

DIALECTIC AS METHOD.  
THE REDUCTION OF DIALECTIC BY MARX



Götz Kaufmann

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## **Author:**

Dipl. pol. Götz Kaufmann

Lecturer at Otto-Suhr-Institute (OSI), Free University of Berlin

Email: [goetz.kaufmann@fu-berlin.de](mailto:goetz.kaufmann@fu-berlin.de)

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## Content

<i>Abstract</i> .....	4
Introduction .....	4
Dialectic as a method of theory development .....	6
Limitations .....	6
The issue and its ideal type procedure .....	7
Objective and subjective dialectic.....	8
Subjective Dialectic using Marx' example .....	9
Exchange Structure: The deduction of the exchange process .....	11
>Critique< .....	11
>Capital<.....	13
Conclusion .....	13
Commodity and money: The deduction of the money form .....	14
The transitions from simple form of value to the money form.....	14
Chicken-Egg dilemma: Money and the Process of Exchange .....	18
>Critique< .....	18
Capital .....	18
Conclusion .....	19
Concluding conclusion.....	19
Critique.....	19
Capital .....	19
Final remarks.....	20
References .....	21
Abbreviations .....	23

## *Abstract*

*Methods of theory building are rare in science. Particularly in social sciences, the competition between qualitative and quantitative schools has always been prevalent, even in discussing theory building. Another method that has been neglected for decades, even though its application is discussed the most of all social science's classics<sup>1</sup>, is Dialectic Materialism (DiaMat) as method of theory building. The DiaMat has been developed by Karl Marx, adopted by a wide range of Marxist theorists and broadly discussed and criticized in its epistemological function by scientists all over the world. Its fruitfulness and usefulness for social theory building will be outlined here and it will be demonstrated that the method is not yet complete. In identifying the gap, this paper aims to both give a state of the art at a new methodological frontier and reveal crucial points on which further method debate should focus.*

## Introduction

In social sciences in general, in environmental social sciences in particular, just very few holistic theories exist. These are basically the system theory of Niklas Luhmann and Marx's theory of the fetishism of commodity. Usefulness of creation of such a 'sociology of things' (Grundmann 1997), which can frame all areas of social science's research, refers to a basic theoretical gap: The inclusion of non-social objects of research and the overcoming of sociologism frame without falling back to a naturalism paradigm. In the writings of the early Marx, a possible solution is seen (Groß 2001: 38, Dickens 1992) in recognition of what is pointed out by Schmidt. The latter stressed, that Marx didn't go into a „Resurrektion der Natur“ [resurrection of nature] anymore, when it came to his later writings about the critique on political economy (Schmidt 1971: 159).

In appreciation of values for a method of theory building, focus has swung between qualitative or quantitative preference. Giving certain weight to one or the other, approaches received greater importance when looking for mixed methods. The best known method of theory building is Constant Comparative Analysis and its application to Grounded Theory (Glaser/Strauss 1973). Glaser and Strauss demonstrate how to generalize qualitative data in order to develop good theory in a bottom-up manner. Methods of theory building with quantitative methods of data collection

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<sup>1</sup> cf. Groß 2001: 33, footnote 3

have always been simpler to apply. This is since quantitative data collection is the way to test developed theories within a determined frame of questions. Basically the development of a theory itself doesn't emerge with a certain quantitative method of theory building, but top-down hypothesis testing in several case studies, even comparisons enable forecasting of generalized statements which can perform good theory. In distinction from top-down versus bottom-up approaches, DiaMat as a method attempts theory development from abstract to concrete in terms of logic step-by-step derivation. Hereby, laws of logic create the criterion, in which theory is constructed. The principles of this method start with an abstract set of facts which are distinguishable by contradictions. The solution to the contradiction must consistently lead to the next instance of resulting arguments. The newly created instance of arguments frames a new set of facts in which the contradiction isn't only resolved but new contradictions within the set call for further processing. This process is known from Hegel's triad of dialectic (thesis – antithesis – synthesis). Whilst philosophical idealism is grounded on abstract creation of reality (or the world) through thoughts, channeled by the *Welt Geist*, the materialist (Mat) part of Marxist assumes a given frame of reality, which exists independently from individual's perception. Epistemologically, DiaMat seeks to reveal the managing structure beyond societal symbolism. Herein, Historical Materialism (HistoMat) is the basis for the analytical frame. Methodologically, in particular for the purpose of theory building, materialism limits the development of theory to what has been or can be observed in the surrounding world. Nevertheless, the materialism – idealism is an artificial discussion since a (philosophically) materialist world view is established in all sciences: Both quantitative questionnaires and even qualitative free unstructured participant observations assume the world as something that is real and can be observed.

Consequentially, what characterizes the advantages of DiaMat as a method? First of all it is a method to apprehend political entity in their momentum instead of stagnation. Furthermore, the researcher himself as possible source of research results biases in the process of data collection is constrained in the frame of logic. And here is the basic problem: The lack of a fully developed functional dialectic that does not rank behind the modern logic of science (Göhler 1980: 19). One could argue that the convenience of such a dialectic theory of science had to be doubted due to significant expressiveness of the modern logic of science. In the following examination, DiaMat as method will be described by using Marx's examination of the fetishism of the commodity in the 2<sup>nd</sup> edition of the Capital. Hereby, the gap in a fully functional dialectic as method will be revealed by showing the extent that Marx was forced to reduce the dialectic in order to fit the frame. The remaining problem is in the resolution of the logical derivation contradictions, which will be

outlined at the end.

