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A Response to Chris Arthur

It is a pleasure to respond to Chris Arthur's review of my book *Dialectics and Deconstruction in Political Economy*,[1] because we are close enough in viewpoint that a genuinely productive dialogue is possible. Most importantly, we both believe that Marx's *Capital* is an extraordinarily rich and powerful theory, and that parallels between this theory and Hegelian dialectics are crucial to understanding its unique ontology and epistemology. And, yet, there are major disagreements between us on precisely how a dialectical theory of capital should be articulated and utilised. Lest the reader think this a narrow debate with merely academic interest, I want to suggest a few of the possible larger implications.

In my view, the central intellectual trends of the age, whether empiricist or postmodernist, tend towards scepticism and relativism, and yet we live in a world where rather large and powerful objective forces shape our lives, forces that are often in large part economic in character. Economists and political economists who think about these forces often do so

[1] Albritton 1999; Arthur 2002.

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in ways that are highly abstract and one-sidedly selective, and, typically, their one-sidedness is only exacerbated in efforts towards the concrete application of these theories. It is not too surprising, then, that those concerned with theories of subjectivity and the construction of identities usually resort to cultural theory, as they see little connection between their concerns and the abstractions of political economy.[2] In short, a huge gap has developed between political-economic theories oriented as they are towards objective economic and political forces on the one hand and theories of subjectivity, which usually totally ignore economic forces, on the other.[3]

While it would be wrong to think that an adequate theory of subjectivity could simply be derived from political economy, it is equally wrong to think that political economy has nothing at all to offer theories of subjectivity. The one-sidedness of much abstract economic theory can be overcome to the extent that we can grasp capital's inner logic as a dialectical logic with a necessary beginning, a necessary unfolding, and a necessary closure.[4] Furthermore, by grounding our thought about capitalism in such a theory, we can more accurately think about how the forces of capitalism articulate with other social forces at more concrete levels of analysis. The grounding that I am referring to assumes a theory of capital's inner logic in which commodification, indifference to use-value, and reification are completely realised. Or, in other words, it assumes that capitalism's self-abstracting, self-reifying, and self-totalising forces are allowed at the most abstract level of theory to complete themselves. The clarity gained by this thought experiment on issues like commodification, objectification, and indifference to use-value can be utilised to inform theories of gender formation, desire, and need at more concrete levels of analysis.

Following Sekine, I call the situation of a totally reified society 'a purely capitalist society'.[5] In such a society, it is assumed that all production is the production of commodities by commodified labour-power regulated not by human interventions that would deflect or modify the law of value, but rather by a commodity-economic logic. These assumptions are necessary if we are

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[2] Nancy Fraser's (1995) recognition of this gap resulted in an exchange with Judith Butler.

[3] A variety of theorists are already attempting to bridge this gap. For example, see Hennessy 2000; Alexander and Mohanty 1997; or Narayan and Harding 2000.

[4] Sekine 1986.

[5] Sekine 1986.

truly to theorise capital as 'self-expanding or self-valorising value' (Marx's definitions). It follows that we must assume that all exchanges are equal exchanges. Since the theory is of capital's inner logic, its boundaries are clear: it only deals with the necessary inner connections of the fundamental economic categories of capitalism. The limited-liability joint-stock company or corporation is a particular legal form of capital that is made legal in Britain in the middle of the nineteenth century. It is a dominant form that capital takes at a certain phase of its development, a form that is enabled by legislation; and hence, is not necessary but contingent. Monopoly which takes on great significance only in the late nineteenth century and which would interfere with the operation of a pure commodity-economic logic, is also contingent and therefore outside the boundaries of this theory as is any consideration of state intervention or the intervention of labour through trade unions, political parties, or other organisational forms. Since the boundaries of the theory of pure capitalism are clear, and since no actually existing capitalism is pure, levels of analysis become necessary to mediate between the theory of capital's inner logic and the analysis of capitalist history. For example, at the level of mid-range theory, both the corporate form and monopoly begin to take on crucial significance to capital accumulation in the stage of imperialism.[6]

