

# Overview of the Hegelian structures in Marx's Capital

Talk by Andy Blunden, October 2025

All of the Marxists who have tried, since the publication of Lenin's Annotations on Hegel's Logic in 1929, to show that Marx's *Capital* somehow mirrors *Logic*, have got it wrong. Unlike every other science, Logic has no definite content. All the positive sciences, political economy included, on the contrary, do have definite content. Claims of a direct relationship between the *Logic* and political economy is therefore nonsense. However, none of the Marxists who have contributed to this debate have bothered to really study Hegel, in particular the penultimate chapter of the Logic in which Hegel explains how he constructed the *Encyclopaedia*.

I will present an overview of the *structure* of Marx's *Capital*. There are many other aspects of *Das Kapital*, but I am concerned here only with its *structure*, which is Hegelian through and through.

\* \* \*

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

\* \* \*

In **Bourgeois Society**, independent producers (individuals or companies) own their own means of production and exchange their products at their value, that is, according to the abstract labour-time required for the production of each commodity. One commodity singles itself out to play the role of a *universal* commodity, money. The 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 presented in Part I of Volume One of *Capital*. Bourgeois society originated in the Middle Ages within the interstices of feudal society. Guildmasters organised 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 the circulation of commodities.

People must labour whatever the social form of that labour and however the surplus labour is appropriated, but exchange allows the determination of the meaning of “value” in its simplest social form, the commodity, and its magnitude as abstract labour-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 the proletarians. The capitalists use labour-power purchased from the proletarians who are paid a subsistence wage and forced to work long hours, the surplus of which is appropriated by the capitalists.

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

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

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

\* \* \*

**Finance Capitalism** arises out of commercial capital but is concerned only with the lending of money and trading in various forms of credit. The productive capitalist is essentially 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 reduced the worker to the rank of an instrument which the capitalist wields in production, finance capital reduces the industrial and commercial capitalist to the status of salaried employees of finance capital.

Landowning Capital has ancient roots but is transformed into a particular branch of Finance Capital, also playing no role in production.

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

EACH of the above 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 (credit or land) at interest without releasing ownership of it, and play no role in production itself.

The above three-layered formation represents developed *industrial capitalism*, now dominated by finance capital.

\* \* \*

Productive capitalism 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 analysed as independent of every other unit. Each unit produces commodities each of whose value is composed of *constant* capital (the value of means of production consumed in production), *variable* capital (the value of the labour-power consumed) and *surplus* value (the product of unpaid labour-time).

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

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 labour between constant, variable and surplus value is the secure outcome of Volume One. Nothing which follows in *Das Kapital* or in real life undermines this conclusion.

A number of important tendencies are also established, such as the revolutionisation of technique with the resulting reduction in necessary labour time, the drive to increase the length of the working day, the dependence of profit on the length of the working day and the impoverishment of the working class.

\* \* \*

Volume Two concerns the **circulation of capital**. Each of the separate capitals of Volume One are now analysed as connected in circuits of value beginning and ending with the sum of money-capital advanced for production. The simple 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 on-going form of life. It is not enough that *value* must complete the circuit from money-capital through production to commodity-capital and conversion back into money-capital – each of the particular concrete forms of labour 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 the production and circulation processed within each unit. Each component part of the production process, including all the machinery, raw materials and labour-power, must be renewed, as well as all the divers artefacts and activities which are realised as equivalents of the surplus labour 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 in abundance the demand for each) and of productive-capital (the maintenance, repair and upgrading of machinery, acquisition of new supplies of raw material, and of 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 the circuits corresponding to constant capital, the subsistence products for the life of the workers and the 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 by the foregoing accords with Hegel's requirement that each unit first be analysed on its own, before it is 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.

\* \* \*

Volume Three concerns the process of **capitalist production as a whole**. The units 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 labour by *each* of the capitals is *shared* amongst units of

capital, whether or not they be productive, *in proportion to the size of each capital*. This sharing of surplus value effects the equalisation 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 industrial capital as such.

Volume Three continues the examination of the process whereby productive capitals *share* their surplus value to include the sharing of surplus value with finance capital and landowning capital. The schema used in the forgoing 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 and landowning capital.

Just as industrial capital arose on the basis of bourgeois society and subordinated bourgeois society to its own laws, finance capital arises from productive capital and subordinates productive capital to its own laws.

\* \* \*

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 matters of detail. However, before it is possible to synthesise one must analyse.

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

It is this structural layer which will be new to most Marxists. but it is basic to the whole of Hegel's Encyclopaedia. Marx differs from Hegel in that Marx 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, unlike the Logic which begins from an empty concept. Once the entire field of

phenomena is analysed into units, both universal and particular, the above synthesis reconstructs the whole.

