

A “Phenomenology of Capital”

Uma “Fenomenologia do Capital”

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Abstract: The paper addresses the question of the methodology that Marx used in *Capital*. The hypothesis is that Marx utilizes Hegel's *Phenomenology of Spirit* as paradigm rather than *The Science of Logic* as is widely believed. The argument discerns the phenomenology of the 19th century from the current understanding which was shaped by Husserl. In addition, I trace the idea of a phenomenology in economics back to the circle of Young Hegelians around Proudhon. Yet, the argument is conclusive only by a close look to the use Hegel and Marx make of distinguishable levels of abstraction within their respective expositions. The paper demonstrates especially the parallels in the beginning of both books and the way their authors proceed from one level to the next. By contrast to current approaches which employ the *Science of Logic* as paradigm, I stress the specificity which the objects of investigation exhibit on their particular levels of abstraction. Examples are the difference of values and market prices and the discrimination between capital in general and the capital as one of many competitive capitals.

Keywords: Method of *Capital*. Phenomenology. Abstraction. Marx. Hegel

Resumo: O artigo aborda a questão da metodologia que Marx utilizou em “O Capital”. A hipótese é que Marx utiliza a “Fenomenologia do Espírito” de Hegel como paradigma, em vez da “Ciência da Lógica”, como se acredita. O argumento discerne a fenomenologia do século 19 a partir da compreensão atual, moldada por Husserl. Além disso, eu remeto a ideia de uma fenomenologia em economia de volta ao círculo dos jovens hegelianos em torno de Proudhon. No entanto, o argumento é conclusivo apenas por um olhar mais atento ao uso que Hegel e Marx fazem dos níveis distintos de abstração dentro de suas respectivas exposições. O artigo demonstra especialmente os paralelos no início de ambos os livros e a forma como os seus autores avançam de um nível para o outro. Em contraste com as abordagens atuais que empregam a “Ciência da Lógica” como paradigma, eu saliento a especificidade que os objetos de investigação exibem em seus níveis particulares de abstração. Exemplos são a diferença de valores e preços de mercado e a discriminação entre capitais em geral e capital como um de muitos capitais em competição.

Palavras-Chave: Método de “O Capital”. Fenomenologia. Abstração. Marx. Hegel.

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The relation of Hegel's philosophy to Marx's critique of the political economy is traditionally viewed as a mapping of the *Science of Logic* whether in part or in total to the categorical development in *Das Kapital*. This tradition relies on sparse remarks by Marx himself who reports the influence that Hegelian dialectical categories had on his treatment of economic issues.² Engels canonised this view of the dialectic as the scientific method employed by Marx.³ And when Lenin declared: "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*" (LENIN, 1976, p. 180), the standard interpretation was born. Obviously, from the 60ies onwards the reading of the Marxian framework with the help of Hegelian categories became more and more sophisticated and did no longer resemble Engels rather generalised identification of dialectics with an understanding of change or the oversimplification of "thesis, antithesis, and synthesis" which e.g. Proudhon took as the essence of Hegelian dialectics (cf. KRIER, 2010, p. 59f.) and which were still taught by schoolbooks in the socialist world. Yet, the reflections on the intricate relation of the universal value form to its concrete realisations in particular use values and—necessarily—money (somehow universal and particular at once) which Marx eventually had in mind when he wrote about the helpful influence of Hegel's *Science of Logic* in methodological matters, does not constitute an efficient key to the interpretation of *Das Kapital* as a whole. Even though I prefer a reading of the *Das Kapital* which is deeply indebted to the analysis of the value form established by such rigorous interpretations⁴, I would like to present an alternative account of the influence that Hegel's philosophy had

² Cf. especially the letter of Karl Marx to Frederick Engels (16 January 1858) where Marx—while writing the *Outlines of the Critique of the Political Economy*—claims: "What was of great use to me as regards *method* of treatment was Hegel's *Logic* at which I had taken another look by mere accident, Freiligrath having found and made me a present of several volumes of Hegel, originally the property of Bakunin." (MECW, v. 40, p. 249) See also the remaining fragment of his letter to Dietzgen (9 May 1868) (MECW, v. 43, p. 31); and the letter of Marx to Kugelmann (27 June 1870) (MECW, v. 43, p. 528); but also the remark against the Hegelian dialectics in his letter to Kugelmann (6 March 1868) (MECW, v. 42, p. 544) and the more ambivalent Afterword to the Second German Edition (MECW, v. 35, p. 19).

³ Cf. especially the remark in Frederick Engels, *Socialism: Utopian and Scientific*: "That which still survives of all earlier philosophy is the science of thought and its laws—formal logic and dialectics." (MECW, v. 24, p. 303)

⁴ Still influential is the groundbreaking work of Hans-Georg Backhaus in this field of research (cf. BACKHAUS, 1980). For one of the more recent Anglophone attempts cf. Arthur, 2004, esp. ch. 5.

on the construction of *Das Kapital*. In short, my hypothesis is that Marx wrote or at least intended to write a “Phenomenology of Capital.”

