REVIEW ARTICLE

Mysticism, method and money in the Marx–Hegel dialectic

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Economic orthodoxy has but a minimal interest in methodology. Heterodoxy is suspicious of dialectics. As exemplified recently in a book by John Rosenthal, even Marxism likes to eschew the notion of any more than a residual Hegelian influence in Marx and Marxist discourse. Bouncing off Rosenthal’s argument, this paper argues for the legitimacy of a pragmatic post-Hegelian method for critical political economy.

Key words: Marx, Hegel, Methodology, Dialectics, Idealism

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Introduction

Mention of methodology, let alone dialectics, tends to induce in the average economist a kind of world-weary exasperation. It is not clear why, since economic methodology seeks merely to bring to bear general philosophical considerations upon the ontological commitments and epistemological imperatives at work in economics. Heterodox economics almost inevitably becomes involved in contested methodology (for example, Dow, 1997). A crucial neglected issue for economic modelling concerns the question of the interpretation of formal models in order to reveal their implicit ontological commitments and the basis of legitimation of their knowledge claims (for a survey, see Williams, 1999). Unavoidably, this implicates the more perennial philosophical question: What is the relation between theoretical concepts and the object of investigation? One possible resolution is to make the move from the narrowly analytical focus of economic modelling to a more synthetic method that grapples ab initio with concept and object.

In the last couple of decades, two main dialectical methods have been proposed for Marxist critical political economy: ‘new’ or ‘systematic’ dialectics (inter alia, Arthur, 1979, 1993, 1997, 1998; Backhaus, 1969; Banaji, 1979; Eldred and Hanlon, 1981; Elson, 1979; Shamsavari, 1991; Smith, 1990, 1993, 1998); and the more recent extension of critical realism to ‘dialectical critical realism’ (Bhaskar, 1993, 1994). This paper is concerned with the first of these and its relationship to a recent major book by John Rosenthal.
For some time now (for example, Reuten and Williams, 1989; Williams, 1992, 1998), I have been arguing that a post-Hegelian dialectic can provide a down-to-earth pragmatic method for critical political economy that will not frighten the horses. Rosenthal (1998), to the contrary, claims to reject any Hegelian method in Marx, arguing that he is able to make scientific use of Hegel’s irreducibly theist dialectic (1998, p. 39) only because money is in itself a quasi-mystical object. In the event, Rosenthal’s critique strikes home only against the ‘old’ dialectical materialism of Kaufman, Engels, Plekhanov, Lenin, Stalin, Mao et al. Building on Rosenthal’s excellent exposition of Marx on money and value, this paper argues that a valid post-Hegelian ‘systematic dialectical’ method is discernible in Marx’s mature writings and his critique of Hegel.

The final nail: Rosenthal against dialectical materialism

In Part I of his book, Rosenthal focuses on what he calls ‘dynamic historicism’. Chapter 3 is supposed to provide ‘the . . . destruction of the historicist model of Marx’s “dialectics”’ (Rosenthal, 1998, p. 93). In fact, his substantive argument hammers more nails into the coffin only of dialectical materialist interpretations of Marx’s work as a nomic science of history. He successfully re-argues the long-standing critique of Engelsian attempts to maintain both a dialectical and a historical materialism about physical as well as social reality (1998, p. 21, note 8). Rosenthal establishes that the historical model of ‘Marx’s dialectics’ captures neither the nature of Hegel’s dialectic, nor the norms that in fact govern ‘the conduct of Marx’s more mature economic analyses’ (1998, p. 93). He also restates the equally long-standing humanist–Marxist critique of any ‘inevitable breakdown’ interpretation of Marx’s theory of crises, and the related more recent arguments against the notion that the dynamics of capitalism allow us to predict any specific, post-capitalist future (p. 22).

Marx’s alleged Hegelian dialectical notion of ‘negation’, interpreted substantially not merely logically, implicates the claim that to grasp a form in its existence is to understand its genesis, transience and ultimate destruction (Rosenthal, 1998, p. 10). But the genesis and dissolution of a particular constituent element of a self-reproducing system will be a process of cyclical decline and renewal, not a secular trend terminating in ‘destruction’. An explanation of capitalism as a system by its location between its past and its future posits its emergence, reproduction and transcendence as logically and necessarily related by a persistent set of laws of motion. This is not a scientific ‘method’ but a myth, since such laws cannot be all of a piece. Though occasionally apparently advocated by Marx’s rhetorical writings, and taken up by both dialectical materialism and anti-Marx commentators, fortunately, no such method significantly informs Marx’s Capital (pp. 28–36). Marx does, of course, demonstrate the historicity of capitalism that is neglected by classical political economy’s unsubstantiated naturalisation of human nature as capitalist rational economic man, and the historically specific reification of the categories of political economy (pp. 41–2). But in Part II, Rosenthal argues that, notwithstanding early comments (in Marx, 1992 [1846–7]), Marx’s historicity is substantial not methodological.

