The concept of money

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In the history of philosophy the greatest minds have been aware that the existence and power of money pose a problem. One need only mention Aristotle, Kant, Hegel and Simmel. Of course, if one accepts, as I do, that *Capital* is a work of philosophy as much as of economics then pride of place must go to Marx, who was fascinated from early on by the ability of money 'to make opposites embrace'. Within economics proper there has always been a split between those who dismiss money as a veil occluding the 'real economy' and those who grasp that what is new about the modern world is the hegemony of monetary relations. Orthodox (in effect Ricardian) readings of Marx place him in the former camp but in truth he is better understood as recognizing the importance of money in shaping economic processes. However, here I do not enter into such exegetical disputes; I present my own take on the concept.

That money is a philosophical puzzle might seem surprising when we consider its familiarity to us. Yet familiarity is no guarantee of knowledge. What is always at hand physically may yet be hard to fathom ontologically.

Systematic dialectic

This article shows that money is a philosophically interesting phenomenon. Before I treat its intricacies I first argue against naturalism in value theory. I then argue that value arises out of a peculiar social form in such a manner that the moments of its concept have to be *distributed* over money and commodities for it to be real. This social form is posited in the practice of exchange such that value exists only in commodity relations – or, rather, only when the dialectic of commodity relations results in money. I shall argue that the concept of money requires elucidation through drawing on the resources of Hegel's logic. Money models Hegel's logic of the 'Concept'; the price form is the objective correlate of Hegel's doctrine of judgment, and the metamorphoses of commodities and money correlate with the objective concept, while capital is 'Idea'.

This discussion is part of a broader project to achieve a systematic dialectical reconstruction of the categories of Marx's *Capital*,[1] for which it serves as a test case. *Systematic* dialectic is a method of exhibiting the inner articulation of a given whole. Science in treating such a totality must take the shape of *a system* comprising a set of categories capturing the forms and relations constitutive of the totality. Hence the presentation of the totality in thought is a *systematic dialectic of categories*. However, more is involved in my theory than method. Ontology is also at issue. Hegel's logic has two characteristics besides its systematicity: (i) the forms of thought are said to be sufficiently autonomous to be *self-moving*; (ii) the conceptual framework is therefore said to be 'the truth' of reality. This is why he called himself an idealist. I believe the form of value has a similar ideality, but it is a real ideality which imposes itself on the content of economic life.[2]

The relevance of Hegel's logic to my reconstruction of Marx's categories flows from the *reality* of that abstraction in exchange predicated on the *identification*, as 'values', of *heterogeneous* commodities. This 'practical abstraction' has a substantive reality quite independent of any methodological point about abstraction in theory construction. The use-value character of the commodities concerned is 'suspended' for the period of exchange. As a consequence of this absenting, the commodities acquire a new determination: the character of exchange-value. The different goods concerned play the role of *bearers* of this social determination. They become subject to the *value form*. So the value form of the commodity creates a split, between value as the *identity* of commodities premissed on equivalent exchange, and their material *diversity* differentiating them from each other as use-values. Hegel's logic, too, springs from the evacuation of contingent empirical instantiations to leave the category as such. In my view a significant homology obtains at the level of ontology between the movement of exchange, generating a *practical* abstraction from the natural specificity of commodities, and the movement of thought, generating a system of *logical* categories. In both, the self-moving forms impose a formal unity on the real material they address. As a result, it is possible to illuminate the forms of value with the categories of Hegel's logic.

Value as a social form

My approach to critical political economy claims that determinant of economic categories is *social* form, not the *natural* basis of the economic metabolism. I reject the naturalistic approach that sees in labour, its allocation, and its productivity, the natural determinations reflected in forms of social recognition such as prices and profits. Instead, I see social practice *constituting* social forms, centrally the value form, within which is inscribed productive activity. Following from this, value itself is not given *prior* to its forms, but is rather constituted in and through the development of exchange relations.[3] My 'value form' approach to money holds that money is no 'veil' of the 'real' material content of economic relations; it is essential to value relations, not merely the shape in which an underlying matter is expressed. I argue that only money makes value *actual*. This view contrasts with that of naturalism, in which money is of importance merely as a numeraire.

What is essential to commodities is not to be found *inherent* to them through some reductive abstraction. It arises only in exchange relations and hence must be discovered in the *relation* of one commodity to another, as determined in and through their *outward* forms, and especially their relation to money. So the search for value may take two routes: one route is to go *into* commodities to find in each the same substratum, for example labour time; the other route is to go *out* from commodities to their relations to see if these relations posit value as a form of their social existence.

The reductive procedure is characteristic of orthodoxy. It accepts that use value is negated in exchange because it is heterogeneous, while value is homogeneous, but it still finds a common feature to commodities (other than the common participation in the value form), namely origin in 'abstract' labour. I reply that labour always naturally takes the form of *concrete* labour, which is as heterogeneous as use value itself. Because production units are dissociated one from another labours become social only in so far as their products are exchanged. The consequence is that these labours are socially cognized in value only as abstract. In truth the peculiar abstractness of the labour producing commodities is the *result* of the social reality of exchange, not its ground.

