

A COMPANION TO MARX'S GRUNDRISSE

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AUTHOR'S INTRODUCTION

This *Companion to Marx's Grundrisse* is another contribution to what I call, in retrospect, "The Marx Project." I say "in retrospect" because it is only when I look back that I can see that I have been engaged on this project over many years. It did not begin with a conscious purpose or design. Like Topsy, it just grew. The impulse behind the project, which began some two decades ago, has, however, remained both clear and constant. I felt a pressing need to communicate as clearly and simply as possible what it was that Marx had uncovered in his critique of classical political economy. I also wanted to explore how the insights gained thereby could usefully illuminate the sources of the economic, social, ecological and political troubles and dangers that were becoming more and more salient across the globe. Marx's writings, I felt, were incisively relevant to understanding why capital was not only failing to meet human needs, but was also totally unable to stave off the dangers of environmental degradation. His works helped explain why capital was bound in the long run to fail on both counts.

Most people, when confronted with Marx's voluminous works on the critique of political economy, find them difficult, intimidating and confusing. As a result, there have arisen a variety of interpretations of his work by scholars and activists alike coalescing in some instances into what appear to be factions or even whole schools of thought as to what the correct line is for elaborating on Marx's theoretical contributions. Political parties of the left (particularly of a communist persuasion) have often shaped distinctive but somewhat rigid interpretations suited to their political situation and agendas. Marx, being the controversial figure that he is, has also attracted his share of personal vilification from opponents. Deliberate misrepresentations, false representations along with more sophisticated and subtle attempts to undermine his views abound. All of this creates expectations and a climate of presumption and pre-judgement that makes a simple and uncluttered reading of any of his texts virtually impossible.

My aim was and is to open a door into Marx's thinking and to encourage as many people as possible to pass through it and take a closer look at the texts and make of them what they will. I have no interest in trying to impose my own particular interpretations on anyone. That is why I

call my books on Marx “companions” rather than guides. I cannot, of course, open a path to an understanding of Marx’s thought without using my own experience and interests as crucial help-mates for interpretation. The fact that my main interest has been urbanization and uneven geographical development at a variety of scales clearly affects the way I evaluate Marx’s texts. I imagine myself, however, accompanying the reader on a long hike in which I point out this and that particular feature here and there drawing upon my long experience of working with the text, highlight moments of epiphany for me, linking ideas together when possible, while always wondering and asking what it is that you, the reader, might make of it all. In teaching Marx over the last fifty years I have been incredibly fortunate to teach it to all sorts of different groups and audiences. I have learned immensely from the very divergent ways in which people can make sense of what Marx is saying. This is, of course, a tribute to the rich complexity of the texts; that they can speak so directly to so many different people living in such radically different situations and coming from such radically different cultural and intellectual traditions. The *Grundrisse* is by far the most interesting and the most difficult book by Marx to work with. It is a set of notes that Marx was frantically writing to himself at a rather frantic time. Marx, throughout his lifetime, employed different modes of writing depending upon his audience. These can be categorized into four types. There was, first of all, the writing style adopted in his journalism, in his contemporary commentaries and in his correspondence. It is plain spoken and colloquial, even as it takes on difficult matters with some conceptual grace. Some of his serious writings on political economy were prepared for publication, such as Volume One of *Capital*. There, he is greatly concerned to use a language which he thinks his audience will understand. That audience was the literate faction of a working class, the majority of whom were illiterate. The literate faction was self-taught, quite sophisticated and, being autodidacts, unlikely to be subject to the disciplinary tropes of formal education. So while *Capital* may appear to us as a difficult book, somewhat above the capacity of the average undergraduate in formal education to easily comprehend, this would not necessarily be true for the autodidact artisans that Marx was concerned to influence, primarily in Britain and France but also in the United States and beyond. My own hope in my Marx Project has been to re-cast Marx’s language in a way more accessible to contemporary student audiences along with the auto-didacts (yes, they still exist)

in the labour unions and social movements. The third kind of writing is more experimental. It is constructed as a voyage of discovery, where Marx will unfold an argument sometimes deploying novel and even arcane concepts for anyone willing to follow. This is characteristic of the manuscripts out of which Engels constructed both Volumes 2 and 3 of *Capital*. The fourth kind of writing is Marx writing purely for himself, using whatever tools and ideas that he has in his head, prepared to unleash a stream of his own consciousness, to set down possibilities and potential interrelations that may or may not turn out to be important in his more considered studies. This last is the predominant style of the *Grundrisse* and it is this that makes it such an exciting, frustrating, imaginative and sometimes boringly repetitive text to work with. Marx is, in short, just talking to himself. It is not sufficient to understand his language (which is distinctly his own). It is also important to understand his thinking which is, of course, in the end impossible. But this is the form of writing that dominates in the *Grundrisse*.

One of the things that makes reading and interpretation so difficult is determining whether Marx is advancing his own conceptual framework and interpretations or simply reporting upon that of others. For example, at the very outset of the "Introduction," he states: "Individuals producing in society – hence socially determined individual production – is, of course, the point of departure." We can read this as saying that this is where he, Marx, proposes to start or saying that since this is where bourgeois political economy typically starts then this is where he is obliged to start his own critical interrogation. The outcome is often a fusion of both. He may end up saying that socially determined individual production is a good and appropriate place to start provided we interpret the "individual" in a different way from that given in bourgeois political economy. I note in passing, however, that Marx begins *Capital* with the commodity, which was definitely his choice.

Marx does not think the bourgeois political economists were idiots, liars or mere apologists. Some of them may have been that, but certainly not Adam Smith and Ricardo and the host of other thinkers (like James Stueart, William Petty, Sismondi, Quesnay and even on occasion Thomas Malthus) who preceded or succeeded them. Marx regarded most of the bourgeois political economists as honest journeymen and scientists seeking desperately to understand the confusing and enormously complex political and economic changes occurring around them.

They provided Marx with the raw materials for his own interpretations and if only for that reason commanded respect. But there is plenty of “unfinished business” in the *Grundrisse* (as well as in Marx’s work in general) as to what is distinctive to Marx and what is derivative from the bourgeois political economy of the time. This is very much the case, for example, with respect to Marx’s concept of value, which, to this day, has never been firmly defined to everyone’s satisfaction.

Marx in the *Grundrisse* is not always consistent with himself; he sometimes changes conceptual apparatuses in midstream. The meaning of key concepts evolves as the text unfolds. He is often unsure as to exactly where he is going. The result is a somewhat messy, complex but open and episodically incisive analysis. But then capital is a somewhat messy, complex but incisive economic system and the *Grundrisse* often by happenstance mirrors this in some pretty astonishing ways.

There are, however, different ways to read this text. A very close, deep and systematic reading would take a long time. It is easy to spend a week wrestling with the meaning of just a few pages. Other readings take a particular angle on Marx's thinking. For instance, philosophers might read it looking for how Marx is appropriating Hegel or Spinoza, while economists are typically drawn to how Marx is appropriating Adam Smith, David Ricardo and the socialist Ricardians. Marx frequently argues in opposition to Proudhon and the French socialists. I do not find that commentary particularly enlightening or interesting. For this reason, I tend to give the debate with Proudhon short shrift in this reading. I am, furthermore, not equipped, by intellect or temperament, to wrestle with the complexity of the Hegelian influence and the extensive philosophical explorations of Marx’s language and method. I appreciate the work done by others on these topics but those interested in it must needs look elsewhere.

Marx was not only seeking in this text to come to terms with Ricardo, and Hegel. He was also engaged, in my view, in a titanic struggle to emancipate himself from the limiting categories of Ricardian analysis and the prison house of Hegelian formulations. I here concentrate, therefore, on what Marx defines as his central mission in the *Grundrisse*. This he states as follows. “The exact development of the concept of capital is necessary since it is the fundamental concept of modern economics, just as capital.....(is) the foundation of bourgeois

society. The sharp formulation of the basic presuppositions of the (capital) relation must bring out all the contradictions of bourgeois production, as well as the boundary where it drives beyond itself.”(331) I anchor this reading of the *Grundrisse* around this problematic.

Marx was not only concerned to understand the concept of capital and its elaboration in the world of thought. He was also concerned to come to terms with capital as it was operating on the ground and how its abstract laws of motion, albeit riven with contradictions, were not only producing economic crises (such as that of 1857-8) but were also dictating conditions of life and labour for the mass of the population in the then capitalist world.

Capital is, of course, still with us and the unfolding of its inner laws of motion, along with all its inner contradictions, are omnipresent, though perhaps dressed in new clothing and perhaps practiced at a much expanded scale. A dose of Marx’s revelatory discoveries can therefore shed a great deal of light on our contemporary capitalist world, even as we recognize that this world is very much in flux and in some respects very different from the one which Marx inhabited. Yet there are also reasons to think that the chief elements of Marx’s theoretical conception are more relevant now than they have ever been. When Marx was writing, industrial (as opposed to merchant) capital was dominant in only a small corner of the world – Britain, Western Europe and the Eastern seaboard of the United States. But now the kind of factory conditions which Marx depicts in *Capital* in the chapter on ‘the Working Day’ can be found in Bangladesh, China, Turkey, Brazil, India, Guatemala and South Africa (just to name a few). Capital has, moreover, “scaled up” to the edge of the globe and while this scaling up calls for theoretical adjustments it deepens rather than lessens the contradictions to which capital as an economic system is prone. On the other hand, the complexity of class formations and class relations on the world stage make the applications of some of Marx’s theorizations, as we shall see, problematic.

