

# Marx's Use of History

Andy Blunden, January 2025

One sense in which Hegel was an Idealist is that Hegel overestimated the power of the reasoning of an individual person. Hegel was the last great encyclopaedic thinker. But most of his *Encyclopaedia of the Philosophical Sciences* was simply a rationalisation of existing sciences. After Hegel no one else tried to emulate his *Encyclopaedia*. Each science was pursued relatively independently of each other.

The *Encyclopaedia* was described by Hegel as a “circle of circles.” Each science (or form of life) was complete and consistent within itself but nonetheless always generated some “undecidable” question, some question which arose within the science which could not be answered within its own terms. Twentieth century mathematicians recovered this idea in the context of mathematical theories with Kurt Gödel's Incompleteness Theorem. It was by this means that each circle in the *Encyclopaedia* generated the concept which provides the starting point for the next circle.

However, no one after Hegel had the benefit of such an Encyclopaedia. Identifying the unit which was to be the embryo of a new science cannot rely on being able to read it off an aporia in the “preceding” or underlying science. While an individual thinker cannot devise a complete Encyclopaedia, this limitation does not apply to the “real subject,” “the real historical process” (Marx, 1857, p. 101, 102) suffers no such limitation. A particular kind of historical investigation is required to determine the necessary concepts however.

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

*Capital* is not an historical work (though it does have a couple of historical chapters), but a deep study of economic history was necessary in order to well understand the concepts of political economy, and in particular to determine the prius, the starting point of the sequence of concepts to be elaborated. Of course, if you believe that *Capital* is a work of Logic, then there would be no place for the study of history. On the contrary though, if the concepts of political economy have a *content*, then it is impossible to grasp them without knowing the history in which they acquired that content. Who could understand the Treaty of Versailles if they didn't know that it was drafted by the victorious powers in World War One?

Christopher Arthur says:

I draw a distinction between systematic dialectic (which is a method of exhibiting the inner articulation of a given whole) and

historical dialectic (which is a method of exhibiting the inner connection between stages of development of a temporal process).

Arthur, 2011

and

The effort is to deploy a systematic dialectic in order to articulate the relations of a given social order, namely capitalism, as opposed to a historical dialectic studying the rise and fall of social systems.

Arthur, 2011

But it is wrong to assert a dichotomy or opposition between a systematic dialectic on one and the dialectic of the rise and fall of economic relations on the historical plane. Insofar as the demise of a social system is intelligible, not due simply to some external or accidental cause, then the key to understanding that demise lies precisely in the tendencies revealed by systematic dialectic. However, the point is that, while an economic system is generally consistent within itself and able to cope with internal conflicts within the economic system as such, this is not true of the relations of the economic to *other* circles of human practice. The economic whole is but a *part* of human social life and Nature.

It is in the nature of a systematic whole that it is able to reproduce itself out of its conditions despite changes in those conditions. However, this capacity is finite. At some point, other aspects of a form of life go beyond what is capable of supporting a given economic regime.

In the absence of his own *Encyclopaedia*, and in the spirit of a philosophy of which the substance is human activity (or practices), Marx relied on the work of the “real subject” which “retains its autonomous existence outside the head”:

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

Marx, 1857, p. 106

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

This is different from the kind of history done by professional historians who prefer to study forms of life as a whole and eschew narratives spanning across large stretches of time. The kind of history needed is more akin to genealogy in that it traces the line of development of a particular relationship as the world

changes around it, and it does so from the point of interest in the present, rather than in its own terms in any given epoch, as would normally be required by the professional historian.

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

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

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

Preface, Marx, 1859

It is not necessary to go so far as “social revolution.” The development of technique is continuously disrupting the social relations within in which production is taking place. In itself, bourgeois economy is a self-sustaining system, but it does not ensure for itself a stable technical relation to Nature, and consequently, nor a stable social and political environment. On the contrary, capitalism continuously stimulates the revolutionising of the techniques of production, and the political conditions which make capital accumulation possible are subject to changes in the economic system. On the contrary, capitalism continuously exacerbates inequality and the concentration of wealth in the hands of a few and threatens the social and political presuppositions for its own existence.