## Dialectic as a method of theory development

Based on Lenin's<sup>2</sup> thesis, Marx's Capital is applied logic, dialectic and epistemology. From this it follows that dialectic is the epistemology of Marxism. (Kimmerle 1986: 343, Göhler 1980: 7) Current differentiation between objective and subjective dialectic (Bochenski 1962: 87) create categories and criteria of an epistemological method of dialectic materialism.

## Limitations

The explanatory statement to demarcate scientifically dialectic idealism cannot be sufficiently discussed<sup>3</sup>. As Marx points out, Hegel sees "the life-process of the human brain, i.e., the process of thinking, which, under the name of 'the Idea', he even transforms into an independent subject, is the *demiurgos*<sup>4</sup> of the real world, and the real world is only the external, phenomenal form of 'the Idea'<sup>5</sup>." (Marx 1976: 102) He himself thinks the contrary. "[T]he ideal is nothing else than the material world reflected by the human mind, and translated into forms of thought." (Ibid)

The same applies to issues such as whether the definition of dialectic as a method can be appointed in advance (Ibid: 12), the differences between 1<sup>st</sup> edition and 2<sup>nd</sup> edition of the Capital, or if Karl Marx as the developer of dialectic materialism can be categorized under Engels' definition<sup>6</sup> of dialectic materialism, which must also be excluded.

To the first point is to say, that even though Marx never wrote a book about dialectic as a method, his letter to Maurice La Châtre<sup>7</sup> gave clear evidence regarding his intentions. There, he insisted on the fact that he was the first person to have applied this method to a study of economics. (Marx 1976: 104) Therefore, for the purpose of the presented examination, one can assume that this application has been meant to be a methodological contribution to a dialectic method development. Lenin stated in that context that although Marx had never written his projected short treatise on dialectics, he left the Capital as an application. (Lenin 1960: 319) Ernest Mandel adds in his introduction to Marx' Capital, that even Engels shared Lenin's opinion (Marx 1976: 19). Dialectic can be characterized in opposition to Hegel by the "differentia specifica of capital-relation" (Ibid: 17). The specific difference of the capital – work relationship is the source of the DiaMat as a

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<sup>2</sup> Vladimir Iljitsch Uljanow

<sup>3</sup> As Fichte's approach in Reisinger (1987) or Baillie/Lichtheim (1967)

<sup>4</sup> Creator

<sup>5</sup> the Absolute Idea

<sup>6</sup> Engels (1955) turned Marxism into a more speculative and metaphysic direction with a special methodological grounding when trying to include the nature in total. (Bochenski 1962: 22) For more details see Kaufmann (2012: 52 et seq.).

<sup>7</sup> La Châtre was the editor of the first French edition of Capital Vol. I.

method and will therefore be the focus of this argumentation.

Regarding the second is to say, that the changes from the 1<sup>st</sup> to the 2<sup>nd</sup> edition are mainly characterized by the exclusion a ‘bridging chapter’ between development of the value form (VF) development and the development of the exchange process (EP). One can see this rather as acknowledgment of his failure to resolve the dialectic problems which appeared in the process. For the purpose of this paper, the examination of the principle problem of DiaMat method of theory building is central<sup>8</sup>.

To the final entity is to say that Engels’s approach to dialectic is not even similar to the one of Marx. Due to his metaphysical nature science materialism focus (Bochenski 1962: 22), his approach is very different from the one of his colleague. Hereby is to point out, that this understanding of dialectic is close to the understanding of Stalin<sup>9</sup> whilst Lenin can be seen in continuation of Marx (cf. Bochenski 1962). When referred to Engel’s remarks to dialectic, basically his ‘three laws of dialectic’ from his work ‘Dialectic of nature’ (1955) are named. The limitation of dialectic as epistemological method cannot be grasped as path to further method development. This conclusion is an untested proposition, but his nature scientific attempts to ‘prove’ that the laws rather point to empiricism rather than to a dialectic argumentation to deduce the named laws.

### The issue and its ideal type procedure

Each theory development and consequently its method start at the beginning. Hereby, Descartes first rule in his ‘discourse on methods’ (1637) was to “never to accept anything for true which I did not clearly know to be such; that is to say, carefully to avoid precipitancy and prejudice, and to comprise nothing more in my judgment than what was presented to my mind so clearly and distinctly as to exclude all ground of doubt. “ (Descartes 1946: 15) In consideration of Marx’s holistic theory social theory of interaction domination, his doubt starts with the exploitation of men by men and the question how this exploitation is hidden by society superstructure. Answer is given by the Fetishism of the Commodity and Its Secret. This is constituted by the development of both the fourth form of value and the exchange process, by which new logic levels must be achieved immanently by the statement’s coherence. (Göhler 1980: 17) This is the congruency with Hegel’s dialectic: Hegel’s dialectic method based on parturition of an idea out of itself. DiaMat as a method that requires compilations that follows exclusively from the development of ‘commodity – money –

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<sup>8</sup> Where objectively adequate, the paper will refer to the first edition severally.

