

Tony Smith on *Capital* and the Essence Logic

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Tony Smith has written a great deal on this question since the 1980s, and has responded to numerous critiques, but I will just focus on his (2014) contribution to the volume he edited with Fred Moseley, *Marx's Capital and Hegel's Logic*. It is entitled "Hegel, Marx and the Comprehension of Capitalism."

Smith says that he accepts that Marx took himself to be basing the structure of *Capital* on his understanding of Hegel's *Logic*, and in particular he is aware that Marx took capital to be a "Subject" (the first chapter of the Concept Logic). But Smith tells us that we should "put aside" (2014, p. 25) Marx's own view of what he was doing because the "the concept of capital does not fit what Hegel referred to as the Logic of the Concept" (2014, p. 29). This claim, however, rests on Smith's own misunderstanding of the relevant concepts of the *Logic*.

None of the concepts of the *Logic* can be understood without first accepting the intention of the *Logic* as a logic of enquiry, and understanding the overall structure of the *Logic* by means of which Hegel fulfills his central intent. In the opening section of his contribution, Smith correctly draws attention to the mistake of interpreting Hegel as some kind of Deist with the Absolute Idea playing the role of God. However, remnants of this mistake remain in his own "methodological" interpretation of Hegel's *Logic*.

Preamble on the structure of the Logic

Hegel's *Logic* is a logic of enquiry. A logic is not a model. A logic is not a post facto representation of a completed, complex object, but a *logic of enquiry* which unfolds from the facts of a subject matter adapting to the logic of its subject matter, which could be logic, political economy or some other science. This is the critical enquiry. In Hegel's words:

all that is needed to ensure that the beginning remains immanent in its scientific development is to consider, or rather, ridding oneself of all other reflections and opinions whatever, simply to take up, *what is there before us*.

(Hegel, 1816, p. 68)

Having made a beginning, a logic must "lead towards a reproduction of the concrete by way of thought" (Marx, 1973/1858), that is, a concrete concept of the subject matter. There is absolutely nothing idealist about this "reproduction of the concrete by way of thought." But Marx did not *end* with this characterisation of his own project. He said that "[t]he real subject retains its autonomous existence outside the head just as before; namely as long as the head's conduct is *merely speculative*, merely theoretical" though "in the theoretical method, too, the subject, society, must always be kept in mind as the presupposition" (*op. cit.*). Marx was a revolutionary; his method was agitation and intervention in popular struggles, not merely "speculative." But the "theoretical method" offered by Hegel, was "the presupposition." But as Marx wrote in *Theses on Feuerbach* (1845) – the *point* is to change it.

How does Hegel propose that such a “theoretical method” should “reproduce the concrete”? He does not, as is frequently supposed, “derive” the world as it is from a presuppositionless concept like Being. Hegel did not contradict Kant’s observation that “all our knowledge begins with experience” (Kant, 1787). But recommended the philosopher to apply the method of the *Logic* to all of the myriad of sciences which together make up human knowledge. This he demonstrated in outline in the *Encyclopaedia*. But note that none of the sciences outlined in the *Encyclopaedia* have the same structure as the *Logic*. Logic is just one very peculiar science. Any of the sciences of “nature or spirit” takes its beginning from what Hegel calls “externality,” specifically the field of practice which provides the science with its content. The *Logic*, on the other hand, is abstracted from “externality,” i.e., all empirical and practical content. The *Logic* is therefore obviously something different from Physics or Psychology or Law, or Political Economy.

So, how then does Hegel suggest that a philosopher should proceed in forming a reproduction of the concrete in thought, a concrete concept of the subject matter? Firstly, Hegel takes from each of the sciences, “the concrete in thought,” the unit from which to make its beginning. This unit is abstracted from practical experience and the existing science and represents the simplest immediately given form of the subject matter of the given science, a unit which can be grasped independently of the science which is built upon it. Identifying this unit is the first task which confronts the philosopher in investigating a field of practice.

Hegel suggests that we proceed one science at a time (The age of encyclopaedic individuals ended with Hegel. Henceforth, each science would be taken up separately by different people). Any one science he saw as one, initially abstract, concept which concretises itself and successively merges with other concepts – “abstract determinations leading towards a reproduction of the concrete by way of thought” (Marx, 1973/1858). The Concept Logic represents the trajectory of just one of these concepts. The initial, abstract concept which is definitive of that one science (or form of practice) is what Hegel calls the “Subject” in the *Logic*.