The crude materialist ‘expressive’ notion of causality, moving from productive forces to

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1 The notion of ‘positing’ is an indispensable rationalist term that often generates resistance. In this context, a posit is nothing more mystical than a working hypothesis, the validity of which is to be tested by empirical investigation in the light of the full conceptual presentation. Simply: capitalism seems (from existing conceptual and empirical investigation to date) like a system driven by pursuit of value. Let us explicitly assume that that is what it is, and construct such a system and see how it works in terms of accounting for the significant aspects of contemporary social and economic reality.
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social relations to political organisation to ‘ideas’, finds support in Engels’s mistaken critique by inversion of Hegelian speculative idealism (Marx and Engels, 1970 [1845–6]) that led to Marx’s putative ‘dialectical method’ (outlined in the 1873 Afterword to Capital I (Rosenthal, 1998, p. 87). Such an inversion only replaces the mysterious self-moving system of ideas, independent of the material world that it determines, with an equally mysterious self-moving material system, independent of the world of ideas in which it is reflected (Rosenthal, 1998, pp. 88–9). In either case thought ‘has no history, no development’ (cited in Rosenthal, 1998, p. 90) and the actually thinking human individual subject is reduced to a conduit between the idea and material reality—only the direction of the flow being reversed in the ‘inversion’.

Mystical object, mystical method? Rosenthal on money in Marx

Economists, following Böhm-Bawerk, have misunderstood Marx’s derivation of the substance of value from the exchange relation in Capital, Volume 1, Chapter 1, and dismissed his prime concern with the derivation of the form of value as Hegelian mumbo-jumbo. Dialectical materialism defends Marx on the substance and form of value but deploys an invalid Hegelian dialectic concerned to reveal the essences underlying appearances. In subtle and multilayered argument, Rosenthal shows that the categories of political economy arise only as expressions of the historically specific social relations of bourgeois society. They are not general empirical concepts of independently existing things resulting from empiricist abstraction. ‘Money’, for example, is not derivable by abstraction from its many different forms of expression—precisely because that is what they are. The categories of social relation that have a necessary historicity have a fundamentally different logical status than general empirical concepts and relations (Rosenthal, 1998, pp. 49–50): ‘Unlike, say, the concept of an electron, the concept of money is . . . of the same age as the referent it determines’ (p. 58). Money is a systematically specific ‘reified index of the social relatedness of its possessors’ (p. 53).

Commodity exchange is the mode of integration of an unplanned social division of labour, necessitating money as an independent universal form of existence of the value of commodities (Rosenthal, 1998, pp. 53–4; cf., Reuten and Williams, 1989, pp. 39–40, 59–60, on ‘association’). But to ascribe the social power of money solely to the physical properties that fit an object (gold) to function as money, as just another intrinsic property, is to naturalise or dehistoricise the concept. It is not qua physical object that gold is universally alienable, but only qua money.

Marx excavates the historical conditions for the validity of concepts deprived of their social significance, to discover that they have been invalidly dehistoricised. Under capitalism, this ideological legitimation via naturalisation is achieved internally and spontaneously—as opposed to by external appeal, for example under feudalism to divine will (Rosenthal, 1998, p. 57). The ‘practical concepts’ of value, commodity, money and capital are the symptomatic expression of commodity exchange itself, emerging immanently as real abstractions in the very practice of which they are transcendental conditions. In plain language, market capitalism reproduces itself as what it is: a value-driven system of resource allocation. The expression of the value of commodities as money price is a practical activity that is transcendentally necessary for systematic exchange to sustain itself. Such abstractions constitute, as its forms, rather than oppose, the empirical-concrete. In those earlier societies that were no longer merely communal, legal relations reproduced the hierarchy of direct social relations within which ownership was constrained. It is only
with the commodification of labour-power that this reification is generalised: relations between objects are personified and those between people depersonalised. Social relations become ubiquitously mediated by property relations, and objectified in money.

The qualitative problem of value only arises because quantitative commensuration appears to exist. In the elementary value-form, one use-value (1 coat) is the value of another (20 yards of linen), in virtue not of their natural form but of generalised commodity-exchange. As with money, 'value as a practical concept is not abstracted from particulars in their empirical diversity, but rather projected upon them' (Rosenthal, 1998, p. 164) by the practice of generalised commodity exchange. Value is neither subjective nor intersubjective, but objective in being independent of the 'conceptions or perceptions of individuals as cognitive subjects' (ibid.). The system of value-relations is (socially) objective as a persistent system that is the condition of the possibility of any particular coherent empirical commodity exchange that in turn confirms the prevalence of the value-relation that transcends all such specific exchanges, ensuring that commodities will exchange in regular proportions.

Rosenthal traces the development of money as 'the real universality of commodities', the 'necessity' for which arises from a version of the orthodox 'double coincidence of wants' argument for its pragmatic, transactions-cost reducing convenience. 'Immediate reciprocity,' he argues, 'is indeed the fundamental contribution which money makes to the generalisation of exchange' (1998, p. 179). Money emerges from the generality of commodities to become 'the real form of existence of exchange-value' (p. 174), that can be replaced by notes as convertible contracts (paper currency), tokens of commodity-money. Credit money is just another kind of surrogate for money that presupposes a monetary system 'based on some sort of . . . embodied currency, whether commodity or not' (p. 187).