\* \* \*

*DAS KAPITAL* begins with **the commodity** (vol 1, pt. I), the simplest social form of value. The commodity is the foundation of the whole work in the sense 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 labour, use-value, and its magnitude, exchange value, is abstract labour-time, being the socially average 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 labour-time, whatever the form of value. The universal commodity is *money*.

The contradiction within the commodity is that the need of the user served by the use-value on one hand, and on the other hand, the seller’s riches constituted by the exchange value, each belong to distinct processes. Whilst this contradiction provides the engine which Adam Smith identified as a great organising principle, the two processes inevitably come into conflict and prove to be antagonistic.

\* \* \*

The **embryonic unit of capital** (vol. 1, 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 is the *industrial* capitalist, which exists alongside the continued existence of the merchant capitalist and the usurer.

Capital is a unique form of value which 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 labour-power and expands its magnitude by appropriation of surplus value from the labourer.

\* \* \*

The **unpaid labour-time** (vol. 1, pt. III) worked every day by the labourer over and above the time necessary to produce the

equivalent of their day's subsistence, is appropriated by forcing the labourer 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 subsequently shared with landowners and finance capitalists is equal to the total of unpaid labour time of all the 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. Constant capital is the value of the productive capital which is merely transformed and reproduced in production with a constant magnitude of value.

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

\* \* \*

The **necessary labour time** (vol 1, pt. IV) is the time required by each worker, on average, to produce the equivalent of their daily needs and paid by the capitalist to the worker. Its significance is that the progressive development of the productive forces by productive capital tends to continuously reduce this necessary labour time, which constitutes the share of the total social labour which accrues to the working class.

In their endeavours to increase their profits by increasing the productivity of labour, the capitalists *collectively* reduce the rate of profit by reducing the value of variable capital.

\* \* \*

The unit of **Productive labour** (vol. 1, 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 labourer." Productive labour is not restricted to hands-on production.

\* \* \*

The industrial capitalist pays the **day's wage** (vol. 1, pt. VI) to the worker for the use of their labour-power for an entire working day. Its value is the necessary labour time. Marx isolates this unit to analyse the various particular forms of payment which serve to disguise the nature of the value of the worker's labour-power.

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

\* \* \*

The basic unit of Volume Two (vol. 2, pt. I) is the circuit of a commodity from the form of 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 being the circuit of commodity-capital and the circuit of productive capital.

Each individual circuit plays a little part in ensuring the conditions for the renewal of each circuit. A multitude of crises and accidents must be overcome in the absence of any overall plan.

\* \* \*

**Turnover** (vol. 2, pt. II) is the time taken for a unit of capital to complete its circuit and return to capital in the same form. The turnover time makes the denominator of constant capital in determination of the rate of profit.

The need to put capital into circulation and pull it back out as fast as possible forces the capitalist to try to reduce the turnover time.

\* \* \*

The **unity of circulation and production** (vol. 2, 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, which functions as the unit which is generalised here to include the reproduction of all facets of the capitalist social formation. Capital must not only renew itself, but must renew the entire social formation.

There are six units derived in Volume Three.

\* \* \*

The **cost-price** (vol. 3, pt. I) is the portion of the total value of a commodity which is 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. 3, pt. II) is the total social surplus divided by the total capital invested in a given period of time, such as a year. This rate is determined by the joint action of the commodity market and the capital market and applies to all units of circulating capital whether productive or commercial.

The rate of profit can be equalised only by industries which are inherently more profitable cross-subsidising those sectors which have a large quota of constant capital to sustain. This happens by commodities being sold *above or below their value* and by the movement of capital on the capital market while the *total value* of the social production remains fixed.

\* \* \*

**Accumulated constant capital** (vol. 3, Part III) is the mass of material and machinery which the capitalist has accumulated and which must be engaged in production. Marx demonstrates that the drive to increase the productivity of labour inevitably leads to a disproportionate increase in this mass. Therefore, with the increase in the rate of surplus value, 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. 3, Part IV) is a capitalist firm which buys in order to sell more dearly, but deals solely with *forms of credit* arising in the circuit of commodity capital.

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

\* \* \*

The **finance capitalist** (vol. 3, Part V) is a capitalist firm which *lends* money-capital *without releasing ownership* of it, and charges *interest* for the use of money-capital. 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 the source of a new class antagonism.

\* \* \*

The **private landowner** (vol. 3, pt. VI) is a unit which 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 15 units resulting from Marx's analysis of modern capitalism, which are synthesised in *Das Kapital*.