The first two books of the *Logic*, Being and Essence, are the logic of the *genesis* of a Subject (a science, or some form of practice), and the third book of the *Logic* is the *development* of the Subject itself once its founding concept is established. The development of the Subject takes place both “internally” and “externally.” The internal development of the Subject is described as the three-fold interaction of Universal, Particular and Individual moments of the concept, in which an initially abstract conception takes on innumerable different nuances, applications, specialised principles, etc., drawing into its scope divers concrete individual instances. This internal development of the Subject takes place simultaneously with the *external* development, namely the formation of successively deeper relations with *all the other concepts or forms of practice*, called the “Object.” The third and final part of the development, the Idea, represents the Subject, merged with the Object – all the other concepts or forms of practice, changing and changed by each other, and developing together. It is important to see that these various phases (including those in Being and Essence) do not unfold in *temporal succession*, one after the other, though they

do develop thanks to what Fred Moseley has called “successive determination.” The seeming movement plays out for the reader like waves endlessly washing over one another, or like individual people whose lives are both products of the world they live in and changing the world. It is not like a train travelling down a track, one station after another, to its final destination, as in Formal Logic, but nor is it a static *structure*. It is a logic of successive determination.

So “Subject” does not at all mean some God-like agent building the world. It is just *one* science (or one social movement, form of practice, new technique, business, or ...), but one alongside, before and after innumerable *other* subjects ... such as *capital*. Think of Marx’s apt observation: “There is in every social formation a particular branch of production which determines the position and importance of all the others, and the relations obtaining in this branch accordingly determine the relations of all other branches as well. It is as though light of a particular hue were cast upon everything, tingeing all other colours and modifying their specific features” (Marx, 1859).

Once you understand this structure of Hegel’s *Logic* then it is possible to make well-founded judgments about what this or that concept in the Logic “is like,” “reminds you of”, or is “isomorphic or homologous with” etc. But it is best of all to just take the *Logic* at its word, as the logic of forms of practice, reflected in the relevant logic of enquiry.

Nothing in the above synopsis is an “interpretation” of Hegel’s *Logic*. Admittedly, I have popularised the Logic in my explanation and have avoided, so far as possible, Hegel’s obscure, Idealistic language and avoided theistic connotations. But Hegel called it a “logic,” albeit a logic which is governed by its subject matter, and he meant it and it should be read as such. There is no basis for taking the Logic as a “model.”

Many Hegel scholars, including Walter Kaufman, Charles Taylor, Robert Pippin and even Robert Brandom agree that the real subject matter of Hegel *Logic* is human activity. Marxists are not alone in this belief. However, none have been able to go beyond this generalisation as I intend to. Humans may be irrational beings, but everything they do passes through their minds; we do things for reasons, however “irrational” those reasons. Thought exists only as an aspect abstracted from the human activity of which it is an aspect.

1. Mixing up Absolute Idea, Thought, Spirit and Subject

I will now briefly review some key concepts of Hegel’s *Logic* which make it possible to see how Smith misunderstands them.

The Subject

In [Marx’s] view the structure of capital is precisely isomorphic with the structure of Hegel’s Absolute.

(2014, p. 23)

This is not Marx’s claim in two respects. Marx’s aim is a concrete concept of capital, so the Hegelian concept at issue is the Subject, not “the Absolute.” In any case, “Absolute” is ambiguous: which Absolute? Hegel applies “Absolute” to any category which in the given logical context, is relatively perfect, complete or self-sufficient. Smith says:

Marx's claim, in brief, is that capital must be comprehended as an absolute 'Subject' in the Hegelian sense of the term.

(2014, p. 24).

This recalls Postone's (1993) claim that Marx takes capital to be an "identical Subject-Object." But this is false, too. Marx aimed to analyse capital *as it was*, not some imagined future, all-embracing 'Absolute capital'. More precisely, Marx aimed to *abstract capital from* the various practices summed up in Hegel's concept of the Object, and which together with the Object made the Idea, or Life. But the conception of "Absolute capital," capital which exists without the support of any *other* practices such as production, the state, the family ... is a fantasy.

Secondly, the claim of *isomorphism*, capital having the same form or shape, so to speak, as the *Logic* or some part of it, is absurd and no one has demonstrated this isomorphism. In any case, such structural similarity is the most superficial view of the relation between the *Capital* and the *Logic*. It is the *logic of capital* which Marx was interested in.

To make sense of the *Logic* in respect to one particular concept, in this case *capital*, it is important to understand "concepts" as forms of human practice (activity), just as Marx suggested in "Theses on Feuerbach,"

1. The main defect of all hitherto-existing materialism — that of Feuerbach included — is that the Object [*der Gegenstand*], actuality, sensuousness, are conceived only in the form of the object [*Objekts*], or of contemplation, but not as human sensuous activity, practice, not subjectively. Hence it happened that the active side, in opposition to materialism, was developed by Idealism.

(Marx, 1845)

And in Hegel's words:

"Philosophy has to do with ideas or realised thoughts, and hence not with what we have been accustomed to call mere conceptions [*abstrakte Verstandesbestimmungen*]."