<sup>9</sup> Iosif Vissarionovich Dzhugashvili

capital' on the basis of a structural comprehension of capitalism and result in the estrangement<sup>10</sup> of work hidden by the fetishism of commodity. Required is a deduction of use value<sup>11</sup> (UV) and Exchange Value<sup>12</sup> (EV) to the Exchange Process on the one hand and of all four value forms<sup>13</sup> to the money form on the other. Historic evidence must remain external, just as part of the concretion, not the abstraction, and therefore must not be part of the argument's derivation itself<sup>14</sup>.

In the following, dialectic as a method will be characterized and classified by distinguishing between subjective and objective dialectic.

### Objective and subjective dialectic

Central for the dualism of dialectic is the differentiation between movement apart and movement inherently, here called objective and subjective dialectic. Movement apart or objective dialectic is in approaching substandard assumptions of a >thing<<sup>15</sup> in its dialectic movement and conclusion, which also implied conditionality to other >things< around it. Movement inherently or subjective dialectic is the approach of the approach. This means the application of dialectic based on the laws of logic as a methodological – parentetic approach of itself. According to Bochenski (1962: 87), the research of objective dialectic is the analysis of nature's laws whilst subjective dialectic centers on the laws of thought.

Comparison of objective and subjective dialectic is outlined in four categories by Göhler: (a) Reality's character of commodity<sup>16</sup>, (b) Reality's character of processing<sup>17</sup>, (c) these – antithesis – synthesis<sup>18</sup> and (d) Being and phenomenon like the opposition of the named categories of objective dialectic by their following pendant of subjective dialectic: (a) Advancement of abstractness to concreteness<sup>19</sup>, (b) coherence by transition<sup>20</sup>, (c) dialectical and logical antagonisms<sup>21</sup>, (d) discovery of the (real) being behind the (superficial) appearance<sup>22</sup>. (Göhler 1980: 11) The first named four categories have been used to create the second, which now frame the paradigm, in which the development of the fetishism of commodity must consistently be deduced<sup>23</sup>.

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<sup>10</sup> German: Entfremdung cf. Marx (1976): 558 and Marx (1986): 455

<sup>11</sup> Substance of Value, Magnitude of Value

<sup>12</sup> EV is also sometimes known as just 'Value' in some contexts.

<sup>13</sup> Simple Form of Value, Expanded Form of Value, General Form of Value, Money Form

<sup>14</sup> The dialectic deduction can allude to a historic chronology. Scientific rigor of dialectic only forbids its total accordance.

<sup>15</sup> like Hegel's Absolute Idea

<sup>16</sup> Totality, all-embracing context

<sup>17</sup> movements of its own, historical becoming, lawful development, change in qualitative steps, transformation of quantity into quality and vice versa

<sup>18</sup> Positive and negative elements, antagonism, interpenetration of opposites, dynamic by negation and antagonism

<sup>19</sup> System, circling argumentation, concreteness of illustration, unity of analyze and synthesis, induction and deduction, means science as productivity

<sup>20</sup> Dynamic of term and theory, precise deduction of issues' development, logical and historical elements of illustration

<sup>21</sup> of productive force (Produktivkraft)

<sup>22</sup> science as critic

<sup>23</sup> Over objections in regards to the goal, some may argue that Marx developed the fetishism of commodity in the Capital before discussing the exchange process. As short response ex ante is to say that the proposition of Göhler as well as this paper of a reduction of dialectic bases on the fact, that in his first publication (>A contribution to the critique on political economy<) exchange process and value form deduction has been



## Subjective Dialectic using Marx' example

So, subjective dialectic is the approach of the approach when using DiaMat. In consideration of Göhler's outlined categories of subjective dialectic, we must see – methodologically – even these categories as an application of the dialectic method. This means, when applying dialectic as method of theory building to another issue similar categories in accordance to logic reasoning would have to be developed as well.

In the next two sections, the two deductions will be analyzed in regards to Marx's early and later writing: The first section will concentrate on the exchange process<sup>24</sup> and the deduction of use value (UV) and exchange value (EV). The second section will deal with the money form (MF) deduction. Therein, the transitions within the outlined dialectic deductions will be discussed. Both sections will separately look into the way how the two chosen works of Marx, >A Contribution to the Critique on Political Economy< [further on: >Critique<] and the >Capital, Vol. 1, 2<sup>nd</sup> edition< [further on: >Capital], conduct the dialectical argumentation.

Basically, the 'early' economical writings of Marx like the >Critique< among others (1951, 1970, 1973, 1975) attempted to develop the fetishism of commodity by parallel development of money form (MF) and exchange process (EP). In comparison, the later writings, beginning with the Capital (1976, 1986), Vol. 1, 1<sup>st</sup> edition, tried to develop both the required MF and EP consecutively. In the first edition of the Capital Marx phrased a bridging chapter to connect MF and EP. In the second edition he dropped it, but presented the money form (MF) as only logical result of the analysis of value forms (VFs). (Ibid: 55) This change from parallel to consecutive deduction is called in accordance to Göhler (1980) and also adopted in this title the 'reduction of dialectic by Marx'.

In the following, central differences will be described. The starting point is the distinction between UV and EV. Here, the chicken-egg-dilemma<sup>25</sup> as will be discussed in order to show the unresolved problem of emphatic dialectic in the >Critique<. The problem appears among other problems in the process of EP deduction. Hereby, Marx failed in deducing the EP consistently in a parallel structure of a complete emphatic dialectical frame. In avoidance of the contradiction, which led to the named failure, Marx changed the way that the deduction is conducted and – consequentially – the structure of the argumentation itself. Even then, he started with the EV-UV distinction, but moved the deduction of the EP to the next chapter. Based on an implied formulation of EV-UV distinction, he

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conducted at the same time.

