

Toward a Materialist Theory of Knowledge in Economics

1. Introduction

Can we legitimately refer to a field within Marxian scholarship that might properly be called a materialist theory of knowledge? And if so, what would be its theoretical status and significance for Marxian social theory, and for a critical theory of economy and society in general? This paper answers the first question in the affirmative and aims to show that Marx's conception of our knowledge of social reality provides an epistemological and theoretical framework that constitutes a well-articulated alternative to mainstream social theorizing, including economics. In two important aspects, we argue, Marx's understanding of the problem of knowledge is distinguished from the positivist outlook which characterizes for us the epistemological foundation of mainstream social theory. The first one concerns what Marx calls the appropriation of reality in thought: Social theorizing for Marx entails a historical reflection/projection of social reality in thought through a particular (materialist) method of conceptualization. The second one is the dialectical relation between theory and practice; in other words, we maintain that social theorizing for Marx is not independent from the activity of the human being to change social reality, i.e. his/her social existence, toward freedom and emancipation. This paper is devoted to

the analysis of the first aspect; it deals with the elements of the materialist matrix, as it were, to project social reality in thought in order to arrive at a critical and historical domination of it. (The problem of practice, which constitutes a full discussion in itself, could be analyzed we believe only after the first problem has been analyzed.) In what follows, we shall therefore scrutinize in detail Marx's historical reflection/construction of reality in thought and argue that it is specifically the processes of conceptualization, the construction of theoretical concepts, that differentiates Marx's understanding of our knowledge of things from that of mainstream social theory. In particular, we shall argue that it is in Marx's critique of political economy that one can find the main element of a materialist theory of knowledge which Marx never developed in a systematic way. We shall then proceed to demonstrate how the three elements of "Marx's method", namely real abstraction, reification and the concrete in thought could be analyzed in their unity within the general problematic of a materialist theory of knowledge.

Some further questions need to be answered, perhaps, before we proceed to our theoretical discussion. Leaning upon what legitimacy do we embark upon such a journey the importance of which may not be obvious at the first sight? Why do we, in other words, create a problematic out of thin air, as it were, that pertains to "concepts in themselves" and to their significance in the conception of social reality in thought? The answer to such concerns is to be found in our willingness through this essay to re-think what "theorizing" consists in. For those who are inclined to think of theorizing as an "objective" discourse on explanation only, this study, I admit, may not possess a great significance, since for them the concepts of scientific practice should not be different from those of ordinary language so as to merit a separate analysis. If, however, we are willing to re-cast theorizing, as an activity of human intellect, by interrogating what kind of significance it may have for a "critical discourse" about social reality, concepts acquire their proper place in this analysis, in this understanding of "theory as critique".

But what do we mean by "critical discourse" on social reality? Is, after all, scientific thinking not distinguished from other modes of human intellect in its claim to objectivity, in its adherence to such dichotomies as that between normative and positive judgments? Don't we all believe, to put it rhetorically, that what makes scientific practice "the human intellect par excellence" is its commitment to speak the truth, and the truth only? We are willing here to bring under critical scrutiny the affirmative answer to these questions that suggests itself to the modern mind in its first and immediate reflection on the problem.. The issue here concerns, to put it more

succinctly, our contention that mainstream social sciences today operate, under the guise of objectivity, upon a theoretical terrain where objects of scientific inquiry are represented as being devoid of historicity. In the discourse of mainstream social sciences, that is to say, social phenomena take on a naturalness as if they were not current manifestations of certain historical processes. What is called “impartiality and objectivity” of the social theorist are celebrated there as the *quo non sin* of scientific analysis without further consideration of how taking objects as they exist in their current manifestations may surreptitiously transform in discourse what is historical into that which appears natural, that which appears to have existed and will continue to exist without any regard to the flow of history.

This may not cause any trouble to the theorist who contends herself with establishing certain regularities in her area of investigation, and with providing theoretical expressions to these regularities. If we take this to be what scientific analysis consist in, our problematic loses its importance and validity as mentioned before. But, in re-thinking what theorizing consists in, we would like to look upon it as a *practice*, as an activity of human being in the realm of intellect, that constitutes, together with all various kinds of human activity, the mechanism of changing social reality.¹ So, historical conception of social reality in theoretical practice, i.e. the materialist theory of knowledge proper, acquires its significance in this understanding of theorizing as an activity of human intellect that plays its part in bringing about social change within an ontology of struggle. For those of us who can imagine the prospects of progressive change in our social existence, our problematic should mean more than a study in the methodology of social sciences, and of economics in particular. It should also be looked upon as an attempt to conceive of scientific analysis as a practice, as a human activity, to critically appropriate social reality in thought so as to create the prospects of social change.

I would like to conclude the introduction by relating the preceding discussion specifically to economics. In so far as the problem outlined above bears upon economic theory, we can say that the main motivation behind this study, if one is allowed to name it such, is our assertion that mainstream economic theory is an *ahistorical* discourse on economy. I should guard here against a possible misunderstanding, however. When we say mainstream economics is non-historical, we do not wish to convey the idea that it does not study history or relate, in some way or other, the

¹ “The philosophers have only *interpreted* the world in various ways; the point, however, is to *change* it.” (Karl Marx, 11. Thesis on Feuerbach, emphasis original).

phenomena of its investigation to their historical development.² What we rather want to argue is that concepts and categories of mainstream economic thought lack historicity. They are defined and established at such a level of abstraction that mainstream economics fails to capture its objects of analysis in their historical existence. It should also be pointed out that the problem here does not concern abstraction per se, but a particular use thereof that strips concepts of their historicity. But what is actually at stake here? What is the theoretical, or perhaps social, implication of the *ahistorical* constitution of concepts in mainstream economics that we aim to criticize here? The problem, in its most general form, concerns turning into a natural and universal determination, through a certain use of abstraction, what is historical; what is, in other words, a result of the historical development of the social existence of the human being. This is what characterizes mainstream economics for us in this study, a particular discourse on economy that conceives of its object of analysis as lying beyond history, and as having an independent existence from history in the Platonic world of universals.