(Hegel, 1821, §1n)

So in this *very general* sense, "capital" has the same structure as *any* concept, insofar as it is a concept and that concept is grasped scientifically. The Concept Logic is a logic of concepts. *Any* science could be studied in this way, as a particular realisation of the Concept Logic. What is special about capital is, among other things, that capital is a form of human activity that acts on people *as if* it were an alien force of Nature, a quasi-natural force, seemingly independent of the intentions, consciousness or actions of any individual, but is in fact nothing other than social relations. All sciences, social movements or whatever have this character to a greater or lesser degree, but this is particularly striking in relation to capital.

Smith expresses this important aspect of the Concept Logic when he says: "capital is a universal *distinct* from its moments, while being simultaneously *continuous* and *identical* with these moments" (2014, p. 23). Individual companies, particular industries and regulations come and go, but through

every bankruptcy and every take-over, every disaster and every discovery, capital continues unabated according to its own logic. Any such fundamental concept, be it capital, science, religion, evolution, war, or whatever, exhibits this character. But Science is also a practice and it has its own logic. There is no Idealism in this claim.

The error of seeing in this approach an Idealism originates to some extent from Hegel's idealistic presentation, but generally it arises as much from the *readers'* own idealism in presuming that "concept" refers to some "abstract determination of the understanding," or some *mental* or "spiritual" entity. This subjective idealism is then imputed to Hegel. Hegel was a monist, and his language makes it very easy to interpret the subject matter of the *Logic* to be thinking. But it makes much more sense in our times to see that the real subject of Hegel's *Logic* was always human practice, except that Hegel chose to present only the ideal side of human activity (the "shadows" as Marx put it), even though Hegel never doubted that:

Consciousness is spirit as a concrete knowing, a knowing too, in which externality is involved; but the development of this object, like the development of all natural and spiritual life, rests solely on the nature of the pure essentialities which constitute the content of logic.

(Hegel 1816, Preface)

Being true to Hegel's conception of the sciences, the science of capital begins with the concept of *capital in general*, what Hegel calls the *Universal* moment of the Subject, and proceeds from there to particular formations of capital and their interrelations. Hegel tells us to make a beginning from the Universal.

The logic of the *genesis* of the Subject is treated in the first two books of the *Logic*: Being and Essence. But the genesis of capital out of pre-capitalist or early capitalist formations and the genesis of the theoretical expressions of capital are not part of the science of capital, and are largely not included in *Capital*, but are treated by Marx elsewhere.

Smith however rejects the idea that *Capital* bears any relation to the Concept Logic, and does so in the face of Marx himself seeing capital as a subject, albeit an "automatic subject."¹

Just as in general when examining any historical or social science, so also in the case of the development of economic categories is it always necessary to remember that the subject, in this context *contemporary bourgeois society*, is presupposed both in reality and in the mind.

(Marx, 1859)

Thought and Geist

Smith chose not to take "thought" in the sense quoted above – as realised thoughts, i.e., practices; rather Smith takes thoughts to be "abstract

¹ "ein automatisches Subjekt," (1983/1867, *Das Kapital*, b. I, k. IV). This expression was lost in some English translations.

determinations of the understanding.” So Smith argued against “the *Logic* as the unfolding of a reified and all-powerful Absolute Thought” and suggested that “‘absolute thought’ refers instead to *anyone’s* thinking in so far as it ‘cognises the immanent soul of [the] material ...’” (2014, p. 25, citing Marx) and alluding to “Hegel’s inexcusably idiosyncratic way of discussing my thinking, the thinking of any ‘I’ and the thoughts that are products of this activity.” Smith had already noted that the younger Marx, as a part of his struggle against the Young Hegelians, was inclined to such condemnations of Hegel and never recanted these views. However, having made this point, he continues to cite Marx in order to impute frankly absurd beliefs to Hegel.

But what is distinctive about Hegel’s philosophy is that he was a *monist*. He did not set out from a dichotomy between matter and mind. This fact should alert any attentive reader of the *Logic* to the ascription of mystical ideas to Hegel. Anyone who objects to or ignores this monism will have to be content with Kant, because dualism can take you no further. When Hegel writes about “thought” he is *not* talking about subjective thought-forms. Likewise, *Geist*, as in the *Zeitgeist* or “spirit of the times,” does *not* mean some supernatural ethereal entity ruling human life, but rather the *totality* of human activity *itself*, the institutions, practices, technology and customs which condition what can and can’t be done. *Geist* is, of course, grasped through concepts (German *Begriffe*, from *begreifen*, to grasp). How else? Marx largely resolved the problem of taking up Hegel’s monism without the idealistic baggage in *Theses on Feuerbach* in which he says: “All mysteries which lead theory to mysticism find their rational solution in human practice and in the comprehension of this practice” (Marx, 1845).

