is now analyzed as connected in *circuits* of value beginning and ending with the sum of money-capital advanced for production. The unit is an isolated passage from money-capital purchasing inputs for production of commodity-capital, sold and returning an expanded quantity of money-capital in turn converted into productive capital. This value circuit cannot on its own recreate conditions for the continued accumulation of capital and an ongoing form of life. It is not enough that *value* complete the circuit from money-capital through production to commodity-capital and conversion back into money-capital – each of the *particular* concrete forms of labor and components of capital must likewise be renewed.

The unit on which Volume Two is based is the circuit of a single capital, like the unit defined in Part II of Volume I, but now including production and circulation within each unit. Each component of the production process – including all the machinery, raw materials and labor-power, must be renewed, as well as all the diverse artifacts and activities that realize the surplus labor appropriated in production – activities without which the capitalist social formation cannot exist.

This circuit, beginning and ending with money-capital, is the *universal* circuit of capital, and must be accompanied by the *particular* circuits of commodity-capital (recovering a stock of commodities of all kinds, approximating the demand for each) and of productive-capital (the maintenance, repair and upgrading of machinery; acquisition of new supplies of raw material; and the needs of the workforce duly met, ready for a new cycle of production).

In addition to these three units, the circuit of commodity-capital must be divided into sub-units: the circuits corresponding pass into productive consumption and individual consumption including luxury consumer goods of the capitalists themselves (called Department One and Department Two).

Note that the mediated logical division of the subject matter set out above accords with Hegel's requirement that each unit first be analysed *on its own* before being mediated through its relations with *other* units. However, the different capitals are still taken as if completing the circuit as independent units

of capital, as if the renewal of all its components was the work of each unit of value acting separately.

Capitalist production as a whole is dealt with in Volume Three. The circuits of capital now no longer act side-by-side, independently of one another, but *act upon* one another. The social capital is taken to be an integral whole, with each unit of capital acting upon others through the commodity market and the capital market.

Specifically, this means that the surplus value appropriated from unpaid labor by *each* of the capitals is *shared* amongst units of capital, *in proportion to the size of each capital*, whether or not they be productive. This sharing of surplus value effects the equalization of the rate of profit on capital, and products are accordingly sold at cost-price plus profit, profit being calculated according to the general rate of profit.

Part III of Volume Three, completes the conceptual reconstruction of productive capital as such.

Volume Three continues the examination of the process whereby productive capitals *share* their surplus value to include finance capital and landowning capital. The schema used in the foregoing parts of *Das Kapital*, in which the total is determined before the *sharing* of this total, is repeated in the relation between productive capital and finance capital. No new surplus value is produced by finance capital or landowning capital.

I have thus far presented the two *major arcs* of synthesis to provide an overall picture of the structure of the whole work before moving to the detail. However, before it is possible to synthesize one must analyze.

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In line with Hegel's requirement, the detail of *Das Kapital* consists in the identification of a series of 15 novel units or 'germ cells', each followed by the identification of a contradiction within the unit and its development. I say 'novel' because each unit represents a distinct insight into the structure of the subject matter, with each successive unit arising from the foregoing exposition. Marx's division of *Das Kapital* into parts, each containing several chapters, corresponds to the exposition of each of these units.

It is this structural layer that will be new to most Marxists, but it is basic to the whole of Hegel's *Encyclopaedia*. Marx differs from Hegel in that he uses a *genealogical approach to economic history*, in combination with immanent critique of political economy, to determine each of the units or germ cells, whereas Hegel claimed to rely exclusively on logical analysis of the data of the sciences.

The unit constitutes the *content* of each part. Any positive science differs from Logic in having a definite content, represented in the unit which makes the starting point of the science, and constitutes its content. This contrasts with the Logic, however, which begins from an empty concept. Once the entire field of phenomena is analyzed into units, both universal and particular, the synthesis reconstructs the whole.

Das Kapital begins with **the commodity** (Vol. One, pt. I), the simplest social form of value. The commodity is the foundation of the whole work, in that the

whole of *Das Kapital* is concerned with the transformation and distribution of value in a series of different forms. The concrete concept of 'value' is thus produced by the identification of these forms and their logical succession.