All commodities are exchange-values but 'their reality . . . is not adequate to their 'essence' ['to differ from one another only quantitatively'], since each one 'is burdened with [different use-values] and so they 'differ from one another qualitatively'. The opposition between exchange-value and use-value is intrinsic, making contradictory demands on the commodity that can only gain real existence as the empirical opposition between commodities and money. As the medium of exchange, money becomes the standard unit of measurement in which values get expressed as prices. Polyvalent and indeterminate commodity exchange necessitates money transcending any individual exchange, expressing the transcendental nature of the value-relation that imposes itself on economic agents. It is only through such a proxy that values can get expressed, since in themselves they are not properties of individual commodities, but of the social system of generalised commodity production and exchange. Value is a socially imparted capacity of each commodity to be exchangeable, in principle, for each other (p. 185).

Money may be, metaphorically, 'the Christ of Commodities' in that the peculiar physical form of commodity value is just the money commodity that comes, as the value-form, to 'incarnate' the 'spiritual' substance of all commodities. But the money commodity is an 'empirical universality' only in that the practical exigencies of commodity exchange generate the need for a sensate-concrete commodity socially assigned the function of representing the universal value-form. Its scope is universal only for the finite domain of particulars within the value-relation. A commodity's sale, by releasing its value in money, demonstrates commodity value to be but a particularisation of the universal value substance (abstract labour). Though the portion of the product controlled by a particular owner of a particular commodity for sale undergoes both 'a properly Hegelian reunifi-
cation of the particular with the universal’ and ‘a properly Christian “transubstantiation”’ (Rosenthal, 1998, p. 190), the existence of the generality of commodities remains mundane, undergoing no miraculous ‘metamorphosis’. The sold commodity retains its value, merely changing hands until it (or the commodities for the production of which it is an input) enter into final consumption, desuetude, decay, destruction or moral depreciation.

Thus, pace Hegel, the projection of the value objectivity of commodities upon a physical object—the money-commodity—does not infringe the postulated thought-independence of the world. It is a ‘second-order’ objectivity (derived from thinking about scientific thinking), as compared with the ‘first-order’ of a specific commodity (appropriated by scientific thinking about the world). Commodities possess this second-order objectivity only to the extent that they acquire a first-order objectification independent of them—money, whose first-order objective form has in practice to be the second-order objectivity of commodities. Money is thus an economic object _sui generis_. Unconsciously, commodity exchangers in equating definite amounts of money with their own commodity reduce various concrete labours to a qualitatively homogenous and so commensurable allocation of total social labour. The “reality” of the concept of labour as such is thus not in fact dependent upon the formal peculiarities of specifically commodity-money, as Marx’s analysis could be taken to suggest but rather upon the peculiarity of exchange as a mode of social integration’ (Rosenthal, 1998, pp. 192–4).

The mature Marx took from Hegel only the mystical, inverted philosophical relation between universal and particular that he could put to scientific use just because of the peculiar objectivity of capitalism’s categories. Within ‘the value-relation and the value-expression it comprises, the abstract-universal does not count as the property of the concrete, of the sensate-actual; but, on the contrary, the sensate-concrete counts as but the form of appearance or the determinate form of realisation of the abstract-universal’ (Marx, 1994 [1867]).

**Irredeemable mystic? Rosenthal on Hegel**

In Part III, Rosenthal argues that Hegel’s logic is _sui generis_ in denying the axioms of identity and non-contradiction (1998, p. 93). For conventional logic, truth-value and scope pertain to propositions, and are to be determined by their relation ultimately to some objective reality. But for Hegel, they pertain to objects themselves, by comparison with the concept that is what they essentially are. Then any object, being necessarily finite, is untrue. For formal logic, there can be no real contradiction; for Hegel everything, being identical with its opposite, is contradictory. The formal logical law of non-contradiction posits about the objective world only that it exists independent of thought. _Pace_ Hegel, contradiction cannot be projected onto the material world since it would then no longer be independent of thought (Rosenthal, 1998, p. 123). Since this is a basic tenet of philosophical materialism, ‘dialectical materialism’ is an oxymoron. In positing the material and the conceptual as continuous with one another, it is better termed the ‘idealism of matter’ (pp. 112–3).

The putative rational kernel of the dialectic identified by Marx is indeed this doctrine of real contradiction extracted from any idealist notion of each system as just a manifestation of _Geist_. His methodological pronouncements do avoid the apparent implication of the contradictoriness of the finite, but only by banalising Hegel’s logic in the circular claim of its essential transience (Rosenthal, 1998, p. 37). Logical negation is reduced to empirical process (pp. 96–7). For Hegel, ‘negation’ of a self-subsistent entity at first points to its
necessary limitation as determinate being. He then goes on, speciously, to exploit the ambiguity of ‘becoming’ to conflate logical transition (implicating ‘alterity’) and empirical transformation (implicating alterability) (Rosenthal, 1998, pp. 29–40). This ubiquitous slippage encourages the banalities of the ‘material dialectic’ as the ontology of necessary change, to which some Marxists and occasionally Marx himself have succumbed (p. 113). ‘This rose is red’ is less than absolutely true since, first, this rose cannot be all that is entailed by the abstraction, ‘red’; and, second, redness is not all that there is to this rose (p. 114). But this ‘defect’ is characteristic of all positive and normative judgements (i.e., all propositions, except identities that relate the same real object—e.g., the planet Venus—under different headings—‘the morning star’ and ‘the evening star’). The logical coherence of the imperfection of particular existence necessitating that it perish into its universal ‘is inseparable from the thorough-going idealism of the Hegelian system’ (p. 147).