If naturalism were correct in this context then money would be no problem for theory. Since all commodities would be seen as inherently valuable, including gold, then gold would be merely a numeraire, a typical commodity in being a value, but special in its designated function as a measure of the others, and as medium of their circulation. However, it makes no sense to presuppose that a commodity in isolation *has* value. Value has a purely social reality, and it emerges from commodity relations.

If, however, value is a socially constituted form, its concept cannot be glossed in the usual way, for example by analogy with a natural feature of commodities, such as weight. Because of this, money has a peculiar role in ensuring that the actuality of value is posited in practice. The universal aspect of commodities is secured only in so far as it is posited through their common relation to a universal equivalent, namely money. This money form does not *re-present* the presupposed 'value' of commodities; rather, it *posits* it as their form of social being. Once value is presented explicitly 'for itself' (rather than a mere immanence) in money, it posits the commodities as values 'in themselves'. Money 'posits the presupposition' that commodities count as values.

One way of thinking about my proposal to make form central is by analogy with Kant's 'Copernican revolution' wherewith he made the objects conform to their cognition. In our case the commodities must conform to how they are *practically* known through the forms of value. Instead of commodities being given as values and measured in money, money is what allows commodities to be known as values in the first place, through transcendentally synthesizing the commodity manifold. Money is not simply the provision of a standard of comparison for commodities already inserted in the value dimension; it *constitutes* the value dimension. Money makes the value dimension coherent by situating commodities in a common relation to a single point of view *on* them which is yet not *among* them, having been excluded *from* them. The monetary form is the condition of possibility of a unitary sphere of value relations. Money, posited as the universal equivalent form of value, is itself essential to the actuality of value.[4]

Let us turn, then, to examine the notion of a *universal equivalent*. From the observation that all commodities are exchangeable, directly or indirectly, in definite proportions arises the postulate that all the many exchange values possessed by a commodity share a unitary essence, an *inherent* power of exchange. The simplest form of value implicit in commodity relations is 'The value of A is expressed in B.' I follow Marx in seeing the commodity in 'relative' form (A) as the commodity whose value is manifested, and the commodity in 'equivalent' form (B) merely as the material shape of the value of A.[5] Moreover, as Marx insightfully observes, B is present here as a *natural body*, it is not present as a value. It is not a value because there is not yet posited the presupposition that there is any such thing as value prior to this relation. Even if we assume this is a *value relation*, value cannot be present in the natural body of either commodity because the heterogeneity of such bodies requires the form of value to abstract such features away. In this sense value is what the commodity as a natural body is *not*. As Marx saw, if A cannot thus express value in its own body, it yet posits the body of B as the locus of the value it must exclude from itself.

Ideally value is determined in opposition to the heterogeneity of use value. But value must *appear* if it is to have any actuality. Immediately a commodity appears as a use value; but, because the value of a commodity is defined in opposition to its own use value, it cannot appear *there*. However, in the *form* of exchange value, the value of A appears as the natural body of B. So there are here two worlds, which predicate themselves on use value in *inverted* fashion. In essence value *is not use value* (of A), but as appearance value *is use value* (of B). The peculiarity of the equivalent form is that in it the commodity's natural body counts not as itself but as value. So the two worlds, the 'sensuous and supersensuous',[6] are here immediately one. This is the germ of money, in which the supersensuous clearly has the upper hand, albeit that it takes shape as a thing.

Money as the universal equivalent is likewise present as a natural body. But it achieves its status as the actuality of value only by virtue of its relations to commodities, unifying them in their common relation to what they are not. All commodities must exclude one commodity from the relative form in order to serve as unique equivalent. The natural body of gold is equivalent to *value as such* according to the commodities in relative form. However, this is not like pieces of iron counting as weight as such, because iron already has weight, hence serves as representative of the class of weighty things. But gold is not yet known to have a value; rather, it is posited as all commodities' value by them. We do not say the weight of a loaf expresses itself in pieces of metal as metal but in balancing off the iron *weight*. The expression 'iron weight' is merely metonymic because weight is simply a property of iron, but in the case of 'gold money' it really is the case that gold is simply the shell of a 'social substance' posited in the relation of commodities and money, rather than gold naturally having value. In weight, weighing is secondary to the givenness of weight, but in value, the expression of value in a price is primary and the reflection of value into commodities is secondary. Everything then acts backwards as if such a 'value' may be presupposed as a given property of commodities.

Since value is not yet grounded, it is not possible to take gold as *already* value, hence a suitable measure for commodities. Gold can figure here only as it *immediately appears*, namely as a natural body. Its goldenness is not the utterance of its own value, but the outward manifestation of the commodities' value. So commodities can actualize their universality only *outside* them since they are not *instantiations* of a *pregiven* essence. Thus money is the actuality of value in that it opposes itself to commodities as their universal equivalent by appearing in a commodity alongside them to which they can relate in exchange.