This is not to deny that there remain important methodological (not to say political) differences between Marx and Hegel on the question of the relation between consciousness and behaviour. But as I argued in my chapter, “What is the Difference Between Hegel and Marx?” (Blunden, 2021), six different dimensions can be identified along which the materialist/idealist difference can be rendered, and Marx counts as an Idealist along at least two of those six dimensions. The difference is by no means cut and dry.

2. The Mixing up of Universal, Subject and Being

Smith gives a one-paragraph summary of the structure of *Capital*:

... the movement from capital in general (understood as the theory of the production and circulation of total social capital), through many capitals (the ‘redistribution’ of total social capital within and across different sectors of capital), to bank-capital (the empirically existing form of capital as such) corresponds to the moments of universality, particularity and singularity examined in the chapter of the *Logic* titled ‘The Concept’.

(2014, p. 38)

Smith here more or less accurately represents Marx’s position, as I see it. Marx did take bank-capital to be the Individual (or Singular) moment at one point in the *Grundrisse*, but it is barely touched on in *Capital*. I believe that Marx was mistaken in taking bank-capital as the Individual moment, but in any case, it

plays almost no part in *Capital*. Smith is correct on the Universal and Particular moments.

Having just plausibly outlined the resemblance of the structure of *Capital* to the Subject, in the Concept Logic, Smith goes on to compare *Capital* instead to the entire *Logic*:

At the beginning of a Hegelian systematic ordering [of logical categories in the *Logic*] the ‘universality’ we find is an empty determination, abstract universality [Being]. At the conclusion of the theory we attain a comprehension of concrete universality [The Idea], that is, a universal whose determinations are fully developed and explicit. Marx’s notion of ‘capital in general’ is not homologous with either of these notions of universality. ‘Capital in general’ is not an empty abstraction. Nor is it transcended as Marx’s theory advances the way an immediate (simple) form of abstract universality is transcended in Hegel’s methodological framework ... On the other hand, ‘capital in general’ does not correspond to the Hegelian notion of concrete universality either. The latter *includes* all essential determinations of the relevant region, while the level of capital in general *abstracts* from all essential determinations of capital but not directly relevant to the production and circulation of total surplus value.

(2014, p. 38-39)

What is the point of comparing *Capital*, which he has *just shown* to be comparable to the first part of the *Concept Logic* (the Subject), with the *whole* of the *Logic*? Political Economy is not Logic. Capital is a Subject, not The Absolute Idea.

In a footnote to ‘universality’ at the end of the first sentence cited he above says: “Hegel describes ‘Being’, the first category of the *Logic* in these terms.” (fn p. 38). But ‘Being’, the first category of the *Logic*, is *not* ‘universality’, which is the first category of the Concept Logic, 520 pages after ‘Being’. *Logic* begins from such an “empty concept” because Logic has no presuppositions, but this is not the case with any of the natural or social sciences which always begin from some natural fact.

A footnote to the second sentence, ending with “explicit,” tells us that what is being referred to here is the Absolute Idea. However, Marx deals only with the first two moments of Universality and Particularity of the Subject, capital, and does not deal with the Object or the Idea, falling far short of the Absolute Idea. His exposition of capital even stopped short of elaborating the Individual moment of Subjectivity (in my view, individual capitalist companies). If Marx had gone on to explore the interaction of capital with the Object (state, family, science, technique, the natural environment, religion, etc., etc.), and developed a finished theory of capitalist *societies as a whole* in the light of the interaction of capital with the multiplicity of other projects, then he would have to go so far as the Idea in Hegel’s terminology. Marx wisely left that task to “posterity, who will be more intelligent than us” (Trotsky, 1936). It was the kind of task Hegel undertook with his *Encyclopaedia*, and such “systems of everything” were thoroughly discredited by the time Marx wrote *Capital*.

Smith contrasts the “grand sweep of Marx’s theory” with “a particular chapter in Hegel’s work” (2014, p. 38). That is, Marx’s life’s work on *Capital* was focussed on one Subject, viz., capital, elaborating a general theory for just *one* science (or one practice, ...) taken in abstraction from its cultural and economic surroundings and its historical development. The Subject is one chapter out of all Hegel’s works which were *literally* encyclopaedic in scope. Marx did not set out to write a replacement for the *Encyclopaedia of the Philosophical Sciences*, but to bequeath to the world *the paradigm of just one science*, the science of capital. This is how Science has developed in the centuries since Hegel died. A single writer writes a paradigmatic study of one phenomenon, and the history of science unfolds through the mutual interaction between these paradigmatic achievements, the development of technology and social life. Much as he would have liked to have written a book on the state and other topics, he had only one lifetime to write *Capital*, whereas Hegel skipped over the topic in a few paragraphs in the *Philosophy of Right*.