In the spiritual reality of, for example, Christian theology, Christ may be a ‘real individual universal’ (p. 119). Though ‘father’s intension is to be grasped only in terms of the opposition between parent and offspring, an actual father is not in any sense the opposite of his own son (let alone identical with him). But the Christian ‘God the Father’ is indeed the universal identical with Himself in the shape of His son, Christ. Under the social reality of capitalism the universality that is commodity value subsists independently as money (p. 217, note 3). The ‘dialectical contradiction’ that dialectical materialism would extract from his mystical mumbo-jumbo turns out to be ‘entirely of a piece with Hegel’s idealism’ (p. 121).

In sum, Hegel’s ‘necessary’ transitions appear cogent only because of this ‘bizarre procedure of attributing to objective conditions the [logical] properties of the concepts by which we allude to them’ (Rosenthal, 1998, p. 136). Hegel confuses sense and reference, neglecting the lack of extension of purely relational terms in themselves. He not only conflates ‘difference’, ‘opposition’ and ‘contradiction’, but also attributes, quite incoherently, contradiction to concepts as opposed to the predication of concepts of the same object in a proposition or judgement. ‘The ‘reality’ of contradiction’ is, for Hegel, manifest in the ubiquity of change in the finite world. This is the starting point of Marxist dialectical materialism.

Imputing an Hegelian, dialectical logic to Marx’s Capital distorts the immanent logic dictated by its subject matter, argues Rosenthal (1998, p. 220, note 4). Nor does Marx’s (rational) use of logical concepts in relation to specific objects legitimate the original Hegelian usage where they were not restricted to any objective domain. Already in 1843, Marx is quite clear that there can be no adequate scientific method in an Hegelian ‘dialectic of concepts’. His comments in Critique of Hegel’s Doctrine of the State are dire judgements on ‘the cognitive value of Hegel’s exposition in general’ for ‘reversing subject and predicate’, treating predicates as substantial and subjects as phenomenal (Rosenthal, 1998, p. 151). Even in ‘The Value-Form’ (Marx, 1994 [1867]), the most Hegeloid (sic) part of his mature economic writings, ‘the idealist connotation of Hegelian formulae gets expelled in their usage by Marx’ (Rosenthal, 1998, p. 163).

An empathetic reading of Hegel

Rosenthal reads Marx’s accusation of the Hegelian dialectic ‘twisting empirical facts into metaphysical axioms’ (Marx, 1975 [1843]; cf Rosenthal, 1998, p. 206, note 5) as warranting a general attack on ‘dialectics as method’, rather than specifically on Hegel’s mistaken ontological commitments. But Hegel’s dialectic may transcend rather than negate the
formal logic without which coherent communication would be inefficient if not impossible. Although logic appears to eschew ontological commitment, even the epistemological law of non-contradiction must make the ontological commitment to a world of discrete identifiable objects.

Hegel’s notion that the objective is necessarily finite, and therefore less than true, albeit less grandly stated, is common in philosophy of science in its rejection of ‘approximate’ truth. I think we must, for science as opposed to religion, allow of the cogency of less than absolute kinds of truth. Real objects truly correspond to their concept necessarily only approximately, because abstractly. The answer to whether some real object—a Euro coin, gold, a cow, a conch shell, an entry in an account, . . .—is truly money (de Brunhoff, 1976, pp. 35–6) can indeed be couched in terms of each one’s adequacy to the systemic concept. In describing the world so that our propositions fit the Hegelian formula, the ‘individual is the universal’, we are positing simply that logical forms do lay down the structure of actuality (Rosenthal, 1998, p. 144), as we can have it in thought. Once a concept, ‘A’, is taken to ontologically commit one to an object, A, there are all kinds of ways that A can both be an expression of ‘A’, and yet not be ‘A’. It will be at best only an approximation to ‘A’, like ‘A’ only in certain ways and to certain degrees. In other ways and degrees it is indeed ‘not-A’. A (when adequately conceptualised) will be concrete while ‘A’ is an abstraction from at least some of A’s systemic interconnections. Conversely, any A will be ‘A’ only to the extent that it exemplifies the latter’s necessary constituent relations within a systemic whole. For Hegel, the immediately empirical object is misleading in its apparent ontological simplicity. Its conceptualisation locates it in itself, systemically. In Chapter 15, Rosenthal uses, without irony, just this Hegelian notion of the adequacy of a real exemplar of an object to its concept.

