

Chapter 1

Labor, Value, and Other Capitalist Delusions

Dialectical Totalities

The starting point of Marx's critique of political economy is the claim that capitalism is a dialectical relation. Just as for Hegel and Aristotle, his major philosophical influences, for Marx the world could only be explained as a self-developing totality rather than as a series of isolated, empirically accountable phenomena. The priority of the whole over its parts means that reality is constituted through dialectical interrelations, which philosophy has a chance to reveal. If history proved Marx wrong on many counts, his compulsive urge to dissect the "real abstraction"¹ of the capitalist relation, which began to haunt him in the 1850s, remains the decisive orientation for any enquiry that wishes to examine the terminal malady of contemporary society, with a view to elaborating the outlines of a new discourse that might correspond with a postcapitalist anthropology. But to begin to carry out this task, we need to delve into the presuppositions of Marx's critique, namely, Hegel's dialectical system.

Marx inherited from Hegel the persuasion that human beings are responsible for creating organic systems of dialectical correlations whose magnitude proves to be greater and more formidable than any of their individual components. In capitalism, this systemic whole is grounded in the *Wertform* (value-form), an intangible entity constituted by the performative interrelation of the commodity-, money-, and capital-forms of value, logical moments of a tirelessly repetitive process. These moments presuppose and

feed into each other in a circular and synchronous progression: once capital is in motion, its stages and temporalities merge into one.² In its hyperactivity, capital informs its subjectivities by presupposing them as its cause. For this reason, we should reclaim the Hegelian core of Marx's inspiration. Hegel's ambition to capture the dialectical form of a given historical constellation is what qualifies most enduringly Marx's critique of political economy.

The only correct way of understanding the relevance of Marx's critique of political economy for today's world is therefore the Hegelian one: we must abandon the narrow perspective of the *particular* capital, the *particular* enterprise, and the *particular* worker, in order to apprehend capital as the (increasingly polluted) air that we all breathe, or the (increasingly poisoned) sea in which we all swim. We need to perceive capital both as *substance* (the objectivity of political economy) and as *subject* (our social participation in, and validation of, such substance). By starting with Hegel, we have a chance to appreciate how, in capitalism, subject and substance are two sides of the same coin—if you take one away, you lose the other too. This in turn exposes a subtle form of disavowal: whenever we claim independence of thought through adherence to spiritual, political, or ideological values—as typical of all bourgeois societies—we conveniently forget that modern subjectivity is fundamentally *sequestered* by the totalizing form of value generated by capital's self-expansion. The more the latter's role is denied, the more emphatically it imposes its domination upon us.

Since its inception, bourgeois thought ontologized political economy by naturalizing its foundational categories. While classical liberalism mobilized sets of values that exceeded the apparatuses of direct economic valorization, including such noble sentiments as honesty, solidarity, and respect for the law, this terrain of shared morality was nevertheless legitimized from the start by the production of economic value. Put differently, any narrative of solidarity evoked by liberal discourses old and new is strictly correlative to the institutionalization of the capitalist dogma of profit-making. Far from merely capturing a cynical attitude, this observation allows us to begin to think critically about our condition.

The embedding of political economy as the abstract universality of the modern world is our starting point. While it is clearly discernible in Adam Smith's eternalization of production and exchange as matters of immediate sensible experience and undisputable knowledge, it is also announced in John Locke's dehistoricization of private property and David Hume's utilitarian desocialization of human nature. Historically, the progressive extension of capitalism over other modes of production meant that social life became increasingly dependent on economic valorization. In this regard, as demon-

strated by Domenico Losurdo's detailed analysis of liberalism, the philosophical and political tradition concerned with the liberty of the individual—best represented by the writings of John Locke, Hugo Grotius, Adam Smith, and Benjamin Franklin—coincided with a history of violent confiscation, racial genocide, and mass exploitation: “There is no doubt that, along with black enslavement and the black slave trade, the rise of the two liberal countries either side of the Atlantic involved a process of systematic expropriation and practical genocide first of the Irish and then of the Indians.”³

While aware of the Great Transformation introduced by political economy,⁴ Hegel remained fundamentally opposed to liberal individualism, as much as he was opposed to a view of the world where external reality is reduced to a set of measurable and exchangeable entities organized in a system of wants. If in his *Philosophy of Right* Hegel underscored the universal appeal of modern political economy, this appeal concerns the sphere of abstract understanding (*Verstand*) rather than dialectical reason (*Vernunft*). For Hegel, political economy corresponds to a “science that has sprung from the soil of modern times,” where “[l]abour has as its aim to satisfy subjective particularity.” While “reconciling the opposite elements of the finite sphere,” the new science has to do with “principles belonging to the understanding.”⁵ In other words, Hegel's holistic dialectical thought cannot be squared with (Lockean) liberalism, where the chief function of the state is to protect *homo economicus*'s freedom to maximize self-interest within modern civil society.⁶ For both Hegel and Marx, individual freedom is not a natural given, but the historical product of dialectical relationships within the community that are not immediately intelligible.