“Putting aside” (2014, p. 25) Marx’s well-founded use of the Concept Logic as the basis for the structure of *Capital* by conflating two sections of the Subject with the entire *Logic*, Smith went on to argue instead for a homology of *Capital* with the Essence Logic.

3. Claim that *Capital* is an Essence Logic

It can be useful to understand the logic of enquiry (which is how Hegel intended it to be read), in terms of how one new fact or observation “ripples” through an existing science or system of belief eventually modifying its central concept. The Logic of Being begins from such a hypothetical new observation, as yet uninterpreted.

At first this new observation just *is*. *What* it is is still indeterminate – a sharp drop in GDP, an unexpected vote for a fringe candidate, a sharp rise in sea temperature, or maybe a global financial crisis, ... This is Being, the empty concept from which the enquiry begins, without prejudice, so to speak. First, there is an *analysis* of the new observation, what’s new and what makes it stand out from the background, which concludes with the concept of One, i.e., that the new observation is One, of which there are presumed to be many if we are to make sense of this one new observation. There follows a synthetic conceptual process which concludes with Measure, effectively the concept of a kind of ‘almanac’ of such observations, like, for example, the government’s statistical report on the economy in the past year, of which economists have to make sense with their theories. This ‘almanac’ would be an exemplar of the category of Real Measure, completes the first book of the *Logic*, Being.

Next comes the Logic of Essence in which past knowledge has to develop in response to the new data. No analysis can begin without data which confirms at least that *something* is happening.

The Logic of Essence outlines the concepts which arise as the past body of knowledge (*Wesen*) responds to the new fact in order to make sense of it. That is why the first moment of the Essence Logic is called “Reflection.” The Essence Logic is unable to complete this process aimed at characterising the new situation “as a whole,” or “in a nutshell.” It gets to the brink of that moment, but the leap to a new concept marks the beginning of the third book of the *Logic*, the

Concept Logic. Let's look at how Smith finds a "model" for capital in the Essence Logic.

Smith's Reason for choosing Essence as the "Model" for Capital

Smith sets up his claim for the similarity of *Capital* and Hegel's Essence Logic by arguing:

Marx's theory begins where the Doctrine of Being ends. Hegel starts with the pure simplicity and utter emptiness of a category enabling only an affirmation of being. Marx begins with the simplicity of the 'commodity' [why?] in generalised commodity production, rent in two by the massive gulf separating (the nonetheless inseparably conjoined) dimensions of use-value and exchange-value.

(2014, p. 30-31)

But the commodity is emphatically *not* an empty category! Its content is abstract human labour. Smith continues:

Hegel then considers attempts to categorise a supposedly separate something in terms of what it is in itself, apart from its relationship to what is 'other', with the incoherence of all such attempts a result. Marx, in contrast, begins his critique of political economy with a social world in which a) no separate commodity can be adequately comprehended in itself apart from its relations to other commodities, and b) no separate act of producing commodities can be adequately comprehended apart from its relations to other acts within a division of labour.

(2014, p. 31)

The footnote indicates that this is Smith's gloss of the first few Chapters of *Capital*, which, given that Smith claims that *Capital* reflects the Essence Logic, is to be compared to what appears to be Smith's gloss of the first moment of Reflection in Hegel's Essence Logic. Reflection, it should be noted arises from reflection on the last category of the Doctrine of Being, namely, Real Measure, which is not an "empty concept," but it is a formal concept. (And incidentally, I cannot relate Smith's gloss of this Chapter of the *Logic* to *anything* in the *Logic*).

This point needs to be emphasised because it reflects a widespread misconception. The Logic begins from Being, an "empty concept," yes. It is important that the beginning of Philosophy imports *no unstated presuppositions* through its starting point. However, this is *not the case* for any of the natural and social sciences. Each of these positive sciences has some definite subject matter, and makes its beginning from some "germ cell" which has its origins in observation. The starting point for any science *other than Logic* is some simple, "universal individual," which in the case of political economy is the product of human labour. The commodity is not of course an "empty" concept, but on the contrary is the unit in which all the wealth of modern society appears. So all attempts to find the starting point for some science in one of the concepts of the *Logic* is vain and mistaken. *Economics is not Logic*.

Far from resulting in incoherence, Reflection leads to the Ground of the Contradiction generated by the “new data.” Smith is at least correct when he says “Marx, in contrast,” if little else.

Smith bases his claim for locating *Capital* at this point, corresponding to the beginning of Essence, on the apparent *similarity* of the Essence Logic and *Capital*:

Essence categories ... define cognitive frameworks that allow truths about more concrete and complex states of affairs to be articulated. The determinations of the Doctrine of Essence come in pairs neither of which can be considered apart from the other ... truths articulated within explanatory frameworks relating an essence and its appearance, a cause and its effects, a substance and its accidents, and so on.