The theory of a purely capitalist society explores the ways in which value overcomes the use-value resistances that must be overcome if the inner logic of capital is to be clearly theorised as self-valorising value. Value in its self-valorisation cannot produce land or labour-power; hence these two 'inputs' generate necessary inner connections with particular economic categories. Consider the case of land. Surplus profits in industry that accrue to a newly introduced more productive technology are eventually subsumed to the motion of value through competition that generalises the innovation, but surplus profits in agriculture due to differences in soil fertility cannot be so dispensed with; hence the necessity for the category 'differential rent'. In the case of labour-power, it cannot be produced (at least so far) by capital in response to growth in demand; hence the need for an 'industrial reserve army'. Furthermore, the replenishment of the industrial reserve army requires periodic crises and technical change, which themselves have inner connections.

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[6] See Albritton 1991 for a full discussion of stage theory or mid-range theory.

It should be clear from the above, that Arthur's characterisation of my position 'that use-value presents no obstacles to self-expanding value' is not accurate.[7] In my view, *all* the fundamental categories of capital involve a contradiction between value and use-value, and the movement of the dialectic *always* involves value overcoming use-value obstacles. It is only when all use-value obstacles are dialectically subsumed in the theory of a purely capitalist society, that value can truly be said to be 'self-valorising'. Without this condition being met, value can be valorised only with outside (political or ideological) help. It is precisely the task of stage theory and historical analysis to consider the logic of capital in more concrete contexts where capital is never self-valorising, but instead *always* requires political and ideological supports to successfully accumulate. These more concrete levels of analysis that explore the ways in which the logic of capital articulates with other social forces are an essential part of Marxian political economy, precisely because the taming of use-value resistances by self-valorising value in a purely capitalist society can never be achieved in any actually-existing capitalist society.

It follows that all actual societies can only be partially capitalist in the sense that capital is never able to turn all social relations into a simple function of its own logic. Rather, many sets of social practices are relatively autonomous in relation to the logic of capital.

Labour-power is not a commodity like any other because it cannot be produced capitalistically. This is a huge use-value obstacle for value, which can only be overcome if capital periodically generates technical change, economic crises, and a surplus population. Moreover, labour-power's use-value derives from the fact that it is the ultimate source of all value; hence, the capital-labour relation is fundamental to capitalism. But, at the abstract level of pure capitalism, we can only theorise capital's logic in the abstract and in general, which includes such concepts as the 'rate of exploitation', which is simply total surplus-value over total variable capital. In any empirical capitalist society, workers may successfully reduce the rate of exploitation by organising themselves and struggling against capital, but, at the level of the theory of pure capitalism, we cannot specify the contingent forms of

[7] Arthur 2002, p. 252.

organisation that could make this possible. Indeed, it is necessary to be clear about the law of value before introducing political disruptions that would alter its workings in specific ways depending upon the power of workers and the particular policy outcomes of this power. Policy considerations are always contingent and therefore do not belong at a level of theory that deals with necessity. What is clear in a theory of pure capitalism is that it is an economy based on class exploitation, the question of how militant or revolutionary workers are is quite beside the point at this level of abstraction. The ways in which workers organise resistance needs to be theorised at the levels of stage theory and historical analysis, since such resistance varies between different phases of capitalism and from one country to another. Thus, in the stage of mercantilism, where the most typical form of capital accumulation was the putting-out manufacturing of woollens, the merchants always faced the problem of cottage workers embezzling the finished product and selling it for an amount in excess of their piece wages. In order to counter this, the British Parliament passed a draconian anti-embezzlement act that allowed merchants to search cottages at any time without a warrant, and in case of hidden product impose very severe punishments.

