

## Lukács and the Dialectical Critique of Capitalism

Moishe Postone

The historical transformation in recent decades of advanced industrialized societies, the collapse of the Soviet Union and of Communism, and the emergence of a neo-liberal capitalist global order have drawn attention once again to issues of historical dynamics and global transformations. These historical changes suggest the need for a renewed theoretical concern with capitalism, and cannot be addressed adequately by the post-structuralist and post-modern theories that were hegemonic in the 1970s and 1980s.

Georg Lukács's brilliant essay "Reification and the Consciousness of the Proletariat" could serve as a point of departure for such a theoretical renewal.<sup>1</sup> In that essay, Lukács develops a rich and rigorous critical analysis of capitalist modernity. Aspects of Lukács's theory, however, are at odds with that very analysis. Nevertheless, as I shall argue, his theoretical approach, if critically appropriated, could serve as the basis for a sophisticated theory of capitalist society that would be relevant today. Such a theory could avoid many shortcomings of traditional Marxist critiques of capitalism and recast the relation of critical theories of capitalism to other major currents of critical social theory today.

The conceptual framework of Lukács's "Reification" essay differs significantly from most strands of Marxism. As a political and theoretical intervention, Lukács's essay decisively rejects the scientism and faith in linear historical progress of orthodox Second International Marxism. Such positions, for Lukács, were the deep theoretical grounds for the political and world-historical failures of Social Democracy to prevent war in 1914 and bring about radical historical change in 1918-1919. Lukács effects this theoretical break with Second International Marxism by reasserting the Hegelian dimension of Marx's thought, focusing on the importance of subjectivity and the centrality of praxis. His essay recovers Marx's critique of political economy as a powerful social theory, a dialectical theory of praxis.

At the center of Lukács's theory of praxis is his appropriation of the categories of Marx's mature critique, such as the commodity. Within the framework of this categorial approach, praxis is not simply opposed to structures, but is also constitutive of them.<sup>2</sup> By appropriating Marx's theory of praxis and placing it at the very center of his critical analysis of capitalism, Lukács powerfully argues for the intrinsic interrelatedness of subjective and objective dimensions of social life. Both are constituted by determinate forms of praxis. That is, Lukács grasps the categories of Marx's mature critique as having a significance that goes far beyond mere economic categories; he interprets them as categories of the forms of modern

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<sup>1</sup> Lukács, Georg, "Reification and the Consciousness of the Proletariat," in *History and Class Consciousness*, trans. Rodney Livingstone, (Cambridge, Mass.: MIT Press, 1971).

<sup>2</sup> To avoid misunderstandings that the term "categorial" could encourage, I use "categorial" to refer to Marx's attempt to grasp the forms of modern social life with the categories of his critique of political economy.

social life – subjective as well as objective.<sup>3</sup> His approach in this regard parallels Marx's who, in the *Grundrisse* refers to the categories as *Daseinsformen* (forms of *Dasein*) and *Existenzbestimmungen* (determinations of the mode of existence).<sup>4</sup>

On the basis of this categorial appropriation, Lukács develops a sophisticated social theory of consciousness and of knowledge, which entails a fundamental critique of Cartesianism, of subject-object dualism. His theory of praxis allows him to argue that the subject is both producer and product of the dialectical process.<sup>5</sup> Consequently:

“[t]hought and existence are not identical in the sense that they ‘correspond’ to each other, or ‘reflect’ each other, that they ‘run parallel’ to each other, or ‘coincide’ with each other (all expressions that conceal a rigid duality). Their identity is that they are aspects of the same real historical and dialectical process.”<sup>6</sup>

Within the framework of Lukács's categorial analysis, then, “consciousness . . . is a necessary, indispensable, integral part of that process of [historical] becoming.”<sup>7</sup>

In analyzing the interrelatedness of consciousness and history, Lukács's primary concern is to delineate the historical possibility of revolutionary class-consciousness. At the same time, he presents a brilliant social and historical analysis of modern western philosophy. Such thought, according to Lukács, attempts to wrestle with the problems generated by the peculiar abstract forms of life characteristic of its (capitalist) context, while remaining bound to the immediacy of the forms of appearance of that context. Hence, philosophical thought misrecognizes the problems generated by its context as transhistorical and ontological.<sup>8</sup> It was Marx, according to Lukács, who first adequately addressed the problems with which modern philosophy had wrestled. He did so by changing the terms of those problems, by grounding them socially and historically in the social forms of capitalism expressed by categories such as the commodity.

Recovering this mode of analysis, Lukács formulates a social and historical critique of modern philosophical and sociological thought. In analyzing such thought socially and historically, he does not do so with reference to considerations of class interest. Rather than focusing on the function of thought for a system of social domination, such as class domination, Lukács attempts to ground the nature of such thought in the peculiarities of the social forms (commodity, capital) constitutive of capitalism. Lukács's analysis of social form seeks to relate intrinsically social and cultural aspects of life.

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<sup>3</sup> Thus, Lukács criticizes Ernst Bloch for missing the real depth of (what he terms) historical materialism by assuming its outlook is merely economic, and attempting to “deepen” it by supplementing it with (religious) utopian thought. Bloch, according to Lukács, does not realize that what he calls economics deals with the system of forms that define the real and concrete life of humanity. See Lukács, Georg, “Reification and the Consciousness of the Proletariat,” p. 193.

<sup>4</sup> Marx, Karl, *Grundrisse: Foundations of the Critique of Political Economy*, trans. Martin Nicolaus (London: Penguin, 1973), p. 106 (translation modified).

<sup>5</sup> Lukács, Georg, “Reification...” p. 142.

<sup>6</sup> Lukács, Georg, “Reification...” p. 204.

<sup>7</sup> Lukács, Georg, “Reification...” p. 204.

<sup>8</sup> Lukács, Georg, “Reification...” pp. 110-112.

This appropriation of Marx's categorial analysis breaks decisively with classical Marxist base-superstructure conceptions. Such conceptions are themselves dualistic – the base being understood as the most fundamental level of social objectivity, the superstructure being identified with social subjectivity. Lukács's approach also differs from that of the other great theorist of praxis, Antonio Gramsci, inasmuch as it intrinsically relates forms of thought and social forms, and does not treat their relation as extrinsic or in a functionalist manner. Lukács's approach, in other words, can serve as the point of departure for an analysis of the nature of modern, capitalist cultural forms themselves. It not only elucidates the hegemonic function of those forms, but also delineates an overarching framework of historically determined forms of subjectivity within which class-related differentiation takes place.

The approach Lukács develops in the "Reification" essay not only provides the basis for a sophisticated historical theory of subjectivity, but also implicitly shifts the focus of the critique of capitalism away from traditional Marxist concerns. In this regard, Lukács's analysis can be understood as an attempt to develop a self-reflexive critical theory of capitalist modernity that would be adequate to the great social, political, economic, and cultural changes associated with the development of twentieth century capitalism. It does so in a way that responds to criticisms of Marxism formulated by classical social theorists.