Labour money

At this point I digress in order to make clear that I accept a version of the so-called 'labour theory of value'; but on my view this is not a 'content' unproblematically taking form as value. Rather, it is the dialectic of the value-form itself that posits the presupposition that the magnitude of value is (indirectly) determined by labour time. For the purposes of this article I merely need to stress (i) that the magnitude of value can only be expressed in money price, (ii) that even if labour is the 'source' of value this does not make it value itself, nor even the 'measure' of value.

The most egregious confusion of the measure of the source with that of the result is perpetrated by those who advocate *labour money* on the ground that the source is the only accurate measure of value itself. This is an artisanal utopia designed to secure independent production against the predatory merchant class. It is worth elucidating the fallacy of labour money. There are two possibilities: either the money circulates or it does not. In the latter case there is a warehouse at which the front door receives goods and issues the labour equivalent; at the back door the labour money exchanges for goods priced in it. What will happen when a carpenter arrives with a table which he claims took twenty hours to build? The warehouse may say 'We have other people who can do it in ten; you will have to learn to do it also because we cannot waste society's labour resources through such inefficiency as yours'; or they might say 'The warehouse is full of tables, we want you to go and make chairs.' In effect the warehouse would have to take on the function of a national planning office and the utopia of the independent artisan vanishes. In the other case, in which money circulates, the carpenter takes the table to a shopkeeper who says 'I don't care if it took you twenty hours, I know guys who can make it in ten, so I'll give you a ten-hour note – take it or leave it'; or he may say 'I have lots of tables so I'll only buy if you take an eight-hour note; but I'm real short of chairs – I'll pay double your time for a set of four.' The upshot is we have a market economy allocating labour via price in which money functions just as it does now regardless of denominated labour hours, the link between hours and money is broken. Once again the independent artisan vanishes.

The concrete universal

In the first edition of *Capital* Marx draws a very illuminating analogy to make the strangeness of the relation between money and commodities clear: 'It is as if alongside and external to lions, tigers, rabbits, and all other actual animals … there existed also in addition the animal, the independent incarnation of the entire animal Kingdom.'[7]

This example is a reminiscence of Hegel's point:

> 'Animal as such' cannot be pointed out; only a definite animal can ever be pointed at. 'The animal' does not exist; on the contrary, this expression refers to the universal nature of single animals, and each existing animal is something that is much more concretely determinate, something particularised. But 'to be animal', the kind considered as the universal, pertains to the determinate animal and constitutes its determinate essentiality. If we were to deprive a dog of its animality we could not say what it is. Things as such have a persisting, inner nature, as well as an outward existence.[8]

Now the peculiarity of (commodity) money is that as 'the universal commodity' it can be 'pointed out'.[9] The universal aspect uniting commodities is presupposed to be value, and in money this 'inner nature' is posited as 'a thing' beside them.

Is money, then, a 'concrete universal' in Hegel's sense of the term? Let us explore this idea. Hegel rejects in general the analytic opposition between the universal as wholly abstract and the singular as concrete. His dialectical view is that the universal is no mere abstraction, no mere abstract commonality; it is a concrete universal that comprehends within itself its particularizations.[10] Now, as we have just seen in the passage where Hegel discussed 'the animal', it is not the case that the concrete universal exists alongside the individuals.[11] The universal is understood as the inner essence of the singulars, making them what they are. Why, with the concept of value, if this is to be considered as such a concrete universal, is it not found within the commodities but outside them, incarnate in a money commodity that counts as their universal essence? It is because commodities as such are materially heterogeneous and share no inner nature. The generation of value as a concrete concept is secured only when money as a material existent gives commodities a universal form in price. While the universal thought-form comprehends its particularizations in thought, the value-form comprehends its particularizations through the objective relation in which such money stands to commodities.

It follows there is a difference between applying Hegel's logic and my homology thesis. In the first case the hypothesis would be that there is a universal immanent to commodities which can be abstracted by thought. In contrast I argue the movement of exchange models Hegel's concept in practice. This is why a material bearer of the universal moment is required alongside the singular commodities it comprehends as values. Hegel explicitly mocks the idea that the universal exists as particular apart from its instantiations. He writes:

> The universal must be distinguished from the particular, according to its proper determination. Taken formally, and put side by side with the particular, the universal itself becomes something particular too … as if someone who wants fruit, for instance, were to reject cherries, pears, raisins, etc., because they are cherries, pears, raisins, but not fruit.[12]

However, in our homology just this situation obtains. Marx writes:

> Though a commodity may, alongside its real shape (iron for instance), possess an ideal value-shape or an imagined gold-shape in the form of its price, it cannot simultaneously be both real iron and real gold.… If the owner of the iron were to go to the owner of some other earthly commodity, and were to refer him to the price of iron as proof that it was already money, [he would get a dusty] answer.[13]

The peculiar necessity for value, as a concrete universal, to appear in a shape capable of interacting with commodities, means it must take the shape of the analogue of 'the animal', namely a locus of universality alongside the singulars. But since the only relation commodities have is to other commodities, a single commodity must be posited in this role.[14] Paradoxically, in order for their universality to be differentiated from all singular commodities, it has to be incarnate in a unique commodity. Money is absolute singularity of value because it is not, like other commodities, a single locus of value among others; it is uniquely posited as incarnating in singular shape the dimension of value.