A PHENOMENOLOGY BEFORE HUSSERL

What is meant here by the word “phenomenology?” The current understanding of phenomenology has been shaped mainly by Husserl’s methodology. In Husserl, phenomenology signifies a scientific explanation of the structure of consciousness and of its content. This close link between a theory of the consciousness and the topic of knowledge in the light of semblance and appearance results from Husserl’s methodological reliance on Descartes’ *Meditations*. As Descartes, Husserl wants to determine secure ground—a bedrock—for scientifically trusted knowledge. Husserl finds this ground in the immediately active consciousness; the “cogitationes” as he calls them echoing Descartes (cf. HUSSERL, 1983, p. 72).

“The whole pre-discovered world posited in the natural attitude, actually found in experience and taken with perfect ‘freedom from theories’ as it is actually experienced, as it clearly shows itself in the concatenations of experience, is now without validity for us; without being tested and also without being contested, it shall be parenthesized. In like manner all theories and sciences which relate to this world, no matter how well they may be grounded positivistically or otherwise, shall meet the same fate.” (Ibid., p. 62)

It is this methodological decision which forces Husserl to construct his theory of knowledge as a theory of consciousness and its content including all the problems of objectivity and intersubjectivity that dominated the phenomenological discourse by and after Husserl.

The situation was different in the time when Marx wrote *Das Kapital*. Back then “phenomenology” was used exclusively with reference to the *Phenomenology of Spirit* which was the book that was paradigmatic for Hegel’s philosophy among the Young Hegelians.⁵ An especially striking example is Karl Grün who wrote in 1847 as an introductory commentary to his translation of Proudhon’s economic theory:

⁵ Marx and Engels for instance who sometimes use the expression “phenomenon” in the loose sense of everyday language, refer by “phenomenology” exclusively to Hegel and his philosophy.

“What was tried in Political Economy before him [i.e. Proudhon] deserves the name science by far less than even the philosophy before Hegel. It consists of the assemblage of unorganised facts, some reflective determinations of these facts that are totally contradictory and incompatible [...] let us order these testimonies; let us complement one by the other and let us thereby help the Economy to achieve self-consciousness. Let’s write a *Phenomenology of value!*” (GRÜN, 1847, p. XXIXf., my translation)

What we can read from this quotation is that “phenomenology” was at the time not only a way of philosophising but a synonym for the scientific method itself. This observation remains valid even if we take into account that Marx did show everything but a friendly attitude towards Grün. His hostility was most clearly expressed in the postscript to a letter to Proudhon where he called Grün “a literary swindler, a species of charlatan, who seeks to traffic in modern ideas” and “tries to conceal his ignorance with pompous and arrogant phrases but all he does is make himself ridiculous with his *gibberish*”; moreover Grün is—according to Marx—“dangerous” because he comprises authors of renown “in the eyes of the German public” (MARX to PROUDHON (5 May 1846), MECW, v. 38, p. 39f.).⁶ Interestingly, in retrospect, Marx described Grün as his successor as Proudhon’s teacher in German philosophy who, however, “had the advantage over me that he himself understood nothing about it.” (MARX, 1865, p. 28)

There is no evidence that Marx ever commented directly on Grün’s philosophical introduction to the German edition of Proudhon’s *Philosophy of Poverty*. But, a passage of the *Manifesto of the Communist Party* which was directed against the appropriation in general of Proudhon and other French socialist writers by—inter alia—Grün reads: “The German *literati* [...] wrote their philosophical nonsense beneath the French original.” (MECW, v. 6, p. 511)⁷ And we know also how disappointed Marx was by Proudhon’s effort to merge Hegel’s philosophy and economical analysis: “M. Proudhon has nothing of Hegel’s dialectics but the language. For him the dialectic

⁶ The manuscripts of the *German Ideology* contain a review of Grün’s *Die Soziale Bewegung in Frankreich und Belgien* which is an ongoing accusation of poorly made plagiarism and is written in the very same vein as the postscript to the letter to Proudhon (cf. MECW, v. 5, p. 484–530). There is also a lengthy and equally acrimonious review by Engels of Karl Grün, *Über Göthe vom menschlichen Standpunkte* in the *Deutsche-Brüsseler-Zeitung* (cf. MECW, v. 6, p. 249–273).

⁷ In a footnote to the 1890 edition to this passage, Engels names Grün explicitly (cf. MECW, v. 6, p. 513).

movement is the dogmatic distinction between good and bad.” (MARX, 1847, p. 168)⁸ Still, both criticisms complain about the insufficient execution of a scientific foundation of political economy. They do not express that such a foundation is a vain enterprise or that it needs a framework different from Hegel’s paradigm. Rather, it seems to me very plausible to assume that “Marx and Proudhon developed together the basic construct as well of Marx’ *Capital* as of Proudhon’s *Philosophy of Poverty* during ‘lengthy debates often lasting all night’ in the winter of 1844/45” (KRIER, 2010, p. 61)⁹ and that Grün had a point by describing this theoretical endeavour as a “Phenomenology of Value.”