As is well known, major social theorists such as Max Weber and Émile Durkheim argued at the turn of the last century that, contrary to the critical vision of classical traditional Marxism, modern society cannot be analyzed adequately in terms of the market and private property. Both theorists pointed to what they considered to be more fundamental features of modern society, Durkheim emphasizing the division of labor, Weber focusing on processes of rationalization and bureaucratization. For both, the abolition of the market and private property would not suffice to fundamentally transform modern society. Indeed, it would simply reinforce its more negative aspects.

Although these theories of modernity may have been reactions to socialist movements and theories, they also sought to grapple with the problems and issues raised by the historical transformation of capitalist society from a liberal configuration in the nineteenth-century to an organized bureaucratic, state-centric form in the twentieth-century. Viewed in this light, Lukács's approach can be understood as an attempt to grasp the historical changes with which theorists like Weber and Durkheim were wrestling, by embedding their concerns within a more encompassing theory of capitalism.

More specifically, Lukács adopts Weber's characterization of modernity in terms of processes of rationalization and grounds these processes historically by appropriating Marx's analysis of the commodity form as the basic structuring social form of capitalist society. Thus, Lukács begins the "Reification" essay by arguing that the processes of rationalization and quantification that mould modern institutions are rooted

in the commodity form.<sup>9</sup> Following Marx, he characterizes modern, capitalist society in terms of the domination of humans by time, and treats the factory organization of production as a concentrated version of the structure of capitalist society as a whole.<sup>10</sup> This structure is expressed in the nature of modern bureaucracy<sup>11</sup> and gives rise to a form of the state and of the system of law that corresponds to it.<sup>12</sup> By grounding modern processes of rationalization in this manner, Lukács seeks to show that what Weber described as the “iron cage” of modern life is not a necessary concomitant of any form of modern society, but is a function of capitalism. Hence, it could be transformed.

Lukács’s essay on reification demonstrates the power and rigor of a categorially based critical theory of modern capitalist society, both as a theory of the intrinsic relatedness of culture, consciousness and society, and as a critique of capitalism. His critique extends beyond a concern with the market and private property – that is, with issues of class domination and exploitation. It seeks to grasp critically and ground socially processes of rationalization and quantification, as well as an abstract mode of power and domination that cannot be understood adequately in terms of concrete personal or group domination. That is, the conception of capitalism implied by Lukács’s analysis is much broader and deeper than the traditional one: a system of exploitation based on private property and the market. Indeed, his conception implies that the latter ultimately may not be the most basic features of capitalism. Moreover, Lukács’s analysis provides a level of conceptual rigor absent from most discussions of modernity. It indicates that “modern society” is basically a descriptive term for a form of social life that can be analyzed with greater rigor as capitalism.

Nevertheless, Lukács fails to realize the promise of the sort of categorial critique he outlines. Although the “Reification” essay presents a critique of capitalism fundamentally richer and more adequate than that of traditional Marxism, it ultimately remains bound to some of that theory’s fundamental presuppositions. This weakens Lukács’s attempt to formulate a critique of capitalism adequate to the twentieth-century.

## II

By “traditional Marxism” I do not mean a specific historical tendency in Marxism, such as orthodox Second International Marxism, for example, but, more generally, all analyses that understand capitalism essentially in terms of class relations structured by a market economy and private ownership of the means of production. Relations of domination are understood primarily in terms of class domination and exploitation. Within this general framework, capitalism is characterized by a growing structural contradiction between that society’s basic social relations (interpreted as private property and the market) and the forces of production (interpreted as the industrial mode of producing).

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<sup>9</sup> Lukács, Georg, “Reification...” pp. 85-110.

<sup>10</sup> Lukács, Georg, “Reification...” pp. 89-90.

<sup>11</sup> Lukács, Georg, “Reification...” pp. 98-100.

<sup>12</sup> Lukács, Georg, “Reification...” p. 95.

The unfolding of this contradiction gives rise to the possibility of a new form of society, understood in terms of collective ownership of the means of production and economic planning in an industrialized context – that is, in terms of a just and consciously regulated mode of distribution adequate to industrial production. The latter is understood as a technical process that, although used by capitalists for their particularistic ends, is intrinsically independent of capitalism; it could be used for the benefit of all members of society.

This understanding is tied to a determinate reading of the basic categories of Marx's critique of political economy. His category of value, for example, has generally been interpreted as an attempt to show that human labour always and everywhere creates social wealth and underlies the quasi-automatic, market-mediated mode of distribution in capitalism. His theory of surplus value, according to such views, demonstrates the existence of exploitation by showing that labour alone creates the surplus product which, in capitalism, is appropriated by the capitalist class. Marx's categories, within this general framework, then, are essentially categories of the market and private ownership.<sup>13</sup>

At the heart of this theory is a transhistorical – and commonsensical – understanding of labour as an activity mediating humans and nature that transforms matter in a goal-directed manner and is a condition of social life. Labour, so understood, is posited as the source of wealth in all societies and as that which constitutes what is truly universal and truly social. In capitalism, however, labour is hindered by particularistic and fragmenting relations from becoming fully realized. "Labour," transhistorically understood, constitutes the standpoint of this critique -- both theoretically and socially. Emancipation is realized in a social form where transhistorical "labour," freed from the fetters of the market and private property, has openly emerged as the regulating principle of society. (This notion, of course, is bound to that of socialist revolution as the "self-realization" of the proletariat.)

It should be noted that, within this general framework, form (capitalist relations of production or, categorially expressed, value and surplus value) and content (industrial production or, more generally, "labour") are related only contingently. A future society would be based on the content coming into its own, stripped of distorting capitalist forms. (As we shall see, however, form and content are intrinsically related in Marx's analysis.)

Within this basic framework there has been a broad range of very different theoretical, methodological, and political approaches. Nevertheless, to the extent such approaches share the basic assumptions

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<sup>13</sup> See, for example, Dobb, M., *Political Economy and Capitalism*, (London: Routledge, 1940), pp. 70-71; Cohen, G. A., *History of Labour and Freedom*, (Oxford: Clarendon Press, 1988), pp. 208-238; Elster, J., *Making Sense of Marx*, (Cambridge: Cambridge University Press, 1985), p. 127; Meek, R., *Studies in the Labour Theory of Value*, (New York and London: Lawrence and Wishart, 1956); Sweezy, P., *The Theory of Capitalist Development*, (New York: Monthly Review Press, 1968), pp. 52-53; Steedman, I., "Ricardo, Marx, Sraffa," in I. Steedman, ed., *The Value Controversy*, (London: NLB, 1981) pp. 11-19.

regarding labour and the essential characteristics of capitalism and of socialism outlined above, they remain bound within the frame of what I have called traditional Marxism.

In terms of these considerations, there is an apparent tension in Lukács's thought. On the one hand, his focus on the commodity form allows for a critique of capitalism that explodes the limits of the traditional Marxist framework. On the other hand, when he addresses the question of the possible overcoming of capitalism, he has recourse to the notion of the proletariat as the revolutionary Subject of history.<sup>14</sup> This idea, however, is bound to a traditional conception of capitalism where labour is considered to be the standpoint of the critique. And it is difficult to see how the notion of the proletariat as the revolutionary Subject points to the possibility of a historical transformation of the quantitative, rationalized and rationalizing character of modern institutions that Lukács critically analyzes as capitalist.