Hegel’s alleged claim that thought creates reality is unacceptable to the practical minded economist. But that the Logic creates its own content does not (pace Rosenthal, 1998, pp. 99–100) imply that it creates the empirical. Rather this ‘absolute form has in its own self its content or reality; . . . the content is simply and solely these determinations of the absolute form and nothing else’ (Hegel, 1969, p. 592, emphasis added to a quote cited by Rosenthal). The subject matter of the sciences of nature and spirit, yet to be performed, is not inserted ab initio as the content of the Logic, but is rather the pre-existing starting point as nature grasped ‘so far’ by science. Smith (1999) emphasises the point with a crystal-clear citation from Hegel:

(E)xperience is the real author of growth and advance in philosophy. For, firstly, the empirical sciences do not stop short at the mere observation of the individual features of a phenomenon. By the aid of thought, they are able to meet philosophy with material prepared for it, in the shape of general uniformities, i.e. laws, and classifications of the phenomena. When this is done, the particular facts which they contain are ready to be received into philosophy. This, secondly, implies a certain compulsion on thought itself to proceed to these concrete specific truths. The reception into philosophy of these scientific materials, now that thought has removed their immediacy and made them cease to be mere data, forms at the same time a development of thought out of itself. Philosophy, then, owes its development to the empirical sciences. (Hegel, 1975 [1830], ¶12)

The conclusions of the Logic are this same nature, now better grasped. Thought is implicated only in the constitution of the concrete, the conceptualised empirical. It is then but a small step to de-absolutise all this by pointing out the on-going epistemological process of science: empirical investigation using existing conceptual structure, abstraction and then systematic conceptual development that enables the return to the empirical, now more adequately conceptualised as concrete.
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Rosenthal acknowledges the possibility of such a profane interpretation of Hegel (the necessary deviation of things from their essences in terms of an intensional identity of kinds) only to dismiss it. But just such an interpretation provides the basis of a dialectical method that is transcendental in being justifiable as a necessary condition of systematic thinking about social objects posited as systemic. This methodological imperative does not condemn mediated particulars to unreality, but enables examination of in what their reality resides. The particularity of the particular, *pace* Rosenthal (1998, p. 102), rests not merely on the universal alloyed ‘with extraneous and accidental elements’, but more fundamentally on its interconnectedness within the real system, grasped by the categorical system dialectically derived from its most abstract starting point. Rosenthal recognises that their ‘sensuous intuition’ by practical objective subjectivity, as what they are, would be impossible without an existing, however tentative, or unrecognised, abstract conceptual structure (pp. 222–3, note 12). Critical political economy seeks to appraise and systematise the (more or less mediated) ‘everyday consciousness’, in accordance with which bourgeois subjects act and react in being both constrained by and transforming, the social world. Hegel’s alleged ‘substantiation’ of the logical and ‘logicisation’ of the empirical is not a problem in the absence of any investment of the logical with theological significance (Rosenthal, 1998, p. 113).

Hegel does not use ‘contradiction’ in the same way as formal logic. He seeks rather to encompass contradictory concepts in thought *and* their real conditions of existence. He may seem to move without explanation from ‘difference’ to ‘contradiction’ to ‘opposition’ (Rosenthal, 1998, pp. 94–5), but the reality of contradiction does indeed require empirical manifestation (p. 123). Marx argues, for example, that exchange- and use-value make contradictory demands on the concept of commodity that can be actually expressed only as a real opposition between commodities and money (Rosenthal, 1998, Chapter 16). Rosenthal may prefer not to use the term for the requirement that ‘the elements of the social product [commodities] must be qualitatively heterogeneous, . . . and possess the form of being qualitatively homogenous’ (1998, p. 175), but a ‘real contradiction’ is *per definition* different from a formal contradiction, since the latter can have only a formal existence as a predicate of a proposition. The formal contradiction in ‘commodity’ between (heterogeneous) use-values and (homogenous) exchange-value has only an ideal existence, reappearing materially in the shape of an external *opposition* between commodities and money.

As Rosenthal’s citation (1998, p. 151) from Kant shows, the notion of a subject without a predicate is the highly metaphysical one of ‘substance’. What sense can be given to something with nothing predicated of it? For Kant, *note bene*, the answer is ‘only as a logical representation of a subject’. It is the universal abstractions (general determinants) predicated of an object that give it actuality. Then it is just the object *abstractly considered* and so not conceptualised determinately that is contradictory. The abstract form is intended to capture the nature of the object ‘in-itself’ (that for systematic dialectics lies in its systemic location). The imperative to move forward cognitively is provided by the indeterminateness of that which is grasped only abstractly, as itself that necessarily implicates what is not-itself. Concretisation reveals precisely that the poles of the abstract contradiction are now moments of the unitary object. The abstract contradiction has, in the move to a more concrete level of abstraction been *aufgehoben*.1

Social reality is thus contradictory only in the derived epistemological imperative for certain crucial social objects to be grasped as having contradictory predicates. Empirical

1 The meaning of this term, translated inadequately as ‘sublate’, includes raising, annulling and preserving.
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reality is, in itself, not contradictory until its complexity is grasped as concrete. The ontological commitment is to a more fundamental (‘systemic’) reality that is to be grasped by abstraction. If the determinateness of an object includes temporal as well as spatial finite limits (Ollman, 1993), we can rescue Hegel’s dynamics from speciousness, at least in its application to social reality. There is also a non-mystical reading of Hegel’s apparent conflation of logical and real objects, with reference to the syllogistic relation between Universal (All x are y) and the Individual (A is y) via Specification (A is x). Rosenthal’s argument that a valid syllogism’s minor premise might be specific without being singular is either redundant or invalid. Rather, the relation between universal, specific and individual may be syllogistic, but not the converse (Rosenthal, 1998, Section 10.3).1

The concepts in which any logic or formal model are expressed are unrestricted as to objective domain. Any residual absolute idealism is purged in Marx’s, legitimate, implicit transcendental dialectic (Rosenthal, 1998, pp. 142–3), in which form makes objects determinate (by systemically locating them) just to the extent that it has derived from prior processes of abstraction and systemic conceptual development that are always incomplete.