Obviously, the surviving testimonies of the involved parties are not sufficient to make the case that *Das Kapital* is truly a phenomenology of capital or value. In order to demonstrate that the methodology of *Das Kapital* is inspired by Hegel’s *Phenomenology of Spirit* we have to take a closer look at Hegel’s method in this particular book.

⁸ Cf. also MARX, 1865, p. 28: “In the course of lengthy debates often lasting all night, I infected him [i.e. Proudhon] very much to his detriment with Hegelianism, which, owing to his lack of German, he could not study properly.”

⁹ Krier ponders this possibility but—in the end—does not want to see a connection to the actual writing of *Das Kapital*. His reason is a remark in a letter of Marx to Engels (1 February 1858): “Lassalle says, gold means money (c’est juste) and money is value. Thus the Ideal, Universality, the One (value), and things, the Real, Particularity, the Many. He makes use of this surprising insight to give, in a lengthy note, an earnest of his discoveries in the science of political economy. [...] It is plain to me from this one note that, in his second grand opus, the fellow intends to expound political economy in the manner of Hegel. He will discover to his cost that it is one thing for a critique to take a science to the point at which it admits of a dialectical presentation, and quite another to apply an abstract, ready-made system of logic to vague presentiments of just such a system.” (MECW, v. 40, p. 260f.) Again, this remark also turns on the all too easy combination of Hegelian methodology and the science of political economy. In a manuscript of the *German Ideology*, Marx makes the same point with regard to history: “If, like Hegel, one designs such a system for the first time, a system embracing the whole of history and the present-day world in all its scope, one cannot possibly do so without comprehensive, positive knowledge, without great energy and keen insight and without dealing at least in some passages with empirical history. On the other hand, if one is satisfied with exploiting an already existing pattern, transforming it for one’s ‘own’ purposes and demonstrating this conception of one’s own by means of isolated examples (e.g., Negroes and Mongols, Catholics and Protestants, the French Revolution, etc.)—and this is precisely what our warrior against the holy does—then absolutely no knowledge of history is necessary. The result of all this exploitation inevitably becomes comic; most of all comic when a jump is made from the past into the immediate present” (MECW, v. 5, p. 176). Accordingly, what Marx intends is not to apply Hegel’s logical categories (Universal, Singular, and Particular) to the matters of the political economy but to make the construction of a scientific political economy “for the first time.”

HEGEL'S METHODOLOGICAL APPROACH

The title of the *Phenomenology* rather gives away the final point of the whole book than that it is setting up its theme. What Hegel is concerned with in the *Phenomenology* is not so much the “spirit” itself but the possibility of knowledge hence the possibility of science. While in the end it becomes clear that science is a collective endeavour—spiritual in the sense that we speak nowadays of the spirit of an epoch—, Hegel begins his inquiry by presenting to us the most common sense formula of secure knowledge, i.e. sense-certainty. He then proceeds by demonstrating the abstractness of this concrete daily experience immediately after its introduction. “But when we look carefully at this *pure being*,” he writes, “which constitutes the essence of this certainty, and which this certainty pronounces to be its truth, we see that much more is involved.” (HEGEL, 1977, p. 59) Sense-certainty involves the object which is perceived and the I that perceives. The argument then advances with the object. The object, Hegel says, might be reduced to the pure presence in space and time (the “here” and “now”), so that we could postpone theoretical presuppositions about what constitutes an object and remain within the referential framework of sense-certainty. But, what could be a more abstract expressions than “here” and “now” which are mere containers of every single spatial and temporal determination?

“The object, which was supposed to be the essential element in sense-certainty, is now the unessential element; for the universal which the object has come to be is no longer what the object was supposed essentially to be for sense-certainty. On the contrary, the certainty is now to be found in the opposite element, viz. in knowing, which previously was the unessential element.” (Ibid. p. 61)

So again, conceptual complications are necessary just to make sense of our daily experiences.

We have just read the first few pages of the long story how sense-certainty transforms into a collective endeavour of securing standards of knowledge by establishing a system of concepts that are commonly accepted and developed. Yet, in order to see by which method Hegel is aiming at this solution, these pages might already suffice.

The “phenomenology” as a philosophical method that establishes a secure knowledge on what knowledge itself essentially is, starts with a simple

form of knowledge that appears to include everything that is to know about certainty—a form which is common and common sense alike. It then explains in the simplest way possible what other forms are needed in order to have such a seemingly immediate knowledge. The simple and concrete form of sense-certainty thereby expresses its complicated structure and its abstractness. This does not mean that sense-certainty is a mere illusion that has to be replaced by another form of knowledge. Rather sense-certainty is demonstrated as the daily practice of gaining knowledge; yet, its form is represented as an intricate, highly complex result of common practices that need explanation and justification for themselves.