Lukács's theory of the proletariat in the third part of his essay seems, then, to be in tension with the deeper and broader conception of capitalism presented in the essay's first part. This suggests either that Lukács's theory of the proletariat contravenes his categorial analysis, or that his categorial analysis itself is inadequate. That is, it raises the question of whether Lukács's specific understanding of the categories of Marx's critique adequately grounds the rich critical understanding of capitalism he presents in the "Reification" essay.

I shall argue that Lukács's understanding of the categories is indeed problematic and that it is consistent with his theory of the proletariat, a theory which others have criticized as dogmatic and mythological.<sup>15</sup> Nevertheless, his broader conceptions of capitalism and of a categorial analysis are separable from his specific understanding of the categories and his theory of the proletariat. Appropriating the former, Lukács's enormous theoretical contribution, however, requires critically interrogating his conception of the commodity, the purportedly fundamental category of modern, capitalist society.

I shall argue that Lukács basically grasps the commodity in traditional Marxist terms and that, as a result, his categorial analysis recapitulates some of the antinomies of bourgeois thought he criticizes. In spite of Lukács's historical-social critique of dualism, his understanding of the commodity is dualistic. It reproduces the opposition of form and content he criticizes and, implicitly, opposes praxis to formalistic social structures in ways that are at odds with a dialectical understanding of praxis as constituting structures that, in turn, are constitutive of praxis.

Another understanding of the commodity would allow for a categorial critique of capitalism that could realize the conceptual rigor and power of the analysis both suggested and undermined by Lukács's remarkable essay. And I shall suggest that, despite the brilliance of Lukács's appropriation of Marx's

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<sup>14</sup> Lukács, Georg, "Reification..." p. 149–209.

critique of political economy, Marx's analysis of the commodity in *Capital* differs fundamentally from Lukács's and provides the basis for just such an alternative understanding. Nevertheless, the interpretation of Marx's analysis I shall outline is itself indebted to Lukács's rich general approach, although it contravenes Lukács's specific understanding of the categories.

In order to approach the differences between Marx's understanding of the commodity and that of Lukács, I shall briefly analyze the significantly different ways in which they critically interpret Hegel's conception of the *Geist*, the identical subject-object of history.<sup>16</sup> My intention is not simply to establish that Marx's interpretation is different from Lukács's, but to begin elaborating the implications of these differences for understanding the fundamental category of both critical theories – the commodity. By elaborating these differences, I hope to point to the possible appropriation of the power of Lukács's approach in a way that breaks more decisively with traditional Marxism and opens up the possibility of a more adequate critique of capitalism today.

### III

As is well-known, Hegel attempted to overcome the classical theoretical dichotomy of subject and object with his theory that reality, natural as well as social, subjective as well as objective, is constituted by practice – by the objectifying practice of the *Geist*, the world-historical Subject. The *Geist* constitutes objective reality by means of a process of externalization, or self-objectification, and, in the process, reflexively constitutes itself. Inasmuch as both objectivity and subjectivity are constituted by the *Geist* as it unfolds dialectically, they are of the same substance, rather than necessarily disparate. Both are moments of a general whole that is substantially homogeneous – a totality.

For Hegel, then, the *Geist* is at once subjective and objective; it is the identical subject-object, the "substance" which is at the same time "Subject:" "The living *substance* is, further, that being which is . . . *Subject* or, what is the same thing, which is . . . actual only insofar as it is the movement of positing itself, or the mediation of the process of becoming different from itself with itself."<sup>17</sup>

The process by which this self-moving substance/Subject, the *Geist*, constitutes objectivity and subjectivity as it unfolds dialectically is a historical process, which is grounded in the internal contradictions of the totality. The historical process of self-objectification, according to Hegel, is one of self-alienation, and leads ultimately to the reappropriation by the *Geist* of that which had been alienated in

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<sup>15</sup> Arato, A. and Breines, P., *The Young Lukács and the Origins of Western Marxism*, (New York: Seabury Press, 1979), p. 140.

<sup>16</sup> This argument was first elaborated in Postone, M., *Time, Labour, and Social Domination*, (Cambridge and New York: Cambridge University Press, 1973), pp. 71-83.

<sup>17</sup> Hegel, G. W. F., "Preface" to *The Phenomenology of Spirit*, in W. Kaufmann, ed., *Hegel: Texts and Commentary*, (Garden City, N.Y.: Anchor Books, 1966), p. 28 (translation modified, emphasis added).

the course of its unfolding. That is, historical development has an end-point: the realization by the *Geist* of itself as a totalizing and totalized Subject.

In "Reification and the Consciousness of the Proletariat," Lukács appropriates Hegel's theory in a "materialist" fashion in order to place the category of practice at the center of a dialectical social theory. Translating Hegel's concept of the *Geist* into anthropological terms, Lukács identifies the proletariat in a "materialized" Hegelian manner as the identical subject-object of the historical process, as the historical Subject, constituting the social world and itself through its labour. Relatedly, Lukács analyzes society as a totality, constituted by labour, traditionally understood. The existence of this totality, according to Lukács, is veiled by the fragmented and particularistic character of bourgeois social relations. By overthrowing the capitalist order, the proletariat would realize itself as the historical subject; the totality it constitutes would openly come into its own. The totality and, hence, labour, provide the standpoint of Lukács's critical analysis of capitalist society.<sup>18</sup>

Lukács's interpretation of the categories and his reading of Hegel, in particular his identification of the proletariat with the concept of the identical subject-object, has frequently been identified with Marx's position.<sup>19</sup> And it is the case that, in *Capital*, Marx attempts to ground socially and historically that which Hegel sought to grasp with his concept of *Geist*. A close reading, however, indicates that Marx's appropriation of Hegel in his mature works differs fundamentally from Lukács's, that is, from one that views totality affirmatively, as the standpoint of critique, and identifies Hegel's identical subject-object with the proletariat. This, in turn, suggests some fundamental differences between their categorial analyses.

In his earlier writings, for example, *The Holy Family* (1845), Marx criticizes the philosophical concept of "substance" and, in particular, Hegel's conceptualization of the "substance" as "Subject."<sup>20</sup> At the beginning of *Capital*, however, he himself makes analytic use of the category of "substance." He refers to value as having a "substance," which he identifies as abstract human labour.<sup>21</sup> Marx, then, no longer considers "substance" to be simply a theoretical hypostatization, but now conceives of it as an attribute of value – that is, of the peculiar, labour-mediated form of social relations that characterizes capitalism. "Substance," for Marx, is now an expression of a determinate social reality. He investigates that social reality in *Capital* by unfolding logically the commodity and money forms from his categories of use-value and value. On that basis, Marx begins analyzing the complex structure of social relations expressed by his category of capital. He initially determines capital in terms of value, as self-valorizing value. At this point

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<sup>18</sup> Lukács, "Reification....," pp. 102-121, 135, 145, 151-53, 162, 175, 197-200.