In the theory of pure capitalism, we explore how variations in the length of the working day impact on surplus-value, but we cannot determine a working day of a particular length. This can only be done if we bring in more concrete considerations, such as the historical outcomes of class struggle, the level of technological development, the state, and ideology – all things that we can only substantively consider at the more concrete levels of stage theory and historical analysis. The theory of a purely capitalist society must find a way to secure the commodification of labour-power. Of course, in real history, we know that such commodification is never total, that workers always resist, and that this resistance is always countered by politics and ideology. But the law of value assumes a kind of capitalist utopia. Marx makes it crystal clear that law of value operates most clearly when capital can get its way without relying on extra-economic force. The dialectic of capital demonstrates that capital in its pure form would like to single-mindedly pursue profit while remaining totally indifferent to use-values including labour-power. Such total indifference to use-value means that commodification must be secure. It is only then that capital can treat labour-power as any other commodity input into the production process. Getting this clear is essential to understanding

the sense in which capital turns workers into commodities to be used as a means towards profit maximisation. By clearly stating this total indifference at the level of pure capitalism, our analysis of class struggle at more concrete levels can only be strengthened.

Arthur fears that, unless we include worker resistance in the dialectic of capital, production loses its 'social character' and becomes a mere 'technical matter'.[8] But I cannot see that conceiving of production as social or purely technical has anything to do with worker resistance. Are slaves only exploited to the extent that they resist slavery? The dialectic of capital is uncompromisingly a social theory, because it is a theory of how, if we let it, capital would like to objectify us. In a purely capitalist society, all social relations are reduced to value, or, in other words, value *is* sociality. As a result, all economic categories refer ultimately to social forms and social relations. For example, 'rent' has to do with the relations between capital and landlords, it does not suddenly become purely technical if landlords do not resist capitalists. Technology is itself social since it involves at minimum relations amongst workers, between capital and labour, and between them and machines and nature. Of course, capitalists would like to treat production as purely technical, but Marx's theory demonstrates that production always involves class exploitation, however individual capitalists may think about it. In short, there is absolutely no basis to the claim that the theory of the dialectic of capital neglects the social dimension, rather it theorises the consequences of a sociality that has become totally commodified and objectified. But what has to be stressed is that it is always social forms in their capitalistically rational objectification that is the theoretical object. While, in history, objectification and reification are always far from being total, by making them total in theory, we can become clear about what it is that historical tendencies are doing to us in so far as they are capitalist.

I do not understand Arthur's claim that the very concept 'exploitation' requires that worker resistance take place in order to be meaningful, and that without it we might as well speak of the 'rate of exploitation of steel'.[9] I believe that only living labour-power can be exploited, because, assuming equal exchange, only the exploitation of living labour-power can make sense

[8] Arthur 2002, p. 255.
[9] Arthur 2002, Ibid.

out of the general formula of capital, M-C-M'. In short, the only way the second M can systematically be larger is that there be some commodity input that systematically creates more value than it costs, and this input must be labour-power, the only real social cost which systematically receives wages less than the value it creates (in the aggregate). In a purely capitalist society, we assume that workers always try to sell their labour-power at the highest possible price.

Of course, in history, labour-power always requires 'substantive techniques for efficient management', but, since these techniques vary according to time and place, they cannot be included in the theory of capital's inner logic.[10] 'Factory régimes', for example, differ even in the same country from one industry to the next. It is therefore not clear to me what 'substantive techniques' Arthur would include in the theory of pure capitalism. We can consider such things as differences in the wage-form between, for example, time-wages and piece-wages, and we can see why in general the piece-wage can lower the costs of supervision, but, at the level of the theory of pure capitalism, we cannot specify the particular variations and deployment of wage-forms as 'substantive techniques for efficient management'. Indeed, it is precisely for this reason that levels of analysis are necessary.

In my book *A Japanese Approach to Stages of Capitalist Development*, I do treat the question of 'substantive techniques' at the level of mid-range theory, where they can be at least initially discussed with regard to the most successful mode of capital accumulation characteristic of a particular stage of capitalist development.[11] The techniques discussed in my book include a complex arrangement of economic, ideological, legal and political techniques aimed at disciplining and controlling workers, as well as forms of worker resistance against these techniques. In the stage of imperialism, for example, the steel industry is the most central and typical industry of capital accumulation, and it is in this industry that 'Taylorism' or 'scientific management' is first used to intensify the labour process, and this intensification is combined with twelve-hour shifts seven days a week. But, clearly, these historically specific contingent 'techniques' should not be included in a theory of capital's logic in the abstract and in general.