Value as concept

In what follows I explore the homology between the value categories and those of Hegel's logic. To illuminate the form of money I shall draw on Hegel's Doctrine of the Concept. I begin with its initial sections that together make up the so-called 'Subjective Concept': The Concept as Such, the Judgment, and the Syllogism. First I recapitulate Hegel's presentation; then I show its relevance to money.

'The Concept as Such' has three moments: Universality, Particularity and Singularity.[15] Since the Concept as Such is purely formal, Hegel stresses that 'Singularity' is not to be taken to mean single things, singulars (the latter appear in judgments, we shall see, when the formal moments split into distinctly separate finite instances). Now an important subtlety flowing from the difference between 'singularity' and 'the singular' is that the movement of particularization is doubled.[16] At a purely formal level the Concept particularizes itself to Singularity, but at the level of reality there are many identical singulars, each of them particularizations of the Concept. According to Hegel, as the immediate presence of the singular each is a qualitative 'One' which presupposes its numerical difference from other Ones, and in this way maintains the exclusivity characteristic of determinate singleness.[17] Yet as the implicit instantiation of a universal it is capable of reflecting it. Hegel expands on this reflection as follows:

> The singulars do not confront one another as merely immediate beings; such plurality belongs to the sphere of Being. Singularity, in positing itself as determinate, posits itself not in an external difference but in the difference of the Concept. It therefore excludes the Universal from itself; yet since this is a moment of singularity, the universal is equally essentially related to it.[18]

This return into itself of the Concept takes shape as judgment. The judgment is the stepping of the concept into finite determination, says Hegel; that is, the parting of Universality/Particularity/Singularity.[19] But in the Judgment the separate moments of the Concept are yet related of course.[20] The abstract paradigm of the Judgment is 'The Singular is the Universal'.[21] The moment of particularity validates this judgment if the singular is in truth a determinable particularization of the universal.[22] From this form the Concept passes into the 'syllogism'.[23]

Hegel says this about the relation of the conceptual and the real:

> Everything is a syllogism. Everything is a concept, the existence of which is the differentiation of its moments in such a way that its universal nature gives itself outward reality through particularity, and in this way … makes itself singular. Or, conversely, the actual is a singular which raises itself by means of particularity to universality and makes itself identical with itself.[24]

Now let us see how all this can be drawn upon to articulate the form of value. The 'Value Concept' must be articulated formally as Universality/Particularity/Singularity we know. We have also seen that there must be a material bearer of this form. This is money. Money gives the pure concept of value a phenomenal existence. Moreover it appears concretely as an amount of value, because 'amount' is the only particularization of value logically possible. So the singularity of the concept is given as an amount of money, for example £3. Recall this is the singularity of value, not a singular instance of value. But singular values are posited for us in the shape of commodities.

This brings us to the judgment, which in our material instantiation of Hegel's paradigm is, e.g., 'This commodity is valuable.' The determinate judgment 'how valuable?' can be expressed only in money. Thus the coat is shown to be valuable in virtue of selling for £3. Here the coat as a singular instance of value is validated by the universal form of value, namely money, through the particular amount of it given in the form of price. As Hegel says of the judgment: '[We] see one and the same object double, first as its singular actuality, and then in … its Concept: the single raised into its universality.'[25]

This doubling assumes in our case a material separation; money is really present apart from the commodity because only thus can the value of the commodity be presented to it. Both sides are required for the concept to realize itself. It is impossible for value to exist only in pure form, adequately captured by money; there has to be something to be valued in money; hence this pure form shapes commodities as value. This material dimension of value means there are two kinds of particularization of value. The commodity as priced is particularized ideally as a simple sum of value measured in money; but the commodity as material object is multiply particularized concretely in bodies of value. There are multiple similar coats of the same value, where there is only one coat price. In the coat, commodity value exists consubstantially with use value as if, like use value, it existed naturally in this material form. There are, as it were, bits of value in the world. As tied to a material shell these values are numerically distinct and can be destroyed both materially and through revolutions in market conditions. The trick is to see how these sides of value, money and commodities, interpenetrate. The following table shows it:

Syllogism of value

Universality (money)

↓

Particularity (amount)

↙ ↘

Single commodity   Singularity (amount of money)

Judgment of price

The value of this commodity is £3

In this table the double movement of particularization results in both the presence of money as an amount of itself and the presence of the single commodity, which in virtue of the parallel particularization contains an amount of value. These moments are explicitly reflected against one another when a commodity is worth such and such an amount of money. A definite commodity has a valid measure in terms of the standard of price (a topic we shall reach shortly). The syllogism of value supports the judgment of price: the value of this commodity is £3.