There is, however, a structure to Marx’s seemingly chaotic enquiry in the *Grundrisse*. It is important to be aware of this when studying the text. Marx aims to investigate the formation and functioning of capital as “a totality”. This aspect to Marx’s approach has largely been ignored in contemporary commentaries. I suspect the turn to Foucault and post-structuralism, which by association holds totalizing discourses and, ergo, any evocation of the concept of the

totality in anathema, is partly to blame. It may also be because earlier attempts to deploy the concept of totality (by, for example, Lukacs) were found to be misleading and inadequate. But Hegel's concept of totality is of a closed, self-contained and self-sustaining entity and it was this concept of totality that proved (correctly, in my view) to be so inadequate. Marx seeks to emancipate himself from this Hegelian conception. Marx's totality is open, evolving, self-replicating to be sure but in no sense self-sustaining given its internal contradictions and its metabolic relation to both nature and to the cumulative historical achievements of human cultures. Marx depicts capital as an "organic" totality and treats it as a complex ecosystem in continuous historical formation. But Marx limits his enquiries for the most part to the totality of capital and not of everything. While capital may be the driving force, the foundational process within bourgeois society, it does not say everything that needs to be said about capitalism as a social formation. The theory of capital as a mode of production is one thing. The theory of capitalism as a social formation is quite another. In the *Grundrisse* Marx mainly focuses on the former even as some of his asides clearly target the latter.

The ecosystemic analogy is important here. In the same way that researchers may conceptualize and isolate for study whole ecosystems such as the tropical rain forest, the tundra, wetlands or even urban ecosystems as totalities (each totality comprised of multiple species in relation or competition with each other, knitted together by energy flows including those emanating from outside) so Marx seeks to isolate capital's ecosystem (with its complex intersecting divisions of labour, competition, specializations of function, forms of distribution and money flows) for study.

This totality of capital is, in some respects, like a human body (though this analogy will prove misleading if pushed too far). Marx at one point pursues exactly this analogy to elucidate the importance of differential turnover times. "In the human body, as with capital, the different elements are not exchanged at the same rate of reproduction, blood renews itself more rapidly than muscle, muscle than bone, which in this respect may be regarded as the fixed capital of the human body." (670) The human body circulates blood through the heart, oxygen through the lungs, ingests energy through the digestive system and the stomach, deals with waste through the liver and kidneys while coordination is exercised through the brain and the central

nervous system. Each of these circulation processes is autonomous and independent (and subject to specialised knowledge in the form of cardiology, neurology, urology, etc.) but subsumed within the logic of the totality of a human body as a functioning system. It makes no sense to assign a hierarchical structure of importance or causality to the interactions and interrelations between all these different circulation processes. The failure of any one of them threatens the life and existence of the totality.

In the *Grundrisse*, Marx decomposes capital into different circulation processes. He begins with the study of monetary circulation. Not all money is capital. Capital is money circulating in a particular way. But monetary circulation has to be studied as autonomous and independent, performing all manner of social functions other than that required in the flow of money as capital. Money becomes money capital through its encounter with and purchase of the capacity to labour. This sparks an analysis of the circulation process of the capacity to labour (Figure 1) Capital (value) flows through the different moments of (1) commodity purchase (labour power and means of production), (2) a labour process producing surplus value, (3) realization through sale in the market, (4) distribution and (5) reinvestment. This forms a distinctive circulation process of capital in general (Figure 2). The flow of capital can be divided into two distinctive paths, those of circulating capital (with a turnover on an annual basis) and long-term fixed capital, (e.g. machinery, together with flows into the consumption fund e.g. housing (Figure 3). Fixed capital and long-term consumption fund formation take on a special character and significance. The both intersect with the circulation of interest-bearing capital which supports and coordinates them. This connection is only occasionally mentioned in the *Grundrisse*, even though it is usually incorporated in the various plans that Marx lays out to guide his future work. The circulation of interest-bearing capital is taken up in detail, of course, in the third volume of *Capital*. There are other circulation processes that could be incorporated. But Marx leaves them to oneside in the *Grundrisse* except in the various plans. The circulation of state revenues through taxation and public investments is notably lacking except for a brief commentary on road building.

The totality of capital is not pre-given or pre-defined. It is not some ideal type waiting to be revealed or discovered, nor is it fixed and determinate with respect to its reach in space and

time. While the idea of totality undoubtedly derives from Hegel, Marx re-works it and revolutionizes it (as he does with almost everything else taken from Hegel). For Marx the totality is a network of historically specific social practices and relations built and evolving over time through human action. This network is constantly in the process of growth and transformation (perpetually “becoming” as he puts it) even as it exhibits certain tendencies towards permanence. The emphasis, however, is upon the fluidity of the processes that sustain and create it. But the crystallization out of various features within the totality can guide, inhibit, imprison or exacerbate the processes that historically constitute it. This crystallization can from time to time become downright sclerotic. It then appears as if humanity has imprisoned itself in its own web of social (class) relations, institutional arrangements (e.g. the law) and social interactions. It constantly finds itself straining to break the bonds and barriers that it itself creates. This is the foundational contradiction within the capitalist mode of production. The *Grundrisse* is structured as an enquiry into the different circulation processes that produce and support capital as a totality. We have

- 1 The Circulation of Commodities through Exchange
- 2 The Circulation of Money as Money
- 3 The Circulation of Capacity to Labour (Figure 1)
- 4 The Circulation of Money as Capital (Figure 2)
- 5 The Circulation of Fixed Capital (Figure 3)
- 6 The Circulation of Interest-Bearing Capital (not studied but mentioned in the *Grundrisse*).

Other circulation processes might be incorporated into this framework such as the circulation of financial/banking capital and the circulation of state revenues. Volume 2 of *Capital*, it is worth noting, is dominated by the study of different circulatory systems beginning with the circulation of money, commodities, productive capital and the circulation of all three forms within capital as whole. Later in that volume, Marx examines the circulation of fixed capital and studies working periods and turnover times, followed by chapters on the circulation of variable capital and surplus value, culminating in the modelling of circulation relations between capital

and labour in the so called reproduction schemas. The *Grundrisse* is an illuminating precursor to much of that.

The boundedness of the totality (both structurally and geographically) is to some degree arbitrarily imposed by the investigator even when there are strong concrete conditions that logically support a particular definition of boundedness. In the case of the human body, to follow on with this analogy, there are strong reasons to treat of it as a functioning totality in itself for purposes of medical investigation, diagnosis and analysis. But the general social conditions in which that body operates cannot be ignored in any approach to health conditions in society. While, for example, a cause of death might be very specific from the medical standpoint, the context of substance abuse and opioid addictions, of alienation and social anomie, and all the economic and social reasons that lie behind these phenomena are of great significance to understanding recent trends in morbidity. While Marx isolates capital – what he calls “the inner structure” of the social system - to concentrate attention on the production, consumption, realization and distribution of value, he clearly recognizes that there is a far broader totality within which this arbitrarily abstracted totality called “capital” has its being. Hence in figure 2 we see the metabolic relation to nature and the construction of a second nature through urbanization along with the production of space and place relations as contextually significant to the more narrowly defined and bounded model of capital circulation. The same can be said of capital’s relation to human knowledge, social relations, culture and tradition in existing populations, to conditions of social reproduction and to the constant shaping and re-shaping of the wants, needs and desires that get expressed through the diversity of human consumerism. What Marx subjects to analysis is the totality of capital within the much broader totality of capitalism. His reason for so doing is that he sees capital as the economic engine, the foundational power-house, the source of the abstract forces, to which all of us are willy-nilly obligated and bound to some degree.

One word of warning on Marx’s method of enquiry. He situates himself with respect to his subject matter in a very specific way. He typically interprets what he is looking at in a pure form free of contamination from so-called external influences (such as those just described) or particular complications. In the chapter dealing with money, for example, he proceeds as if the

circulation of money capital has no role. Throughout the text he frequently indicates issues that he will take up later or matters that we are not at this point in the analysis equipped to handle. This renders much of what he says contingent on context rather than definitive. Marx recognizes that many of his “fixed suppositions themselves become fluid in the further course of development. But only by holding them fast at the beginning is their development possible without confounding everything.” (817) This is not an unfamiliar problem – how to capture process, movement and flow with categories that cannot be other than fixed? I frequently see citations from Marx presented as if they are final judgments when they should be presented as contingent statements. This does not mean the subject matter is useless. Quite the opposite. But care should be taken to recognize the assumptions and contextual conditions under which Marx is organizing his theorizing.

