

BOOK REVIEW

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Fred Moseley and Martha Campbell (eds), *New Investigations of Marx's Method*, Humanities Press, New Jersey, ISBN 0-391-04021-9

In this collection of essays, 'economics' and 'philosophy' are linked by the notion of social form that distinguishes Marx from much Marxist orthodoxy. Engels' 'logical-historical' approach and the 'successive approximations' development of Henryk Grossman, see 'simple commodity production' respectively as an historical phase or a convenient fiction, for modeling capitalism. The neo-Ricardian/Sraffian 'linear production' models extensively formalized by Morishima, Steedman and others, push the logic of the initial Tugan-Baranowsky misinterpretation of Marx to its logical conclusion by claiming the incoherence of Marx's value theory and the inadequacy of his macro-dynamics. The fundamental coherence of these essays, though, depends not upon a single guiding thread, but on a philosophical rope woven from a number of strands: a rehabilitation of the (Hegelian) dialectic in Marx's economic theory; the essentially critical nature of Marx's major works; and the concept of totality and concomitantly of macrodynamic tendency. The book divides into a number of philosophical and economic essays. I will first outline its basic argument and structure, then offer some critical observations.

The philosophical essays relate Marx's method to Aristotle, Hegel and their modern followers, as well as to Lakatos, and contrast it with Kantianism, rationalism and empiricism. Chris Arthur's chapter 1, '*Against the Logical-Historical Method: Dialectical Derivation versus Linear Logic*', provides a rigorous critique of both Engels's historical, and modern 'modeling' methods, which emphasizes the successive impact of further historical or conceptual determinations on some simple-commodity production in the movement from commodity to capital. Arthur counter-poses to logical historical and 'modeling' methods, Marx's systematic dialectical presentation, which, on the basis of the commodity as its most abstract universal element, sets *Capital* up as the account

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of the structured totality that is capitalism. As Arthur makes clear, Marx's development of commodity-money-capital derives from a dialectical presentation in which the starting point of *Capital* (the commodity) is itself the result of prior abstraction from the immediately given: from capital in all its undifferentiated complexity, to capital as self-valorising value, to money, and so to the commodity.

Paul Mattick, *Theory as Critique: on the Argument in 'Capital'*, observes that commodity as starting point needs methodological justification as adequately immediate, conceptually simple and universal, and yet as sufficiently historically determinate. It might seem that commodity is not the adequate starting point because it is not simple but complex, and that value cannot be either because it has no immediate existence. Mattick argues, however, that the justification for seeing commodity as the starting point is its foundation as the product of the social forms captured by our critical categorical discourse. In this respect, Arthur proposes the Banaji solution that commodity is the phenomenon from which value is further abstracted as the historically specific social form that initiates the conceptual synthesis of capital. Ultimately, the starting point can be grounded only in the success of the conceptual development from commodity, deriving the totality of its necessary forms of existence - capitalism conceived as a unity of internal relations. Unlike linear logic, dialectic 'bends back' to represent its starting point only now as a result. Vicious circularity is avoided in that the presentation concretely grounds the existence of what was at first an abstraction - the capitalist commodity. Thus the presentation is both circular, *and* takes our knowledge forward.

Tony Smith, *Marx's Theory of Social Forms and Lakatos's Methodology of Scientific Research Programs*, argues that the Marxist theory of social forms continues to provide fertile ground for a research program. For Smith, Marxist systematic dialectic of social form places itself in the 'hard-core' of fundamental and relatively inviolable postulates, *pace* Lakatos, but then transcends *Methodology of Scientific Research Program* (MSRP) by insisting that this core has explanatory power. Smith argues that, not only can Marxist systematic dialectics match economic orthodoxy on the instrumentalist criterion of prediction and corroboration, but that it also illuminates the social reality of

capitalism, which instrumentalist versions of neo-classical economics cannot. Such neglect of ontological commitment is not ascribable to accounts of economics that take its basic assumptions of rational choice and equilibrium as good abstractions about, respectively, avowedly transhistorical real human dispositions and human society (competitive markets) (Latsis). By comparison Marxism's hard-core, whilst founded on transhistorical assumptions about human species nature, makes it quite clear that social situation is an essential aspect of that nature: wage-labour is the specifically capitalist form of generic human interaction with nature, and its social nature appears only via its expression in commodities and money. For Smith, neo-classical rational economic agents are a specifically capitalist, fetishized, form of subjectivity.