(2014, p. 31)

It is true that Essence displays this “two-ness,” whereas in Being, as each concept is taken up and critiqued in a series, it gives rise to a new concept which shows the previous concept to be *untrue* (one-ness), classically illustrated by how Being is shown to be Nothing! The concepts of Being come in a serial form like this. By contrast, in Essence, each successive pair of concepts uncovers a deeper duality which includes, but pushes the former pair of concepts into the background, so to speak, without abolishing it. The Concept Logic is then characterised by “three-ness,” in which each new triplet *develops* and concretises the former.

The way Essence works is illustrated in the initial *analysis* which begins with Identity (reflecting what the new perceptions *is* (Identity), based on the existing ontology). Identity is shown to *include* Difference (something absolutely identical to itself cannot be), but the resulting Diversity is *essential difference*, the unity of likeness and unlikeness. Hegel repeats this process, sharpening the oppositions till arriving at *Contradiction* and then revealing *Ground*. That is to say, an initial determination of what it is that is *truly* new (or anomalous) in the new perception and the grounds of that contradiction. But this is only the beginning of the process of enquiry into the new fact. The two phases of Essence which follow Reflection are first Appearance (the dialectic of Form and Content) and then Actuality (the dialectic of Cause and Effect). Essence is a continual *process* of going behind the surface to find the ground of the contradiction beneath, but this process is *never ending*. This of course poses a problem for using the Essence Logic as the model for a science.

The Essence Logic is a journey. It never reaches the “essence” of the matter. It has the effect, as Smith says, of delving ever more deeply, but finds itself in an *infinite regress*. The regress is terminated with a leap to the Concept Logic.

For example, when a new phenomenon is investigated by seeking the causes of things, we find that each cause is also an effect, the effect of some other cause, which in turn is the effect of a deeper cause, and so on *indefinitely*. This can be overcome only by the determination of Reciprocity in which, say, crime and poverty are found to be causes of each other – crime and poverty are ‘two sides of the same coin’. But having arrived at this insight, no ‘solution’ is found, the basis for that unity still remains to be uncovered, encapsulated in some new

concept. The dialectics of Chance and Necessary, Possibility and Real Possibility represent efforts to formulate such a conception. But this conception (e.g. capital) is *not* part of Essence. The leap to the simple concept which unites Chance and Necessity, Cause and Effect, etc., is a new abstract concept which characterises the whole of the reality and which reveals the path to a theoretical explanation (and/or remedy) which can represent the new facts. This is the first concept of the Concept Logic, the Subject, which Smith wrongly identifies as an “empty concept.” It is far from empty.

Now, I can see why the Essence Logic is appealing. It is, as Smith notes, made up of pairs of opposite determinations. Appearance, the second division of Essence, is explicitly contradictory relation of Form and Content, of an appearance and what appears, and is not a synonym for “surface,” the unity of which leads to a deeper contradiction. Despite sounding very Hegelian, actually, “essence and appearance” is not, as Smith believes, one of these pairs of concepts. Essence is, in fact, a logical representation of the path of “immanent critique” of the *existing theory*, which was the basis on which observations were collected, and the conflict between the new observations and the existing body of knowledge generate the critique represented by the Logic of Essence. Marx’s extended enquiry into the established theories of surplus value, which underlay his formulation of *Capital*, could be taken as a realisation of the Essence Logic. If the Essence Logic is a “model” of anything it is a model of that immanent critique of political economy. *Capital*, on the other hand, is the *reconstruction* of political economy based on the *outcomes* of that *immanent critique*, as illustrated by Marx (1973/1858, p. 100) in “Method of Political Economy” in the *Grundrisse*.

4. Misconception of Concept Logic

Smith sees Hegel’s Concept Logic as some kind of utopian political order. Smith correctly notes that Hegel attempted to establish a strong normative justification for the system of right set out in the *Philosophy of Right* through a process of mediation which resembles the series of Syllogisms laid out in the third section of the Subject and in which Universal, Particular and Individual moments are combined in a series of syllogisms. Hegel believed that a state needed to gain legitimation and this is achieved by means of layers of “collegial” consultation. Whether or not Hegel is credited for this insight, it is one widely recognised in bourgeois democracies today.