Irrepressible dialectics

Rosenthal’s account of what he calls ‘practical categories’ itself clearly exemplifies the investigation of the properties of a social object by location in its social and historical development, whilst denying this any methodological import (1998, p. 85). There remain few, if any, serious proponents of inevitable, persistent, unchanging laws of history. Depending exactly what we are to mean by ‘principle’, the non-nomic nature of historical change does, however, not rule out the possibility of some common principle underlying the different dynamics of emergence, reproduction and transition. Pointing at the messiness of the components of the historical process of primitive accumulation (p. 36) does not in itself make impossible the notion of an abstraction from them to some immanent principle of developed capitalism.

Rosenthal shows how social reality implies a need for something beyond mere empirical abstraction, as exemplified in the ontological oddity of money and value (Chapter 16). This revealed ontological commitment to more than empirical appearances opens up a veritable methodological Pandora’s Box. If the Classical’s method was fallacious (Chapter 8), what kind of method could have avoided their naturalisation of the categories of political economy and exposed its nature as an ideological ploy? The possibility that the bourgeois epoch presents itself empirically as the ideologically supportive very heaven of equality and economic efficiency suggests some method other than naïve empiricism. Historical specificity of social forms suggests at least an anti-naturalist method, since the fundamental objects of natural science are typically persistent, universal and ahistorical.2

1 His counter example to Hegel anyway seems to rest on an invalid argument. Applying the ‘universal, specific, individual’ schema to his example (No dog is literate; All Oxford graduates are literate; therefore no Oxford Graduate is a dog) does not, pace Rosenthal, imply that the set of all Oxfordians are a subset of all dogs. Indeed it implies the, perhaps more plausible, notion that the set ‘all dogs’ are excluded from the set ‘all Oxfordians’. That is the argument runs from the exclusion of all dogs from the set of the literate, via the inclusion of all Oxfordians in that set, to the exclusion of the set ‘all dogs’ from the set ‘all Oxfordians’. The middle term is the set of the literate (potentially including some dogs and some Oxfordians). The major premise universally excludes this possibility for dogs; the minor premise specifies a particular sub-set of the literate; enabling the conclusion to say something determinate about a set of individuals.

2 This may be a matter of degree. The objects of geology, evolutionary theory and cosmology are historical. Nevertheless they are perhaps not fundamental, but derivative from sub-atomic particles. (I owe this caveat to Chris Arthur.)
Discussion of different ‘orders of objectivity’ (in Chapter 14) clearly has methodological import. Reification becomes an issue, pointing to epistemological imperative derived from ontological commitment. Rosenthal’s castigation of the Engelsian naturalist dialectic and his attempt to separate ‘substance’ from ‘method’ fall foul of this starting point of any anti-naturalist political economy (1998, p. 18 and Chapter 4). His own reference to the determination of theoretical forms by their object thus suggests a procedure to investigate such contents: establish conditions of existence and evolution, examine the hypothesised theoretical object for the actuality of those conditions and elaborate on its likely telos.

The nature of ‘dialectic’ is itself a methodological controversy about different ways for political economy to proceed, on the basis of a broad notion of the nature of the social objects under investigation. German idealism’s expansion of the classical Greek notion of contradiction in discourse to contradiction in reality is the target of the materialist critique of absolute idealism. For Kant, critical dialectics was to reveal the mutual contradictions of epistemological principles when applied to ontological reality. For Hegel, such epistemological contradictions were, in both thought and world-history, transcended in unified truth. The dialectical process was then the unification of opposites as parts of an interconnected whole (Williams, 1988, pp. 106–10).

Rosenthal de facto enters the long-standing unresolved controversy about what Marx’s methodology was in practice: dialectical materialism, in which the same laws of motion are only expressed differently in the physical and social worlds? historical materialism, for which they are restricted to historical processes? or humanist dialectics not resting on the notion of historical ‘laws of motion’ at all? Methodological discourse must surely encompass different varieties of idealism and materialism, and the appropriate modes of knowing for different kinds of theoretical object.

The ontological relation between being and consciousness is more complex than Rosenthal allows (1998, Chapter 16). The basis of formal logic is identity. If the reality of an object is to be determined by its temporal and spatial interconnectedness (‘location’), Venus in the morning is not identical to Venus in the evening! Indeed, identification (including definition) may precisely be a matter of abstraction. Categorically, Money = Money, but no manifestation of money is ever identical to another (a £1 coin in my pocket today ≠ a £1 note coming off the printing presses in London in 1950). In some sense all logic emphasises syntax rather than content (although the modern consensus is that formal models cannot avoid some, however conventional, semantics). Hegelian ‘logic’ specifically claims to deal with the necessary formal determination of content, implicating an irreducible unity between method and syntax, and semantics.