This reveals an important difference with regard to the methodology of Husserl's phenomenology. While Husserl tries to reach safe grounds for his foundation of science, Hegel starts with a common sense notion of knowledge which is all but safe ground. In a way, both use the technique of "parenthesizing." But they do so very differently. Husserl tries to exclude everything that could possibly be dubious. Hegel on the other hand is far more radical. In his phenomenology there is no secured concept of knowledge in the beginning. What he excludes are therefore not concepts and judgments that need to be approved before he will include them in the scientific framework. Hegel excludes all kinds of complications that—as he will show later on—necessarily belong to the full notion of knowledge. In order to analyse this notion step by step such a provisional exclusion in the beginning is inevitable. Therefore, the notions of knowledge and science are not pre-given in Hegel's phenomenology, not even in the basic version that the *cogitationes* represent in the Husserlian phenomenology. The notion of knowledge cannot be but the result in Hegel's version of the phenomenological method.

And there is also a second important difference. Hegel is not committed to give subjectivity a central role right from the start. In fact, as we have seen already, when he discusses sense-certainty, he also considers the possibility that the object and not the I might be the essential element for a stable version of knowledge. If subjectivity plays a central role in the *Phenomenology of Spirit* then this is due to the specific subject matter of the book but it is not a methodological prerequisite of phenomenology as such as it is in Husserl.

Keeping in mind the two methodical characteristics of the Hegelian phenomenology—its insecure and unstable conceptual starting point and its being unrestricted with regard to the consciousness as its essential domain—there remains the question concerning history as a decisive feature that in some influential readings seems to discriminate Hegelian from Husserlian phenomenologies.

In unfolding the complicated structure of knowledge, Hegel presents to us categories that were used to reflect on the structure of knowledge in history. These historical categories stressed certain moments of the whole structure and therefore seem to be good signifiers of these moments. But as a result of the usage of these signifiers, the *Phenomenology* was misread as an historical development of the spirit itself. Nothing could be farther from the logical exposition of the *Phenomenology* than such a reading of it as historical story. Yet, among the readers of Hegel's *Phenomenology* that pursued this path of interpretation, we find also Frederick Engels who called it “a parallel to the embryology and palaeontology of the mind, a development of individual consciousness through its different stages, set in the form of an abbreviated reproduction of the stages through which the consciousness of man has passed in the course of history” (ENGELS, 1886, p. 361). Marx also seems to adhere to this judgement if he accuses Hegel of confusing the difference between the order of being and the order of presentation.¹⁰ Ironically, Engels induced a reading of *Das Kapital* where the value form analysis is presented as historical development, i.e. exactly in the way that Marx despised of.¹¹ However, if we do not read the *Phenomenology* as a historical story how science and scientific knowledge

¹⁰ Cf. MARX, 1857, p. 38: “Hegel accordingly arrived at the illusion that the real was the result of thinking synthesising itself within itself, delving ever deeper into itself and moving by its inner motivation; actually, the method of advancing from the abstract to the concrete is simply the way in which thinking assimilates the concrete and reproduces it as a mental concrete. This is, however, by no means the process by which the concrete itself originates.”

¹¹ Already in his 1859 review of Marx' *A Contribution to the Critique of Political Economy*, Engels showed a tendency to interpret the logical structure of the presentation of the political economy as a purified historical narrative: “The logical method of approach [...] is indeed nothing but the historical method, only stripped of the historical form and of interfering contingencies. The point where this history begins must also be the starting point of the train of thought, and its further progress will be simply the reflection, in abstract and theoretically consistent form, of the course of history, a corrected reflection, but corrected in accordance with laws provided by the actual course of history, since each moment can be examined at the stage of development where it reaches its full maturity, its classical form.” (MECW, v. 16, p. 475)

evolved then we will see how much its exposition has in common with the one that Marx lays out in *Das Kapital*.

PARALLELS IN MARX'S METHOD

Marx also starts with an undeniable insight. “The wealth of those societies in which the capitalist mode of production prevails, presents itself as ‘an immense accumulation of commodities’, its unit being a single commodity. Our investigation must therefore begin with the analysis of a commodity.” (MECW, v. 35, p. 45) I would like to stress the expression “presents itself” which renders the German “erscheint,” literally “appears,” and gives us already a hint of the phenomenological character of the exposition in this very first sentence. Marx starts with the most common of the economic appearances: the commodity. And explains subsequently what a commodity consist of. What does constitute this simplest of all economic entities that economists are dealing with?