But in claiming that this “strong normative justification” applies to “the modern socio-political order,” Smith overlooks the point that the Germany in which Hegel lived at the time the *Philosophy of Right* was published was an *absolute* monarchy, and Hegel was promoting a vision of *constitutional* monarchy, in which the actual power of the monarch withered away to the traditional role of head of the army and a purely symbolic role in internal affairs. Meanwhile, universal suffrage of the kind which is the almost universal political basis for capitalism today was transcended in Hegel’s vision by a collegial system of regulation and consultation based in each industry. Whether you approve of this system or not, it was based on a critique of the existing order while striving to avoid utopianism, by calling on norms which had some basis in the past or present. But it was not a justification of the status quo. It was an immanent

critique of the existing system of custom and law which accepted that social and political life was “rational,” i.e., intelligible, and open to scientific analysis. One of the many criticisms one could make of the *Philosophy of Right* is that Hegel’s critique of value and his conception of capital and wage labour are woefully inadequate, mainly because Hegel was merely *appropriating* the work of contemporary Political Economists. Nonetheless, he did see the inhumanity of factory labour, the right of workers to own their own tools, the inherent tendency of capital towards inequality and inhumanity and the inadequacy of the only solutions he could see, viz., a welfare state, philanthropy or colonial expansion, all of which he rejected. He was writing in economically backward Germany at a time when an organised workers’ movement had yet to show its face, even in Britain where it still existed underground. Of course, this was not the situation in 1867.

Smith goes on to ask:

whether Hegel unintentionally contributed to the understanding of capitalism by developing a Logic of the Concept precisely homologous with the ‘logic of capital’. This would be the case if it were possible rationally to reconstruct a social order of generalised commodity exchange as a system of syllogisms mediating universality, particularity and singularity along the requisite lines once capital has been made visible. This cannot be done.

(2014, p. 28)

... In the relevant sense ... the concept of capital does not fit what Hegel referred to as the Logic of the Concept.

(2014, p. 29)

... Capitalism does not institute the sort of harmonious reconciliation of universality, particularity and singularity required to instantiate the Logic of the Concept in the socio-political realm. Capitalism therefore lacks rationality in Hegel’s strongly normative sense of the term. It could even be said that Hegel’s Logic of the Concept provides a categorical framework within which capital can be *subjected to critique*, although Hegel himself, lacking an adequate concept of capital, failed to recognise this.

(2014, p. 35)

There is merit in suggesting that the *Logic* provides a more useful starting point for a critique of capitalism than the *Philosophy of Right*, but how? The Logic is not a model social system. It is a Logic.

In the Concept Logic, a series of 10 syllogisms are subjected to critique in the section called “Syllogism,” and *all* of them are shown to be deficient, and even the last one still fails to actually grasp the concept as a concept. These fallacious syllogisms do, however, reflect real, human actions in this imperfect world in which people usually act upon quite spurious reasons, but reasons nonetheless. The Logic of the Syllogism is by no means “harmonious,” it is agonistic. Anyone involved in leading or criticising organisations (unions, businesses, scientific bodies, states,...) would be well-advised to study this section of the Logic and how Hegel utilised it in the *Philosophy of Right*.

Secondly, Hegel is not alone in disclosing the strong normative power of the relations described in the *Philosophy of Right*. He was pointing to the normative power of many relationships which did exist in an absolute monarchy! Likewise, Marx showed for example, how the universal exchange of commodities underpins a powerful norm expressed in the universal moral equality of human beings, as against feudalism, in this way laying a precondition for Socialism. Also the way the rate of surplus value which is highlighted in Volume 1, realises the equal value of all human labour, but in Volume 3, is displaced under capitalism by the rate of profit, realising instead the norm of equality of capital irrespective of its human owner. This expressed in sharp relief, the class basis of capitalism. These norms are the sine qua non of capitalism. *Capital* is as much a work of Moral Philosophy as of Economics, just as the *Philosophy of Right* is as much a work of Social Science as it is a work of Moral Philosophy. Both writers recognise the unity of Ethics and Economics. But in 1821, this unity had not yet manifested itself. Smith is wrong to claim (2014, p. 39) that “a normative progression ... of Hegel’s affirmative systematic dialectic is thoroughly absent in Marx’s critical dialectic.” And he is not quite right in saying that “the contradictions of Essence Logic are *overcome* in the advance to the Logic of the Concept. In the Essence Logic, the contradictions are made comprehensible but not abolished, merely placed in a context.

The Concept Logic does “resolve” the infinite regression in which The Essence Logic finds itself, and this does not result in any “harmoniousness.” The *Logic* is simply intended to grasp how processes which are external to one another interact and concretise each other.

5. Affirmative or Critical Dialectic

There can be no doubt that there are important differences between the dialectic of the Professor of Logic who advocated for a constitutional monarchy and that of the revolutionary who called for the overthrow of the state. But the claim of a contrast between “Hegel’s affirmative systematic dialectic” and Marx’s “critical dialectic” are exaggerated. To understand the value of Hegel’s *Logic* it is important to understand how it is *simultaneously critical and productive*. Its aim is both to make intelligible what exists and to point to the contradictions which look beyond what exists.