<sup>24</sup> The selection of these three aspects bases on the topical proximity of Hegel and Marx in regards to their *Arbeitswertlehre*. As Göhler wrote, Marx has coquetted with primarily Hegel's theory of the value (1980: 15).

<sup>25</sup> This goes back to Aristotle who wrote that "[i]f there has been a first man he must have been born without father or mother – which is repugnant to nature. For there could not have been a first egg to give a beginning to birds, or there should have been a first bird which gave a beginning to eggs; for a bird comes from an egg." (Fénelon 1825: 202) This refers to the principle law of logic, which forbids proving an argument with its contrary. This means, that causal connection of chicken and egg cannot prove each other right as they require each other for their existence.

deduced the forms of value and realized the fetishism of commodity. After that, he deduced in consideration of the outlined results the exchange process. This procedure in turn gave more space for dialectical criticism in his line of arguments than before. Since almost all have read Marx heritage in terms of its epistemological and theoretical heritage, in non-recognition of his methodological contribution, this topic has been underestimated and negligently ignored. Most of Marx critiques are based on his political assumptions and come from different political viewpoints. More profound critiques are rare. Göhler's critique is an exception. Here, unfortunately, is no space to discuss his conclusion controversially. For a summary and some arguments against Göhler's conclusion see Kaufmann (2003: 29-31). This discussion will concentrate on the methodological arguments, which explain the claim of a 'reduction' in the >Capital<. In the same sequence, problems of the transmission when deducing the four value forms will be outlined in consideration of above named category b). In recognition of category c), the analysis will look for consistency and self-destructive negation of arguments and notion constellations<sup>26</sup>. The exchange process will reveal both the named chicken-egg causal dilemma for consistent deduction of the fetishism of commodity and the logical contradictions when deducing the EP. This category also applies to the analysis of the transmissions. According to category a) and d) one may assume relevance of historical evidence for the deduction of arguments. This must be refused in advance. The classification applies to the movement of dialectical argumentation [a)], to say something about surrounding materialist reality. So, DiaMat theory development must not rely in the deduction of material or concrete arguments, but on the deduction from contradiction as they appear in former construction. Regarding the last classification [d)], the discovery of the fetishism of commodity must be understood in terms of the aim to reveal the overall binding social structure of societies. In fact, Marx aims to give evidence that labor<sup>27</sup> time is the general exchange commodity of social relation. It is not only the source of surplus production, but also the variable to discover the exploitation of men by men. Analysis of the fetishism of commodity is associated with the analysis of the estrangement of work<sup>28</sup>, which is hidden by the fetishism of commodity. Discovery of a being behind the appearance rather describes movement and goal of deduction and is not establishing somehow metaphysical laws of dialectical deduction.

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<sup>26</sup> This must be seen as subjective dialectical adoption of the negation of negation procedure in the thesis-antithesis-synthesis procedure of objective dialectic.

<sup>27</sup> This word is intentionally used, since work means in the context of his terminology something else as will be described below.

<sup>28</sup> This word is intentionally used, since labor means in the context of his terminology something else as will be described below.

## Exchange Structure: The deduction of the exchange process

As mentioned, the distinction between the two values as part of one and the same commodity is the starting point of both argumentation 'versions' (>Critique< and >Capital<). Differences are the logic status of the UV-EV distinction within the argumentation. Whereas the >Critique< inherently includes the distinction when deducing the EP, the >Capital< splits distinction and EP deduction into two completely separated parts. The separation doesn't only appear in difference of >Capital<'s structure but also in application of DiaMat method, so subjective dialectic itself.

The exchange process describes the process of commodity exchange, in which the commodity changes its value from UV to EV of one owner and EV to UV (in this order!) of the owner of the second commodity. Since this applies for both commodities (as it applied to both owners), the deduction of the exchange process (EP) must be performed in accordance to the outlined frame (cf. p. 7). In totality, generality of exchange processes is expressed by the term of exchange structure (ES).

### >Critique<

Marx starts the development with the antagonism of exchange value (EV) and use value (UV), pointing out the two characteristics of each one commodity (1986: 100; 1976: 180). Each of these characteristics is split into two aspects. The first aspect is the doubling of all commodities into EV and UV. The second aspect is the double character of manpower<sup>29</sup>. This is distinguishable into a concrete-adjutant part called 'labor' and an abstract-universal called 'work'. The former part (labor) is connected to the EV whilst the latter (work) links to UV. EV becomes evident as a societal production's proportion<sup>30</sup>. This identifies EV as a quantitative (adjutant-concrete) proportion of use values. Hence, it is the crystallizing of manpower and appears as a societal substance. The UV on the other hand is the qualitative (abstract-universal) identification; different manpower's proportions are referred to each other as equal, arranged by the EV. Even though required to demonstrate the dialectical and logical antagonisms [c)], the doubling leads to the first contradiction problem. The deduction problem bases on the requirements of emphatic dialectic<sup>31</sup>: The identification of commodity divided in UV and EV does not include a contradiction's formulation within. Considering the double doubling, another problem is added to the existing: The dual

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<sup>29</sup> This notion is chosen in order to not confuse the argumentation with the two distinguishing terms of 'labor' and 'work'. Consequentially, 'manpower' means in this context the joint definition of 'work' and 'labor'.