Hegel's influence on Marx began to prove decisive with the *Grundrisse* (1857–58).⁷ After the uncertain settling of accounts with his predecessor in the last chapter of the 1844 Manuscripts (aptly entitled “Critique of the Hegelian Dialectic and Philosophy as a Whole”),⁸ Marx started to gravitate toward Hegel again in his quest to unveil the inner logic of capitalism, where self-valorizing value (captured by Marx with the general formula M-C-M') emerged as money's attempt to overcome its historical impasse as simple mediator of commodities (C-M-C'). Marx's narration is well known: to actualize itself as capital, money (wealth accumulated in precapitalist times, as well as money created ex nihilo by the new banking system) began treating labor as a special commodity for market exchange. Once bought, sold, and put to work, the labor-commodity started laying golden eggs, generating surplus-value as the engine of the system's self-reproductive capacity.

With this transition, money upgraded its status from passive *means* of circulation (C-M-C') to active *end* of exchange (M-C-M'), thereby restyling

itself as capital. In the former case, money merely mediated the circulation of commodities, whose cause resided outside the valorization process, in social conditions of demand and supply. In the latter case, however, “value becomes its own end rather than mediator of other relations; that is to say that with capital we have before us an individual ‘subject.’”⁹ One way in which Marx described the difference between the two types of money-form was by borrowing from Aristotle’s distinction between *economics* (whose purpose is the creation of use-values) and *chrematistics* (whose purpose is the limitless expansion of wealth).¹⁰ With *chrematistics*, value spins out of control by hijacking the human drive to boundless expansion: the impersonal, anonymous, automatic compulsion to repeat the same circuit of self-multiplication. In the *Grundrisse*, Marx captured the essence of general wealth in capitalism as a self-propelling drive:

Thus, growing wealthy is an end in itself. The goal-determining activity of capital can only be that of growing wealthier, i.e. of magnification, of increasing itself. [. . .] Fixed as wealth, as the general form of wealth, as value which counts as value, it is therefore the constant drive to go beyond its quantitative limit: an endless process. Its own animation consists exclusively in that; it preserves itself as a self-validated exchange value distinct from a use value only by constantly multiplying itself.¹¹

Insightfully, Chris Arthur reads this passage through Hegel’s notion of “bad infinite”:

In every measure of itself it finds only its existing limit, which, under the imperative of valorisation, is a restriction to be superseded. Marx argued in his *Grundrisse* as follows: hooked on the general form of wealth (money), capital has an unrestrained and limitless urge (“*schränken- und masslose Trieb*”) to go beyond its bounds (“*Schranke*”); every limit (“*Grenze*”) necessarily appears as a barrier (“*Schranke*”) for it to pass. Capital is so structured that its truth lies not within itself but always beyond itself—a case of Hegel’s bad infinite.

The dialectic of *Grenze* and *Schranke* suggests that the capitalist form engages the vital contradiction of the human psyche, for it conceives value both as the rational knowledge of a given measure and as its mad self-expansion, whose Freudian name is death-drive (*Todestrieb*). Or, to use Gilles Deleuze

and Felix Guattari's felicitous definition: "Everything's rational in capitalism, except . . . capitalism itself."¹²

Brief Encounters

Let us quickly ponder the historical genesis of capitalism, the passage from the ancient tributary economies of feudal society to mercantilism as initial iteration of the modern world. What matters here is the *dialectical* constitution of the modern world around the two poles of money and labor, which mediate each other to form capital as a dynamic totality. For Marx, labor as producer of use-values is "the everlasting, nature-imposed condition of human existence, and it is therefore independent of every form of that existence, or rather it is common to all forms of society in which human beings live."¹³ In Hegelian terms, however, work cannot be merely framed as an eternal necessity that, independent of all social forms, mediates all exchanges between humanity and nature. Rather, precisely as a social form and productive capacity, work is always historically mediated.

If Marx posits labor as the single force that mediates all human existence, a Hegelian reading needs to emphasize the *mediatedness* of this universal power of mediation—the fact that every social constellation has to invent a symbolic role for the productive capacity of human praxis. In this respect, capitalism emerged precisely when work was provided with a new declension of its social function, one that befitted the capitalist mode of production. If work as abstract labor emerged as capitalism's necessary precondition, work as universal capacity exceeds the modern realm of economics. This question was alluded to by Herbert Marcuse in his 1933 essay entitled "On the Philosophical Foundations of the Concept of Labor in Economics," where he claimed that

labor is not at all primordially a phenomenon of the economic dimension, but is rooted in the process [*Geschehen*] of human existence itself. Precisely through the concept of labor economics is led back to deeper spheres that provide its foundations. Thus, any fundamental treatment of the concept of labor by economics refers to these spheres which constitute its foundation while at the same time transcending economics.¹⁴

The "deeper spheres" which political economy taps into in order to determine its foundations, are the central character of this book. Marx's

theory of value has more to do with them than it is generally assumed. So-called primitive (or original) accumulation, as described by Marx in the final chapters of *Capital* volume 1, corresponds to the historical period when the obscure, intrinsically undefinable potentiality of work was redefined by force to suit the capitalist narrative: a dialectical moment where the role of labor was framed in economic terms. Primitive accumulation no doubt marked the point at which the opportunity for the capitalist revolution materialized. If, as Marx argued, it is “the historical process of divorcing the producer from the means of production,”¹⁵ whereby laborers became “sellers of themselves only after they had been robbed of all their own means of production, and all the guarantees of existence afforded by the old feudal arrangements,”¹⁶ a Hegelian approach should also emphasize how primitive accumulation formalized the liaison between money and wage labor.