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[10] Arthur 2002, p. 254.
[11] Albritton 1991.

If the dialectic of capital is well theorised, no essential features of the inner logic of capital should be lost because the method of the dialectic is essentially one of the self-abstraction of capital.[12] Arthur believes that, given Sekine's approach, the distinction between the formal and real subsumption of labour-power will be lost.[13] In my understanding of this distinction, it does not belong within the theory of capital's inner logic, but rather at more concrete levels of analysis. The reason I hold this view, is that, to me, this distinction refers primarily to the movement from the putting-out system to factory production, or, if you like, the kind of capitalist production most characteristic of the stage of mercantilism, where the labour process was formally subsumed through a putting-out system as opposed to its real subsumption in the factory production characteristic of the stage of liberalism. In the dialectic of capital, we assume a fully developed capitalism; hence there is no such thing as 'formal subsumption' and the distinction thereby loses its relevance.

I turn now to the question of whether the parallels are between the dialectic of capital and Hegel's *Logic* (Sekine's position) or Hegel's *Encyclopedia* as a whole (Arthur's position).[14] I agree with Arthur that this cannot be settled without a careful study of each dialectic in its totality, and I am not surprised that he is not convinced by the brief summary of Sekine's position that I presented in my book *Dialectics and Deconstruction in Political Economy*.[15] This is because the strength of a dialectic only becomes established after it has been fully stated. I do not know to what extent Arthur has carefully studied Sekine's *Dialectic of Capital* as a whole. That, of course, would be the best way to assess the strength of Sekine's position. And, while, obviously, this is not possible here, there are, in my view, a number of considerations that would support the superiority of Sekine's position.

The first consideration is that, with the aid of Uno's work on the theory of capital and Hegel's *Logic*, Sekine has reconstructed Marx's *Capital* as a whole into a powerful dialectical logic that not only provides a much stronger defence of Marx's value theory than Marx was able to complete during his lifetime, but is also a more rigorous dialectic than Hegel could generate while oper-

[12] For a fuller discussion of self-reification and self-abstraction see Albritton 1999.
[13] Arthur 2002, p. 255.
[14] Sekine 1983; Arthur 2000.
[15] Albritton 1999, pp. 54–80.

ating within the realm of metaphysics. Arthur, on the other hand, simply finds parallels between parts of *Capital* and parts of Hegel's *Encyclopedia*. He has made no general effort to improve upon the theory of capital as a whole or to carry out an analysis of parallels between the three volumes of *Capital* and the three volumes of Hegel's *Encyclopedia*. Arthur's case rests primarily on some similarities between Parts I and II of *Capital*, Volume I and Hegel's *Logic*, similarities that I find totally unconvincing.[16] He has done very little work to show parallels between the rest of capital and Hegel's *Philosophy of Nature* and *Philosophy of Spirit*. Also he has done little to show how a consideration of the parallels with Hegel's dialectic can actually strengthen the theory of capital as an economic theory, nor how, in a number of respects, the dialectic of capital is stronger as a dialectic than Hegel's *Logic*.

According to Arthur, Hegel's Doctrine of Being parallels Marx's theory of exchange, his Doctrine of Essence parallels Marx's theory of money, and his Doctrine of Notion parallels Marx's theory of capital (in Volume I, Part Two of *Capital*).[17] A full discussion of these parallels is beyond the scope of this paper, but let me make a few points. The Doctrine of Essence has to do with the movement from essence to appearance to actuality, and this seems not to fit well with the theory of money. As Marx makes clear time and again throughout *Capital*, the essence of capital is not money, but instead is the extraction of surplus-value in the realm of production with the realm of circulation as its necessary realm of appearances. It follows that the actuality of capital must be the synthesis of production and circulation in the total accumulation of capital. Arthur claims that the categories commodity and money reflect into one another as do the categories of the Doctrine of Essence, but, in his sense of 'reflection', all the categories of the dialectic reflect into one another. The point is that the transition from 'commodity' to 'money' results in a qualitative transformation that enables each in their immediacy as circulation forms to stand on their own and then be combined as M-C-M' to constitute the general circulation form of capital. Finally, to say that the first appearance of capital in the dialectic of capital as a circulation form (M-C-M') constitutes the parallel to Hegel's Doctrine of Notion seems most peculiar since, at this stage of the dialectic, M-C-M' remains an inexplicable and empty circulation form (hardly the culmination of the 'Idea' in the Doctrine of Notion).