The theory he comes up with is in general contextualized by how capital was working in what Marx himself recognized to be his “little corner of the world.” For most of his active intellectual life he felt, rightly or wrongly, that the study of British industrial capitalism was showing to the rest of the world a picture of its own likely future. This is where he stands when thinking through the materials assembled in the *Grundrisse*. But towards the end of his life he began to question whether or not that presumption was warranted. Context matters. And in the same way that he admitted that the theses of the *Communist Manifesto*, written in 1848, deserved to be re-examined and perhaps re-written when re-published (in what turned out to be their most influential version) in 1872, so he also had to acknowledge that the course of capital’s “becoming” might look very different when viewed from the standpoint of the development of capitalism in Russia or elsewhere. A recent study by Musto on Marx’s later life sheds helpful light on some of these questions. Whether or not the image of our own future now lies in China is thus an interesting contemporary version of this question, open to debate, of course. We all work from contexts even as we seek theoretical insights that might transcend those contexts. Marx is no exception.

But then there are passages in the *Grundrisse* where Marx throws all contextual caution and constraints to the winds and speculates, sometimes wildly, as to the true essence and qualities of capital as a transcendent power. His insights are brilliant, dramatic and often astonishing in

their implications. These form, as a student once commented to me, the jewels that shine with such luster and brilliance in the mud of all too often turgid analysis. Finding and toying with these jewels of incisive understanding is what makes the study of the *Grundrisse* so extraordinary and worthwhile as well as, dare I say it, fun.

Finally, I wish to dedicate this book to my thoroughly a-political father. This probably seems strange coming from someone who is eighty-five years old. But I now see that I could not have done this work without his help and influence. He was employed in the Naval Dockyard in Chatham (England) and during World War Two found himself increasingly tasked with managing the emergency repair and refitting of damaged naval ships pretty much on his own initiative. He apparently fulfilled this task excellently well. But in 1950, when he was 53, the Admiralty determined in its infinite wisdom, that in order to continue doing what he had been doing for the previous seven years, he must take a qualifying competitive examination in naval construction engineering. This was a person who had left school for an apprenticeship at age 13. For two years, after coming home from work and taking “high tea”, he would retire to the front parlor and study his engineering texts for two or three hours every day (except weekends). He had to learn calculus, for example. He passed the national competitive exam with flying colours and was confirmed in his job position. My father and I did not get along (for reasons I need not go into). I felt he never approved of me. But I now realize how important it has been for me to earn his approval by emulating how and what he did in his studies, how he applied himself, at that time when I was fifteen years old. I have consequently never been fearful of undertaking long-term projects. Indeed, I value them and seek them out. Persistence and dedication pay off. Writing this Companion to the *Grundrisse* has been like that. I have often had a picture of my father in my mind as I retired to some space for a couple of hours almost every day during Covid lockdown with my text and my laptop, to work on this project. While I have no idea what he would think of the content, he would, I hope, recognize and appreciate the manner of my effort. It has taken a long time for me to be able to say it, but: “thanks dad!”

The Edition of the Grundrisse to which I will refer is Marx, K. *Grundrisse*, Penguin Classics in Association with New Left Review, London, 1973 (reprinted 1993)

SESSION ONE

MARX'S INTRODUCTION,
pages 83-111.

What is here presented as the "Introduction" to the *Grundrisse* is in fact a separate and earlier text that only loosely connects to the main body of the manuscripts. Marx, as Martin Nicolaus, the editor and translator of the text records, (53-5) apparently had some serious reservations about the manner of presentation of the "Introduction" and it is fairly clear that the materials have a somewhat tenuous relation to the main part of the work even as they help frame and interpret the main text in important if not foundational ways. The "Introduction" helps us understand how Marx was positioning himself vis-à-vis the classical political economy that was the object of his critique. His discontents may also have derived from the fact that he had not yet freed himself enough from the propositions of classical political economy to construct his own independent perspectives. In the same way that he interrupts the flow of his argument in the main body of the *Grundrisse* with the observation that his formulations need revision because they are too idealist and by implication Hegelian (151), so he may have felt that this introduction was too Ricardian. The *Grundrisse* is in many ways Marx's coming-to-terms with the thought of both Hegel and Ricardo. The "Introduction", as I see it, reflects Marx's thinking at a certain stage of his "becoming" the fierce critic of capital that he ultimately became.

The “Introduction” has four parts. He begins with a brief critical commentary on the role of the individual in liberal theory. The second, and by far the most prominent and challenging part, deals with “production in general” and the inner relations between production, distribution, consumption and exchange within what he terms the “totality” of capital. The third part entails a brief discussion on the method of political economy. The last two pages open up a laundry list of matters to be considered culminating with some interesting observations on the relationship between ancient and modern modes of art and thought.

THE CRITIQUE OF LIBERAL INDIVIDUALISM

Marx announces his initial focus to be “material production”. The starting point is “individuals producing in society – hence socially determined individual production.”(83) This immediately poses the question of how individuals came to play such a crucial role in shaping what capital is about. Marx dismisses “the unimaginative conceits of the eighteenth century Robinsonades” before going on to consider Rousseau’s account in *The Social Contract*, “which brings naturally independent autonomous subjects into relation and connection by contract.”

This question of how to understand the role of the individual in relation to society in general and to private property and competitive entrepreneurialism in particular recurs throughout the *Grundrisse*. We will frequently return to it. Here Marx opens with a critique rendered much more explicit in the first volume of *Capital* (page 170). There Marx derides the way in which so many of the eighteenth century political economists based their theorizing on the imaginary of rational economic man (*homo economicus*) as depicted in Daniel Defoe’s story of shipwreck and survival in the novel *Robinson Crusoe* (published in 1719). Defoe made it seem as if any rational individual when precipitated alone into a situation close to nature would “naturally” organize his productive life according to the principles of double-entry bookkeeping. Robinson, having “learned from experience, and having saved a watch, ledger, ink and pen from the shipwreck, he soon begins, like a good Englishman, to keep a set of books,” as he puts it in the first volume of *Capital*. Not for the first time, we see capital and the individual as products of nature, when, for Marx, they are social and historical products.

The importance of *Robinson Crusoe* as a text was not only that it gave the bourgeois political economists an imaginary basis for their theorizing but that it was a very popular story

consumed by literate peoples everywhere (I read it as a child!). It gave popular support to the naturalness of economic calculation and entrepreneurial action at the same time as the introduction of *Man Friday* naturalized and endorsed colonial paternalism and the importance of racial distinctions. The way forward was to unite the brains of the white inhabitants of the temperate regions with the brawn of the black people of the tropics. I have long thought, however, that the bourgeois political economists chose the wrong Defoe story. Had they used *Moll Flanders* they would there have found a character whose life reads like the wayward history of commodity capital in perpetual circulation. Moll, who is a charming thief, seductress and liar, goes from riches to debtors prison, from Britain to Virginia all the time speculating with respect to her own desires as well as to those of others. One high point of the story comes when Moll, on the point of penury, launches a last gasp effort to rescue her financial fortunes by renting a horse and carriage, a mass of expensive jewelry and fashionable clothing to attend a country-house ball where she successfully seduces a young aristocrat to the point where they get married that very night. On waking in the local inn the following morning, they discover that neither of them have a penny to their names. When the shock wears off, they both see the humour of their situation and part on good terms. This wonderful exposé of the flippant emptiness of what commodity capital is all too often about, including the constant toying with wayward human desires. This contrasts with Robinson's serious and stolid attempt to reconstruct the conditions of industrial capital in isolation on his island, protected from any market discipline apart from his ledger. Incidentally, Defoe's novel *Captain Singleton* has a lot to say about piracy, globalization and primitive accumulation across Africa and the Indian Ocean, while his *Journal of a Plague Year* makes for interesting reading in the year of Covid-19!

The political economy of the eighteenth century sought to naturalize the individual entrepreneur. Rousseau in his *contrat sociale* endorsed this view. The "noble savage" or the social individual endowed with inalienable rights (sometimes construed as God-given) supported by private property, are seen as the "natural" basis upon which political economic institutions and theory should be constructed. The freedom of the sovereign individual lies at the basis of liberal theory. But for Rousseau that dangerous and potentially unruly freedom is severely limited by the social contract. Marx turns this the other way around. "In this society of

free competition, the individual appears detached from the natural bonds, etc. which in earlier historical periods make him the accessory of a definite and limited human conglomerate.” The original “natural” unit (if ever there was one) was not the individual but the kinship group, the band, the tribe, or some other form of collective organization in which a tacit contract ruled (and he will later go into detail on such forms – see pages 471-514). In Marx’s view, it took a certain kind of market exchange society to “dissolve” collective forms and create a situation in which the individual could act as an entrepreneur and claim the sovereign rights of private property for himself or herself. The individual and individualism, therefore, are the by-product of the rise of a certain kind of society based on monetized market exchange, private property and capital accumulation. This is politically important. Current right-wing popular political thinking (in the USA in particular) is based on the sacrosanct qualities of individual freedom and liberty, as natural or God-given absolute rights that cannot be over-ridden by the state or any other form of collective power (there is nothing binding about any social contract). Marxist or any socialist line of thought derivative of Marx is therefore seen as the mortal enemy of individual liberty and freedom. Marx’s response is to pose two questions. If capital did come into being as the “natural” consequence of such inalienable individual rights, then how come we live in a society characterized by wage slavery, the impoverishment of the mass of the people and the total and accepted violation of these supposed “inalienable” rights by capital on a daily basis (particularly in the labour process)? Secondly, if, as Marx puts it in the third volume of *Capital*, the realm of true freedom can only begin when the realm of necessity is left behind (or in President Roosevelt’s formulation, “necessitous people are not free”) then why do those who so loudly proclaim their belief in individual liberty and freedom so fiercely resist all collective attempts to construct a world in which the necessity which curbs that freedom is eradicated? This second question enfolds the more particular paradox in which capital, through its remarkable pursuit of new technologies develops the productive forces required to abolish the realm of necessity, while avidly denying the use of them to create a world of universal equality and well-being. This refusal to extend the realm of human liberty and freedom to all, even as the means to do so lie readily to hand, is a blot on human history. Marx wholeheartedly supports the quest to extend the realms of individual liberty and freedom to all

and sundry. But he insists that the conditions in which these virtues can flourish have yet to be realized. It is pure fiction and fantasy (of the *Robinson Crusoe* sort) to say that the freedom of the sovereign individual existed at the creation.