<sup>19</sup> See, for example, Piccone, P., "General Introduction," in A. Arato and E. Gebhardt, eds., *The Essential Frankfurt School Reader*, (New York: Continuum, 1982), p. xvii.

<sup>20</sup> Marx, K., *The Holy Family*, in L. Easton and K. Guddat, eds., *Writings of the Young Marx on Philosophy and Society*, (Garden City, N.Y.: Doubleday, 1967), pp. 369-73.

<sup>21</sup> Marx, K., *Capital*, Vol. I, trans. Ben Fowkes, (London: Penguin, 1976), p. 128.



in his exposition, Marx presents the category of capital in terms that clearly relate it to Hegel's concept of *Geist*:

It [value/M.P.] is constantly changing from one form into the other without becoming lost in this movement; it thus transforms itself into an *automatic subject*... In truth, however, value is here the *subject* of a process in which, while constantly assuming the form in turn of money and of commodities, it changes its own magnitude...and thus valorizes itself... For the movement in the course of which it adds surplus value is its own movement, its valorization is therefore self-valorization. ...[V]alue suddenly presents itself as a *self-moving substance* which passes through a process of its own, and for which the commodity and money are both mere forms.<sup>22</sup>

Marx, then, explicitly characterizes capital as the self-moving substance that is Subject. In so doing, Marx suggests that a historical Subject in the Hegelian sense does indeed exist in capitalism. Yet he does not identify that Subject with any social grouping, such as the proletariat, or with humanity. Rather, Marx grasps it with reference to social relations constituted by the forms of objectifying practice grasped by the category of capital. His analysis suggests that the social relations that characterize capitalism are of a very peculiar sort – they possess the attributes that Hegel accords the *Geist*.

Marx's interpretation of the historical Subject with reference to the category of capital indicates that the social relations at his critique's center should not be understood essentially in terms of class relations but in terms of forms of social mediation expressed by categories such as value and capital. Marx's Subject, then, is like Hegel's. It is abstract and cannot be identified with any social actors. Moreover, it unfolds in time independent of will.

In *Capital*, Marx analyzes capitalism in terms of a dialectic of development that, because independent of will, presents itself as a logic. He treats the unfolding of that dialectical logic as a real expression of alienated social relations that, although constituted by practice, exist quasi-independently. He does not analyze that logic as an illusion, but as a form of domination that is a function of the social forms of capitalism. Marx now analyzes a dialectical logic of history as a function of capitalism rather than as a characteristic of human history as such.

As the Subject, capital is a remarkable "subject." Whereas Hegel's Subject is transhistorical and knowing, in Marx's analysis it is historically determinate and blind. As a structure constituted by determinate forms of practice, capital, in turn, may be constitutive of forms of social practice and subjectivity; as a self-reflexive social form it may induce self-consciousness. Unlike Hegel's *Geist*, however, it does not possess self-consciousness. Subjectivity and the socio-historical Subject, in other words, must be distinguished in Marx's analysis.

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<sup>22</sup> Marx, K., *Capital*, Vol. I, pp. 255-256 (translation modified, emphasis added).

The identification of the identical subject-object with determinate structures of social relations has very important implications for a theory of subjectivity. As we have seen, Marx does not simply identify with a social agent the concept of the identical subject-object with which Hegel sought to overcome the subject-object dichotomy of classical epistemology. Instead, Marx changes the terms of the epistemological problem from the knowing individual (or supra-individual) subject and its relation to an external (or externalized) world, to the forms of social relations, considered as determinations of social subjectivity as well as objectivity.<sup>23</sup> The problem of knowledge now becomes a question of the relation between forms of social mediations and forms of thought.

Marx's critique of Hegel, then, is very different from Lukács's materialist appropriation of Hegel. The latter implicitly posits "labour" as the constituting substance of a Subject, which is prevented by capitalist relations from realizing itself. The historical Subject in this case is a collective version of the bourgeois subject, constituting itself and the world through "labour." That is, the concept of "labour" and that of the bourgeois subject (whether interpreted as the individual, or as a class) are intrinsically related.

Marx's critique of Hegel breaks with the presuppositions of such a position (which, nevertheless, became dominant within the socialist tradition). Rather than viewing capitalist relations as extrinsic to the Subject, as that which hinder its full realization, Marx analyzes those very relations as constituting the Subject. It is because of their peculiar, quasi-objective properties, that those relations constitute what Hegel grasped as a historical Subject. This theoretical turn means that Marx's mature theory neither posits nor is bound to the notion of a historical meta-Subject, such as the proletariat, which will realize itself in a future society. Indeed, it implies a critique of such a notion.

A similar difference between Marx and Lukács exists with regard to the Hegelian concept of totality. For Lukács, social totality is constituted by "labour," but is veiled, fragmented, and prevented from realizing itself by capitalist relations. It represents the *standpoint* of the critique of the capitalist present, and will be realized in socialism. Marx's categorial determination of capital as the historical Subject, however, indicates that the totality and the labour that constitutes it have become the *objects* of his critique. The capitalist social formation, according to Marx, is unique inasmuch as it is constituted by a qualitatively homogeneous social "substance." Hence, it exists as a social totality. Other social formations are not so totalized; their fundamental social relations are not qualitatively homogeneous. They cannot be grasped by the concept of "substance," cannot be unfolded from a single structuring principle, and do not display an immanent, necessary historical logic.

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<sup>23</sup> Habermas claims that his theory of communicative action shifts the framework of critical social theory away from the subject-object paradigm (Habermas, Jürgen, *The Theory of Communicative Action*, Vol. I, trans. T. McCarthy, Boston: Beacon Press, 1984, p. 390). I am suggesting that Marx, in his mature works, already effects such a theoretical shift. Moreover, I would argue – although I cannot elaborate here – that Marx's focus on forms of social mediation allows for a more rigorous analysis of capitalist modernity than does Habermas's turn to communicative action.

The idea that capital, and not the proletariat or the species, is the total Subject clearly implies that, for Marx, the historical negation of capitalism would not involve the *realization*, but the *abolition*, of the totality. It follows that the notion of the contradiction driving the unfolding of his totality also must be conceptualized very differently – it presumably does not drive the totality forward towards its full realization, but, rather, towards the possibility of its historical abolition. That is, the contradiction expresses the temporal finiteness of the totality by pointing beyond it.

The determination of capital as the historical Subject is consistent with an analysis that seeks to explain the directional dynamic of capitalist society. Such an analysis grasps capitalism's dynamic with reference to social relations that are constituted by structured forms of practice and, yet, acquire a quasi-independent existence and subject people to quasi-objective constraints. This position possesses an emancipatory moment not available to those positions that, explicitly or implicitly, identify the historical Subject with the labouring class. Such "materialist" interpretations of Hegel which posit the class or the species as the historical Subject seem to enhance human dignity by emphasizing the role of practice in the creation of history. Within the framework of the interpretation outlined here, however, such positions are only apparently emancipatory, for the very existence of a historical logic is an expression of heteronomy, of alienated practice. Moreover, the call for the full realization of the Subject could only imply the full realization of an alienated social form. On the other hand, many currently popular positions that, in the name of emancipation, criticize the affirmation of totality, do so by denying the existence of the totality. Such positions ignore the reality of alienated social structures and cannot grasp the historical tendencies of capitalist society; hence, they cannot formulate an adequate critique of the existent order. In other words, those positions that assert the existence of a totality, but do so in an affirmative fashion, are related to those positions that deny totality's very existence in order to save the possibility of emancipation. Both positions are one-sided: they posit, albeit in opposed fashion, a transhistorical identity between what is and what should be, between recognizing the existence of totality and affirming it. Marx, on the other hand, analyzes totality as a heteronomous reality in order to uncover the condition for its abolition.