<sup>30</sup> Gesellschaftliches Produktionsverhältnis

<sup>31</sup> The emphatic dialectic defines as an assumption that an identification leads to its next, thus to a contradiction and therefore to movement. (Göhler 1980: 49)

identification of the EV as quantitative and the UV as qualitative doesn't constitute self-destructive antagonisms (Göhler 1980: 51) by itself but would make a differentiated analysis necessary (ibid: 50). Even without the second doubling, and taking UV and EV as to contradictive sides of the same coin, the contradiction does not appear from its original form automatically as it should in order to move on. In consideration of the second doubling, the mentioned negation [category c)] in terms of a resolution in the process of EP deduction doesn't become evident and is not the result of Marx's examination. Possible linkages to historical forecasts of a possible resolution of this contradiction in terms of manpower-capital antagonism by communist revolution cannot help for the DiaMat method to fulfill the requirement, as Marx's approach is to deduce the forms of value and the exchange process parallel. Therefore neither one nor the other deduction can rely on the result of the other but must be fully deduced by its own in a consistent manner. As Göhler points out, Marx developed commodity, money and exchange process continuously on the level of the exchange process (Ibid: 54). In consequence, UV and EV are part of the exchange process. As said, this is the process, in which two commodity owners are exchanging (or willing to exchange) two commodities. Herein, each commodity changes the value in the process of exchange to the extent that the EV of the commodity of one owner becomes the UV of the other owner. The same vice versa happens to the other commodity at the same time when the exchange takes place. To the named two contradictions comes now a third one: UV and EV are requiring each other in the procedure of exchange. This applies in a double meaning. First, one commodity must be expressed vice versa by UV and EV in itself and second, it must be expressed by both UV and EV of the commodity with which it is exchanged at the same time. Therefore, and opposite to the stated requirement of emphatic dialectic, the deduction of the UV-EV distinction doesn't base on the identification of UV and EV notions, but UV and EV accounts for each other. This means that both require the exchange process (EP) to be realized (Ibid: 58), even if the EP should be the result of UV and EV. The explicative contradiction problem is followed by a logical<sup>32</sup> one: The EP aims to equate commodities for quantitative purposes (EV), but also aims to differentiate the same commodities qualitatively (UV) at the same time. (Ibid: 59) Logical incoherence appears even the relationship of EV and UV in regards to the commodity owners is consistent. (cf. Ibid: 60-62) Concluding, it must be stated that deduction of ES fails due to its explicative contradictions. Requirements as announced the emphatic dialectic as a method therefore aren't matched. Instead of an implication, the initial identification just indexes the contradictive formulation.

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<sup>32</sup> This law of logic defines that a condition cannot be bound to its contrary.

## >Capital<

In the >Capital<, Marx didn't use the explicative function of contradictions for the deduction. Thereby he avoids the problem of contradiction as it has appeared in the >Critique<. Instead, he just gives a prefixed distinction of UV and EV without addressing the EP issue there. From there he starts with the simple form of value (form I), also called the cell form or – Hegelian – the In-Itself of money. In the following Marx deduces the forms of value to the money form (form IV) consistently.

The Exchange Process (EP) is developed after finishing the development of the forms of value. Principally, the exchange of commodity is deduced in the Capital without phrasing antagonisms (Ibid: 65). The mentioned doubling of commodities in exchange value (EV) and use value (UV) is understood as an >interior doubling< whilst the splitting up of commodities in the exchange process is conceived and classified as >outer doubling<. Due to the argumentative parting, the descriptive contradiction remains, but doesn't become obvious.

The true character of the relation can be revealed when looking at the implicitly expressed exchange structure of use value of commodity a ('UVa') becomes ('-') exchange value of commodity a (EVa) and is realized ('=>') in the UV of commodity b ('UVb'):

$$UVa - EVa - UVb$$

The descriptive contradiction is the excepted qualitative difference of UVa and UVb.<sup>33</sup> On the other side they are in a societal proportion, which means that they are both based on labor and qualitatively equal. This circumstance also suggests a logic contradiction. (Ibid: 68)

Another structure-theoretical problem appears in the logical status of the contradiction's reproduction. Since emphatic dialectic would require a necessarily argumentative and dialectical deduction of appeared contradictions, the parallel realization of the contradiction's deduction of value form and exchange structure (ES) as base of a restructuring argumentation had to be acquired again. Therefore, the splitting could help making descriptive contradictions invisible, but could not resolve the contradictions themselves.

## Conclusion

The absolute problem in both >Critique< and >Capital< can be found in the deduction of ES and money form (MF). As general structure, the fetishism of commodity requires both parts to be

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<sup>33</sup> The reduction (because not phrasing) of antagonism applies non-constraining just because the value form is not reflexive, symmetric and transitive. The explicative function of the contradiction is reversed. (Ibid: 69)

complete, as Marx has assumed at the beginning in the >Critique<. The deduction of money is consistently conducted by the forms of value in >Critique< and >Capital< (see below), but the exchange structure (UV-EV-UV) is mainly generated by the developed EP. Herein, the problem appears in both ‘versions’, better hidden in the >Capital< as there emphatic dialectic was replaced by descriptive contradiction formulation. Even if the results of the value forms and ES deduction are logically consistent in itself, problems appear just by bringing them together. Any combination reveals a logical problem of descriptive contradiction due to the reciprocal conditionality. (Ibid: 83)

#### Commodity and money: The deduction of the money form

Marx initiates the deduction of the four value forms by sensual manifestation of the capitalistic commodity’s production. As Göhler stresses, the structure of value form deduction is similar in >Critique< and >Capital< (1980: 88-89). Based on structure theory [Strukturtheorie], explications are congruent. Marx uses commodity, use value (UV), exchange value (EV) and value as root-equitably [Grundgleiches]. (Göhler 1980: 45) Therefore, no distinction between the two publications is necessary in regards to the initial assumption.