Marx comments only on certain aspects of this whole argument in the "Introduction". He writes, for example, that "only in the 18th century, in 'civil society', do the various forms of social connectedness confront the individual as a mere means towards his private purposes, as external necessity. But the epoch which produces this standpoint, that of the isolated individual, is also precisely that of the hitherto most developed social (from this standpoint, general) relations. The human being is in the most literal sense (a political animal), not merely a gregarious animal, but an animal which can individuate itself only in the midst of society." (84) Marx thus confirms the view that the individuation that makes entrepreneurialism possible is a social and historical product and not an attribute of some imagined natural order.

PRODUCTION IN GENERAL

When studying the *Grundrisse*, it is useful and important to collate all those passages where Marx comes back to the conditions required to extend human liberty and freedom. Here, however, Marx quickly switches his attention to production. He notes, contra the Crusoe story, that "production by an isolated individual outside society....is as much an absurdity as is the development of language without individuals living together and talking together." (84) But, "whenever we speak of production...what is meant is always production at a definite stage of social development." (85) In the *Grundrisse* it is "modern bourgeois production" that will be the main focus of attention. But it is also important to acknowledge that "all epochs have certain common traits, common characteristics." We need to assess what all of these different societies have in common. (85). Marx therefore proposes to look at "production in general" as a "rational abstraction in so far as it really brings out and fixes the common element and thus saves us repetition."

This term "rational abstraction" alongside with that of "concrete abstraction" requires elucidation. For Marx, the concept of the commodity is a concrete abstraction. We see innumerable material exchanges involving the buying and selling of all manner of particular products. We cannot possibly consider the infinite number and variety of these material

transactions so we bring them all together and consider all of them as exemplary of the exchange of commodities. This is the concrete abstraction. We then build an economic theory on that basis. The basis is material (concrete) but the concept is abstract. Another level of abstraction – rational abstraction – arises out the interrogation of the theoretical content of commodity exchange. Value, for example, is a rational abstraction. It arises out of the study of commodity exchange as a concrete abstraction. The only rational answer to Marx 's question as to what makes diverse commodities commensurable is that they all must have something in common, i.e. they are all products of human labour. The inference that value must be a manifestation of social human labour is a rational abstraction. This is how Marx puts his historical materialist technique into practice. This mode of approach is omnipresent in the *Grundrisse*. It also ultimately helps explain Marx's assertion that within a capitalist mode of production we are all of us concretely "ruled by abstractions," (e.g. movements in the interest or profit rate).

In the case of production in general, the "common element sifted out by comparison, is itself segmented many times over and splits into different determinations. Some determinations belong to all epochs, others only to a few...."(85) Again, it is useful to understand Marx's technique here. All forms of production relate, for example, to land, but the role and meaning of land varies (as we shall later see) from one situation or mode of production to another. The implication is that any macro-economic transformation in the mode of production from, say, feudalism to capitalism, will entail a radical change in the role and meaning of, for example, land ownership and use. Furthermore, "if there is no production in general, then there is also no general production. Production is always a particular branch of production – e.g. agriculture, cattle raising, manufacturing, etc. or it is a totality."(86) It is also produced through "a certain social body, a social subject" (such as the labourer) "which is active in a greater or sparser totality of branches of production." The topics that need to be elaborated are: "Production in general. Particular branches of production. Totality of Production." (86)

It is here that Marx introduces us for the first time to the concept and idea of a totality. This is a vital concept throughout the *Grundrisse*. Marx often frames his thinking in terms of the "totality" and its "moments". But bourgeois theorists (such as Adam Smith) typically introduce

their subject matter (the study of the moments of production, consumption, distribution and market exchange) by hammering the “essential moments of all production into flat tautologies.”(86) This is the heart of Marx’s critique of classical political economy: it reduces the vibrant and fecund processes of even bourgeois economic life to the dead and lifeless qualities of the conjoining of static factors of production. This is then supplemented by the fact that “certain races, locations, climates, natural conditions such as harbours, soil fertility etc. are more advantageous to production than others.” Such contingent conditions are then flattened into yet another “tautology that wealth is more easily created where its elements are subjectively and objectively present to a greater degree.” (87)

Marx will later seek to free political economy from all such tautological formulations (which continue to dominate in economics to this day) through the gentle application of dialectics and a version of process-based philosophy. But here he is more concerned to show that the economists’ real concern and aim is “to present production – see e.g. Mill – as distinct from distribution, etc, as encased in eternal natural laws independent of history, at which opportunity bourgeois relations are then quietly smuggled in as inviolable natural laws on which society in the abstract is founded.”(87) This is a far more pernicious way of naturalizing bourgeois production than the blatant maneuvers of the Robinsonades. It is recognized, however, that society can “be considerably more arbitrary” with respect to distribution. Distributive socialism (of the Mill or Ricardian socialist sort) is perfectly feasible under this formulation but the socialization of production is impossible because it is part of the natural order governed by natural law. This “tearing apart” of “the real relation” between production and distribution is, for Marx, totally inadmissible. But this is what capital does.

“All production is appropriation of nature on the part of an individual within and through a specific form of society”(87) This brief mention of the “appropriation of nature” presages a long-running concern within the *Grundrisse* to understand what Marx later refers to as “the metabolic relation to nature.” But here he races past this issue to expose the way “it is a tautology to say that property (appropriation) is a precondition of production,” even as it is “ridiculous” to “leap from that to a specific form of property” such as “private property.” Communal forms of property have been far more common throughout human history. “Every

form of production creates its own legal relations, form of government, etc.”(88) In short, “there are characteristics which all stages of production have in common and which are established as general ones by the mind, but the so-called general preconditions of all production are nothing more than these abstract moments without which no real historical stage of production can be grasped.” How, then, are we to grasp the nature of capital as a totality?

In the *Grundrisse*, Marx seeks to answer this question in incremental steps. His method is to start with basic concrete abstractions, build in the rational abstractions that arise within a given mode of production (such as value theory) and gradually pin together a picture of the totality in motion and formation. That picture begins to take shape towards the end of the analysis. Marx scrupulously refrains from going beyond where he is at in this process of defining the rules of operation within the theoretical totality in formation. Again and again we find him saying of some topic (e.g. the credit system or the circulation of fixed capital) “this does not belong here yet” or “we will deal with this later,” even as he is plainly seeking a framework for studying the totality of capital in all its fullness. On several occasions, however, he abandons all constraints and sets out a proposed plan for the study of the totality. Each plan is different. We have no way of knowing which one he might have followed had he had enough time to pursue any of them to their end point.

I propose, however, to reverse Marx’s general approach here. I present a picture of the framework that Marx more or less completed in his political economic studies of capital (Figure 2). This picture of capital flows provides an initial map and, hence, a way of locating where we are as we move through the text. There is always a “forest for the trees” problem in reading Marx. The map depicts the totality of capital (the forest) and it then provides a framework in which to understand how Marx is depicting the inter-relations between the moments (the trees). Capital is defined as value in motion and it is through this motion that all the moments are linked together. The diagram is a map of the primary flows of value within the totality.

At the base of the diagram we see money capital, which is money being used as capital. The presumption is that the money form is well-established and is already being used to circulate commodities, to measure value, and so on. Not all money is capital, but capital cannot exist

without at some point taking on the money form. In the next step, the capitalists use their money to buy commodities of an equivalent value in the market place. There are two kinds of commodities: means of production of all sorts (such as machinery and raw materials) and labor power (the capacity to labour). The implication is that commodity and labour markets are also already well-established. As owners of means of production and of labor power, capitalists bring these two factors of production together in the third step, a labour process under their command, in order to create a new commodity. This labour process is organized by capital to preserve the value of the labour power and the value of the means of production (thus creating a commodity equivalent to the original money value) while also adding a surplus value. This is the moment of production. The surplus value is derived from the labourer working beyond the time required to reproduce the value of their own labour power. The surplus value is congealed initially within the value of the new commodity. In the next step, that commodity is taken to market where its value is realized and monetized through a sale. The capitalist, says Marx in Volume 1 of *Capital*, “stares in astonishment” because the money received is greater than the money initially laid out. The surplus value is realized as money profit. This is the moment of realization. Once it is in the hands of the users, the commodity either disappears in the physical act of consumption or is recycled into the production process when purchased as means of production by other producers.