In writing his *Encyclopaedia*, Hegel simply appropriated the existing natural and social sciences, re-arranging them in way which brought out their dialectical progression. He did not actually engage in research of all the natural and social sciences covered in the *Encyclopaedia*. Generally only in logic and politics did he have strong and independent views. Marx, on the other hand, did actual research on political economy, applying the *Logic* to economic data, and critically engaging with existing political economy, in a way which Hegel had not.

It was Kant who introduced the word “critical” to philosophy, and the series of philosophers who followed Kant and culminated in Hegel based themselves on critique. One of Hegel’s most important contributions was to develop a dialectic which did not just merely tear down concepts, as had the ancient Sceptics, but was *productive*. Every new concept produced in the *Logic* appears thanks to criticism of the foregoing concept, which is taken to its limit and transcended.

This is the meaning of “sublation.” There are countless examples of this as every transition in the *Logic* is a sublation, but for example:

The negation of negation is not a neutralisation: the infinite is the affirmative.

(1831, § 95)

Marx’s dialectic was also both critical and affirmative – think of the hymn of praise to capitalism with which the *Communist Manifesto* begins! No, the difference is that while both agreed that social practice is intelligible, in the absence of his own original scientific research, Hegel relied on the logical appropriation of the work of others, while Marx criticised others’ in the light of social practice, which demanded original research and intervention.

6. Failure to understand dynamics of the *Logic*

I believe that Smith’s failure to understand the significance of the various concepts of the *Logic* derives mainly from a failure to understand the overall dynamics and structure of the *Logic* as a critical, immanent logic of enquiry, and as such, an invaluable weapon for *every* revolutionary or social critic. The obscurity of Hegel’s exposition and terminology, makes all the concepts of the *Logic* open to misconstrual.

In a monist philosophy, whether that of Hegel or of Marx, concepts are *forms of human activity*. Consequently, a work of logic is open to a fruitful interpretation as the logic of all forms of social practice. But the concepts of the *Logic* must be properly grasped as logical terms before we can understand how they can be realised as forms of social action.

I wonder, when Smith says:

But when sociality takes the historically specific form of *dissociated* sociality these social relations are mediated through relations among things (commodities, money).

(2014, p. 30)

is he aware that Hegel determined that human actions are *always* mediated by things? See Hegel (1816) The Syllogism of Action. It is not this which concerns Marx, but the fetishism which is engendered by capitalism and the alienation which results from the fact that the products of workers’ labour is the property of an *alien class*. A commodity is not something which is characterised by its physical or chemical properties, but rather by its *social* properties, i.e., as mediating a form of human activity. Marx of course takes as his starting point not a thought-form (such as the concepts of Political Economy), but the form of practice in which the thought-form is realised, but *both* are aspects of a concept.

Hegel’s *Logic* is unlike any previous logic. When reading it, one gets a distinct feeling of movement and time. This is illusory of course; the *Logic* deals in ideals, not material forms which can move through space. The aspects of the *Logic* which create this feeling of movement are firstly the transitions from one concept to a “new” concept. These transitions are driven by contradictions (as Zeno discovered, movement is “existing contradiction”) and what Fred Moseley aptly called “successive determination.” These ideas are captured by the concept of “sublation,” (*aufhebung*) which is descriptive of every transition in the *Logic*.

Any attempt to render the *Logic* into some kind of system or structure fails, because of this constant restlessness which characterises the *Logic*.

Smith is right, however, to note that “abstract labour” is a distinctive feature of capital, a feature which makes capital particularly suitable for a “model” based on logic. Values appear to individuals as objective properties of commodities formed by means of “real abstraction.” Exchange of commodities renders the relation between qualitatively different actions on to the single dimension of value. Value expresses a totalisation of social relations in much the same way as when a person makes a judgment, and decides to act. The *Logic* is based on such judgments. The logic of value is thus a special case of the logic of judgment. It is not a simple matter, but *this* shared starting point does provide a basis for a particularly strong similarity between commodity exchange and the *Logic*.

Where Hegel touched on value, not of course in the *Logic*, but in the *Philosophy of Right*, he treated value very superficially and failed to see the contradictions inherent in value. But this tells us nothing about the relation of *Capital* and the *Logic*.

Conclusion

In the face of Marx’s claim indicating that capital is an “automatic subject” and *Capital* and it having a structural resemblance to the Subject in Hegel’s *Logic*, the thesis that *Capital* follows the Logic of Essence, based on a superficial reading of the Essence Logic and the *Logic* altogether is untenable. The process of “looking behind the surface of things,” which is seen in the Essence Logic, is likened to the series of different Forms of Value found in *Capital*. But the Essence Logic is the *becoming* of a new concept or practice and a logic of enquiry which never quite reaches a concept of its subject matter.