The commodity as always materially singular seems opposed to value because of its immediacy as a natural body. Money as pure form of value appears opposed to use values. However, the link exists materially in the price form. Here value has particularized itself to a definite amount of money. Conversely, commodities are raised above their material singularity to the status of particular embodiments of value. But there is no immediate identity in these particular shapes of value, only a relation, because one side of the equation is the value in ideal shape, as a moment of a universal concept, and on the other value is posited in single material shapes. Thus, when money, as the tangible concept of value, is particularized, it is not therewith constituted as a singular; it remains a notional particularization. This is because money is value as 'the concept as such' which differentiates itself only notionally. Thus it cannot become immediately singular. Conversely the commodity is a singular because of its numerical difference from others, and it is 'a value' only because it is valued by a particular amount of money. However, as 'a value' the commodity cannot, in standard fashion, be itself immediately an instance of the universal, just because it is not value outside the mediation of the price form. Notwithstanding that it is implicitly value, its actual valuation requires money.

We see that the two-way determination of the Concept I cited from Hegel is here present in my table. He spoke of the universal determining itself through particularity to the singular, and said its complement is the rising of the singular by means of particularity to universality. According to Hegel, 'everything is a syllogism' in this way. But the value concept is not inherent to a specific thing (like 'animality' is to a dog); its moments are materially distributed across money and commodities. The mediating moment between money as universal and the commodity as singular is particularization when the right amounts of value are equated in price. All commodities worth £3 are worth an identical £3, which shows that money is simply the universal concept, whereas commodities are the real world instantiations of value, each separately worth £3, and all together worth a multiple of this (that is, another particular amount, not a class of separate amounts).

Money is the bearer of the pure concept of value, and as an amount of itself is its own measure; then the real determinacy of value is given in judgments of worth. To say '*X* is worth so much money' presupposes *X* is an empirical singular – for example, a coat – and its value conceptualization appears separately from it in an amount of money. The two-way movement from the conceptual to the real is mediated in the particularity of price. But for the coat to be elevated to a value, money must meet it half-way by appearing in an empirically applicable form; this requires a standard of price.

If a commodity is worth so much money, the universal constitutes it as value through its measure; schematized phenomenally it is the judgment of price – for example, 'this commodity is worth £3'; price posits a commodity is value, and judging it by our standard gives its amount. Money has a peculiar dual existence. On the one hand, as 'absolute form' it sets itself against commodities as their most abstract determination, locating them in the value dimension, hence providing the form of measure; on the other hand actual valuations of commodities by money as it is present in their price form requires that money appear in a concrete shape that can be set equal to a commodity, as if it were a thing like them. It is important, then, that money as the form that makes commodities commensurable should be distinguished from the determinate standard of price – for example, gold coins, dollar bills, and so on. The provision of such a standard, and the practice of its use, then generates the illusion money is just a numeraire. Money as a 'piece' of itself pretends to be something that has value (which may be claimed of gold, just to confuse things) rather than being the necessary form of value.

If it is assumed that commodities are values, money supplies their common measure, and the most suitable such measure is a numeraire, a commodity like gold. But money is dramatically underestimated if it is seen simply as the measure of an existent universal property – for example, 'power of exchange' because a commodity proves it has such a general power (as distinct from participating in ad hoc barters) only in so far as it is realized in price form. Then it acquires general exchangeability with any other priced commodity, through sale and purchase.

Implicit in the judgment of price is a measure relation which makes it look as if gold as standard of price is a numeraire rather than being the form of measure, itself necessary because commodities have no common dimension prior to money. In price, money acts as if it were just a numeraire, and commodities act as if they were inherently valuable. But in truth value achieves conceptual determinacy only through price.

So far it has been shown that the inner moments of the concept of value exist materially in money and commodities when the relation of these is established in price, whereby the universal form of value (borne by money) is particularized to an amount of itself, and identified with the particular value of a single commodity.

We do not need to consider most of the judgment-forms covered by Hegel because we are concerned only with the quantitative determination of value, there being no qualitative difference. Similarly, when we pass to the forms of the syllogism, the only form relevant is that which Hegel calls the syllogism of equality.[26] Given in our case, it is the inference that if the value of A equals the value of B, and the value of B equals the value of C, then the value of A equals the value of C. Given that value is actual only in price this implies the transitivity of prices.

Hegel argues that a self-sustaining system of truth is achieved when the premisses of every syllogism are results of other syllogisms. This is obviously true if we shuffle the order of the syllogism of equality of price. Whatever two equalities are taken first, transitivity ensures the third. We have a consistent value space instead of a set of contingent prices, still less a mess of ad hoc barters. In the set of complementary prices, the concept of value is thus articulated as a unitary whole. It has a universal range of reference, and singleness of form as the totality itself.

This brings me to the end of the first section of the logic of money, its 'formal' concept in the price form. Next we shall draw on the second section of Hegel's 'Doctrine of the Concept', 'Objectivity', in thematizing exchange.

The metamorphoses of commodities

When judgments of worth coincide they result in an exchange. This move from the 'subjective' conceptuality of value to its positing in real transactions corresponds to Hegel's logic of 'Objectivity'. Hegel's first category of Objectivity is that of an immense 'collection' (*Zusammmensetzung*) or 'heap' (*Haufen*) of things.[27] He then develops the logical order of their interactions in 'Mechanism', 'Chemism' and 'Teleology'. The heap becomes a universe governed by an inherent dynamic.