But there are many claimants to the monetary value reproduced and gained in production. Some of the money passes over to the workers as wages. Some is taken by the state in the form of taxes (though Marx surprisingly says very little about this). Some goes to the bankers who might have lent some of the money at the outset. Some goes to merchants who specialize in the selling of commodities. Some goes to landlords who charge a rent for the use of the land (or access to the raw materials embedded therein). And some remains for the capitalist producers who set up the whole productive circulation in the first place. Taken all together, this is the moment of distribution.

But what do all these claimants do with the money they get? Quite a bit of it goes to support their consumption, which forms much of the demand to buy commodities in the market (final consumption). Some of it flows back into the money capital form for what Marx calls

“productive consumption” (reinvestment). Before doing so, surplus moneys are typically brought together by the banks and financial institutions who direct much of it towards performing the role of money capital once more. This initiates the circulation of interest-bearing capital. And so the cycle begins again, though this time containing a division between money capital plain and simple and interest-bearing capital lent to entrepreneurs to get the cycle going or keeping it running smoothly (as in times of distress). But because surplus value and profit are key features, the cycle becomes a spiral of never-ending growth (accumulation) through the circulation and production of capital. The spiral form takes over.

This spiral of capital, while abstractly presented, is grounded in the material world. At the base of Figure 2 we depict the grounding of capital accumulation in the physical material world of nature. The metabolic relation to nature is a critical feature in the evolution of the totality. It sets up certain conditions of possibility for different forms of human activity. We know the natural world is itself in constant flux and that it contributes directly to production by way of its fecundity and rich diversity. It is also constantly being modified by human action. In some presentations, therefore, an important distinction is made between first nature (original and unmodified) and second nature (the product of human action in the building of physical infrastructures, urbanization, the carving out of fields, the drainage of swamps, etc). Problems in the metabolic relation to nature and in the construction of second nature frequently arise (e.g. pollution and climate change or virus pandemics) and are not easily resolved. Value flows within the totality are not, therefore, independent of the restraints of this material world. Nor do the flows of value occur without having major impacts upon that material world.

The same can be said of the human nature and culture that is systematically used, shaped, appropriated and incorporated in the continuous flows of value. Capital accumulation is materially embedded in this world of immense human diversity. Capital appropriates and in many instances preys upon pre-existing differentiations and divisions at the same time as it produces new differentiations in the divisions of labour according to its own technological requirements. Capital is always busily at work perpetually modifying the conditions of possibility for further capital accumulation. The growth of knowledge, science and human skills and the proliferation of human wants, needs and desires (many of which are directly produced

by capital itself) often butt up against unintended consequences and runaway crises of confidence and fears, as humanity has to grapple with both the defects and the triumphs of its own products and its own often problematic evolution. As Marx will note, it is not only transformations in the metabolic relation with nature but transformations in human nature that are at stake. The history of capital is tightly bound up with the production of new wants, needs and desires, even as capital mercilessly caters to and manipulates them.

The totality of value flows that produce capital accumulation is embedded in a wider totality that encompasses all of humanity's activities as well as global ecological transformations. In the same way that Marx works through his theory of *capital* in terms of inner relations between production, consumption, realization, distribution, and reinvestment, so a theory of *capitalism* (a term that Marx rarely if ever uses) might usefully be deployed to describe the inter-relationships of culture, nature, economy and politics in a far broader conception of how society works. The *Grundrisse* provides glimpses of what such a broader conception might look like. In particular, the several outlines that Marx provides for his projected further work lay a topical basis accompanied by some provocative glimpses as to what a theory of capitalism as a totality (as opposed to capital as a totality) might look like.

Finally, we need to integrate into the picture the previously neglected problem of social reproduction. This, since the feminist interventions of the 1970s, has become a critical feature in how we understand the evolutionary dynamics of capitalism as well as of capital. Of all the contingent features that set boundaries to the conditions of possibility for endless capital accumulation, social reproduction exhibits the most intimate internal relation with the theory of capital as Marx defines it. Social reproduction not only covers the crucial features of the biological and social reproduction of the labourer and, hence, of labor power. It also encompasses the production of ways of daily life, the cultural dynamics of consumption, the social institutions (such as the family, communal and political forms, gender relations, collective forms of consumption, institutions of governmentality and the organized articulation of spiritual and political values). Much of this is only touched upon in the *Grundrisse* but Marx (and we) cannot avoid confronting such topics, even if only to lay them to one side (as Marx for the most part specifically does) for purposes of analysis of capital.

Figure 2 is a picture, a mental reconstruction of a totality in which capital (value) circulates through different moments before coming back to its moment of origin (as money capital). At that point the circulation process begins again. Production, consumption, distribution, reinvestment, and exchange, are distinctive moments within that totality. But classical political economy lacked and continues to lack to this day an adequate conception of totality. It typically views each one of these moments as autonomous and independent (flattened tautologies), whereas Marx views them as autonomous and independent but subsumed within a network of inner relations between all the moments within the totality. The phrase “autonomous and independent but subsumed within” will frequently be appealed to in the subsequent analysis. I am often asked what it means. The best answer I have is that it is like raising a teenager: they perpetually insist, assert and practice their autonomy and independence while being confined within the household economy for daily sustenance and when things go wrong, as they invariably do, they race on home seeking parental protection. This is a good description of how the bankers behaved in 2007-8. They insisted on de-regulation, their infallible autonomy and independence, but when the crash came, the paternalistic protection of the state was crucial to their survival. The whole nation woke up to the threat of moral hazard.

None of the moments within the totality of capital can, in Marx’s view, be understood independently of the relations prevailing between them. Production presumes consumption and realization. It likewise presumes (or, to use Marx’s favorite word) “posits” distribution. The material base of the internal relations lies in the continuous flow of value through and across the different moments. This conception of the totality and its moments pervades the *Grundrisse*. But it often lies in the background as a tacit assumption rather than as an explicit formulation. It is left up to the reader, when reading this or that part of the text, to keep the framework of the totality in mind. It is for this reason that I present the structure of the totality at the outset.

On occasion, however, Marx does remind us of its importance. On page 278, for example, he writes, "while in the completed bourgeois system, every economic relation presupposes every other in its bourgeois economic form and everything posited is thus also a presupposition, this is the case with every organic system. This organic system itself, as a totality, has its

presuppositions, and its development to its totality consists precisely in subordinating all elements of society to itself, or in creating out of it the organs which it still lacks. This is historically how it becomes a totality. The process of becoming this totality forms a moment of its process, of its development." The totality is, thus, neither fixed nor static but in constant development and evolution. It is perpetually in "the process of becoming". How and why, we might now ask, did the world's central banks and the international financial institutions, such as the International Monetary Fund and the Bank of International Settlements come to play the role they now have? Marx's method opens up the possibility of asking such questions and locating the answers in the framework of a much more sophisticated theory of an evolving totality. The geographical field and terrain that capital flow operates across and upon is also in perpetual flux. This, however, is a matter that we will take up in more detail later.

PRODUCTION, CONSUMPTION AND DISTRIBUTION

In the "Introduction", Marx looks at the basic economic categories through the lens of classical political economy. "It is necessary," he writes, "to focus on the various categories which the economists line up" next to production. (88). "Production creates the objects which correspond to the given needs; distribution divides them up according to social laws; exchange further parcels out the already divided shares in accord with individual needs; and finally, in consumption, the product steps outside the social movement and becomes a direct object and servant of individual need and satisfies it in being consumed." (88) Commodities, economically speaking, disappear as use values in the act of final consumption, though their monetized value marches on. In this system "production appears as the point of departure, consumption as the conclusion, distribution and exchange as the middle, which is however itself two-fold since distribution is determined by society and exchange by individuals...Thus, production, distribution, exchange and consumption form a regular syllogism. Production is the generality, distribution and exchange the particularity and consumption the singularity in which the whole is joined together."(89)

In reflecting on the qualities of this syllogism, Marx admits there is "a coherence," but characterizes it as "a shallow one." He then repeats Mill's formulation. "Production is determined by general natural laws, distribution by social accident. Exchange stands between

the two as formal social movement; and the concluding act, consumption....actually belongs outside economics except insofar as it reacts in turn on the point of departure and initiates the whole process anew.”(89) Bourgeois critics of this formulation typically complain at the privileging of production over all else, but in so doing they view production and distribution as “autonomous and independent neighbours” with the result that “these moments were not grasped in their unity.” This prompts Marx to comment on the way in which “the rupture between production and distribution “made its way not from reality into the textbooks, but rather from the textbooks into reality.”(90) It was, he says, “as if the task were the dialectical balancing of concepts, and not the balancing of real relations.” Given the heavy reliance on the dialectical balancing of concepts throughout much of the *Grundrisse*, we plainly ought to keep Marx’s warning very much in mind. At the end of the day, it is the understanding of the real relations that matters.

Classical political economy depicts relationships between the different moments and recognizes there is some way in which “the whole is joined together”. But Marx picks apart the “shallow” and “flattened” qualities of the syllogism that prevails within bourgeois economic reason and mourns the lack of an adequate ecological and organic framework to capture the internal relations within the totality. As we see from Figure 2, production is not production without flowing into consumption. Consumption doesn't work for long without adequate distribution. If distribution is blocked then nothing else works. The question whether production is more important in this flow than consumption or distribution is not, in Marx’s view, a valid question. It would be like asking, is your liver or your lungs or your brain more important to your life than your heart?