While the history of human expropriation that ended feudalism and prepared the ground for capitalism “is written in the annals of mankind in letters of blood and fire,” as “[t]he starting-point of the development that gave rise both to the wage-laborer and to the capitalist was the enslavement of the worker,”¹⁷ what remains decisive is the extraordinary fact that the lives of the new masses of ‘free proletarians,’ once separated from the means of production, suddenly came to be defined by a new historical entity: wage labor. Marx captured this passage very clearly:

For the transformation of money into capital, therefore, the owner of money must find the free worker available on the commodity-market; and this worker must be free in the double sense that as a free individual he can dispose of his labour-power as his own commodity, and that, on the other hand, he has no other commodity for sale, i.e. he is rid of them, he is free of all the objects needed for the realization [*Verwirklichung*] of his labour-power. [. . .] One thing, however, is clear: nature does not produce on the one hand owners of money or commodities, and on the other hand men possessing nothing but their own labour-power. This relation has no basis in natural history, nor does it have a social basis common to all periods of human history. It is clearly the result of a past historical development, the product of many economic revolutions, of the extinction of a whole series of older formations of social production.¹⁸

Although the new connection between ‘free labour’ and money proved to be a form of *enslavement*,¹⁹ the figure of the wage laborer nevertheless

represented a paradigm shift in terms of work relations. Unquestionably, the genesis of capitalism was a slow process that lasted three centuries, during which “political coercion played a major role”: autonomous economic markets only “emerged after a long apprenticeship under the protection of the state.”²⁰ However, this should not prevent us from stressing the importance of the *formal* shift that affected work as the essential precondition for the constitution of capital.

Despite proclaiming himself both a Marxist *and* an anti-Hegelian thinker, Louis Althusser framed the origins of the capitalist mode of production by reading the latter through his “materialist theory of the aleatory encounter,” which accurately describes the structural conditions for the Hegelian dialectic to unfold. Against Marx’s teleological penchant, Althusser, already in his first book, *Montesquieu, la politique et l’histoire* (1959), but especially in later unfinished writings, upheld the view that for a mode of production to come into existence there must be a thoroughly contingent, fortuitous encounter between autonomous historical elements “*in a ‘floating’ state*”²¹ such as ‘free money’ and ‘free labor.’ All of a sudden, for no teleological reason whatsoever, these elements find a way not merely to connect, but more crucially to hold on to that connection by reproducing it socially.

This is how the anti-Hegelian Althusser mobilized the emphatically Hegelian theme of the ‘necessity of contingency’ in relation to the problem of the origins of capitalism. As he put it, such an encounter must not merely *take place*, but especially *take hold* through its repetition, thereby becoming

the accomplished fact of this encounter, inducing stable relationships [. . .]. What matters about this conception is less the elaboration of laws, hence of an essence, than *the aleatory character of “taking hold” of this encounter which gives rise to an accomplished fact* whose laws it is possible to state.²²

Or, in more explicit terms, “that encounter must last; it must be, not a ‘brief encounter,’ but a lasting encounter, which then becomes the basis for all reality, all necessity, all Meaning and all reason. But the encounter can also not last; then there is no world.”²³ For Althusser, the conditions for capitalism to settle were already there prior to its actual occurrence, such as in Italy’s Po Valley during the thirteenth and fourteenth centuries, “where there were certainly men who owned money, technology and energy (machines driven by the hydraulic power of the river) as well as manpower (unemployed artisans)”; however, in that instance the encounter simply “failed to ‘take hold.’”²⁴

Somewhat ironically, Althusser's materialism of the (aleatory) encounter, which he dubbed a nonphilosophy, enjoys a rich philosophical genealogy: from Epicurus (*clinamen*, or theory of the swerve) to Spinoza, Machiavelli, Cournot, Canguilhem, down to Deleuze's notion of virtuality. It was also heavily influenced by psychoanalytic theory (Freud and Lacan), and as such it returns in contemporary theories of the event (Badiou and Žižek). Crucially, the key philosophical category in Althusser's materialism of the encounter is *retroactivity*: in order to produce a new social order, the encounter has to proceed backwards (like in rugby where, to move the ball forward, it has to be passed backwards). As Althusser put it, "no determination of these elements can be assigned except by working backwards from the result to its becoming, in its retroaction."²⁵ On this point, however, Althusser was too vague, failing to explain how one should understand the retroactive logic of the encounter; or, put differently, how such retroactive movement turns contingency into necessity. Ultimately, Althusser was unable to theorize the powerful Hegelian figure of the *posited presupposition*, which, as we shall see, involves creating the future by changing the past.

In our case, the object of dialectical retroactivity is work: in order to establish itself as a new social bond (when 'free labor,' i.e., impoverished masses, became available in conjunction with money being released from its feudal role), value in money-form managed to posit wage labor as its capitalist precondition. This was a forceful act of positing that effectively changed contingency into necessity by transforming the old (feudal) determination of work into the new (capitalist) one. From that moment on, earlier socializations of work started being overdetermined by wage labor, which is how the brief encounter between money and work morphed into a lasting love affair, the passionate liaison we call, after Marx, capitalist mode of production.