As Hegel in his *Phenomenology*, Marx keeps the composition as simple as possible. A commodity is “an object outside us, a thing that by its properties satisfies human wants of some sort or another.” (Ibid.) But the quality to be useful is not sufficient to constitute commodities. “In the form of society we are about to consider, they are, in addition, the material depositories of exchange value.” (Ibid., p. 46) Therefore, the commodity is already a complex object. Its complexity is heightened by the fact that exchange value in itself is complex too. And Marx introduces the complexity of exchange value with the same expression as he introduced his whole analysis. “Exchange value, at first sight, presents itself [erscheint] as a quantitative relation” (Ibid.).

Again, we have an object that is simple and concrete and reveals throughout the exposition its complex structure and abstractness. Marx knows perfectly well that exchange value “presupposes population, population which produces under definite conditions, as well as a distinct type of family, or community, or State, etc.” (MARX, 1857, p. 38) Yet, he starts consciously with a category that he calls a necessarily “abstract, one-sided relation of an already existing concrete living whole” (Ibid.) in order to develop the complexity of the capitalist economy step by step, showing how an insufficiently complex understanding of the economic processes leads to

mystifications that turn in a full blown fetishism—i.e. practically executed and reproduced, yet false convictions—if the economic practices allow only for partial actions in a field of complex interdependencies. Therefore, the object of political economy is constituted in three domains: in the description of economic practices, their subjective reflection, and in the field of the critical, i.e. phenomenological, reconstruction of the coherence of the partial practices and their equally partial understanding.

As in Hegel's *Phenomenology*, the starting-point—as fragmentary as its understanding necessarily has to be in the beginning of the exposition—is not denied its reality. The capitalist economy is indeed an economy of commodity exchange which is ruled by the principle of equal values. The difficulty is to understand how this basic insight of classical political economy is in accordance with the reality of exploitation, the interest on capital, and the rent for landed property which were all phenomena that critics of the capitalist economy such as Proudhon regarded as absolutely incompatible with the principle of exchanging goods which are equal with respect to value.¹²

Marx, in contrast to such criticisms, realizes that the classical labour theory of value demonstrates a logical nexus of the individual productive acts within an order which is characterised by a large scale division of labour and which is organised by freely concluded contracts only. On the long run, such a system can only persist if equal efforts of the individual producers are weighted equally. There might be temporary imbalances, yet in such a system “what is ‘minus’ to one is ‘plus’ to the other” (MECW, v. 35, p. 173); and it is in any case the result of circumstances that are external to the economic system as such. Whereas the right ratio “in the midst of all the accidental and ever fluctuating exchange relations between the products [...] forcibly asserts itself like an overriding law of Nature.” (Ibid., p. 86)

On the abstract level of the beginning, value is introduced after we know already that every single commodity can be exchanged against each other according to a fixed ratio. The ratio is determined by the amount of abstract labour which was socially needed to produce each of these

¹² Cf. PROUDHON, 1876, p. 165: “The proprietor who asks to be rewarded for the use of a tool, or the productive power of his land, takes for granted, then, that which is radically false; namely, that capital produces by its own effort,—and, in taking pay for his imaginary product, he literally receives something for nothing.”

commodities. Why is that? Marx tells us, that being the result of abstract labour in the sense of “a productive expenditure of human brains, nerves, and muscles” (Ibid., p. 54 and passim) is the only thing all this exchangeable commodities have in common. However, in order to really understand what value is, this *tertium comparationis* is not enough. Marx has to combine the idea that labour is common to all commodities, with the general exchangeability of those commodities. What is exchanged by the exchange of commodities are all the amounts of abstract labour which are needed for the commodity production. In other words, Marx transforms in his phenomenological approach the Hegelian system of needs (cf. HEGEL, 1991, p. 227–239) in a system of labours. Each and every labour, insofar as it is socially necessary, stands in relation to all other socially necessary labours.

At this level of abstraction, there is no overproduction nor is there any difficulty of realisation; there is neither time of circulation nor a time of production. All that is given on this level of abstraction is the idea that in a society with a fully developed division of labour the members of this society have to produce all the goods that are needed for reproduction and have to exchange them in a way so that everybody contributes the same amount of his or her lifetime with the qualification that this amount has to be spent in a way that is productively as effective as the social average for the product in question.

As you can see, Marx presents a fairly abstract construction of a society based on the division of labour. He explicitly avoids discussing the issue of so called “skilled labour,” i.e. labour that is judged more valuable than other—so called “simple”—labour, in detail.¹³ Of course, Marx knows perfectly well, that a watchmaker in Switzerland gets better paid than an unskilled worker. However, what he wants to show is independent of the unequal evaluations that are commonplace in the labour market. Marx appeals to abstract labour in order to demonstrate how the social exchange of labours in a society functions in principle. Analysing that the real labour

¹³ Cf. MECW, v. 35, p. 54f: “The different proportions in which different sorts of labour are reduced to unskilled labour as their standard, are established by a social process that goes on behind the backs of the producers, and, consequently, appear to be fixed by custom. For simplicity’s sake we shall hence forth account every kind of labour to be unskilled, simple labour; by this we do no more than save ourselves the trouble of making the reduction.”

market functions differently does not counter the argument that the exchange of abstract labour describes its principle.