The first step in Marx’s enquiry is to examine bourgeois conceptions of the relations between consumption and production. There are two forms of consumption. There is final consumption, where the product is eaten, worn or otherwise used up. The other is the production of means of production, which flow back into the system as productive consumption. (90) This distinction between final and productive consumption is important. For instance, in the crash of 2007-8 final consumption was severely curtailed in the USA. Chinese export industries lost much of their market and were in deep trouble. Millions of workers were thrown out of work and the

Communist Party had to face up to the threat of massive unrest. The Government launched a huge program of investment in infrastructures. They built railroads, they built highways. They invested in new plant and equipment. They built whole new cities and urbanized at an astonishing pace. They countered the lack of final consumption by a massive increase in productive consumption. By this strategy, the Chinese created perhaps as many as 30 million jobs in a couple of years. Their rising demand for raw materials coincidentally saved much of the global economy (Australia, Chile, some African countries) from prolonged and deep recession. When capital flows get blocked down one path then they can move to another.

Behind this lies the contradictory unity between consumption and production. Consumption proper "is also immediately production" in the same way that production "is also immediately consumption. Each is immediately its opposite."(91) Stated this way, the relation between production and consumption appears as a tautology. But on closer inspection we see that "the product only obtains its last finish in consumption. A railway on which no trains run, hence which is not used up, not consumed, is a railway only (potentially), and not in reality. Without production, no consumption; but also without consumption, no production; since production would then be purposeless."(91) Consumption often "creates the need for new production, that is it creates the ideal, internally impelling cause for production." But also "production produces consumption (1) by creating the material for it; (2) by determining the manner of consumption; and (3) by creating the products, initially posed by it as objects, in the form of a need felt by the consumer."(92) Capital actively produces the wants, needs and desires of consumers, but at the same time the independent and autonomous movements among consumers pressure production responses.

Marx converges on what he calls the "three-fold identity" between production and consumption.(93)

(1)"Immediate identity; production is consumption, consumption is production." The most obvious example is when I eat the omelette I have just produced or wear the dress I just made. In a peasant society, the collective consumes what it produces.(2) In the second case however, "one appears as a means for the other, is mediated by the other: this is expressed by their mutual dependence: a movement which relates them to one another, makes them appear

indispensable to one another, but still leaves them external to each other. Production creates the material, as external object, as aim, for consumption; consumption creates the need as aim for production. Without production no consumption; without consumption no production.”

This is a convoluted way of describing a situation in which I produce an omelette or a dress for another to meet their need. Peasant communes may trade surpluses with one another perhaps on a regular and repeated basis.

(3) The third point is more difficult: “not only is production immediately consumption and consumption immediately production, not only is production a means for consumption and consumption the aim of production... but also, each of them, apart from being immediately the other, and apart from mediating the other, in addition to this creates the other in completing itself and creates itself as the other.”(93) A common value circulates through the production and consumption of omelettes and dresses. The independence and autonomy of production and consumption are asserted and assured but the circulation of value and surplus value requires that both the quantity and quality of consumption (e.g. the state of wants, needs and desires backed by ability to pay) accommodate or “be adequate to” the realization of the produced value in the market. But here “consumption accomplishes the act of production only in completing the product as product by dissolving it, by consuming its independently material form.” The dissolution of the use value of the product through consumption invites repetition and it is this repetition that defines what it means to be a producer.(93) “On the other side, production produces consumption by creating the specific manner of consumption; and, further, by creating the stimulus of consumption, the ability to consume, as a need.” Market exchange separates production from consumption but then brings them back together in a contradictory unity.

“This last identity,” Marx goes on to note is “frequently cited in economics in the relation of demand and supply, of objects and needs, of socially created and natural needs. Therefore nothing simpler for a Hegelian than to posit production and consumption as identical. And this has been done not only by socialist belletristes but by prosaic economists themselves, e.g. Say” who was an expert in reducing complex relations to “flat tautologies”.(93-4) The chief tautology that haunted economic analysis for more than a century was in fact Say’s Law. This law, which

Ricardo endorsed, states that since every purchase is a sale and every sale is a purchase, there can never be a surplus of purchases or sales. They are always in equilibrium. If this is so, then there can never be a general economic crisis of overproduction or underconsumption, though there may be over- or under-consumption in particular sectors. Say's law dominated economic theory from Ricardo right the way through to the 1930s, when it was plainly nonsensical to say there cannot be a general crisis of under-consumption because everyone was obviously living in one. Keynes attacked Say's law frontally and it was abandoned in the 1930s. The simplest argument Marx advances against it is that when money (a potential store of value) mediates the exchange process, the sale of a commodity for money does not mandate that the money be used to buy a commodity. Situations arise in which economic agents have good reasons to hold money (a form of social power). In so doing they may create a crisis condition which looks like an overproduction of commodities or an overaccumulation of capital. A version of Say's law was resurrected in recent times in the marketing of financial services. Since every credit is a debt and every debt is a credit, there cannot be an excess of either debts or credits. This version of the so-called "efficient-market hypothesis" caused a lot of trouble in 2008 when the credit markets did not clear.

Most normal rational thinking persons would surely at this point feel frustrated and impatient with this endless elaboration of possible relations between foundational categories. To this, Marx might well reply that this is the kind of muddle that gets created in a classical political economy that insists on the categories of production, consumption, realization and distribution as autonomous and independent "thing-like" categories before trying to analyze and enumerate the relations that may exist between and within them. Marx takes the "flattened tautologies" of bourgeois economics and tries to instill them with active life and meaning through the circulation of value within the totality. The subsumption within the totality is what is missing from bourgeois political economy. What matters is the flow of value as it courses through the different moments of production, consumption, realization and distribution. These categories do not exist independent of each other. Production and consumption are conceptualized "as moments of one process."⁽⁹⁴⁾ So while Marx concedes, in line with classical political economy, that "production is the real point of departure and hence also the

predominant moment” it rests on “consumption as urgency, as need, (which) is itself an intrinsic moment of productive activity.” Production “is the point of departure for realization and hence also its predominant moment; it is the act through which the whole process again runs its course. The individual produces an object and, by consuming it returns...as a productive and self-producing individual. Consumption thus appears as a moment of production.”(94)

At this point, Marx does not know exactly what the totality looks like. This is what he wants to uncover. He then turns to look at distribution and production in the same way. “Distribution steps between the producer and the products, hence between production and consumption, to determine with social laws what the producer’s share will be in the world of products.” But this then poses to the question: does distribution stand at the side of and outside of production as an autonomous sphere?”(94)

He prefaces his search for an answer with a commentary on how the economists typically posit everything doubly. “ For example, ground rent, wages, interest and profit figure under distribution, while land, labour and capital figure under production as agents of production.” (95) Capital is likewise posited doubly as “agent of production” and “source of income.” “Interest and profit thus also figure as such in production....They are modes of distribution whose presupposition is capital as agency of production. They are, likewise, modes of reproduction of capital.” The result is that “the relations and modes of distribution thus appear merely as the obverse of the agents of production.” It then appears (which does not mean it is) as if “the structure of distribution is completely determined by the structure of production.” It was this that led Ricardo to conceive of “the forms of distribution as the most specific expression in which the agents of production of a given society are cast.” (96)

To the single individual, distribution is a social law determining his or her position in society. “As regard whole societies, distribution seems to precede production and then determine it in yet another respect.” For example, “a conquering people divides the land” and “imposes a certain distribution and private property.” Or, to take another example, “a people rises in revolution and smashes the great landed estates into small parcels, and, hence, by this new distribution, gives production a new character.” The distribution of the means of production and initial divisions of labour are precursors. “To examine production while disregarding this internal

distribution within it is obviously an empty abstraction; while conversely, the distribution of products follows by itself from this distribution which forms an original moment of production.”(96) This “again shows the ineptitude of those economists who portray production as an eternal truth, while banishing history to the realm of distribution.” (97)

"If it is said that, since production must begin with a certain distribution of the instruments of production, it follows that distribution at least in this sense, precedes and forms the presupposition of production, then the reply must be that production does indeed have its determinants and preconditions, which form its moments." (97)

These questions ‘all reduce themselves in the last instance, however, to the role played by general-historical relations in production and their relation to the movement of history generally. The question evidently belongs within the treatment and investigation of production itself” which means a return, of course, to the principles of historical materialism. This return is briefly foreshadowed by a paragraph or two on the history of conquest, colonialism (in Ireland and India), Mongol invasions and the like all of which radically transformed production and distribution relations.