More generally, the modern imperative is to overcome epistemologies that rest on prescriptive, exhaustive and pre-given modes of mediation between concept and object, whether these be the ‘sense-impressions’ of Hume or Locke, Kant’s ‘formal categories’ or Quine’s ‘propositions’. Any adequate conceptual apparatus cannot but be tentative, provisional, fungible and non-exhaustive. Pace Rosenthal, there is a coherent set of useful methodological precepts to be gleaned from the critique of Hegel that Marx himself began. Their cogency is independent of Hegel’s alleged mysticism. Rosenthal’s unexceptional argument (1998, culminating on p. 110) that Hegel invests logical concepts with the theological and so converts them into essences does not rule out a much less grandiose and more pragmatic post-Hegelian method for critical political economy that escapes such theism. Hegel’s apparent ‘incarnation of logic’ can be phrased in the no doubt banal,

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1 This take on the relation between concept and object was suggested to me by a lecture given by Charles Taylor at Southampton University, 20 April 1999.
but nevertheless important, imperative to construct concepts so that the whole system of their interconnection is internally coherent.\(^1\) The banality that may tend to make substantive argument trivial may be a good place to start methodological discussion. Truisms are, after all, true, as well as trivial.

Marx’s own comments on Hegel (especially in Marx, 1970 [1843–4]) say nothing about his attitude to a dialectic of concepts as a method of political economy. There are no grounds for moving from the plausible premise that the meaning of Hegelian terminology is changed when used by Marx, to the (implausible) conclusion that Hegel had no cognitive influence on Marx (Rosenthal, 1998, p. 220, note 4). Rosenthal makes a persuasive case that Marxist dialectical materialism is a kind of ‘dynamic historicism’, stemming more from Kaufman (1872; cited without attribution in Marx, 1974 [1887]: Afterword to the second German edition, pp. 26–9), than from Marx. ‘Dialectical materialism’ (Rosenthal, 1998, Chapter 3, p. 41 and note 34) tried to develop remarks of Marx and Engels into a materialist dialectical method by simply inverting Hegel’s alleged idealist dialect. But this inversion implies an impoverished notion of subjectivity that is typical of scientistic and positivistic readings of Marx, and anathema to Marxist humanism.

The rejection of any inverted Hegelian dialectic leaves open the possibility that some dialectic is revealed in Marx’s substantive work.\(^2\) Rosenthal himself provides a thumbnail sketch of what would be a reasonable, non-viciously historicist procedure (1998, p. 30). The metaphysical and ontological claim that there are discoverable laws of history, along with the methodological prescription that this is what social sciences should be seeking to discover, as the target of Rosenthal’s critique, like that of Popper’s polemic, is clearly historical materialism. The empirically implausible historicist assumption that everything under capitalism is thereby capitalist can be headed off. Elements can be identified that are not in themselves capitalist, having had a different history, but social theory must be able to argue for the predominant nature of an epoch—as being, for example, capitalist. This allows the continued existence of non-capitalist sub-systems (domestic labour, the state sector, the voluntary sector, a subsistence dual economy, feudal hangovers, prefigurative forms and so on) while facilitating the investigation of their interconnectedness within the capitalist system (for example the tendential commodification of aspects of domestic labour).

It is entirely unclear what motivates Rosenthal’s antipathy to the so-called ‘new dialectical’ method about which he has discovered so little, given that, in the event, much of his substantial argument in Chapters 4, 5, and 14–16 is an elegant reprise of new dialectical presentations of Marx’s arguments. At least some “‘new” Hegelian Marxists’ have attempted to rationalise the idealist manner of some of Marx’s presentation, in accordance with his own wishes (Rosenthal, 1998, p. 162). ‘New’ dialectics seeks to ‘rescue’ neither Hegel from his mysticism, nor dialectical materialism from its ‘idealism of matter’ but rather to offer an ontology of necessary possibilities for change, and systemic (synchronous and diachronic) necessary conditions of reproduction.

**Conclusion: towards a ‘systematic’ dialectics**

It is clear that terms referring to social relations have, in themselves, only intension, any extension being provided by their categorial location within the temporally and spatially...

\(^1\) See Smith (1990) for an entirely pragmatic argument about the usefulness of the dialectical method.

\(^2\) Of course the nature of such a dialectic is not un controversial. A potentially fruitful debate is just beginning to emerge between the ‘systematic dialectics’ discussed here and Roy Bhaskar’s ‘dialectical critical realism’ (see, for example, the collection of papers in Brown et al., forthcoming).
extended social system. ‘Systematic dialectics’ finds revealed in Marx’s discourse in the first instance a method of argument involving the transcendence of emergent conceptual contradiction in the construction of a systemic representation of the bourgeois epoch. Logically, dialectics is confined to conceptual development. But in light of the relevant specificities of social science, it is a truism that the social system as we can have it in thought is ultimately inseparable from our shared conceptualisation of it (Reuten and Williams, 1989, pp. 11–14). The social is only meaningful as systemic, so that social objects can be grasped adequately only in their interconnectedness. In trying to grasp a real world entity (the bourgeois epoch) as a system, it is first posited as self-reproducing. Then unsublated contradictions are to be identified, and the real-life systemic tensions that might provide their concrete empirical forms of existence examined. Empirical investigation (unavoidably) in the light of the conceptualisations to date will enable modifications of that conceptualisation, and examination of the extent to which the real world system is reproducing, changing or degenerating (op. cit., Part Six).