To put it in Althusser's (French) terms, this is how the *surprise* (the chance encounter) became a *prise* (it took hold).²⁶ Here it is once again crucial to emphasize the priority of form over the material brutality with which wage labor was imposed historically, since it is the formal act of positing that created its necessity. While contingent material conditions, as Althusser rightly pointed out, had been available prior to their capitalist overdetermination, it is only when wage labor was affirmed as presupposition of self-valorizing money that the ruthless regimentation of labor-power found its ontological legitimacy. And the success of this new totalizing structure depended on its ability to project its own labor-cause onto the past, so that previous configurations of work suddenly appeared overshadowed by

the new labor-capital dialectic. The fact that we treat wage labor as an eternal category of human life only confirms capitalism's retro-performative capacity to establish itself as modernity's unsurpassable ontological horizon by reconfiguring, in its own image, previous forms of societal reproduction.

Setzung der Voraussetzungen

What supports capitalism since its inception is a dialectic that mobilizes a *social whole*, a complex system of interrelations whose logic functions precisely because, when we are engaged in it practically, we struggle to make sense of it. In psychoanalytic terms, *it involves our symptomatic or unconscious attachments*, which constitute our contradictory nature as human beings. If that is the case, then the history of labor movements, at least in the orthodox Marxist tradition, is characterized by their fundamental blindness toward their own role in the discourse they attempted to resist or subvert. A Hegelian reading of capitalism should focus on disclosing the constitutive contradiction of labor as subject of value.

The transition to capitalism was enabled by the structural alteration through which work was no longer treated as a relatively obscure subjective capacity to produce things that the wealthy owner of the means of production would enjoy or exchange on the market. Instead, work acquired center stage by morphing into labor-power as *quantifiable* activity. By becoming amenable to value, labor-power became the foundation of modernity. If to understand capitalism we need *a theory of value representation*, since empirical calculations alone miss the target, then the same principle applies to labor as source of value. Labor, in other words, needs to be seen as a *sign* in a narrative, a *character* in a story whose meaning emerges dialectically. At a certain point in our history, work began to function like yeast does in baking,²⁷ namely, as a leavening agent that converts the fermentable sugars present in dough into carbon dioxide, thus causing dough to expand (no wonder 'dough' is another word for money). Only at that point was the worker granted the prestigious rank of "possessor of the value-creating substance."²⁸ The main condition for this promotion was that the production process be regimented within a new narrative based on the monetary retribution of labor-time, which—this is the central stake of Marx's critique—included the vampiric extortion of *surplus* labor-time. For capital is, essentially, a vampire that feeds off our time.

This means that the capitalist mode of production attained ontological cogency only when a new narrative concerning the *computability of*

labor was installed within the social fabric. When the worker morphed—to use Marx’s accurate expression—into “time’s carcass,”²⁹ a new social form based on the valorization of labor as pure motion in time had already imposed itself. The *temporal representation* of labor—no doubt a filiation of the coeval discourse of scientific objectivity—was the *invention* through which capitalism began its course. As such, it marked the beginning of a new social ontology dominated by the ubiquitous yet intangible presence of value. What allowed the value-form to attain dominance in our societies was the gradual normalization of its fetish character: as understood by Marx, we do it (we engage in commodity fetishism) “without being aware of it.”³⁰ Psychoanalysis tells us that the role of the fetish is to cover a lack. More precisely, the fetish is the sentry that patrols the lack of foundations upon whose denial the social is built. The capitalist relation was therefore produced through the unconscious normalization of value-fetishism. The latter in capitalist societies is not the symptom of a pathology, but rather a sign of great health (healthy production, healthy exchange, healthy consumption, and so on).³¹

The central hypothesis advanced here is that the elementary function of the relation between capital and labor—a dialectic of *forms* if ever there was one—was to *conceal* and at the same time *engage* the negative, self-contradictory status of economic value in modern societies. Since we started living under the shadow of the capital-labor relation, value has provided us with ontological cover, a common point of symbolic identification. A Hegelian approach to the critique of value should conceptualize the value-form as a totalizing social representation that functions by mediating itself through labor as its posited presupposition. Put differently, capitalist autopoiesis (self-creation) needed to assert labor-power as its fictional cause. Wage work is a modern invention, which has provided humanity with a shared temporality and, therefore, an existential horizon. Especially since the advent of industrial society, work exchanged on the market and organized into time units has become for us the primary form of alienation/socialization.³²

From this perspective, Hegel’s *Setzung der Voraussetzungen* (positing the presuppositions) ought to be regarded as the crucial dialectical figure of modernity. Its role is to reveal how the capitalist discourse began to thrive by establishing labor as antagonist, whose role in the modern theatre of illusions is to be scientifically valorized and exploited. As André Gorz put it concisely in 1980: “In its struggle with capital, the proletariat takes on the identity capital itself has given it.”³³ This identity is, precisely, a presupposition, a representation whose social consistency derives from its solidifying into a specific spatial and temporal magnitude. And, as anticipated, its ultimate

role is both to conceal and engage the cause of capitalist accumulation, namely, the fact that *there is no such thing as value*. In other words, at the heart of the valorization narrative there lies a properly speculative paradox: only because there is no such thing as value can value be created as fictional substance of capital; only because living labor is not value can it be conceived as a measurable entity. Or, in Michel Henry's words:

The impossibility of exchanging labor—that is to say, subjectivity—[. . .] *is the decisive fact that gave birth to this universe and made its invention necessary*. The economic universe is an invented universe; economic reality is an invented reality. What does this invention consist of? Since it is not possible to measure the living force that creates use values and since such a measure is what permits them to be exchanged, the only solution is to replace the unrepresentable and unquantifiable subjective activity with an equivalent that can be measured—with something quantifiable and calculable.³⁴

The value-form is what ties capital to its *lacking* substance, making this relationship profitable as the endless quest for a mythical measure that would fill the gap, square the circle, turn impossibility into plenitude. But precisely because value as substance of capital is by definition lacking (thus, a *negative* magnitude), that moment of plenitude is endlessly deferred. While Marx, especially in the *Grundrisse*, came close to grasping this speculative point, eventually he embraced a *positive* articulation of labor-power as substance of value, thereby indirectly endorsing the founding act of the capitalist fiction. As Chris Arthur put it:

Value is not the social recognition of labour's success at producing a good, but of capital's success in producing a commodity through alienating labour to itself, producing value through exploiting "counterproductive labour" during the working day. Thus, whereas at the start of *Capital* Marx assumes there is no problem about labour appearing as (reified in) value, we now discover [in the *Grundrisse*] that this is consequent only on the success (partial and always contested) of the struggle to subsume labour under capital.³⁵

Another way of approaching this issue is by observing how workers were from the start socialized by capital as *value-making machines*. In production,

workers are merely nuts and bolts within the mechanism that pumps out surplus-value. This is clearly acknowledged by Marx: “The worker’s activity, reduced to a mere abstraction of activity, is determined and regulated on all sides by the movement of the machinery, and not the opposite.”³⁶ As cogs in the apparatus of capital, wage workers play the lead role in its grand narrative, to the extent that, borrowing again from Gorz, “[w]orking-class demands have turned into consumerist mass demands.”³⁷ The entire process of valorization presupposes the transformation of the subjective, pulsating, *unconscious* quality of work into a measurable and therefore *objective* quantity of human energy, which is abstractly equalized to a given amount of money. This foundational process threatens to disable the working class’s potential for self-transcendence: “Workers’ capacity to recognise the difference between their objective position as cogs in the productive machine and their latent potential as an association of sovereign producers is not inherent in the proletarian condition.”³⁸

The accumulation cycle begins with a practical monetary transaction that authorizes the labor presupposition of the new mode of production, which in turn hinders workers from redefining their condition outside the valorization process. It follows that there are no autonomous, subversive, or revolutionary subjectivities within the capitalist relation, except for capital itself as *the* subject of modernity, whose power resides in constituting itself as totality by determining its own conditions of possibility. On the one hand, then, capital produces subjective mass subordination by setting up and coordinating an antagonistic relation with exploited labor-power, from which it profits; on the other hand, it reproduces its own viral contradiction in the form of an anonymous force that automatically regurgitates its own semantics, irrespective of changing historical contexts. With capital, the subjective power of self-creation merges with a blind compulsion to accumulate abstract wealth.

The above consideration would seem to disqualify the assumption—voiced with force, for instance, by Italian *operaismo* (workerism)—that within capitalist relations there exists a collective capacity for radical political emancipation. The elementary problem with these assumptions, evidenced for instance in Mario Tronti’s classic text *Workers and Capital* (originally published in 1966), consists in conceiving *labor-power* as *autonomous power*, which as such would bypass the dialectical role it plays from the start in the capitalist fiction. The theoretical mistake, with significant political consequences, lies in assuming that when Marx writes of labor as *not-capital* and *not-value*, the negative can be translated into revolutionary antagonism. On the contrary, as summarized by Riccardo Bellofiore, “[I]about not only

counts as abstract in commodity circulation, when it is already *objectified*, but it *is* already abstract in production, as *living* labour.”³⁹ Production, in other words, is always-already form-determined by capital. If exchange values are embedded within the principle of universal exchangeability, this is also what qualifies the sphere of production as constitutive of value.

In Hegelian terms, then, it can be seen how, through an act of self-externalization, or *self-othering*, capital gave birth to itself by fashioning a dialectical correlation with labor, thus instituting the socio-ontological boundary within which its mode of production began to proliferate. This eminently *porous* boundary between capital and labor was installed by a narrative concerning the computation of work. One should be able to appreciate the Hegelian logic involved in this move: the inherently fetishistic and self-contradictory status of monetary value in premodern times (when the mode of production was essentially tributary) found a way out of its historical deadlock by externalizing its contradiction onto labor qua antagonistic ‘character mask,’ which resulted in the epochal invention of the social narrative we call capitalism. This is how a fetish (money) turned into a self-valorizing fetish (capital). We should be very precise apropos this dialectical passage: it is not merely that capital posits the labor presupposition, but that in doing so it presupposes its own positing activity—it presupposes itself as capable of positing its own inverted or alienated substance (labor), so as to ground itself dialectically.