Still, it has to be shown how all the deviations that we observe in the real labour market relate to the principle. However, Marx did not bother to demonstrate this, for the task he had posed to himself was rather to demonstrate the sources of wage, profit, interest, and rent. Nevertheless we can already see that the labour market can only distribute products of the very labour that is present on it—as long as there is no foreign trade, and the national economy remains a closed cycle. So, all the higher evaluated jobs have to result for purely logical reasons in devaluating others or—but this possibility only appears after the introduction of surplus value—by diminishing the amount of surplus value. There simply is not another amount of labour or, which is the same: more value available.

What Marx does on the first level of presentation in *Das Kapital* is exhibiting the structural foundation of every empirical economy that is based on the exchange of commodities. And the value of the commodities is the principle of the exchange of labours which produce them. Capitalism is such a society that is organised by the exchange of commodities, even though it is not fully described by this structural foundation that does not even include wage labour yet. For the inclusion of wage labour opens a new phenomenological level on which the equal exchange of goods can result in an increase of value in the hands of some agents.

The critique of political economy does not repudiate the insights of classical political economy. Rather, it points to the abstractness of the classical model that assumes producers who exchange the products of their individual labours themselves. On the one hand, this is one of the crucial limitations in classical political economy. On the other hand—as Marx writes in the “Preface to the first German edition” of *Das Kapital*, vol. 1—: “In the analysis of economic forms [...] neither microscopes nor chemical reagents are of use. The force of abstraction must replace both.” (MECW, v. 35, p. 8) And the classical political economy demonstrates its power by producing such an abstraction that provides a seminal starting-point for the economic

analysis which helps to grasp what the concept of value is all about: a social system of the division of labour.¹⁴

LEVELS OF ABSTRACTNESS

There remains just the problem how this abstract model provided by classical political economy should account for the already mentioned phenomena of exploitation, interest and rent. If the phenomena considered do not fit the model developed so far an addition of complexity by new elements is the next methodological step. Exploitation, interest, and rent all depend on the production of surplus value and labour power as a commodity is the element that introduces surplus value in a system of equal commodity exchanges. For labour power possesses in itself a difference of its immediate exchange value (i.e. the equivalent of goods that are needed to reproduce it) and the exchange value of its employed use value (i.e. the value of the commodities it can actually produce). Hence, the capitalist economy can exist in principle as an economy of equal exchange and of the extraction of surplus value at the same time.

It is now obvious, why wage labour belongs to a new level of abstractness (or rather concreteness) in the phenomenological presentation. Let's just imagine for a moment the presence of the special commodity "labour power" in the expositions of the relative or absolute value form. Its double value would have obscured immediately the structure of exchanging equivalents that had yet to be established in the course of the demonstration. Plus, "labour power" is a commodity that in its peculiarity is so effective that it can introduce a whole new realm of phenomena to the analysis, phenomena that the rest of the first volume of *Das Kapital* deals with and that derive from the difference inherent in the value of labour power.

The introduction of labour power as surplus value producing commodity does not revoke the insights so far although it opens a new dimension of the analysis of the commodity producing economy. And Marx is

¹⁴ Therefore, Christopher J. Arthur's account of the analysis of the value form is completely misleading if he tries (in an effort to relate the structure of Hegel's *Logic* as close as possible to the first chapters of *Das Kapital*, vol. 1) to reconstruct the Marxian argument without any reference to the actual content of the value form, i.e. human labour time. (Cf. ARTHUR, 2004, chap. 5, esp. p. 85f.)

very careful in stating what complexity is added at this level and what he still wants to keep consciously out of focus:

“For the conversion of his money into capital, therefore, the owner of money must meet in the market with the free labourer, free in the double sense, that as a free man he can dispose of his labour power as his own commodity, and that on the other hand he has no other commodity for sale, is short of everything necessary for the realisation of his labour power. The question why this free labourer confronts him in the market, has no interest for the owner of money, who regards the labour market as a branch of the general market for commodities. And for the present it interests us just as little. We cling to the fact theoretically, as he does practically.” (MECW, v. 35, p. 179)

Das Kapital contains at several occasions such transitional passages which are intended to remind the reader at which particular level of abstraction the analysis currently operates and which question have to be postponed even though they might come to mind already.¹⁵ Therefore, we have throughout the three volumes of *Das Kapital* a structure of levels that represent an ever increasing complexity. At each level, Marx pushes the analysis of the economic forms developed so far to its limits just to ascend then to the next level by adding a new feature that is necessary for the understanding of the real process. All this complications are not added arbitrarily, but according to the plan to fully describe the “given concrete and living whole.”