In thematizing the dialectic of exchange, and 'the metamorphoses of commodities' (Marx), we begin with the simple exchange of one commodity for another. This corresponds to Hegel's logic of 'Mechanism'. He begins with such a primitive notion of objective movement because this sphere is marked by the explicit difference of things from each other as mere numerical difference.[28] The unity of the Concept is thus very much in the background until objective movements bring out and unify its moments, and a transition to 'the Idea' results. So, in our terms, we do not begin with the social instantiation in exchange and circulation of a homogeneous sphere of value; agents may have confused ideas about judgments of worth until some objective law situates their behaviour. But just as logically correlated judgments allow a conclusion to be drawn, agreement in judgments of worth may allow a bargain to be concluded. As a dyadic transaction this may itself lack social validity; but just as the ideality of value implies the necessity of transitive prices, so in objectivity the activity of arbitrage tends to realize the unity of markets (the 'law of one price' expresses the identity of value with itself objectively).

The exchange of one commodity for another is impeded by the recalcitrance of use-value considerations. The 'action' of giving commodity A for commodity B requires the 'reaction' of giving commodity B for commodity A. The well-known difficulty of assuring a double coincidence of wants enters here as an external condition. Even if it is presupposed that both commodities are of identical value and thus share common ground, this 'centre of attraction' remains too implicit to have effect. Only given the presence of money as 'value for itself' is a principle of totalization explicitly put. With money, as we have seen, commodities are brought within the value Concept.

Hegel's principle of 'Chemism', pertaining to the affinity of different but complementary determinations, is the parallel we require. The blind process of action and reaction in exchange is refigured as purchase and sale. This is the process by which money as the fluid universal precipitates the singularity of the purchased commodity, while the sold commodity is sublimated to value in universal shape. The function of money here is to realize objectively the amount of value the commodity had notionally in price. The two opposite movements, sale and purchase, exist at the same time in every transaction; but if they are differentiated sequentially as a sale followed by a purchase, a new logic and a new function of money emerge. The unity of the two transactions is present objectively as 'finite teleology', to use Hegel's term.[29] This is when I sell in order to buy. This sequence (C–M, M–C) is the objective correlate of the syllogism of prices earlier mentioned.

Marx is more specific in his 1859 *Contribution*:

> The C at each of the two extremes of the circuit C–M–C has a different formal relation to M. The first C is a particular commodity which is compared with money as the universal commodity, whereas in the second phase money as the universal commodity is compared with an individual commodity. The formula C–M–C can therefore be reduced to the abstract logical syllogism P–U–I; whereas particularity forms the first extreme, universality characterises the common middle term and individuality signifies the final extreme.[30]

This use of the dialectic of the Concept by Marx may not be immediately perspicuous unless it is thought of in terms of the point of the two exchanges. In the first, C–M, the C as an individual has no interest for the exchanger who is endeavouring to gain money (which itself exchanges against all commodities); what interests him from this point of view is merely that the C be some particularization of the universal. In the second exchange, M–C, by contrast, the point is to secure not just any C but the one whose individual characteristics will satisfy a certain need, and hence leaves circulation as a singular. Hegel says: 'The actual is One, but it is equally the dissociation of the moments of the Concept, and the syllogism is the circuit [*Kreislauf*] of intermediation of its moments through which it establishes itself as One.'[31] Marx, of course, in *Capital* says 'this movement of commodities is … a circuit [*Kreislauf*].'[32]

Here the function of money as medium of circulation is the objective complement to the notion of money as universal equivalent in that this gives a ground for the ability of money to serve as 'the universal commodity' – that is, one with immediate exchangeability. Key to the role of money here is that in being used it is not used up. Naturally, therefore, gold (or silver) serve in that people have at hand a particular example of permanent 'wealth', so in the end it can serve as the incarnation of wealth in the abstract. C–M–C is an example of 'finite' teleology because the C–M serves as a means for the M–C, but with the aim here still being a use value as in simple exchange. Having served its purpose as medium, money drops away. Or does it? In fact since every purchase is a sale the mediator money stays always in circulation, albeit further and further removed from the original purchase. The following diagram (adapted from K. Uno[33]) shows three successive exchanges; while new commodities arrive and depart, money keeps on trucking.

Circuit of agent W	M — C
Circuit of agent X	C — M — C′
Circuit of agent Y	C′ — M — C″
Circuit of agent Z	C″ — M

Here money that circulates endlessly has a kind of immortality. But as medium of circulation this still appears as an emergent property of the exchange system; it does not direct it. However, if this 'bad infinity' recoils back on itself in the circuit M–C–M, money makes itself origin and aim of its circuit. In this way the implicit unity of the (subjective) notion is found in the objective intermediation of its moments. Value has become 'Idea' in Hegel's terms. Selling in order to buy reverses the teleological positing of C–M–C. The mediator takes over from the extremes. Money now liberates itself from use value in setting the aim of exchange as its own. This is 'infinite teleology' in Hegel's terms, because a system structured in this way is centred on the valorization of value.