Systematic dialectics rejects both the absolute discontinuity of being and consciousness and their absolute continuity that may be implicated in Hegel’s idealism. It rejects the idea that the real, tout court, is rational in favour of the historically specific necessary systematicity of bourgeois society/capitalist economy. While rejecting the notion of sensuous reality as the appearance of ‘the Universal’, systematic dialectics maintains that it is indeed the manifestation of an interconnected systemic structure, accessible only via abstraction. Sensuous intuition can only ever grasp reality in as much as it can impose determinate forms upon it—conceptualise it. The conceptual development that this method enjoins proceeds by attempting to solve the kind of ‘prima facie inconsistency’ that Rosenthal claims motivates Marx’s argument (Rosenthal, 1998, p. 162). Dialectical systematic development can handle rationally the apparatus of ‘tacit assumption’, ‘parenthesis’ and ‘unexpressed elements’ and their eventual emergence, noted in Chapter 15. Similar remarks could be made about an adequate theoretical framework for the stipulation of assumptions only implicit in Marx, to be justified by ‘the work that they allow us to accomplish’ (in re-presenting Marx’s account of Money—Rosenthal, 1998, p. 173). In the case of the social, the reflexivity of thought, and the positing of concepts as constitutive of social reality drives the move from epistemological imperative to ontological commitment.

That social reality is itself constituted in part of various manifestations precisely of concepts problematises any attempt to sustain the materialism/idealism dichotomy implied by any Engeloid ‘inversion’. From this standpoint, the historicism that Rosenthal criticises is a profoundly undialectical straw person. Systematic dialectics may be called ‘transcendent’ both in seeking real but not directly knowable interconnections, and in being posited as a necessary method for a political economy that is to grasp such transcendent objects. But, unlike Kant’s transcendental idealism, the systematic dialectic is neither subjective nor merely intersubjective, but rather is concerned with social objectivity. Systemically unresolved contradiction is manifest empirically in instability and irregular cyclical effects of interacting tendencies, rather than any stable, observable secular trends. Rosenthal cannot escape this by positing the possibility of ‘indeterminate things’, since such are indeed impossible. Though Hegel appears to argue more than this in his account of the identity of opposites, the possibility of a transcendental dialectic is not negated by Rosenthal’s polemic against him (1998, pp. 124–5).

1 The ‘paradox of realism’, the unity of being and consciousness, reflexivity of social theory and the constituent role of shared concepts as the cement of social systems.
We can agree that Marx's own revealed method clearly did not require that he develop a law of transition of a piece with the dynamics of emergence and reproduction. And indeed he did not do so. But the 'new' dialectics deals in interconnectedness and necessary conditions of reproduction that need not implicate historical laws of any sort, especially not of inevitable transition to a specifiable post-capitalist social system. To grasp capitalism's dynamics, 'systematic' dialectics can encompass cyclical systemic development that necessarily has the possibility of becoming a secular systemic transformation. Supercession is thus latent in cyclical development. This points to the imperative to investigate the conditions under which systemic transformation might occur (or have occurred—see, e.g. Reuten and Williams, 1989).

There is nothing especially esoteric about this approach. As in Marshal's famous metaphor, individual firms as trees in a forest come and go in the very process by which the market or industry cyclically reproduces itself. Then some possible shift in the dynamics of reproduction may cause a self-reinforcing degradation in the industry itself. Similar arguments could be applied to a more general Keynesian dynamic of a whole economy (national or global). An inherent tendency to self-reinforcing cycles (however irregular) may provide the basis of a theory of latent systemic collapse. This may be triggered by an event such as working class assault during a downturn that is, however, itself neither entirely contingent nor external since the possibilities for it too are created by the dynamics of the system.

Rosenthal perceptively notes that some kind of 'new' Hegelian Marxism is 'in the air', but he appears not to know what it is. He successfully (re-)argues that dialectical materialism is not a coherent method for political economy and does not inform Marx's mature work. His further argument that there is no 'method' to be found in Hegel, only mysticism, has been problematised by showing that a more empathetic interpretation and rectification can be helpful in generating a method for critical political economy. Rosenthal points out the need to go beyond simple abstraction, yielding only general empirical concepts of discrete independent objects, to dialectical abstraction that can grasp the historically specific 'practical' categories of political economy so constituting the empirical as the concrete. It is ironic that his often elegant and insightful presentation of Marx on value, money and capital help to reveal a systematic dialectical structure. Though owing much to Hegel, the dialectical method is not some simple materialist inversion of an alleged absolute idealism. Rather it consists of a transcendental ontological commitment and a conceptual dialectic epistemology that moves beyond any such crude dichotomy. The evidence that this is rooted in Marx's own work lies primarily not in any rhetorical claims in his secondary work, but in the success of the project of presenting a systematic dialectical account of his critique of capitalism (for a no doubt imperfect attempt, see Reuten and Williams, 1989). For Hegel 'the real is rational'. For systematic dialectics bourgeois social reality is a historically specific self-reproducing intransitive system, accessible only via practical abstraction of its determinate forms from the sensuous reality in which they are manifest.

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