Exchange, for its part, “is merely a moment mediating between production and its production-determined distribution on one side and consumption on the other, but in so far as the latter appears as a moment of production, to that extent exchange is obviously included as a moment within the latter.” But there is no exchange without the division of labour and its intensity depends on the degree of development of production.(99)

"The conclusion we reach,” and here Marx summarizes as succinctly as he can, “is not that production, distribution, exchange and consumption are identical, but that they all form the members of a totality distinctions within a unity. Production predominates not only over itself in the antithetical definition of production, but over the other moments as well. The process always returns to production to begin anew." (99) If you look at the Figure 2, you will see the eternal return to production. Production dominates over itself in the sense that the production of surplus value predominates over the production of material commodities. “That exchange and consumption cannot be predominant is self-evident. Likewise distribution as distribution of products; while as distribution of the agents of production it is itself a moment of production.

A definite production thus determines a definite consumption, distribution and exchange as well as definite relations between these different moments. Admittedly, however, in its one-sided form, production is itself determined by the other moments. For example, if the market i.e. the sphere of exchange, expands, then production grows in quantity and the divisions between its different branches become deeper. A change in distribution changes production e.g. concentration of capital, different distribution of population between town or country, etc. Finally, the needs of consumption determined production. Mutual interaction takes place between the different moments. This is the case with every organic totality.” (100)

When you approach the economy from the standpoint of this totality of moments, then you start to see things in a very particular light. If I impressionistically summarize what has happened here, then it would be Marx measuring the achievements of the bourgeois economists, which, he concedes, were substantial, against a theoretical stance which privileges processes, relationalities, flows and contradictory tensions, all operating within a framework of a historically constituted totality comprising the different moments of production, consumption, realization, distribution and exchange. The reduction of the rich and contradictory complexity of capital’s economy to the flat tautologies of Adam Smith and Ricardo was, in Marx’s view, a profound error, compounded by the characterization of production as natural and therefore immune to social control or amelioration. Echoes of the privileging of production in classical political economy can be found in Marx. That is where surplus value and the production and reproduction of capital finds its origin. But if the organic ecosystemic metaphor holds, the production of capital and surplus value, along with the capitalist, is nothing outside of the totality of the circulation process that supports it.

I understand that the language and the conceptual moves performed here are somewhat unusual and hard to grasp on a first reading. But we live in a world driven by the circulation and accumulation of capital. To be sure, it is a messy, complex but incisive world as we soon discover in our attempts to live a decent life within its purview. What Marx seems intent on inventing is a messy, complex but incisive mode of analysis that mirrors the real world unfolding around us. The clean analytics to which classical and neoclassical political economy aspire might be reassuring to those steeped in Cartesian or positivist ways of thought. But their

notorious failures when confronted with crisis and other messy conditions, such as those of 2007-8, to say nothing of 2020, suggest that some alternative conceptual model must be uncovered. And this is what animates Marx in his enquiries. His method may appear unduly complex but then that mirrors the qualities of the world we have to understand. It is the incisive vector within the totality of moments that we seek to uncover.

THE METHOD OF POLITICAL ECONOMY

The third part of this “Introduction” concerns the method of political economy. It is rare for Marx to write about methods. Most of us learn Marx’s method by following and observing his practices. So we need to pay close attention to what he has to say right here, even though it is the method of political economy rather than his own method that is the primary focus of attention. Fortunately for us, the critique of the former reveals much about the latter.

The political economists typically start with “the real and the concrete” conditions prevailing in a country, such as population and its characteristics. While this appears adequate, Marx demurs on the grounds that “population is an abstraction if I leave out, for example, the classes of which it is composed, (while) these classes in turn are an empty phrase if I am not familiar with the elements on which they rest, e.g. wage labour, capital, etc. These latter in turn presuppose exchange, division of labour,” and so on. “If I were to begin with population,” Marx asserts, “this would be a chaotic conception of the whole.”(100) Plainly, our intellectual and mental landscape is littered with “chaotic conceptions” from which we derive equally chaotic understandings and political strategies. Marx is at war with such chaotic conceptions. We should be too. But if perchance, we did commence at the starting point of a chaotic conception such as population, we would then “move analytically towards ever more simple concepts, from the imagined concrete towards ever thinner abstractions” until we arrive at “the simplest determinations. From there the journey would have to be retraced” until we “finally arrived at the population again, but this time not as the chaotic conception as a whole, but as a rich totality of many determinations and relations.”(100) It is “this rich totality” with its “many determinations and relations” that Marx seeks to understand.

The earlier economists typically followed the first path of descent from the concrete to discover “through analysis a small number of determinant, abstract, general relations, such as division of

labour, money, value, etc.”(100) These findings formed the basis of their economic systems, “which ascended from the simple relations, such as labour, division of labour, need, exchange value, to the level of the state, exchange between nations and the world market.” Marx concludes:

“The latter” (the ascent from the abstract to the concrete) “is obviously the scientifically correct method. The concrete is concrete because it is the concentration of many determinations, hence unity of the diverse.”(101) If the reader takes anything from reading the *Grundrisse*, let it be this general strategy. “Along the first path,” (the descent from the concrete to the abstract) “the full conception was evaporated to yield an abstract determination; along the second, the abstract determination leads towards a reproduction of the concrete by way of thought.”(101) Hegel wrongly concluded from this that the real was the product of thought, “whereas the method of rising from the abstract to the concrete, reproduces it as the concrete in the mind. But this is by no means the process whereby the concrete comes into being.” Marx illustrates this research strategy with the example of “the simplest economic category, say e.g. exchange value.” This category presupposes the existence of “a population producing in specific relations; as well as a certain kind of family, or commune, or state, etc. It can never exist other than as an abstract, one-sided relation within an already given, concrete, living whole.” But as a philosophical category it “leads an antediluvian existence.” In the “philosophical consciousness” (and I assume he means Hegel here) for which the only reality is “conceptual thinking,” the “movement of the categories appears as the real act of production” whose “product is the world” until such time as it receives “a jolt from outside” (i.e. reality breaks out). The result is yet another tautology such that the “concrete totality is a totality of thoughts” which is not the product of the concepts themselves but of a process of the “working up of observation and conception into concepts.”(101) “The totality as it appears in the head, as a totality of thoughts, is a product of a thinking head, which appropriates the world in the only way it can, a way different from the artistic, religious, practical and mental appropriation of the world. The real subject (concrete reality) retains its autonomous existence outside the head just as before; namely as long as the head’s conduct is merely speculative, is merely

theoretical. Hence, in the theoretical method, too, the (active) subject, society, must always be kept in mind as the presupposition.”(102)

We have to recognize, however, that the general and simpler categories often “have an independent historical and natural existence predating the more concrete ones.” For example, Hegel’s *Philosophy of Right*, opens with “possession” as the simplest juridical relation, but there are many different situations where “possession” takes on specific meanings. It is also the case that money existed historically before capital, banks and wage labour. “The path of abstract thought, rising from the simple to the combined, (could) correspond to the real historical process.” (102) But that process has varied significantly over time and place, before arriving at the point of its distinctive bourgeois form. For example, money did not exist in pre-colonial Peru even though there was a sophisticated economy with divisions of labour, cooperation and exchange relations. “Further, although money everywhere plays a role from early on, it is nevertheless a predominant element, in antiquity, only within the confines of certain one-sidedly developed nations, trading nations. And even in the most advanced parts of the ancient world, among the Greeks and the Romans, the full development of money, which is presupposed in modern bourgeois society, appears only in the period of their dissolution.” (103). “This very simple category, then, makes a historic appearance in its full intensity only in the most developed conditions of society.”

Labour likewise appears as a very simple if “immeasurably old” category that has a variety of meanings in relation to different social conditions. Only in the hands of Adam Smith did it begin to take on its modern bourgeois meaning. “With the abstract universality of wealth creating activity, we now have the universality of the object defined as wealth, the product as such or again labour as such, but labour as past object.....Indifference towards any specific kind of labour presupposes a very developed totality of real kinds of labour, of which no single one is any longer dominant. As a rule, the most general abstractions arise only in the midst of the richest concrete development.”(104)

This general principle is foundational for understanding those abstractions which will root his own political economy. It is, for example, only “in the midst of the richest concrete development that “one thing” can appear “common to many, to all. Then it ceases to be

thinkable in a particular form alone.” This will later become the foundation for Marx’s conception of value (a concept waiting to be articulated). “This abstraction of labour as such is not merely the mental product of a concrete totality of labours. Indifference to specific labours corresponds to a form of society in which individuals can with ease transfer from one labour to another, and where the specific kind is a matter of chance for them, hence of indifference.” Here we have “the point of departure of modern economics.” (105). It is here that “the simplest abstraction” which “expresses an immeasurably ancient relation valid in all forms of society, nevertheless achieves practical truth as an abstraction only as a category of the most modern society” such as that in the United States. “This example of labour shows strikingly how even the most abstract categories, despite their validity – precisely because of their abstractness – for all epochs, are nevertheless, in the specific character of this abstraction, themselves likewise a product of historic relations, and possess their full validity only for and within these relations.”(105)

Marx’s method here matches in certain ways the principles that pervade contemporary work on artificial intelligence. AI works best and indeed wholly rests on massive data sets. The more massive the data sets the more accurate AI becomes. The competitive advantage that China possesses in this regard is self-evident. What AI is doing is abstracting relationalities from the “richest concrete determinations” with information technologies that were unthinkable in Marx’s time. Yet Marx was dedicated to abstracting the laws of motion of capital from the richest concrete determinations deriving from individualized market exchange.