For analysis purposes, three archetypes, which were used by Marx in order to deduce the VFs to the money form, must be referred to. Three dialectical approaches can be distinguished:

- (a) dynamic explication
- (b) reconstruction of facts
- (c) reconstruction of expanded and differential structures off essential ones<sup>34</sup>

Above differentiation is crucial to the following investigation. The dialectic character of the deduction must become obvious within the process of genesis, negation (self-destruction), and transitions to the next value form (VF), where the negation of the negation appears.

#### The transitions from simple form of value to the money form

In the first place, the transitions’ analysis deals with the question, how transitions from first to second, from second to third, and from third to the last form of value have been deduced dialectically. A separate examination of the transitions in the >Critique< is not necessary, since the deduction problem, in particular to the money form, appears in its parallel development with the exchange process in terms of the chicken-egg dilemma (see above). Nevertheless, the transitions

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<sup>34</sup> Logical problems of antagonism must not pose either the sequence of single structures in itself or the dichotomy of its elements.

exist, but the weight of the argumentation is far lower in the >Critique< since arguments can also always rely on the achieved deduction level of the EP. In the >Capital<, on the contrary, the entire deduction of the fetishism of commodity bases on the deduction of the VFs. As stated by Marx in chapter 1.4 of the >Capital<, the EP requires the MF (form IV) to be properly deduced and to establish the Fetishism of the Commodity (Marx 1976: 163).

*Transition of form I to form II*

Form I does not differ basically from form II. The simple form of value (form I) contains

$$x \text{ commodity a} = y \text{ commodity b}$$

and is just extended to relative form of value (form II):

$$x \text{ commodity a} = y \text{ commodity b form} = z \text{ commodity c etc.}$$

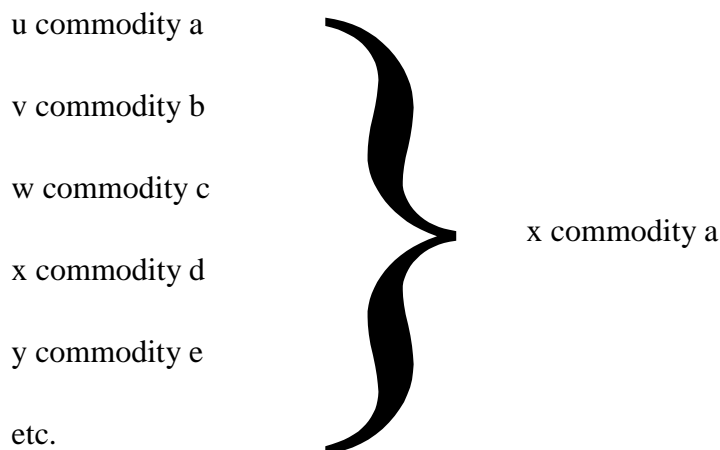
This extension describes just an all-sided circulation of commodities and of reciprocal exchangeable things. From dialectical viewpoint, the antagonism of a commodity, which is both equal and different to another commodity, is not resolved. In default of exposure the descriptive antagonism does not become obvious.

*Transition of form II to form III*

Form III constitutes an inversion of the value form structure. The relative value form (form II) of

$$x \text{ commodity a} = y \text{ commodity b form} = z \text{ commodity c etc.}$$

is inverted to the general value form (form III):



Further concretion is achieved by replacing also the variables by >real< commodities such as ‘20 yards of linen’ as general equivalent (GE) [Allgemeines Austauschäquivalent], which is opposed by the sum of all other commodities.

The converse and carry back from second to third VF couches a new qualitative level in the development of the forms of value. This new level is the decisive structure in the deduction of the VFs (Göhler 1980: 131). Comparison of the commodity equivalent and lots of commodities in a relative form can show the comparability of different commodities. Hereby, the common societal character as spent and palpable embodiment of manpower becomes obvious. The comparability results from the concept of value without being the concept itself.

Deducing the exchange structure (ES) this way resolves a basic problem of dialectic development of the form of value and the ES. Göhler, on the other side, shows that the ES accrues only when inverting the concept of values. Regarding the circulation of the commodities' exchange, deduction of C-C to C-M-C<sup>35</sup> accrues only after the above named double inversion (1980: 133). Furthermore, open questions are, inasmuch the deduction from expanded (II) to general value (III) form has reached the possible limits of inversion. This means, it is an unproven assumption that further inversion of value form III cannot provide a more of concretion or a resolution to the descriptive contradiction. Another open question is, whether the deduction of the GE can be constituted as an all-embracing relationship of commodities. The difficulties in the process of GE constitution are in its functionality as sum of all commodities and all excluding commodities and set of all commodities (Ibid: 96). Further unanswered questions are in the combination of ES and VF, which will be discussed in the next chapter in detail. The combination and its inversion are consistently not educible due to an unproven one-sided loading on the use value (UV) instead of an equally loaded emphasis on both UV and exchange value (EV). Consequentially, the basic structure of Expanded and Simple value form did not change, since the structure expressed as C-M or C-M-M-C is also consistently not educible. (Ibid: 136)

However, the central characteristic, the becoming of the concrete in this transition, becomes evident. The value concept of single commodities is not arbitrary or randomly after the deduction of form III. Therefore, the general form is common to all commodities and >real< in consequence.