Smith goes on to argue that Marxism's heuristic questions for conjunctural research (what is being newly commodified? What is the actual relationship between social labour and money? What is changing in the determination of the labour process? What is the balance of class forces? And the state of the articulation of the interests of different capital-fractions?), generated from the articulation of social forms in the core, are clearly more fruitful than any thrown up by the neo-classical research programme.

Patrick Murray's *'Redoubled Empiricism: The Place of Social Form and Formal Causality in Marxian Theory'* relates historical specificity to the internal connection between theoretical concepts and social forms. His is a critical transcendence of empiricism which, being trapped in the traditional subject/object dualism, leaves unexamined the empirical grounding of its own concepts. The search for an adequate synthesis of method, theory and empirics informs his enquiry. Murray refers us to the continued relevance of Aristotle. He notes that for Aristotle form is precisely that in reality which is comprehended by a concept. What is without form lacks actuality. Since social form is socio-historically specific, so is social actuality. Murray, citing Davidson, notes that far from abandoning reality, this Aristotelian (and Hegelian) position recovers the necessary unity of our concepts with it. In this respect, *Capital* is a work of 'redoubled empiricism' in being an experience-based study of the social forms of capitalism. Murray's emphasis on forms, in which concepts have both mental and objective determinations, both reflects Marx's criticism of classical political

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economy (in its objectivism - value as an intrinsic property of objects) and informs any adequate Marxist critique of neo-classical economics (in its subjectivism - use-value as utility, independent of any particular object).

By locating Marx's method within the philosophy of (social) science, Murray's brilliant paper re-affirms its empirical credentials on the basis of the notion of social forms as causally effective. It aims to recover the reality of forms from both the empiricist rejection of their objectivity and the Kantian claim that they are purely phenomenal. This formal causality recalls Aristotle and Hegel, placing 'redoubled empiricism' in the company of pragmatic empiricists such as Anscombe, James, Quine and Davidson, each of whom in their own way meditates upon the split between subjectivist conceptualisation, on the one hand, and objectivist empiricism on the other. Classical empiricism (Locke) combines objectivist ontology with subjectivist epistemology. Modern rationalism takes entirely non-empirical ('subjective') concepts as alone comprehending the nature of objects in themselves, since the empirical can only be the realm of non-objective appearances. Subjectivism accepts the subjectivity of concepts but concludes from this that in being non-empirical concepts are entirely lacking in objective validity. This leaves forms as purely mental fictions. While orthodox empiricism interests itself only in how something behaves, re-doubled empiricism is also concerned with the far more crucial question of what it is (its form). The empirical and the conceptual are thus as inseparable as a river and its banks (James).

The chapters by economists exemplify the insights of the philosophers: the centrality of social form (Campbell and Moseley), and of the related notion of tendency (Reuten). They are marked in particular by their careful attention to Marx's texts. Martha Campbell's '*Marx's Theory of Money: a Defense*' counters criticisms that Marx's derivation of commodity money is irrelevant in referring only to a barter economy, and that commodity money is inadequate in imposing an external constraint on accumulation. She argues that Marx refers to commodity money only as 'a temporary assumption' to show that money is a necessary moment of capitalism, beyond direct social control. The subsequent categorical development of money through the three volumes of *Capital* relaxes without problem this assumption. Campbell argues that not only did Marx not

need a commodity theory of money; he does not have one in any productivist, Ricardian sense. In her defense of Marx's theory of money, Campbell deploys Mattick's distinction between everyday economics discourse (for which value has no existence) and the explanatory social forms of Marxist discourse. From this basis Campbell argues that Marx derives money from the necessary phenomenal form of the specifically capitalist category, value, and not some (incoherent) system of commodity barter.

Campbell's defense of Marx on money exemplifies her avoidance of both the objectivism of classical political economy (the Ricardian error of taking value to be determined solely in production as labour) and the subjectivism of modern economics (the mistake, attributed by Marx to Bailey, of reducing value to exchange value, expressed in price). To the notion of money as transhistorical *wealth* (the means to satisfying needs), Campbell counter-poses Marx's view that capitalist money is abstract *value*. To the claim that money as wealth-in-general is an essential element of the market that serves to develop needs and wants, she counter-poses Marx's argument that the capitalist market concretely grounds the value-form.