However, we jumped too quickly. For money to be the aim requires that it be posited 'for itself' rather than as mediator. The link in the argument is given in Marx's section on money as money. This points to money's functions as means of payment and store of value, for which its real presence is required. (Measure may be merely notional, the medium may be replaced with tokens of itself.) In this form money is separated from commodities and counterposes itself to their circulation. Marx even says that in this shape it is fixed as the sole existence of value in the face of commodities as use values.[34] But, of course, no moment of the concept can subsist on its own. The miser thinks he accumulates wealth but his hoard is just a metal dump apart from circulation.

In M–C–M value is referred to itself, particularizing itself from money to a single commodity and then recovering its universal form through realizing the particular value of that commodity. In this sense, posited as the totality of these determinations, capital is Individual.[35] Now commodities and money are its own determinations. Marx says 'capital is money, capital is commodities'.[36] The content of the circuit is 'only the presentation [*Darstellung*] the Concept gives itself' (Hegel).[37] Of course, commodities and money continue to act as commodities and money. Money retains such functions as medium of circulation, means of payment and store of value. But within the circuit it is further determined as capital, that is to say money in search of money. The self-reference of money in the circuit constitutes a new form of value, capital, which realizes itself through the metamorphoses of money and commodities.

However, in understanding what exactly is to be realized here, it is instructive to look at Hegel's discussion of 'Being-for-Itself'. Hegel introduces first the incontestable notion that 'something only is what it is within its limit and by virtue of its limit'.[38] The 'dialectical' consequence is that there is 'something else' beyond the limit, and that 'everything finite is subject to alteration'. It is here that the infinite is evolved as a category: 'Something becomes an other, but the other is itself a something, so it likewise becomes an other, and so on ad infinitum.'[39] This is, of course, the 'spurious infinite', which needs to be superseded. This occurs when something and other are grasped as phases of the same thing, 'and this relation to itself … in the other is genuine infinity', says Hegel; therewith the category of Being-for-Itself is constituted.[40] If capital is to actualize itself as Being-for-Itself in the M–C–M circuit, then, in furthering itself through these phases it must become different from itself in this its own otherness as well as identifying itself in it. In the case of money, we have seen, the only possible difference between two specifications of this universal is in amount. Alteration is the superseding of limit, which here must mean a limited amount. In the M–C–M circuit the moment of identity is secured with the reflux of the original outlay; the moment of difference emerges if a monetary increment is thrown off; and if this new value is identified with the principal and employed together with it as capital once more the unity of the two is achieved.[41] Thus, simply to be itself capital must become ever larger.

Money is really 'value for itself' only when its increase is the aim of the capital circuit. A simple sum of money is equivalent to a stock of commodities, as indeed is the miser's store of gold. The superiority of the capitalist over the miser is that he accumulates by throwing his money again and again into circulation. This iteration is absolutely necessary if the movement of M–C–M is to realize capital, the truly infinite as against the finitude of the world of commodities. Capital is money in motion.[42]

Conclusion

I have argued that the categories of Hegel's logic may be deployed in understanding the nature of capital because material practice has generated a model of Hegel's logic of the Concept. Here I have concentrated attention on just a part of this homology. I have shown how the formal moments of the Concept map onto the form of price. Now, in what I did, two mistakes were avoided: (1) the naturalistic reduction of form to matter, (2) the supposition that value is a mental fiction generated in social consciousness. Rather value is, as the second view sees, not given prior to its concept, but, at the same time, as the first view would like, 'out there', objectively present to consciousness, prior to its reflection in thought. In short, value is a concept, hence not originally our concept. For such a concept to be really present, the moments of value have to be distributed over its material bearers, namely commodities and money. This idea is perhaps the most novel, and difficult, of what I here propose. There is no 'given' of which one forms a concept, namely the concept of value; rather, value is a concept given to us from practice, having been generated 'behind our backs'. Value is a concept objectively presented to us in the circuit of capital. It is not through some externally applied method that the nature of capital is identified and defined; capital defines its own identity through the circuit of the determinations of its concept that it itself presents.

Notes

1. Christopher J. Arthur, *The New Dialectic and Marx's 'Capital'*, Brill, Leiden and Boston, 2002.
2. 'The ontology of the value form is that of an *objective ideality* which is nonetheless immanent to a *social materialism*.' Peter Osborne, 'The Reproach of Abstraction', *Radical Philosophy* 127, September/October 2004, p. 27.
3. This is known as 'value form' theory. I think Marx founds this, but he sometimes falls back into formulations suggestive of a Ricardian naturalism about value.