Marx's mature critique, therefore, no longer entails a "materialist," anthropological inversion of Hegel's idealistic dialectic of the sort undertaken by Lukács. Rather, it is, in a sense, the materialist "justification" of that dialectic. Marx implicitly argues that the so-called "rational core" of Hegel's dialectic is precisely its idealist character. It is an expression of a mode of social domination constituted by structures of social relations that, because alienated, acquire a quasi-independent existence vis-a-vis the individuals and that, because of their peculiar dualistic nature, are dialectical in character. The historical Subject, according to Marx, is the alienated structure of social mediation that is constitutive of the capitalist formation.

Lukács's affirmation in social theory of the Hegelian concept of totality and of the dialectic may have provided an effective critique of the evolutionist, fatalistic and deterministic tendencies of the Marxism of the Second International. Nevertheless, within the framework suggested by Marx's initial determination of the category of capital, such a theory does not constitute a critique of capitalism from the standpoint of its historical negation. Rather, it points to the historical overcoming of earlier bourgeois relations of distribution by a form more adequate to a newer configuration of capitalist relations of production -- to the supersession of an earlier, apparently more abstract totality by an apparently more concrete one. If the totality itself is understood as capital, such a critique is revealed as one which, behind its own back, points to the full realization of capital as a quasi-concrete totality, rather than to its abolition.

#### IV

Although both Marx and Lukács appropriate Hegel's concept of the identical subject-object, then, the differences between them are fundamental. Lukács grasps that concept socially as the universal class, the proletariat, whereas Marx does so as the universal form of mediation, capital. What, for Lukács, is the basis for emancipation, the future, is for Marx, the basis for domination, the present.

This opposition has important implications for the question of an adequate categorial critique. Earlier I raised the question whether it is possible to appropriate Lukács's broader conception of capitalism as well as his rigorous categorial analysis of subjectivity by separating them from his specific understanding of the categories and his theory of the proletariat. The differences I have outlined indicate the possibility of such a separation. That Marx initially characterizes the category of capital (i.e., self-valorizing value) in the same terms with which Hegel determines his concept of the identical subject-object indicates that the most basic categories of Marx's critical theory can, and should, be read differently than in Lukács's account. It suggests the possibility of the sort of rigorous categorial critique of modernity outlined by Lukács, based on a different understanding of the categories.

How does Lukács understand the commodity? Although he refers explicitly to "the problem of the commodity . . . as the central structural problem of capitalist society,"<sup>24</sup> he does not directly analyze the category itself. Nevertheless, it is possible to reconstruct his understanding. As is well known, the commodity, according to Marx, is the most fundamental category of capitalist society; it is characterized by its "double-character" as a value and as a use value.<sup>25</sup> What is striking about Lukács's analysis in the "Reification" essay is that it separates and opposes the quantitative and the qualitative and, relatedly, form and content. These oppositions in Lukács's analysis are bound to his understanding of the relation of value

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<sup>24</sup> Lukács, G., "Reification..." p. 85 [translation modified].

<sup>25</sup> Marx, K., *Capital*, Vol. I, pp. 125-129.

and use-value and, hence, of the commodity form; they distinguish his understanding of the commodity from Marx's.

As we have seen, Lukács analyzes central aspects of modernity – for example, the factory, bureaucracy, the form of the state and of law – with reference to processes of rationalization grounded in the commodity form. The commodity as totalizing imparts an apparently unitary character to capitalist society, according to Lukács; for the first time, a unified economic structure and a unified structure of consciousness characterize social life.<sup>26</sup> Lukács describes this unified structure in terms of the subsumption of the qualitative by the quantitative. He argues, for example, that capitalism is characterized by a trend toward greater rationalization and calculability, which eliminates the qualitative, human, and individual attributes of the workers.<sup>27</sup> Relatedly, time loses its qualitative, variable and flowing nature and becomes a quantifiable continuum filled with quantifiable “things.”<sup>28</sup> Because capitalism entails the subsumption of the qualitative under the quantitative, according to Lukács, its unitary character is abstract, general, and formalistic.

Nevertheless, although the rationalization of the world effected by the commodity relation may appear to be complete, Lukács argues, it actually is limited by its own formalism.<sup>29</sup> Its limits emerge clearly in periods of crisis, when capitalism is revealed as a whole made up of partial systems which are only contingently related, an irrational whole of highly rational parts.<sup>30</sup> As such, capitalism cannot be grasped as a totality. Indeed such knowledge of the whole would amount to the virtual abolition of the capitalist economy, according to Lukács.<sup>31</sup>

Lukács's analysis here entails a sophisticated formulation of a traditional critique of the market from the standpoint of central planning. Rather than elaborating this point, however, I shall pursue further the question of the traditional Marxist dimension of Lukács's thought by focusing on the dualistic understanding of modernity entailed by his opposition of the qualitative and the quantitative. For Lukács, the problem of totality and that of form and content are related. He maintains that the main weakness of the modern sciences is their formalism; their own concrete underlying reality lies, methodologically and in principle, beyond their grasp.<sup>32</sup> This problem of relating form and content is not simply one of inadequate thinking, according to Lukács, but is an expression of the way capitalism is structured. When economic theory, such as the theory of marginal utility, for example, suppresses use-value as use-value, it expresses the reality of capitalism: "the very success with which the economy is totally rationalized and transformed

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<sup>26</sup> Lukács, G., "Reification..." pp. 99-100.

<sup>27</sup> Lukács, G., "Reification..." p. 88.

<sup>28</sup> Lukács, G., "Reification..." p. 90.

<sup>29</sup> Lukács, G., "Reification..." p. 101.

<sup>30</sup> Lukács, G., "Reification..." pp. 101-102.

<sup>31</sup> Lukács, G., "Reification..." p. 102.

<sup>32</sup> Lukács, G., "Reification..." p. 104.

into an abstract and mathematically oriented system of formal 'laws' . . . creates the methodological barrier to understanding the phenomenon of crisis."<sup>33</sup>

For Lukács, then, the inability of science to penetrate to its “real material substratum” is grounded in the nature of capitalism itself. This inability is methodologically inevitable for thought that remains bound to the manifest forms of capitalism.<sup>34</sup> Moments of crisis reveal the reality behind those manifest forms; the surface level is broken through then and the concrete material substratum of capitalist society is revealed. In such moments, “the *qualitative* existence of the 'things' that lead their lives beyond the purview of economics as . . . things-in-themselves, as use-values, suddenly becomes the decisive factor.”<sup>35</sup> The crisis, in other words, reveals that there are qualitative conditions attached to the quantitative relations of capitalism, “that it is not merely a question of units of value which can easily be compared with each other, but also use-values of a definite kind which must fulfill a definite function in production and consumption.”<sup>36</sup>

Lukács, then, grasps capitalism essentially in terms of the problem of formalism, as a form of social life that does not grasp its own content. This suggests that, when he claims the commodity form structures modern, capitalist society, he understands that form solely in terms of its abstract, quantitative, formal dimension – its value dimension. He thereby posits the use-value dimension, the “real material substratum,” as a quasi-ontological content, separable from the form, which is constituted by labour, trans-historically understood.