Every commodity is a particular kind of labor – that is, a use-value – and its magnitude – exchange-value – is abstract labor-time, being the socially necessary time required for the production of the given use-value. Exchange-value is more fundamental than price, which is but the *appearance* of value, affected by a multiplicity of social conditions manifested only when the commodity is exchanged. The substance of value is therefore abstract labor-time, whatever the form of value. The universal commodity is *money*.

The contradiction within the commodity is that the need of the user, met by the use-value, and the seller's wealth, constituted by the exchange-value are each determined by distinct processes. While this contradiction provides the engine that Adam Smith identified as a great organizing principle, the two processes inevitably come into conflict and prove to be antagonistic.

The **embryonic** (*Schmetterlingsentfaltung*) **unit of capital** (Vol. One, pt. II) is an individual capitalist who buys in order to sell more dearly. The individual capitalist, Mr. Moneybags, develops into a capitalist firm. The universal form of capitalist firm, the *industrial* capitalist, exists alongside the continued existence of the particular forms of the merchant capitalist and the usurer.

Capital is a unique form of value that can arise neither within circulation nor outside circulation, but must continuously be put into circulation and withdrawn again. The universal form of capital is *industrial* capital, which employs labor-power and expands its magnitude by appropriating surplus value from the laborer.

The **unpaid labor-time** (Vol. One, pt. III) worked each day by the laborer over and above the time necessary to produce the equivalent of their day's subsistence is appropriated by forcing the laborer to work longer hours. This is the surplus value acquired by an industrial capitalist. All the surplus value accrued by the total social capital, and subsequently redistributed among the various sectors of the capitalist class and shared with landowners and finance capitalists, is equal to the total of unpaid labor time of all workers involved in the social production process.

In the same part of Volume One, Marx defines second-order units which are the three component parts of capital: *constant* capital, *variable* capital and *surplus* value.

Unpaid labor-time is the bone of contention between the two classes, workers and capitalists.

The **necessary labor time** (Vol. One, pt. IV) is the time required, on average, by each worker to produce the equivalent of their daily needs. Its significance lies in the fact that the progressive development of the productive forces by productive capital tends continuously to reduce this necessary labor time, which constitutes the share of the total social labor that accrues to the working class.

In their individual efforts to increase profits by raising the productivity of labor, the capitalists *collectively* reduce the rate of profit by reducing the value of variable capital.

The unit of **productive labor** (Vol. One, pt. V) arises because, as Marx says: 'it is no longer necessary for you to do manual work yourself; enough, if you are an organ of the collective laborer'. Productive labor is not restricted to hands-on production.

The industrial capitalist pays the **day's wage** (Vol. One, pt. VI) to the worker for the use of their labor-power over an entire working day. Its value is the necessary labor time. Marx isolates this unit to analyze the various particular forms of payment that serve to disguise the nature of the value of the worker's labor-power.

These are the six units defined in Volume One. Volume Two defines a further three units.

The basic unit of Volume Two (Vol. Two, pt. I) is the **circuit of value** from money-capital to productive capital to commodity-capital and back to money-capital, ready for reinvestment in expanded form.

This *universal* unit is interlaced with the *particular* units, namely the circuit of commodity-capital and the circuit of productive capital.

Each individual circuit plays a part in ensuring the conditions for the renewal of the whole.

Turnover (Vol. Two, pt. II) is the time taken for a unit of capital to complete its circuit and return to its original form. The turnover time makes the denominator of constant capital in the calculation of the rate of profit.

The need to put capital into circulation and withdraw it as quickly as possible forces the capitalist to try to reduce the turnover time.

The **unity of circulation and production** (Vol. Two, pt. III) is the process by means of which a unit of capital circulates so as to reproduce the *entire* capitalist social formation, not confined just to the circuit of productive capital. This circuit is here generalized to include the reproduction of all facets of capitalism. Capital must not only renew itself, but also renew the entire social formation.

There are *six* units derived in Volume Three.