The above act of self-mediation remains, ultimately, as much sovereign as it is ungrounded, for it implies the reciprocal transubstantiation of capital and labor as two speculatively identical moments of the same value-creating process. This suggests that if “[*l*abour becomes productive only by producing its own opposite,”⁴⁰ as Marx claimed, by the same token capital exists only by transubstantiating into labor as its alienated other.⁴¹ One cannot reduce the dialectic to the assertion that labor produces a value that is expropriated by the capitalist—the ‘exploitation narrative’ advanced by most variants of Marxism in the twentieth century. While Marx repeatedly asserted that labor is the substance of value, he also qualified it as a dialectical category incessantly (re) produced by capital. Marx’s ambiguity on this crucial speculative matter should not be shirked but assumed as the symptom of his greatness as a thinker.

Hegel after Marx

It is with his notion of the value-form that Marx demonstrates his debt to Hegel, principally because the *forms of value* (commodity, money, capital)

are abstract categories resembling the *forms of thought* in Hegel's system. Marx's value-form is as intangible and totalizing a concept as Hegel's Idea. Only as such does it retain a "purely social" function, since "[n]ot an atom of matter enters into the objectivity of commodities as values."⁴² Through its "phantom-like objectivity,"⁴³ value colonizes all social relations inscribed within its remit and can only be recognized by its effects. Here, however, we should also highlight the fundamental difference between these two types of abstraction. While in Hegel the totality of the dialectical forms of thought is unconditional, thus enjoying ontological primacy over material reality, what inspires Marx is the *critique* of the abstraction of the value-form, whose totalizing power is played out against the materiality of labor as producer of use-values. In Hegel, reality coincides with the dialectical self-determinations of the Idea. These determinations are not reality's abstract veil but the necessary formal representations in which anything real and substantial appears. Reality can be experienced as *concrete* only as a formal determination. Hegel's dialectic, in other words, has nothing to do with the external application of logical arguments to objective reality. Rather, it concerns the *Auslegung der Sache selbst*, the dialectical self-development of a specific content.

The main point to highlight about reality's self-development is that *there is no external force determining its content*, since what is at stake is the immanent self-movement of a given reality intended as a unified organic whole.⁴⁴ That is to say, the central methodological argument in Hegel, and especially in the *Science of Logic*, is that the concrete can only be derived immanently from the abstract, for the simple reason that there is no concrete reality for us without a modicum of abstraction. This correlation also implies that abstract universality—contrary to what typically naive readings of Hegel assume—cannot sustain itself as an all-encompassing, neutral, all-mediating totality; instead, abstract universality owes its specific determinacy to the relationship it sets up with the particular reality it gives substance to. The implication is that the universal is speculatively identical with the particular insofar as the particular is informed by a universal bias or antagonism. Put differently: the deadlock inscribed in universality, its impossibility or self-difference, qualifies the contradictory and finite character of the particular insofar as each particular is nothing but an attempt to provide an answer for a universal deadlock.

In Marx, on the other hand, the Hegelian dialectic of abstract and concrete, or universal and particular, is framed by a binary opposition between the alienating abstraction of the value-form and the liberating materiality of labor-power, ultimately incarnated by the proletariat as revo-

lutionary subject.⁴⁵ That is to say: while the historical role of the proletariat is conceived dialectically (by antagonizing the capitalist mode of production the proletariat leads humanity to the communist society, where the labor theory of value is finally abolished), the struggle of this particular subject coincides with the struggle of the *materiality* of labor-power against capitalist *abstraction*. Dialectical materialism, in other words, engages with the universal deadlock of human existence not only in the name of a spurious universality liberated from conflict (communism as the classless society of associated producers), but especially as the concrete power of labor over the alienating, phantom-like reign of exchange-values (commodities).

In fact, it is the axiomatic opposition of the liberating materiality of labor to the alienating abstraction of the value-form that authorizes the teleological and intimately theological vision of communism as the heavenly kingdom to come.⁴⁶ The framing of the class-struggle in materialistic terms is informed by a fundamentally undialectical understanding of the fight against capitalist alienation. This is because, as we have seen, the concrete (or particular) can only be conceived dialectically as form-determined, and only as such does it embody the *concrete* ‘impossibility’ of abstract universality. If, on the other hand, the proletariat stands for the power of materiality over value-abstraction, its revolutionary endeavor can only result in a struggle *against itself* as particular embodiment of that abstraction.

It should not come as a surprise, then, that while Marx did acknowledge Hegel’s influence on his critique of political economy, he never explained exactly how Hegel’s dialectical ontology assisted him in articulating his materialistic dialectic. Perhaps it is worth conjecturing that if he had tried to make sense of Hegel’s influence on his work, he would have had to rethink the political claims of his philosophy. Whatever the case, it remains significant that Marx developed his mature critique of capital after reacquainting himself—as he wrote to Engels in January 1958, while he was compiling the *Grundrisse*—with the method established in Hegel’s *Science of Logic*.⁴⁷ It is therefore incontestable that, at least since the *Grundrisse*, Hegel became a central reference for Marx.⁴⁸ While I am not interested in the philological reconstruction of the Hegel-Marx relationship, my aim here is to explore the extent to which Hegel’s dialectic informed Marx’s critique, as I believe that such investigation can throw new light on what is truly at stake in Marx’s analysis of capitalism. In this context, the often-cited line from the postface to the second edition of *Capital* volume 1—where Marx claims that Hegel’s dialectic “is standing on its head” and therefore “must be inverted, in order to discover the rational kernel within the mystical shell”⁴⁹—would

seem to make sense only if conceived as an attempt to establish the priority of matter over form.