Within this framework, getting beyond bourgeois thought means getting beyond the formalistic rationalism of such thought, that is, beyond the diremption of form and content effected by capitalism. And this, Lukács argues, requires a concept of form that is oriented toward the concrete content of its material substratum; it requires a dialectical theory of praxis.<sup>37</sup> For Lukács, then, a dialectical, praxis-oriented understanding of the relation of form and content would overcome, on the theoretical level, the abstract formalism associated with the category of value. That is, it would point beyond capitalism.

In order to elucidate such a dialectical understanding, Lukács outlines the course of modern Western philosophy in terms of the problems of totality and of the relation of form and content, culminating in the antinomies of Kant’s first critique and the problem of the thing-in-itself. He argues that neither Kant, in his second and third critiques, nor Fichte, nor Schiller, are able to solve these problems theoretically.<sup>38</sup> It is only Hegel, according to Lukács, who points the way to their resolution by turning to history as the

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<sup>33</sup> Lukács, G., "Reification..." p. 105.

<sup>34</sup> Lukács, G., "Reification..." pp. 106-107.

<sup>35</sup> Lukács, G., "Reification..." p. 105. (emphasis added)

<sup>36</sup> Lukács, G., "Reification..." p. 106.

<sup>37</sup> Lukács, G., "Reification..." pp. 121-142.

<sup>38</sup> Lukács, G., "Reification..." pp. 110-140.

concrete and total dialectical process between subject and object. The notion of historical dialectical praxis, of the subject as both the producer and product of the dialectical process (that is, as the identical subject-object), abolishes the antitheses of subject and object, thought and existence, freedom and necessity.<sup>39</sup> Yet, Lukács claims, although Hegel develops the dialectical method, which grasps the reality of human history and shows the way to the overcoming of the antinomies of bourgeois thought, he is unable to discover the identical subject-object in history, “the ‘we’ whose action is in fact history.”<sup>40</sup> Instead, he locates it idealistically, outside of history, in the *Geist*. This results in a concept mythology, which reintroduces all the antinomies of classical philosophy.<sup>41</sup>

Overcoming the antinomies of classical philosophical thought entails a social and historical version of Hegel’s solution, according to Lukács. This is provided by the proletariat, which is able to discover within itself, on the basis of its life experience, the identical subject-object.<sup>42</sup> Lukács then proceeds to develop a theory of the class-consciousness of the proletariat.<sup>43</sup> I shall not discuss this theory at length other than to note that, unlike Marx, Lukács does not present his account with reference to the development of capital – for example, in terms of changes in the nature of surplus value (from absolute to relative surplus value) and related changes in the development of the process of production. Instead, he outlines the objective possibility of a dialectic of immediacy and mediation, quantity and quality, which could lead to the self-awareness of the proletariat as subject. His account is curiously devoid of a historical dynamic. History, which Lukács conceives as the dialectical process of the self-constitution of humanity, is indeterminate in this essay; it is not analyzed with reference to the historical development of capitalism.

Indeed, Lukács treats capitalism as an essentially static, abstract quantitative form that is superimposed on, and veils, the true nature of the concrete, qualitative, social content. Hence, Lukács’s understanding of reification, the form of socially grounded misrecognition characteristic of capitalism, is that the forms of capitalism expressed by the categories veil the “real” social relations of that society. So, for example, in his critique of Simmel’s *The Philosophy of Money*, Lukács cites Marx’s analysis of interest-bearing capitalism as a result of the capitalist process of production that, divorced from that process, acquires an independent existence, as a pure form without content. For Lukács, then, the abstract veils the concrete.<sup>44</sup> He then criticizes Simmel for separating “these empty manifestations from their real capitalist foundation and . . . regarding them as the timeless model of human relations in general.”<sup>45</sup>

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<sup>39</sup> Lukács, G., "Reification..." pp. 140-145.

<sup>40</sup> Lukács, G., "Reification..." p. 145.

<sup>41</sup> Lukács, G., "Reification..." pp. 145-148.

<sup>42</sup> Lukács, G., "Reification..." p. 149.

<sup>43</sup> Lukács, G., "Reification..." pp. 149-209.

<sup>44</sup> This, however, is only one form of socially grounded misrecognition, or “fetish form,” Marx analyzes. What Lukács overlooks is that Marx also elucidates fetish forms in which the concrete dimensions of the social forms veil their abstract, social dimension. So, for example, the commodity appears to be an object – and not, at the same time, a social mediation. Similarly, the process of production in capitalism appears to be a labour process – and not, at the same time, a valorization process. This notion of the fetish, however, is based on an understanding of the categorial forms as two-sided in ways that differ from Lukács’s dualistic opposition of abstract (capitalism) and concrete (ontological).

<sup>45</sup> Lukács, G., "Reification..." pp. 94-95.

The “real capitalist foundation,” for Lukács, consists of class relations, which exist beneath and are veiled by the surface of capitalist forms. These “real” social relations become manifest in class struggle. At that point, according to Lukács, “the ‘eternal laws’ of capitalist economics fail and become dialectical.”<sup>46</sup> Within the framework of this account, the historical dialectic, constituted by praxis, operates on the level of the “real” social content, that is, class relations; it is ultimately opposed to the categories of capitalism. Those categories, then, veil what is constituted by praxis; they are not themselves categories of praxis. The opposition Lukács draws between “the developing tendencies of history” and “the empirical facts,” whereby the former constitutes a “higher reality”, also express this understanding.<sup>47</sup> History here refers to the level of praxis, to the “real” social content, whereas the empirical “facts” operate on the level of the economic categories.

How, then, does Lukács deal with capitalism’s dynamic? He does refer to the immanent, blind dynamic of capitalist society, which he characterizes as a manifestation of the rule of capital over labor.<sup>48</sup> Nevertheless, Lukács does not ultimately take seriously that dynamic as a historical dynamic, a quasi-independent social reality at the heart of capitalism. Instead he treats it as a reified manifestation of a more fundamental social reality, a ghostly movement that veils “real history:”

This image of a frozen reality that nevertheless is caught up in an unremitting, ghostly movement at once becomes meaningful when the reality is dissolved into the process of which man is the driving force. This can be seen only from the standpoint of the proletariat because the meaning of these tendencies is the abolition of capitalism and so for the bourgeoisie to become conscious of them would be tantamount to suicide.<sup>49</sup>

Ultimately, then, the historical dynamic of capitalism is a mere “ghostly movement,” for Lukács.<sup>50</sup> “Real” history, the dialectical historical process constituted by praxis, operates on a more fundamental level of social reality than what is grasped by the categories of capitalism, and points beyond that society. This “deeper,” more substantive, level of social reality is veiled by the immediacy of capitalist forms; it can only be grasped from a standpoint that breaks through that immediacy. And this standpoint, for Lukács, is a possibility that is structurally available to the proletariat. Within the framework of Lukács’s analysis, the “self-understanding of the proletariat is . . . simultaneously the objective understanding of the nature of

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<sup>46</sup> Lukács, G., “Reification...” p. 178.