¹⁵ Especially telling is a passage in vol. 2 where Marx sums up the gradual progression made so far in order to introduce a new level of complexity: “In Book I the process of capitalist production was analysed as an individual act as well as a process of reproduction: the production of surplus value and the production of capital itself. The changes of form and substance experienced by capital in the sphere of circulation were assumed without dwelling upon them. It was presupposed therefore that on the one hand the capitalist sells the product at its value and on the other that he finds within the sphere of circulation the objective means of production for restarting or continuing the process. The only act within the sphere of circulation on which we dwell there was the purchase and sale of labour power as the fundamental condition of capitalist production. In the first part of this Book II, the various forms were considered which capital assumes in its circuit, and the various forms of this circuit itself. [...] In the second part, the circuit was studied as being periodic, i. e., as a turnover. [...] But in both the first and the second parts it was always only a question of some individual capital, of the movement of some individualised part of social capital. However the circuits of the individual capitals intertwine, presuppose and necessitate one another, and form, precisely in this interlacing, the movement of the total social capital. [...] We have now to study the process of circulation (which in its entirety is a form of the process of reproduction) of the individual capitals as components of the total social capital, that is to say, the process of circulation of this total social capital.” (MECW, v. 36, p. 350ff.)

That this whole is the *raison d'être* of all the abstract factors described is the very reason why it is so important not to confuse the order of being and the order of presentation. The example of values and market prices provides an illustration of this intricate relation. If one confuses the order of being and the order of presentation it seems as if “further concretisations up to market price are not merely more ‘finished’ forms of value, they are themselves constitutive of its actuality.” (ARTHUR, 2004, p. 95) Yet, market prices do not belong to the same level of abstractness as values do.

Prices are part of the epiphenomenal surface of our experience. They are results of “all the accidental and ever fluctuating exchange relations between the products” that actually occur. This means that the determination of prices includes virtually all factors that are relevant to the economic practice—even such factors that are purely incidental as the clerk that was twisting the numbers on the price board. Despite the fact that prices are omnipresent in the capitalist economy, their volatility is no part of the deep infrastructure of this very economy that Marx is analysing in the first two volumes of *Das Kapital*. It is therefore an error of misplaced concreteness to discuss prices at a point of the exposition where the reader is to understand what logically grounds capitalist economy. The other way around, it is to overestimate the so called transformation problems in *Das Kapital*, volume 3, if one does not realise that here happens a jump to a new level of abstractness (or concreteness).

Whereas Marx analyses the general constitution of every capital for itself in volume one and its necessary relations to other kinds of capital in volume two, he now for the first time proceeds to the actual competition of many capitals.

“In their actual movement capitals confront each other in such concrete shape, for which the form of capital in the immediate process of production, just as its form in the process of circulation, appear only as special instances. The various forms of capital, as evolved in this book, thus approach step by step the form which they assume on the surface of society, in the action of different capitals upon one another, in competition, and in the ordinary consciousness of the agents of production themselves.” (MECW, v. 37, p. 27)

If we read *Das Kapital* as a phenomenology, we see clearly that there is no smooth transition from the analysis of Capital in general (which is treated in volumes 1 and 2) to the many capitals that are introduced in volume 3. Between them is a methodological break that constitutes a different object of examination, i.e. the capital as one of many capitals. Capital in general is not the accumulation of all the many capitals.¹⁶ It designates the logical structure that underlies the activities of these capitals that we can observe every day; and still its analysis does not satisfy the needs of an asset manager who tries to understand the daily movements of one of the many capitals. Therefore, market prices are no concretisations of values—as, in the case of the *Phenomenology of Spirit*, scientific concepts are no further concretisations of sense perceptions¹⁷—although the realisation of the ratio of values is mediated solely by actual exchanges of commodities which have necessarily market prices instead of correct expressions of their value and are subject to competition. So it seems at first sight as if there is nothing behind the market prices when all the scientific effort of political economy—and of Marx in this regard too—is about demonstrating how the value relations govern the volatile market prices without being immediately accessible.

¹⁶ This important point is obscured by Fred Moseley who on the one hand states that capital in general and “competition (many capitals)” belong to two different “basic levels of abstraction in Marx’s theory”; yet on the other hand declares: “[T]he theory of the production of surplus-value at the level of abstraction of capital in general is concerned with the total surplus-value produced by the total capital of society as a whole. [...] The main question addressed at the level of abstraction of competition is the distribution of surplus-value, or the division of the total surplus-value into individual parts.” (MOSELEY, 2014, p. 116) The production of a totality of surplus value and the distribution of this very totality would not constitute two levels of abstraction. For it is the very same totality investigated under two perspectives, i.e. its production and its distribution. The investigation of capital which is not influenced by competition and of a capital which is affected by competition, however, does constitute two different objects. The properties of the capital in general alter considerably if it becomes one of many competing capitals.