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[16] Arthur 2000, pp. 112–16.
[17] Arthur 2002, p. 256.

In my view, the main problems in Arthur's approach stem from two sources: first, an unresolved ambivalence that sees capital as the 'overriding subject' while still maintaining the proletariat as 'another subject',[18] and, second, a failure to think through the full implications of levels of analysis. Let me start with the first problem. It sounds very Marxist to claim that 'class struggle is constitutive of the central categories of capital', but to take this claim seriously would convert a dialectical theory into a dualistic theory in which the law of value would dissolve into a pure power struggle between two subjects.[19] Instead, we theorise class exploitation in which capital gets its way as central to capital, precisely in order to establish an objective theory to guide more concrete levels of analysis where class struggle plays a crucial role. Paradoxically, class struggle can be better understood and more clearly theorised if it is left out of the dialectic of capital, because it is only then that we can clearly grasp the economic structures and dynamics through which class struggle takes place.

The second problem is best illustrated by analysing Arthur's claim that 'the "Idea" is not part of the Logic for it is present only when the "Concept" is united with the real material of the world so as to "fill out" as it were, the pure forms of thought'.[20] In contrast, I would argue that it is with the concept 'Idea' that the *Logic* reaches closure, and it is only after this closure that Hegel can begin to think about the externalisation of the Idea in nature. Further, without any doubt, Hegel's dialectic is at its strongest in the *Logic*, while both the *Philosophy of Nature* and the *Philosophy of Spirit* are deeply problematic. They are perhaps best seen as efforts to apply the logic in spheres less congenial to it, rather than a simple 'filling out' of the logic. The *Logic* is complete, it does not need any 'filling out', nor is this needed by the dialectic of capital. What is required in the case of the dialectic of capital are more concrete levels of analysis which explore situations where use-value obstacles cannot be overcome by self-valorising value. How to do this in ways that accurately gauge the effectivity of capital's logic vis-à-vis other social forces, and in ways that bring out both the resistances to and supports of capital's logic is what more concrete levels of analysis should be all about. It is never simply

[18] Arthur 2000, pp. 108, 122.
[19] Arthur 2000, p. 123.
[20] Arthur 2000, p. 118.

a question of 'filling out' the logic. Such an approach would produce egregious forms of reductionism. Many social forces are relatively autonomous from capital. What this means is that, while the logic of capital is a totalising force in history, it never achieves totalisation at the level of historical analysis as various dimensions of social life maintain at least a partial autonomy, whether the family, the state, education, or religion. A spatio-temporal concretisation of the dialectic of capital requires a theoretical movement to stage-theory and historical analysis where the qualitative distinct forms of capital accumulation can be considered from the global to the local and from the beginning of capitalism to its current neoliberal financialisation. It is only at these more concrete levels of analysis that we can clearly theorise the historically specific dynamics of capital's relation to nature and to labour. For example, agriculture in Britain in the eighteenth century was ecologically relatively benign and quite sustainable, whereas American industrial agriculture today is radically unsustainable.[21]

To conclude, Arthur and I agree on what is most important: that there is a dialectic of capital and that this is a crucially important and powerful theory. Where we disagree is on the precise specification of the dialectic of capital, on the role of class struggle in the dialectic, and on how to relate this dialectic to historical reality. On these matters, our disagreements are of considerable importance, being related as they are to the objectivity of the dialectic of capital as a theory of necessary inner connections, a theory capable of countering some of the scepticism of the age and of grounding concepts that can inform theories of subjectivity and culture.

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