<sup>47</sup> Lukács, G., “Reification...” p. 181. The distinction between the tendencies of history and empirical “facts” is implicitly related by Lukács to the difference in logical levels between Marx’s analysis of value and surplus value in Volume I of *Capital* and his analysis of price, profit, rent and interest in Volume III of *Capital*, whereby the latter categories veil the former (See Lukács, G., “Reification...” pp. 181-185). What is significant here is that Lukács reads the underlying categories of Volume I such as “labour” and “use-value” as ontological and affirmative.

<sup>48</sup> Lukács, G., “Reification...” p. 181.

<sup>49</sup> Lukács, G., “Reification...” p. 181.

<sup>50</sup> Lukács’s interpretation of Marx is echoed by Habermas who claims Marx treated the systemic dimension of capitalism as an illusion, as the ghostly form of class relations that have become anonymous and fetishized (Habermas, J. *The Theory of Communicative Action*, Vol. II, trans. T. McCarthy, Boston: Beacon Press, 1987, pp. 338-339). Habermas’s reading is significant inasmuch as it underlies his attempt to critically appropriate Talcott Parsons in order to formulate a theory that would be adequate to both what Habermas considers the systemic and life world dimensions of modern society. The reading of Marx I shall outline overcomes Habermas’s objection, renders the turn to Parsons unnecessary, and places the critique of capitalism back at the center of contemporary critical theory.



society.”<sup>51</sup> The historical overcoming of capitalism by the proletariat, then, would involve overcoming the formalistic, quantitative dimension of modern social life (value), thereby allowing the real, substantive, historical nature of society (the dimension of use-value, labour, the proletariat) to emerge openly and come into its own historically.

At this point it should be clear that Lukács positively presents a materialist version of Hegel's dialectical method. Lukács affirms the dialectical process of history constituted by the praxis of the proletariat (and, hence, the notions of history, totality, dialectic, labour, and the proletariat) in opposition to capitalism. This affirmative, materialist appropriation of Hegel is effected by a Feuerbachian inversion, which Lukács modifies by adding the dynamic element of history.<sup>52</sup> This approach results in Lukács's identification of Hegel's identical subject-object with the proletariat.

We have seen, however, that Marx interprets the Hegelian identical subject-object with reference to the category of capital. This indicates, as already noted, that precisely what Lukács appropriates from Hegel as critical – the idea of a dialectical historical logic, the notion of totality, the identical subject-object – understood by Marx with reference to capital. It follows that what Lukács understands as socially ontological, outside the purview of the categories, is grasped critically as intrinsic to capital by the categories of Marx's critique of political economy.

## V

At this point I shall briefly outline a reading of Marx's categories very different from that presented by Lukács. Although indebted to Lukács's focus on the categories, this reading could serve as the basis for a critical theory of capitalism able to overcome the dualism of his specific approach as well as its traditionalist assumptions

Lukács, as we have seen, interprets the commodity as a historically specific abstract form (value) superimposed upon a transhistorical concrete substantive content (use-value, labour), which constitutes the “real” nature of society. The relation of form and content is contingent in capitalism. Relatedly, a concept of form that is not indifferent to its content would point beyond capitalism.

This, however, is not the case with Marx's analysis of the commodity. At the heart of Marx's analysis is his argument that labour in capitalism, has a “double character:” it is both “concrete labour” and “abstract labour.”<sup>53</sup> “Concrete labour” refers to the fact that some form of what we consider labouring activity

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<sup>51</sup> Lukács, G., "Reification..." p. 149.

<sup>52</sup> Lukács, G., "Reification..." pp. 186-194. It is significant that Lukács adopts Feuerbach's anthropological inversion, but criticizes it for being ahistorical; Marx, however, by identifying the identical subject-object with capital, implicitly rejects the anthropological inversion itself in his mature works.

<sup>53</sup> Marx, K., *Capital*, pp. 128-137.

mediates the interactions of humans with nature in all societies. “Abstract labour” does not simply refer to concrete labour in the abstract, to “labour” in general, but is a very different sort of category. It signifies that labour in capitalism also has a unique social function that is not intrinsic to labouring activity as such: it mediates a new, quasi-objective form of social interdependence.<sup>54</sup> “Abstract labour,” as a historically specific mediating function of labour, is the content or, better, “substance” of value.<sup>55</sup> Form and content are indeed intrinsically related here as a fundamental determination of capitalism.

Labour in capitalism, according to Marx, then, is not only labour, as we transhistorically and commonsensically understand it, but also is a historically specific socially mediating activity. Hence its products – commodity, capital – are both concrete labour products and objectified forms of social mediation. According to this analysis, the social relations that fundamentally characterize capitalist society have a peculiar quasi-objective formal character and are dualistic: they are characterized by the opposition of an abstract, general, homogenous dimension and a concrete, particular, material dimension, both of which appear to be “natural,” rather than social, and condition social conceptions of natural reality. Whereas Lukács understands the commodity only in terms of its abstract dimension, Marx analyzes the commodity as both abstract and concrete. Within this framework, Lukács’s analysis falls prey to a fetish form; it naturalizes the concrete dimension of the commodity form.

The form of mediation constitutive of capitalism, in Marx’s analysis, gives rise to a new form of social domination – one that subjects people to impersonal, increasingly rationalized structural imperatives and constraints. It is the domination of people by time. This abstract form of domination is real, not ghostly. Nevertheless, it cannot be grasped adequately in terms of class domination or, more generally, in terms of the concrete domination of social groupings or of institutional agencies of the state and/or the economy. It has no determinate locus<sup>56</sup> and, although constituted by determinate forms of social practice, appears not to be social at all.

This form of domination, as analyzed by Marx in *Capital* is dynamic, not static. Examining that dynamic renders evident that the abstract form of domination that Marx places at the heart of capitalism cannot be understood adequately with reference to the abstract value dimension of the commodity alone. Rather, the unstable duality of the commodity form, as the identity of identity and non-identity, gives rise to a dialectical interaction of value and use-value that grounds the overarching historical dynamic of capitalism. The use-value dimension is very much and integral moment of the underlying structuring forms of capitalism.<sup>57</sup>

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<sup>54</sup> Postone, M., *Time, Labour, and Social Domination*, pp. 123-185.

<sup>55</sup> Marx, K., *Capital*, p. 128.

<sup>56</sup> This analysis provides a powerful point of departure for analyzing the pervasive and immanent form of power that Michel Foucault described as characteristic of modern Western societies. See Foucault, Michel, *Discipline and Punish*, (New York: Pantheon Press, 1984).

<sup>57</sup> Postone, M., *Time, Labour, and Social Domination*, pp. 263-384.