Fred Moseley, *The Development of Marx's Theory of the Distribution of Surplus-Value*, argues that, in *Capital* volume 3, Marx deals consistently with the distribution of surplus value already determined as a sum of money at the level of capital in general, first to different branches of capital (tendential profit rate equalisation), and then to industrial and commercial profits, interest and rent. The prior fixing of total surplus value is a key difference of Marx's systemic method from the marginal factor productivity account of economic orthodoxy, as well as the 'holy trinity' formula of the Classics.

Reuten's *The Notion of Tendency in Marx's 1894 Law of Profit* examines an alleged ambiguity in Marx's use of the category 'tendency': is it an underlying force, or an effect? Chapters 13-15 of *Capital I* are carefully and bilingually examined in the light of discussion of the concepts of tendency in Bhaskar and Mill. Reuten decides that forces are always operative under the appropriate systemic existential conditions, so that it is the articulation of their effects to produce particular results that is tendential. Thus while our understanding of

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tendencies is always subject to improvement, even in principle we cannot ever expect to identify general conditions in which a tendency can be stated as a determinate law. Less convincing is Reuten's argument that for Marx 'expression' is to be equated with 'effect'. Rather it is typically a (perhaps necessary) form of existence of that of which it is an expression: exchange value is the necessary form of existence of value in the commodity, price is the necessary form of existence of exchange value; value is the necessary form of existence of abstract labour, money is the necessary form of existence of value, and so on. An expression may not be a phenomenal manifestation, but is always the contingent result of tendential articulations of necessary forms of existence.

This book is no easy read, but the clarification of Marx's and Marxist critique of economics, and so of bourgeois society, is well worth the effort. It is a cliché of the dialectic that methodological form and theoretical content are radically and internally interdependent. This is evident in the philosophers' essays, but achingly absent in the economists'. For example, both the editors chose to express themselves in the anti-dialectical language of simplifying assumption and successive approximation. The prior determination of surplus value is expressed by Moseley as an assumption. Similarly, self-expansion is more accurately the first moment in the development of capital, and only *therefore* an essential property that all capitals have in common (Moseley).

Reuten's essay alone among the economists includes both 'philosophy' and 'economics'. However, the philosophical arguments would have benefited from a much closer dialogue with the philosophers' papers. Reuten's account of the philosophy of tendency is fragmentary and disconnected from his analysis of Marx. His account of Bhaskar's characterisation (caricature?) of Humean empiricism would have benefited immensely from location in the context of Murray's discussion of the 'purist' dichotomies between objectivism and subjectivism.

None of the chapters engages in any detail with the highly relevant recent debates in the philosophy of economics around the notions of realism, causal holism and constructive empiricism. Smith unambiguously ascribes reality to Marx's social forms and attributes what Murray calls formal social tendential

causal affectivity to them. Murray, Mattick and Smith all argue that this realism encompasses a fundamental unity of social category and real social form. Reuten flirts with realism without really engaging with it. Campbell interprets the reality of social form explicitly as being akin to the critical realism of Tony Lawson, but without explaining why.

The deleterious effects of neglect of the recent debates around such realist techniques as abduction and retrodution are seen most starkly in Reuten's account of Mill on tendency. One is left wondering how a tendency (as distinct from an observable trend) can be derived from induction - which can provide nothing more than incomplete empirical regularity. It would have been more helpful had the discussion been couched in terms of the play between phenomena and noumena at work in Arthur, Murray and Mattick. On the critical realist interpretation of Marx, the actual is not confined to the phenomenological - it includes as well intransitive objects, to be grasped by abduction or retrodution from the phenomenological. The orthodox economic reduction of tendency to a *ceteris paribus* conclusion of a model could then be, as an instrumental method, contrasted with ontological realism's understanding of it as the effect of an intransitive causal power, as well as with the empirical realism of reducing tendency to trend. Finally, while at the turn of the 1990s, MSRP could plausibly be characterized as economics' favourite methodology (not least due to the long-standing influence of Mark Blaug), things have moved on in the last seven years.

Nevertheless, the overarching argument of the book is clear and persuasive. Marx's method is concerned with the systematic articulation of categories to grasp the specific social forms of capitalist economy and bourgeois society. This affords a critique of capitalism in the shape of a critique of the categories of classical political economy, of non-dialectical Marxism and of modern economics, that are largely uncritical reflections of the surface forms of capitalist society.