My view is that while Marx did intend to “invert” Hegel (from ‘idealistic clouds’ to a material reality that had to be accounted for scientifically),⁵⁰ he did so by applying Hegel’s dialectical method to an object that was largely neglected in Hegel’s philosophy: the capitalist mode of production. It is for this reason that *Capital* begins with the analysis of the commodity, “an elementary material phenomenon,” rather than with “a basic concept—value.”⁵¹ Marx detected an affinity between the Hegelian system and the mystifying forms of appearance of capital, which he aimed to demystify through the employment of “the Hegelian ‘contradiction,’ which is the source of all dialectics.”⁵² As stressed by Maurice Merleau-Ponty, among others, for Marx it is “a question of annexing Hegel’s logic to the economy.”⁵³ Just as Hegel, in his *Logic*, shows Essence to be a dialectical self-determination of the immediacy of Being, so too Marx wants to demonstrate that the sphere of circulation, which appears incontestable in its immediacy, is dialectically interconnected with, and dependent on, the sphere of production. And just as Hegel develops Essence into Concept as the realization of the self-determination of the Idea, so too Marx wants to show that the relation between circulation and production unlocks the logic of capital as the self-valorization of value.

Thus, Hegel’s Being-Essence-Concept triad would appear to mirror Marx’s Circulation-Production-Capital triad, or the formula M-C-M', where the money-form found in circulation (M) dialectically relates to the labor commodity (C) to engender capital as a new form of money (M'). This influence of Hegel’s *Logic* on Marx’s critique is at its most explicit in the *Grundrisse*, particularly where Marx makes use of Hegel’s notion of essence as containing within itself its own negation (the contradiction between money as capital and living labor), which enables its development (the self-movement of capital).⁵⁴ As in Hegel, essence here is both its contradictory self-identity, and the overcoming (sublation) of this negative ground through compulsive self-expansion. Thus, it can be argued that the processual nature of Marx’s definition of capital (its ‘becoming’) is derived from the processual nature of Hegel’s notion of essence.

In what follows, however, I argue that Marx’s use of Hegel’s method remains marred by a formidably consequential misreading through which Marx, paradoxically, ends up confirming the fundamental assumption of the dialectical logic of capitalism: the accreditation of capital’s own ideological secret—the productivity of labor-power—with a revolutionary finality. This

is what, paradoxically, makes Marx's reversal of Hegel inherently idealistic, inasmuch as it entrusts the productive forces with a Promethean potential they do not possess. This is the "great delusion"⁵⁵ of which Paul Lafargue (Marx's son-in-law) wrote in the incipit of his pamphlet against work. The target of Lafargue's critique is the productivity dogma of capitalists and proletarians alike: "Work, work, proletarians, to increase social wealth and your individual poverty; work, work, in order that becoming poorer, you may have more reason to work and become miserable. Such is the inexorable law of capitalist production."⁵⁶ The prophetic import of this passage is undeniable. But before going any further on this side of the argument, let us first focus on what would appear to be the theoretical limit of Marx's materialist dialectics.

The Fantasy of Surplus-Value

As anticipated, discovering the rational kernel of Hegel's dialectic implied, for Marx, the task of inverting not only Hegel's logic, but especially the way in which capital itself appears through the lens of Hegel's logic. For the Hegelian centerpiece and key narrative twist in Marx's critique is no doubt his exposing the *substantial* role of production (the exploitation of labor-power) within the seemingly self-sufficient realm of exchange-values (the market). While it is in the sphere of circulation that the value-form is at home, Marx's central argument in *Capital* is that, if one is to grasp the logic of value, one must connect the shiny universe of circulation with the darker sphere of production. Circulation alone cannot explain how profits are made, since they emerge only through the mediation/exploitation of labor. The ambiguity of Marx's Hegelianism, however, resides precisely in the way he posits labor as substance of value. While in the rough draft of *Capital* Hegel's dialectic of the posited presuppositions is engaged in considerable complexity,⁵⁷ in *Capital* Marx tends to authorize an ultimately non-Hegelian understanding of the labor-substance as a value-creating category that enjoys a *positive material autonomy* over the abstracting *telos* of capital. This is probably what prompts Merleau-Ponty to claim that,

[i]n the second preface to *Capital*, what Marx calls dialectic is "the affirmative recognition of the existing state of things." In his later period, therefore, when he reaffirms his faithfulness to Hegel, this should not be misunderstood, because what he

looks for in Hegel is no longer dialectical inspiration; rather it is rationalism, to be used for the benefit of “matter” and “ratios of production,” which are considered as an order in themselves, an external and completely positive power.⁵⁸

In the *Grundrisse*, however, despite naively claiming that “Hegel fell into the illusion of conceiving the real as the product of thought,”⁵⁹ Marx’s substantialist assessment of labor would seem to be destabilized by the dialectical argument that, in order to produce value, labor needs to be *negated* as noncapital and nonvalue:

Labour itself is *productive only* if absorbed into capital, where capital forms the basis of production, and where the capitalist is therefore in command of production. [. . .] Labour, such as it exists *for itself* in the worker in opposition to capital, that is, labour in its *immediate being*, separated from capital, is *not productive*.