¹⁷ Note, that in a sense the Marxian exposition is indeed a reversal of the Hegelian one. The concept in Hegel’s *Phenomenology* is governing the sense perception with which the book starts as the value relations govern the market prices which Marx introduces in *Das Kapital* not earlier than in volume 3. Yet, the reversal that stirred so much discussion, is not a simple one since both claim to start with an abstract term and to gain more and more concreteness as the phenomenological analysis progresses.

EPOCHE AND THE CLOSURE OF THE PHENOMENOLOGICAL INVESTIGATION

In addition, the example of values and market prices demonstrates rather clearly why a science of political economy must begin with an abstraction if it shall be able to discern fundamental economic structures. Recapitulating what has been said already about the phenomenological approach in question, we could call the method of parenthesizing or bracketing complexities which Hegel and Marx practice in their respective phenomenologies, “*epoche*.” *Epoche* is a term of the ancient sceptics that was appropriated by Husserl for his phenomenology. Already in Scepticism, it meant the conscious withholding of a judgement. In Husserl, it describes the recourse to the *cogitationes* form the pre-discovered or scientifically interpreted world. More generally, *epoche* is the exposition of the abstraction that characterises a certain level of analysis in the phenomenological investigation. It defines what remains within the parentheses and thereby also the extent of judgements which are possible at this particular level.

In other words, in the beginning the phenomenological investigation consciously does not include all elements already known to be relevant for the analysis, but exercises a “phenomenological reduction” to a concrete and simple object of scrutiny. Even though this object turns out necessarily to be abstract and complex, phenomenological reduction or *epoche* only works if the starting point of the inquiry is easily accessible to the reader. There has to be a very good common acquaintance with these object—as it is given in sense-certainty and commodity exchange which both represent daily practices. The common acquaintance with the point of departure is so important since the readers have to approve every step that follows in the creation of a full account of consciousness, science or capitalist economy. Such an approval is effected not according to the logical force of the argument as those seem to believe who propose to read Hegel’s *Logic* as paradigm for the Marxian method in *Das Kapital*,¹⁸ but by a consent that the newly introduced element is part of the reader’s everyday experience and that the reader therefore already knew that it is relevant even before the closer

¹⁸ Cf. ARTHUR, 2004, p. 106: “The logic of the value forms in their self-relating abstraction is an incarnation in social terms of the self-movement of thought in Hegel’s logic.”

analysis shows how it does exactly contribute to the constitution of our experiences in the respective field. So, the author of a phenomenology does not demonstrate specific insights of a formal analysis but rather reminds the readers of things and relations already known to them even though the analysis then often reveals surprising details and consequences. At least each time a new element is introduced, the form of the phenomenological discourse has to be persuasive without being deductive in a narrow sense.

As should be clear by now, the knowledge about this phenomenological framework of *Das Kapital* is important for acknowledging that, how exactly, and why the abstract categories of its beginning (division of labour, money, value etc.) must not be confused with the economic forms as they appear in everyday life (wage, price, and profit). Yet, the flipside of such a discrimination of levels of abstraction is that the phenomenological approach entails the prospect to explain the appearances of everyday life in its course. Consequentially, Marx promised to gradually progress to the “various forms of capital [...] which they assume on the surface of society.” But regrettably, the Marxian economic theory is not very effective when it comes to predictions on how individual capitals will develop in the future. This inability stirs questions about the scientific character of such an economic approach. Is this particular way to construct an economic science at all reliable if the phenomenological investigation cannot explain the phenomena “on the surface of society?”

While the *Phenomenology of Spirit* finds its closure in the description of the collective endeavour of securing and developing forms of knowledge without provoking the demand for a conceptual tool that could decide whether or not every single proposition should count as knowledge, *Das Kapital* appears to remain an open and seemingly limitless project regarding the aim to explain the appearances at the surface. And even more so, for we know that Marx once planned to write further volumes on the state and the world market. But we know also from his excerpts that he became interested in the phenomenon of sustainability—a new issue that came up at the time. He thought about hydrological, geographical, and chemical problems that influence the quality of the soil, and he also ventured the problem of global energy consumption in industrialised agriculture. We can easily imagine how all these factors could influence the “concrete and living whole” which is the capitalist economy.

On the other hand, if we think about *Das Kapital* as a critique of the political economy in the sense that Kant gave to the word “critique,” i.e. to define a domain of science, we might realise that the construction of such a science does not demand the inclusion of all possible factors that influence the epiphenomenal appearance of the “concrete and living whole.” It can content itself with the demonstration of fundamental relations and tendencies. Under such a perspective, maybe even the very last pages of volume 3 on the classes already transcend the phenomenological framework by introducing a factor which is despite its influence external to the economical domain in the narrow sense of a science of capital, whereas the world market might have deserved indeed a more thorough analysis.

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