The **cost-price** (Vol. Three, pt. I) is the portion of the total value of a commodity accounted for by the *total* capital invested, irrespective of its division into constant capital and wages. The **price of production** is the cost-price plus profit on the total capital invested.

Cost-price and price of production are mere appearances and do not correspond to the needs of society for its reproduction. This is the *appearance* of the economic categories under the rule of capital.

The **average rate of profit** (Vol. Three, pt. II) is the total social surplus divided by the total capital invested in a given period, such as a year. This rate is jointly determined by the commodity market and the capital market and applies to all units of capital, whether productive or commercial.

The rate of profit can be equalized only by industries that are inherently more profitable cross-subsidizing those sectors that must sustain a large quota of constant capital or a long turnover time. This happens through commodities being sold *above or below their value* and through the movement of capital on the capital market, while the *total value* of the social production remains fixed.

Accumulated constant capital (Vol. Three, Part III) is the mass of material and machinery that the capitalist has accumulated and which must engage in production. Marx demonstrates that the drive to increase the productivity of labor inevitably leads to a disproportionate increase in this mass. Therefore, as the rate of surplus value increases, the absolute value of profit grows, but its proportion to capital advanced – the rate of profit – tends to decline. Here the fundamental contradiction between production for profit and production for human needs is manifested.

The **commercial capitalist** (Vol. Three, Part IV) is a capitalist firm that buys in order to sell more dearly, but deals solely with *forms of credit* arising within the circuits of capital.

The activity of commercial capital in its pure form is speculative and does not contribute to the creation of the social surplus at all.

The **finance capitalist** (Vol. Three, Part V) is a capitalist firm that does not exchange commodities but *lends* money-capital *without relinquishing ownership* of it, and charges *interest* for the use of it. This is the universal form of finance capital; particular forms of finance capital include those firms who hire out the use of infrastructure – such as platforms like Facebook or networks like Starlink – on the same basis.

In finance capital, function is divorced from ownership. The interest of finance capital in the expansion of credit serves only as a burden on the back of productive capital and as the source of a new class antagonism.

The **private landowner** (Vol. Three, pt. VI) is a unit that plays no part in production whatsoever, but charges a levy on productive capital by means of its monopoly control of land.

The private landowner is a redundant class, surviving only on the basis of an inherited monopoly of the land.

This completes the fifteen units resulting from Marx's analysis of modern capitalism, which are synthesized in *Das Kapital*.

* * *

As can be seen, the writing of *Das Kapital* entails a critical study of economic science as it existed at the time, isolating a series of distinct phenomena or problems that together constitute the nature of the whole process. In each case the writer must identify a single unit that expresses the nature of the problem or phenomenon in a nutshell – like the elements of chemistry or the organisms of biology. The units express the phenomena in their simplest form, like molecules or embryos, working together in a kind of ecosystem. Any phenomenon is manifested in an array of such entities, but analysis will determine *that one* such unit that is universal – the hydrogen atom or the single cell. All aspects and problems can be revealed beginning from the examination of these units, or germ cells.

The writer must be able to determine *which* unit is universal and fundamental to the domain of phenomena concerned. In this case, first of all: the commodity, Mr. Moneybags, and the Banker. The writer must then arrange the various units in order so as to reveal the conditions of existence of each successive unit in terms of simpler units. This is the method perfected by Hegel in his *Logic*.

Despite the conviction of many Marxists that *Das Kapital* is some kind of mirror of the *Logic*, as if Marx thought that capitalism was *logical*, every one of the categories of *Das Kapital* is an *economic* category, the content of which is represented in its units, ultimately *social labor*. Logic, on the other hand, is a science with *no definite content*, only human practice in general. Every positive science has definite content, content captured in its units.

Nor was *Hegel* under the illusion that modern society was based on an 'empty concept'. The content of the *Philosophy of Right* was not *Being*, but *private property*. Marx differed from Hegel on this point and began from the active *exchange* of commodities, rather than simple private property.

Das Kapital is a work of science, but its categories are derived not only by analysis of modern society as it is found here and now, but also from a study of the *historical* development of modern economy. Its categories are *both* historical and logical. Marx's use of history, which I call 'categorical genealogy' and is key to his use of the dialectic.

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