This is probably the closest Marx gets to conceptualizing labor as a negative determination, that is to say as an object that stands for the *failure* of the subject to achieve a positive identity and therefore a stable place in phenomenal reality. In this respect, “negative determination” is the obverse of the Hegelo-Marxian notion of “determinate negation” [*bestimmte Negation*], understood as the immanent potential for antagonism inscribed in a given situation.⁶⁰

This would suggest that there is nothing *immediately* subversive in labor, for in order to generate change as determinate negation, it has first to withdraw into its own groundless substance. Only as a negative self-relation *without* content (which corresponds to Hegel’s figure of the ‘negation of negation,’ or ‘double negation’), can labor aspire to be resymbolized within a new signifying chain or ideological order. While in the next section I will return to this question of labor’s potential for self-sublation (*Aufhebung*) by referring to Hegel’s notion of concrete universality, for the moment let us stay with Marx’s critique. Even as “non-productive labour”—or labor as “purely subjective existence [. . .] stripped of all objectivity,” “absolute poverty”⁶¹—Marx’s concept of labor remains characterized by an *affirmative* Aristotelian potential that exceeds capitalist subsumption, which is why it fails to act as determinate negation of capitalism. In other words, the dialectical-materialist antagonism that Marx accords to labor is framed in

advance by its positivity qua ideal producer of use-values. As a determinate negation and source of contradiction (Marx, like Hegel, underscores the importance of Spinoza's dialectical principle "*omnis determinatio est negatio*"),⁶² Marx's labor misses the dialectical point that negativity is, fundamentally, self-relating, which is why dialectical development does not coincide with evolutionism as something predicated upon a preexisting potential. By the same token, any dialectical transition needs to endorse the indeterminacy of its own presupposed content.

This idealization of labor ends up informing also Marx's concept of surplus-value. For Marx, the contradictory essence of capital is expressed as the surplus-value extracted from labor-power through its exploitation. While surplus-value as such (i.e., not "in the particular forms of profit and rent" but as an abstract totality),⁶³ captures a dialectical contradiction that enables the self-expansion of capital in general, it remains for Marx a positive entity rather than, literally, a creation out of nothing. As he claims, quoting Lucretius's *De Rerum Natura*, "*nil posse creari de nihilo*,' out of nothing, nothing can be created."⁶⁴ On this key point, then, Marx hardly goes beyond the assumptions of the political economy he critiques.

In defining surplus-value as a function of surplus labor-time—an amount of labor-time that exceeds *necessary* labor-time (necessary for the reproduction of both the worker and capital)—Marx also states:

During the second period of the labour process, that in which his labour is no longer necessary labour, the worker does indeed expend labour-power, he does work, but his labour is no longer necessary labour, and he creates no value for himself. *He creates surplus-value which, for the capitalist, has all the charms of something created out of nothing.* [. . .] It is just as important for a correct understanding of surplus-value to conceive it as merely a congealed quantity of surplus labour-time, as nothing but objectified surplus labour, as it is for a proper comprehension of value in general to conceive it as merely a congealed quantity of so many hours of labour, as nothing but objectified labour.⁶⁵

By claiming, ironically, that for the capitalist surplus-value appears to be created *ex nihilo*, Marx is arguably closer to the truth than he thinks. The same can be said about the section of the *Grundrisse* where it is discussed how circulation alone cannot be a source of value-creation:

Nothing more absurd, then, than to conclude that [. . .] *capital* can make something out of nothing, make a plus out of a minus, make a plus-surplus value out of a minus-surplus value, or out of minus-surplus labour time, and that it possesses, therefore, a *mystical* wellspring of value independent of the appropriation of alien labour.⁶⁶

Although Marx was right in claiming that surplus-value only emerges through “the appropriation of alien labour,” at the same time his theory of exploitation misses the connection between the ‘minus’ of surplus-value and the ‘minus’ (negative substantiality) of labor itself. What needs to be stressed, then, is that capital as a self-expanding turbine depends on this minus *qua negative* determination, which makes things tick precisely because it fails, therefore escaping dialectical mediation. And, to take the argument a step further, it is precisely on account of labor as negative determination that the commodity acquires its metaphysically mystifying character, as described in the opening chapter of *Capital* volume 1—which, as accurately noted by Adorno, is “truly a piece from the heritages of classic German philosophy.”⁶⁷

While labor was characterized by Marx (and especially by his followers since Engels’s and Kautsky’s sponsorship) as a liberating force of revolutionary opposition (dialectical materialism), it is more accurate and auspicious to conceive it as 1) a dialectical mediator that is *retroactively posited* as the *presupposition* of the self-valorizing loop of capital and 2) the negative substance that constitutes the core of the capitalist dialectic of positing/presupposing, *precisely as a minus that, in capitalism, functions as a surplus*. This allows me to claim not only that every class relation is under the sway of the capitalist dialectic of forms, preformatted by its immanent assumption. More crucially, it also suggests that the ‘substantialist paradigm’ should be rethought in light of the argument that, paradoxically, the strength of labor-power lies in its self-contradictory status as self-relating negativity. Ultimately, it is labor as negative determination that qualifies surplus-value as cause within the capitalist dialectic.

Hegel in and out of Political Economy

The precondition for my approach to value-critique is the assumption that every social formation is constituted by logical abstractions engaged in dialectical struggle not merely among themselves, but more fundamentally