Hegel conceived of the whole – in my reading, the entirety of human practice – as a “circle of circles.” Hegel was unaware that the natural environment in which human beings lived was itself a product of evolution. Consequently, the entirety of human practice he saw as an absolutely self-reproducing system, but no subordinate part of that whole was absolutely self-reproducing.

Marx sought to discover how the relations between the economic system and the political system and production system would be disrupted, even whilst each retained its own relative capacity to reproduce itself. For this a preparatory study of history was required.

### “Categorical Genealogy”

I will coin the term “categorical genealogy” for the type of historical investigation which was necessary before Marx could determine the logical relations between the various concepts of the political economy of bourgeois society. I carried out an investigation of this kind with the object not of economic life, but of political life. This was published as *The Origins of Collective Decision Making* (2015). Although I set off from problems which were being manifested in present-day political life, the genealogical investigation of the categories of collective decision making shed entirely new light on present-day political life.

In approaching a critique of the existing Political Economy Marx needed to investigate the history of each of its categories, prior to the formulation of the political economic systems. This is self-evidently an entirely different task than investigating the history of dominant economic formations, the usual subject matter of economic history and what Christopher Arthur was referring to above as “the historical dialectic.”

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

Results of his genealogical study of value-forms are presented in §3 of Chapter 1 of *Capital*, where it is already presented in logical form and demonstrably shaped by the concrete understanding of value which Marx has arrived at by the time of writing *Capital*. His “categorical genealogy” is a merging of both logical and historical investigation.

It is well-documented that commodity exchange was absolutely marginal in ancient times; travellers and itinerant merchants and neighbouring peoples providing occasional exotic products. In early mediaeval times, market activity was tightly regulated by the monarchy and restricted to monthly markets and later restricted to the growing towns. In late mediaeval times, the flow of products from other countries gradually undermined traditional guild control of production. In these times, there was no clear distinction between a working class and the bourgeoisie; these were merely the better-off or poorer sections of the merchant and artisan classes gradually developing in the towns, trading in agricultural produce purchased from the peasantry and manufactured products.

Gradually, differentiation between masters or proprietors and merchants on one hand, and labourers began to widen and especially with the growth of colonialism, merchants like the East India Company became enormously wealthy whilst the monarchy, saddled with expensive business of waging war and maintaining order became relatively impoverished and had to borrow from the now burgeoning bourgeoisie.

The creation of an impoverished proletariat in the cities as a result of the Enclosures and the existence of significant accumulations of capital as a result

of colonial trade and the Enclosures, provided the conditions for industrial capitalism to take root. These were the conditions which led to the revolutions of the seventeenth and eighteenth centuries which ultimately put the bourgeoisie in power and would make the commodity-form the dominant economic relation in modern society. Early concentrations of workers in large workshops gradually gave way to full-blown industrial capitalist exploitation.

The above narrative is not of course a good exemplar of the work of the historian. But “it is not necessary to write the *real history of the relations of production*” (Marx, 1857, p. 460).

Once production founded on capital is presupposed ... its *historic presuppositions*, which, precisely as such *historic* presuppositions, are past and gone, and hence belong to the *history of its formation*, but in no way to its *contemporary* history, i.e. not to the real system of the mode of production ruled by it. ... While e.g. the flight of serfs to the cities is one of the *historic* conditions and presuppositions of urbanism, it is not a *condition*, they therefore disappear as real capital arises, capital which itself, on the basis of its own reality, posits the conditions for its realization. ... These presuppositions, which originally appeared as conditions of its becoming – and hence could not spring from its *action as capital* – now appear as results of its own realization, reality, as *posited by it* – *not as conditions of its arising, but as results of its presence*. ... These indications, together with a correct grasp of the present, then also offer the key to the understanding of the past ... In order to develop the laws of bourgeois economy, therefore, it is not necessary to write the *real history of the relations of production*. But the correct observation and deduction of these laws, as having themselves become in history, always leads to primary equations ... which point towards a past lying behind this system.

Marx, 1857, p.459-460

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