4. See Christopher J. Arthur, 'Money and the Form of Value', in R. Bellofiore and N. Taylor, eds, *The Constitution of Capital*, Palgrave Macmillan, London, 2004, ch. 2; and Christopher J. Arthur, 'Value and Money', in F. Moseley, ed., *Marx's Theory of Money: Modern Appraisals*, Palgrave Macmillan, London, 2005, ch. 7.
5. Karl Marx, *Capital* Volume 1, trans. B. Fowkes, Penguin, Harmondsworth, 1976, p. 139.
6. In *Capital* Marx says the commodity is 'ein sinnlich übersinnliches Ding'. *Das Kapital* Volume I, *Marx–Engels Werke*, vol. 23, Dietz Verlag, Berlin 1983, pp. 85, 86; the Fowkes translation, 'a thing which transcends sensuousness' (p. 163), is wrong. For the inverted relation of the two worlds, see G.W.F. Hegel, *The Science of Logic*, trans. A.V. Miller, George Allen & Unwin, London, 1969, pp. 507–9.
7. Karl Marx, 'The Commodity, Chapter One, Volume One of the first edition of *Capital*', in *Value: Studies by Karl Marx*, trans. A. Dragstedt, New Park, London, 1976, p. 27.
8. G.W.F. Hegel, *The Encyclopaedia Logic*, trans. T.F. Geraets et al., Hackett, Indianapolis, 1991, pp. 56–7; translation amended, and stress mine.
9. For 'universal commodity', see *Capital* Volume 1, pp. 234, 235, but the second occurrence replaces 'absolute', which is given in all German and French editions.
10. Hegel, *The Encyclopaedia Logic*, para. 164.
11. However, Hegel anticipated Marx in one of his unpublished early works as follows: 'their [commodities] universal concept must become a thing like them, but one which as a universal represents all; *money* is this materially existing concept, the form of unity or the possibility of all things needed.' G.W.F. Hegel, 'Fragmente aus Vorleslungsmanuskripte zur Philosophie der Natur und des Geistes' (1803–4), *Gesammelte Werke*, vol. 6, *Jenaer Systementwürfe* I, Felix Meiner Verlag, Hamburg 1975, p. 324; G.W.F. Hegel, *System of Ethical Life and First Philosophy of Spirit*, trans. H.S. Harris and T.M. Knox, State University of New York Press, Albany NY, 1979, p. 249. For a discussion, see Arthur, *The New Dialectic and Marx's 'Capital'*, ch. 9.
12. Hegel, *The Encyclopaedia Logic*, para. 13.
13. Marx, *Capital* Volume 1, pp. 197–8.
14. Marx talks of a commodity money such as gold, of course. To keep things simple I follow him in this. However, the necessity for money to function as a real existent does not depend on a commodity bearer; a notional stand-in for gold such as a banknote may instantiate this objectivity. Furthermore the same relation obtains at the more complex level of existence of universal and particular in the relation of bank finance to industrial capitals. Not only is the system of self-moving abstraction capable of generating interest-bearing capital as the pure form of self-valorizing value, this is *needed*. The concept of capital must exist in this general form *alongside* the real capitals severally invested in industry, because only competition enforces the general law of accumulation on them. The money market presents to putative investors the current 'worth' of capital as a super-commodity. The general rate of profit takes concrete shape in the interest rate, dictating the minimum return for a capital to be viable.
15. Hegel, *The Encyclopaedia Logic*, para. 163.
16. Cf. ibid., para. 223.
17. Hegel, *The Science of Logic,* p. 621.
18. Ibid., p. 622; *Wissenschaft der Logik* II, Felix Meiner Verlag, Hamburg 1975, p. 264, my translation.
19. Hegel, *The Encyclopaedia Logic*, para. 168.
20. Ibid., para. 165–6.
21. Ibid., para. 166.
22. Ibid., para. 179.
23. Ibid., para. 180.
24. Ibid., para. 181, my translation.
25. Hegel, *The Science of Logic*, pp. 630–31, translation amended.
26. Hegel, *The Encyclopaedia Logic*, para. 188.
27. Hegel, *The Science of Logic*, p. 711; *Wissenschaft der Logik* II, p. 360, my translation.
28. Hegel, *The Encyclopaedia Logic*, para. 194. In considering the bare exchange of commodities one could even follow Hegel in talking of the 'violence' done to the independence of things (para. 196).
29. Ibid., para. 205.
30. Karl Marx, *A Contribution to the Critique of Political Economy*, in *Karl Marx and Frederick Engels Collected Works*, vol. 29, Lawrence & Wishart, London, 1987, pp. 330–31; cf. *Capital* Volume 1, p. 203.
31. Hegel, *The Encyclopaedia Logic*, para. 181, my translation.
32. Marx, *Capital* Volume 1, p. 210.
33. K. Uno, *The Principles of Political Economy*, trans. T. Sekine, Harvester, Hassocks, 1980, p. 10.
34. Marx, *Capital* Volume 1, p. 227.
35. Hegel, *The Encyclopaedia Logic*, para. 163.
36. Marx, *Capital* Volume 1, p. 255.
37. Hegel, *The Encyclopaedia Logic*, para. 213.
38. Ibid., para. 92 Addition.
39. Ibid., para. 93.
40. Ibid., para. 95.
41. Marx plays on the identity of the Son with the Father to illustrate this; *Capital* Volume 1, p. 256.
42. For more on 'The Infinity of Capital', see Arthur, *The New Dialectic and Marx's 'Capital'*, ch. 7.