#### *Transition of form III to form IV*

As outlined, form III constitutes in concretion an inverted form to express the GE. The concretion is realized by replacing x commodity a by '20 yards of linen' of the general form:

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<sup>35</sup> Commodity – Commodity to Commodity – Money – Commodity



1 coat	}	'20 yards of linen'
10 lbs. of tea		
40 lbs. of coffee		
1 quarter of corn		
2 ounces of gold		
x Commodity a, etc.		

to its final structure, the money form (MF) or value form IV:

1 coat	}	'2 ounces of gold'
10 lbs. of tea		
1 quarter of corn		
40 lbs. of coffee		
20 yards of linen		
x Commodity a, etc.		

The mentioned result of a consequentially >real< form of value form III becomes obvious when looking at the transition to the forth VF, the money form (MF). In terms of DiaMat deduction, there is no transition at all. The general equivalent of '20 yards of linen' is replaced by the GE of '2 ounces of gold', argued in further concretion as '£ 2' as GE, but not by further deduction. Evidence is provided by historical-empirical identification and not – as required – by inherent antagonisms of the defined General value form. It is a historical fact that money as general currency was established and became the General Equivalent (GE) in replacing all other possible and existing (gold, gems etc.) exchange commodities. This is methodologically the only evidence, which constitutes the transition from form value III to the money form. Even though historical-empirically verifiable in terms of an ontological development<sup>36</sup>, a dialectical deduction is neither source (negation) nor product (negation of the negation) of the procedure. Furthermore, the MF cannot reveal a new identification of the reality. So, besides a failure of DiaMat deduction, even a more of concretion [cf. category a) above] in the dialectical development is missing. In conclusion, value

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<sup>36</sup> This is true in terms of a logically expatiated definition.

form IV is a logic consequence of historical facts and therefore undeniable. In terms of logical coherence in the deduction of new dialectical quality, it cannot provide anything new and must therefore be seen as a *causa ex ante*. More concretion must lead to the MF as required step to the fetishism of commodities, but must appear as logical result of the foregone value forms.

#### Chicken-Egg dilemma: Money and the Process of Exchange

The money form (MF) finally provides the money concept. When looking at the resulted concept in comparison to the exchange process (EP), another contradiction becomes evident. Generally, the two inherent values of commodities are forced into equalization. Hereby, one commodity is quantitatively the same in terms of an equivalent amount of productive labor that was spent to create it (EV). On the other hand, the same commodity is differentiated qualitatively by its use value (UV). This non-coherent linkage appeared already as logical contradiction. Here, two possible ways out exist: First, money must be deduced from EP as obvious solution. So, it must be deduced as conclusion from former contradictions by resolving the named logical contradiction. Second option would be to avoid the contradiction of the EP. Then DiaMat methodological deduction had to demonstrate that the money concept can be logically achieved without the exchange structure (ES).

#### >Critique<

As mentioned above, in the >Critique< the most obvious attempt is undertaken: Money is developed on the basis of the EP. The problem appears in its functionality as being always EV and never UV. This formal problem had to be resolved in order to create consistent parallel deduction of money with reference to the EP. Marx gives the EV a bigger weight in regards to the reflection possibility within the exchange relationship (Göhler 1980: 90). Without the pre-prove, which shows that such an one-sidedness in aid of the UV cannot show further cognition, the EV emphasis cannot satisfy. Here, this asymmetry is objectively necessary concerning the money concept, since the one-sided UV loading disables another deduction than money (Ibid: 100). In accordance to formal rigor [wissenschaftliche Strenge] this argument cannot be convincing.

#### Capital

Opposite to the >Critique<, the >Capital< argues on an *ex ante* stated differentiation of values (UV and EV). Methodologically, the deduction of the all four value forms (VFs) is separated from this differentiation. The differentiation is just suggested to initiate the VF deduction. Consequentially, the realization of the exchange structure (ES) bases only on the deduction of the money form (MF).

The then existing ES enables the proper deduction of EV and UV, even one sided as said. This approach leads to inconsequence in the deduction of the EP (Göhler 1980: 105) as contradictions in the >Critique< are not resolved but softened and bypassed. Marx avoids the definition of contradiction in explicative function and specifies the contradiction definition until the historical level becomes obvious. On the then reached historical level (still) existing antagonisms are possible, but irrelevant (Ibid: 118).

### Conclusion

As could be shown, the problematic historical level in >Capital< joins and turns the deduction to an argumentation due to the impossibility to deduce the EP in a consistent manner. This leads perforce to a reduction of dialectic. As Göhler argues further, this can also be seen as a departure from Hegel's dialectical frame (Ibid: 123), even though the gradual VFs' deduction reveals a rudimentary character of dialectical explication. At this point in time, the line between the 'early' and 'later' Marx must be drawn.

### Concluding conclusion

The principle research question can now be answered. The extent to which DiaMat as a method is applicable or developable is complex. The distinction between subjective and objective dialectic as introduced by Göhler (1980: 11; cf. p. 7 in this text) is not just factually correct, but necessary to establish an application of dialectic as a method of theory building. The reduction of dialectic by Marx can be concluded as follows.