In the history of capitalism, Marx argues, the sort of totality represented in the three volumes of capital may be a product of his thinking. But it is also a product of the historical process whereby the totality comes into being. For example, this system and the theory it engenders, could not work unless there was free exchange. It is a system that will only work alongside the creation of private property rights, exchange relations, monetary forms and all the rest of it. The totality of capital comes into being. It does not pre-exist. Nor is it a product of thought. But what the thinking head tries to do is to come to terms with what the emergent totality is all about and to uncover its laws of motion and development. This is what Marxist political economy is all about. Marx seeks to reconstruct in thought the totality that is being

constructed through daily life and daily practices in the market, through commodity exchange, through production and consumption activities, and above all through surplus value production.

A dialectical process attempts to capture the relation between how something is being represented as a totality and the social processes that are producing, sustaining or dissolving that totality. It is not as if the totality is something solid, fixed and determinate. It is perpetually in the process of modification and transformation. As it is being transformed, so the conceptual apparatus that we use to represent it also has to transform. Otherwise, we impose our concept of totality on a situation where it is not working that way anymore. This is the kind of question which arises when it is said that "financialization changes everything." Interest-bearing capital does not circulate in the same way as industrial capital. It does not have to go through production in order to claim its part of the surplus. Banks can lend to landowners to buy land. Banks can lend to merchant capitalists. Banks can lend to workers so that they have credit cards and they can get mortgages to buy a house or a loan to buy a car. Banks don't have to go through production in order to earn interest. The circulation process Marx analyses always goes back through production. What happens when a large portion of capital does not flow back through production?

The totality even in Marx's time is an incomplete theoretical representation, a simplified version. The task of economics and economic theory is to try to capture the totality and capture the nature of the relations (the laws of motion) between these different moments. In the historical succession of the economic categories, as in any other historical, social science, "it must not be forgotten that their subject - here modern bourgeois society - is always what is given, in the head as well as in reality, and that these categories therefore express the forms of being, the characteristics of existence, and....that therefore this society by no means begins only at the point where one can speak of it as such."(106). It would seem, for example, that the most obvious starting point would be with landed property and ground rent because the earth is "the source of all production and all being." But "nothing would be more erroneous," Marx asserts. "In all forms of society there is one specific kind of production which predominates over the rest, whose relations thus assign rank and influence to the others."(106-7) The

designations vary greatly (and Marx provides examples). But in bourgeois society agriculture and the use of the earth “is entirely dominated by capital” and “capital is the all-dominating economic power” which forms “both the starting point as well as the finishing point” that must be dealt with before landed property.” It would “be unfeasible and wrong to let the economic categories follow one another in the same sequence as that in which they were historically decisive. Their sequence is determined, rather, by their relation to one another...which is precisely the opposite of that which seems to be their natural order or which corresponds to historical development.” The same category can occupy divergent positions in different social stages.(108)

This then leads him to consider the ways in which, historically, many of these categories have been set up. The historical order in which these categories came into being is significant. Money, for example, precedes capitalism. Credit and debt precede capitalism. Land and property and extractions from land and property precede capitalism. Even wage-labour, as we shall see, precedes the rise of capital. But what happens in the bourgeois form of capitalist society is that all of those categories get given different and more flexible meanings as they are absorbed within a changing totality. And as the totality forms and evolves, so it reconfigures the moments and elements within it. We can reconstruct the “antediluvian” histories of the different categories which have long pre-existed the advent of capital and which can carry over as feudal residuals within the hegemony of capital. But even those feudal residuals take on a different character. The credit and debt found in ancient Sumer or in the Roman Empire is completely different from the way in which debt, credit and the circulation of interest bearing capital work in a bourgeois capitalist society. This is something that David Graeber fails to recognize in his otherwise fascinating *Five Thousand Years of Debt*. In Ancient Sumer there was no market in debt. Now we have hugely complicated debt markets and all sorts of financial products. Debt creation right now has a completely different configuration, and a different function compared to debt creation in Ancient Sumer. The same will be true of land rent, which, within capitalism becomes something radically different from that found in feudal times. Marx’s warning bears repeating. It would be “unfeasible and wrong to let the economic categories follow one another in the same sequence as that in which they were historically

decisive. Their sequence is determined, rather, by their relation to one another in modern bourgeois society, which is precisely the opposite of that which seems to be their natural order or which corresponds to historical development. The point is not the historic position of the economic relations in the succession of different forms of society. Even less is it their sequence 'in the idea'."(107-8). The evolution of the meaning of categories is a matter of concern. While there is a giant leap from one mode of production to another, the meaning of the categories continues to evolve within the history of capital. For example, "the concept of national wealth creeps into the work of the economists of the 17th century - continuing partly with those of the 18th - in the form of the notion that wealth is created only to enrich the state, and that its power is proportionate to this wealth. This was the still unconsciously hypocritical form in which wealth and the production of wealth proclaimed themselves as the purpose of modern states and regarded these states henceforth only as means for the production of wealth."(108) The relation between state and capital has also evolved, not necessarily in a linear fashion either and the dual and sometimes conflictual objectives of either enriching the state or enriching its dominant classes or even, heaven forbid, its population as a whole has been a fluctuating feature across the spectrum of capital's history.

THE FIRST PLAN

We then come to another major feature of the *Grundrisse*. On page 108, Marx sets out the first of several study plans to guide his future investigations into the nature of capital. It consists of a list of topics, concepts and categories that will need to be studied.

"The order obviously has to be (1) the general, abstract determinants which obtain in more or less all forms of society, but in the above-explained sense. (2) The categories which make up the inner structure of bourgeois society and on which the fundamental classes rest. Capital, wage labor, landed property. Their interrelation. Town and country. The three great social classes. Exchange between them. Circulation. Credit system (private). (3) Concentration of bourgeois society in the form of the state. Viewed in relation to itself. The 'unproductive' classes. Taxes. State debt. Public credit. The population. The colonies. Emigration. (4) The international relation of production. International division of labor. International exchange. Export and import. Rate of exchange. (5) The world market and crises."(108)

What is interesting about this wide-ranging list is how little of it is covered in the mass of Marx's political economic writings (as opposed to his journalistic interventions, where his reading of Parliamentary Reports and the financial press, such as the *Economist*, featured large). While Marx asserts the existence of three great classes plus unspecified "unproductive classes" the emphasis upon credit, banking, taxes, state debt and international trade emphasize features of distribution (e.g. merchant and finance capital) that are spottily covered in Marx's works. Production, labour and money are not prominent topics except by implication in the first item. Above all, it is interesting to review this list of items in relation to a working concept of the totality. The theory of capital as a totality as represented in Figure 2 is, for example, far less expansive than would be required in this study plan.

This is, however, the first of several proposed plans. These were all reviewed in some detail by Roman Rosdolsky in *The Making of Marx's Capital*. This text has an interesting history. Rosdolsky was a Ukrainian immigrant to the United States (arriving in 1947 after surviving several years in Nazi concentration camps). When in New York Public Library he came across a rare German published version of the *Grundrisse* and immediately recognized its importance. He undertook a detailed study of it (as an independent scholar with no academic affiliation) with special emphasis upon the different study plans in relation to Marx's *Capital*. His book was published in German in 1968 (shortly after he died) and it came out in English 1977. The English version of the *Grundrisse* (1973) and Rosdolsky's analysis of it (1977) had a huge impact upon me while writing *The Limits to Capital* (1982). This was exactly the sort of impact of the *Grundrisse* that Rosdolsky had anticipated.

ART AND SOCIETY

The fourth section of the "Introduction" begins with a wish list of potentially important topics that are mentioned without being analysed in any depth. Marx begins with war and the role of the army and the relation of productive force in relations of exchange in the military. He notes the contrast between historical materialism, which is a social construct, and naturalistic materialism. He introduces the key dialectic of the concepts of productive force and relations of production without elaboration. The question of uneven development is likewise introduced

both geographically (e.g. Europe, with its feudal residuals versus the United States) and sectorally e.g. as legal relations. The question of communications is posed.

The last part is a charming excursus into the question of how art relates to the distinctive eras in human cultural and material development. (110-11). "It is well-known, of course, that certain periods of artistic development go way beyond what might be expected from the general development of society, the organization of material production and the like. Nevertheless certain forms of art, such as the epic forms, can no longer be produced." "Is the view of nature and of social relations on which the Greek imagination and Greek (mythology) is based possible, with the self-acting mule spindles and railways and locomotives and electrical telegraphs? What chance has Vulcan with Roberts and Co., Jupiter against the lightning rod and Hermes against the Credit Mobilère. All mythology overcomes and dominates and shapes the forces of nature and the imagination by the imagination; it therefore vanishes with the advent of real mastery over them." The difficulty lies, Marx asserts, "not in understanding that the Greek arts and epic are bound up with certain forms of social development...but that they still afford us artistic pleasure." To this Marx opines that "a man cannot become a child again, or he becomes childish. But does he not find joy in the child's naivete and must not he himself not strive to reproduce its truth at a higher stage? Does not the true character of each epoch come alive in the nature of its children? Why should not the historic childhood of humanity, its most beautiful unfolding, as a stage never to return, exercise an eternal charm?" That is a question for the ages.