Analyzing the dialectic of the two dimensions of the commodity form provides the basis for a critical understanding of capital in terms of a very complex, non-linear historical dynamic. On the one hand, this dynamic is characterized by ongoing transformations of the technical processes of labour, of the social and detail division of labour and, more generally, of social life. On the other hand, this historical dynamic entails the ongoing reconstitution of its own fundamental condition as an unchanging feature of social life - namely that social mediation ultimately is effected by labour and, hence, that living labour remains integral to the process of production (considered in terms of society as a whole), regardless of the level of productivity. The historical dynamic of capitalism ceaselessly generates what is “new,” while regenerating what is the “same.”

This interpretation of the dialectical process of history differs fundamentally from Lukács’s. By grounding that process in the categorial forms, this approach treats the existence of a historical dynamic as a basic characteristic of capitalism, rather than as a feature of human social life which is veiled by capitalism. Within this framework, capitalism is characterized not only by its surface (“facts” for Lukács), but also by a dialectical, dynamic deep structure that Lukács regards as independent of capitalism (“tendencies”). The existence of a historical dynamic that, although constituted by practice, is quasi-independent of human will and intention is, for Marx, a central feature of the form of abstract domination that characterizes capitalism.

In other words, the quasi-objective structures grasped by the categories of Marx's critique of political economy do not veil the "real" social relations of capitalism, that is, class relations, just as they do not hide the "real" historical Subject, that is, the proletariat. Rather, those structures are the fundamental relations of capitalist society. Moreover, they are not static, but historically dynamic.

According to this interpretation, the non-linear historical dynamic elucidated by Marx’s categorial analysis provides the basis for a critical understanding of both the form of economic growth as well as the proletarian-based form of industrial production characteristic of capitalism. That is, it allows for a categorial analysis of the processes of rationalization Lukács critically described, but was unable to ground theoretically. This approach neither posits a linear developmental schema that points beyond the existing structure and organization of labour (as do theories of postindustrial society), nor does it treat industrial production and the proletariat as the bases for a future society (as do many traditional Marxist approaches). Rather, it indicates that capitalism gives rise to the historical possibility of a different form of growth and of production; at the same time, however, capitalism structurally undermines the realization of those possibilities.

The structural contradiction of capitalism, according to this interpretation, is not one between distribution (the market, private property) and production, between existing property relations and industrial

production. Rather, it emerges as a contradiction between existing forms of growth and production, and what could be the case if social relations no longer were mediated in a quasi-objective fashion by labour.

By grounding the contradictory character of the social formation in the dualistic forms expressed by the categories of the commodity and capital, Marx implies that structurally based social contradiction is specific to capitalism. In light of this analysis, the notion that reality or social relations in general are essentially contradictory and dialectical can only be assumed metaphysically, not explained. Marx's analysis, within this framework, suggests that any theory that posits an intrinsic developmental logic to history as such, whether dialectical or evolutionary, projects what is the case for capitalism onto history in general.

The reinterpretation of Marx's theory I have outlined constitutes a basic break with, and critique of, more traditional interpretations. As we have seen, such interpretations understand capitalism in terms of class relations structured by the market and private property, grasp its form of domination primarily in terms of class domination and exploitation, and formulate a normative and historical critique of capitalism from the standpoint of labour and production (understood transhistorically in terms of the interactions of humans with material nature). I have argued that Marx's analysis of labour in capitalism as historically specific seeks to elucidate a peculiar quasi-objective form of social mediation and wealth (value) that constitutes a form of domination which structures the process of production in capitalism and generates a historically unique dynamic. Hence, labour and the process of production are not separable from, and opposed to, the social relations of capitalism, but constitute their very core. Marx's theory, then, extends far beyond the traditional critique of the bourgeois relations of distribution (the market and private property); it grasps modern industrial society itself as capitalist. It treats the working class as the basic element of capitalism rather than as the embodiment of its negation, and does not conceptualize socialism in terms of the realization of labour and of industrial production, but in terms of the possible abolition of the proletariat and of the organization of production based on proletarian labour, as well as of the dynamic system of abstract compulsions constituted by labour as a socially mediating activity.

This reinterpretation of Marx's theory thus implies a fundamental rethinking of the nature of capitalism and of its possible historical transformation. By shifting the focus of the critique away from an exclusive concern with the market and private property, it provides the basis for a critical theory of post-liberal society as capitalist and also of the so-called "actually-existing socialist" countries as alternative (and failed) forms of capital accumulation, rather than as social modes that represented the historical negation of capital, in however imperfect a form. This approach also allows for an analysis of the newest configuration of capitalism – of neo-liberal global capitalism – in ways that avoid returning to a traditionalist Marxist framework.

The structural breaks and upheavals of the recent past suggest that theories of democracy, identity, or philosophies of the non-identical that do not take into account the dynamics of capitalist globalization are no longer adequate. Nevertheless, the history of the twentieth century suggests it would be a mistake to resuscitate traditional Marxism. What is required is a more adequate critical theory of capitalism. Lukács opened the way to such a critical theory; at the same time, he remained fundamentally limited by some of his traditional assumptions.

Marx, as is well known, insisted that the coming social revolution must draw its poetry from the future, unlike earlier revolutions that, focused on the past, misrecognized their own historical content.<sup>58</sup> Lukács's critical theory of capitalism, however, grounded in his "materialist" appropriation of Hegel, backs into a future it does not grasp. It is reminiscent of Walter Benjamin's image of the angel of history, propelled into a future to which its back is turned.<sup>59</sup> Rather than pointing to the overcoming of capitalism, Lukács's approach entails a misrecognition that implicitly affirms the new state-centric configuration that emerged after World War I.<sup>60</sup> Paradoxically, Lukács's rich critical description of capitalism is directed against precisely this sort of organization of society. His specific understanding of the categories of Marx's critical theory, however, does not adequately ground that critical description of capitalism. Instead, as we have seen, it ultimately contravenes that description. Rethinking Marx through the lens of Lukács's interpretation allows for a critical theory that is adequate to Lukács's description of capitalism and to his idea of a rigorous categorial analysis. By overcoming Lukács's traditionalist assumptions, such an approach could serve as a point of departure for an adequate critical theory of the capitalist order today.

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<sup>58</sup>Marx, K., "The Eighteenth Brumaire of Louis Bonaparte," in K. Marx and F. Engels, *Collected Works*, Vol. 11 (New York: International Publishers, 1979), p. 106.

<sup>59</sup> Benjamin, Walter, "Theses on the Philosophy of History," in S. Bronner and D. Kellner, eds., *Critical Theory and Society*, (New York and London: Routledge, 1989), p. 258.

<sup>60</sup> The unintended affirmation of a new configuration of capitalism can be seen more recently in the anti-Hegelian turn to Nietzsche characteristic of much post-structuralist thought in the 1970s and 1980s. It could be argued that such thought also backed into a future it did not adequately grasp: in rejecting the sort of state-centric order Lukács implicitly affirmed, it did so in a manner that, on a deep theoretical level, affirmed, in turn, the neo-liberal order that has superseded Fordist state-centric capitalism, East and West.