### Critique

Marx fails in the >Critique< to develop MF and EP simultaneously, since the initial identification just admittedly indexed the antagonistic formulation what it had to imply. Evidence for the problem could be found in the transition from value form (VF) II to VF III. This transition is handled in the >Critique< as one step. Inter alia, it cannot be proven dialectically, why it is the general equivalent (GE), which is emanated from this identification. Marx constitutes the GE in the development of the exchange value (EV) identification, but not in the pulling together of the two value concepts. (Göhler 1980: 92) So, here the one-sided loading towards EV remains as open question, which he wasn't able to resolve.

### Capital

As said, this circumstance is more pressing in the >Capital<. The consecutive argumentation avoids

contradiction at the first look, but reveals more pressing concerns regarding non-consistency of VF deduction, in particular form III and – most of all – form IV. Besides the transmission problem of the former form, it is still open whether the deduction of form III could be conducted stringently. For the sake of clarity, ‘development’ instead ‘deduction’ will be used to describe, how final structure is achieved in the >Capital<. Since Marx distinguishes by two parts when developing first the forms of value and then the exchange process (EP). The problem is that already consistent development of VFs creates problems due to unresolved contradictions. If the rules of scientific rigor have been sufficiently considered in the process of extension from form I to form II, and the inversion from form II to form III without testing the opposite issue<sup>37</sup>, is arguable. The money form (MF) finally breaks the whole argumentation archetype. The transition is neither an expansion nor an inversion but just a logical not constituted redefinition based upon historical facts. Therefore, at this point, DiaMat as a method cannot be found in the principles which should reason the deduction. Even more, DiaMat regularities aside, logical coherence considerations are waved at this point and leave the last form out of any context, methodologically. In conclusion, the argumentative coherence of both form III and MF is structural-analytically whilst they are in form and content of the argumentation are historical. The value forms’ asymmetry reveals evidence that commodities cannot oppose each other reciprocally, but only one-lined. Therefore, the exchange process (EP) in its final structure must be adopted in the argumentation in order to deduce the money form (MF). Prior deduction of EP however is not possible, since identification of UV-EV conception would require leastwise the Simple form of value (x commodity a = y commodity b). Prevention by deduction of both EP and MF at the same time, refers to the dilemma in the >Critique< (see below).

### Final remarks

In regards to the analyzed transitions three archetypes of used methods in Marx’ argumentation can be allocated as followed: (1) The >Critique< applies exclusively the emphatic dialectic. In the >Capital< two archetypes are used: (2) A reduced dialectic is applied to develop the form I to IV of commodity whilst (3) the EP using dialectic as a ‘specific scientific coherency of explanatory statement’ (Göhler 1980: 125). All transitions are attributes of DiaMat deduction. They give evidence of explication and the reduction of dialectic. The deduction of the money form (MF) is the reconstruction of the commodity-money relationship, reduced to the simple value form and proving the coherency by incremental addition of relevant aspects. This expresses the character of Marx’s dialectical deduction. At the end, final remarks to Göhler’s primary determination for the

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<sup>37</sup> Inversion of the Simple form of value, expansion of the Expanded form

explication of contradictions. Here shall be referred to announced critiques of the past of Göhler's determined UV – EV relationship (1980: 68), expressed by

$$UVa - EVa - UVb.$$

(cf. p. 12) Göhler argued, that the “Umkehrung zwar möglich [wäre], aber dann auch für die relative Wertform, und das wird von Marx für die einfache Wertform ausdrücklich abgelehnt (K 765 f; K 63 f)“ [inversion would be possible, but only if also applied to the relative value form, and this is refused by Marx in regards to the simple value form expressively] (1980: 64). The critique argued that possible determination without contradiction, expressed by

$$UVa - EVa - EVb - UVb,$$

must be inquired (Kaufmann 2003: 30-31). Furthermore, one might argue that mentioned imbalance in favor of EV might be reduced by this change in condition. In terms of logic, commodity is even more realized in the exchange value of commodity b (EVb) than it is realized in the use value of commodity b (UVb). Certainly, even if true, this would not resolve all problems which have appeared in the deduction process, but would be a possible starting point to continue within the frame of Marx's theory frame. His provision of a holistic theory for social sciences, which can (opposite to Luhmann's system theory(1998)) be falsified and must therefore be identified as ‘good theory’ in terms of Grounded Theory (Glaser/Strauss 1973), would make it a very useful task to continue the debate. As Göhler considers, value form and exchange structure are both, taken by itself, logically compatible. Only when measured, a descriptive contradiction emerges due to their reciprocal conditionality. (1980: 83)

For method discourses, Göhler's examination must be seen as very useful structure. Problems and weaknesses in theory building can be named when applying his outlined translation of objective dialectic criteria to subjective dialectic. Nonetheless, DiaMat method must be seen at its beginnings. For methodological debates in terms of method development it opens a new field for fruitful debates. As application in consideration of ‘good theory’ building, DiaMat as method can be a useful tool, not just used independently, but also in combination to other theory building means.

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## Abbreviations

EP	exchange process
ES	exchange structure
EV	exchange value
EVa	exchange value of commodity a
EVb	exchange value of commodity b
GE	general equivalent
MF	money form
UV	use value
UVa	use value of commodity a
UVb	use value of commodity b
VF	value form