2. Marx's Critique of Political Economy

We have a historical statement in front of us, a statement which, in its “sub-existence”, merits a detailed discussion and a serious confrontation: Marx sub-titled *Capital*, his magnum opus, as “The Critique of Political Economy”. Now, even if we take this statement at its face value; even if we reflect upon it as it is, without any further elaboration, it provides us with some preliminary insights into *Capital* and Marx's other studies in economic theory. In his work on economics, Marx not only undertakes a theoretical analysis of capitalist society, but also presents, in a form which is embedded in this theoretical analysis itself, a critique of political economy, the mainstream economics of the 19th century. In this critique we find one of the most explicit moments of the materialist theory of knowledge in its practical state; a moment that we would like to develop here into a mature form.

Let us start then by taking the simplest approach and ask, What does this critique consist in? What is it that Marx finds in the main corpus of political economy that calls for a serious critique? At its citadel, we argue, Marx's critique of political economy is leveled against the *ahistoricity* of the theoretical categories of political economy; it targets their inability to capture

² This would indeed be an unfair judgment, as there exists a significant amount of work that applies “the method” of analysis of mainstream economics to history and to historical development of social institutions. The critique of this method lies beyond the subject matter of this essay.

capitalist economy and social relations comprising it as a historical reality. Political economy used, and current mainstream economics uses for that matter, generic and universal concepts to create an economy in thought that lies beyond history, that has an illusory existence in the realm of thought without any critical domination and appropriation of the historical “real life-process” of human being in the realm of economy (Marx and Engels 1998). Labor stands there, for instance, as the universal productive activity of human being in general; capital as the totality of instruments of labor, a totality of things, devoid of any historical determinations.³ The fundamental economic categories and the theoretical problems they establish, in other words, manifest themselves in the discourse of mainstream economics as *ahistorical* entities of the realm of thought. Consequently, theoretical problems, which arise in reality, in the economic sphere of human existence, appear as problems of pure thinking, as problems of logic only. A materialist theoretical reflection on economy, on the other hand, aims to capture this realm and its theoretical problems historically by beginning from the productive activity of human being in its historical existence. In this particular approach to theorizing social reality, the labor process, as Marx calls it in *Capital*, is looked upon as taking on historical forms in its relation to the historical development of the forces of production. Moreover, this material labor process does not take place upon an abstract terrain, similar to that we find in analytic geometry. It rather exists within a particular set of social relations, the relations of production. So, in producing her livelihood, her natural existence, through historical productive activity, human being also produces her social existence, the relations of production.⁴

Now, and this is the one of the most salient points for our main problematic in this essay, “the economic categories are only theoretical expressions, the abstractions, of the social relations of production. ... these categories are not more eternal than the relations which they express.

³ ‘The folly of identifying a specific *social relationship of production* with the thing-like [*dingliche*] qualities of certain articles simply because it represents itself in terms of certain articles is what strikes us most forcibly whenever we open any textbook on economics and see on the first page how the elements of the process of production, reduced to their basic form, turn out to be land, *capital* and labor.’ (Marx 1990, p. 998, emphasis original)

⁴ ‘This mode of production must not be considered simply as being the reproduction of the physical existence of the individuals. Rather it is a definite form of activity of these individuals, a definite form of expressing their life, a definite *mode of life* on their part.’ (Marx and Engels 1998, p. 37, emphasis original). On the theme of the relations of production, Marx observes: “Capital is not a *thing*, any more than money is a *thing*. In capital, as in money, certain *specific social relations of production between people* appear as *relations of things to people*, or else certain social relations appear as the *natural properties of things in society*.” (Marx 1990, p. 1005, emphasis original).

They are *historical and transitory products*.” (Marx 1995, p. 119, emphasis original). Political economy in the 19th century and current mainstream economics, however, conceptualize economic phenomena as they appear on the surface without reflecting upon the historical social relations on which they rest. Hence, the historicity of economic categories eludes mainstream economic thought; and consequently, mainstream economic theory constitutes itself as a non-historical discourse on economy by operating upon a conceptual terrain of *ahistorical* abstractions. However, “These abstractions in themselves, divorced from real history, have no value whatsoever.” (Marx and Engels 1998, p. 43). In its Platonist approach, in its idealist existence, mainstream economics have constructed an economy in thought whose problems are none of those of human being as she exists in reality, as we find her in the activity of producing her livelihood within certain historical social relations.

Marx himself, as the quotations above suggest, is quite explicit on the problem he sees with the construction and use of theoretical concepts in political economy. What needs a closer scrutiny, a re-construction, at this point is the relation that Marx’s critique of political economy has with his intellectual development in the field of philosophical inquiry. How is his critique of Hegel and German Idealism, expounded in detail especially in his youthful writings, related to the critique of political economy as Marx developed it in his mature works? It is not within the boundaries of this study to bring under critical inquiry the status of the early writings in Marx’s entire oeuvre; to explicate the relation in which they stand to his mature work. We shall confine our discussion therefore to a particular theme: What is the significance of Marx’s critique of Hegel in his youthful work for his later formulation of the critique of political economy? This is the question that manifests itself as of utmost importance in so far as we are concerned here to present the main constituents of a materialist theory of knowledge in their synthetic unity. I shall start by briefly explicating the salient points of Marx’s critique of Hegel; not because this critique has not been seriously analyzed before, but because its discussion is needed for the coherence of our analysis here. Needless to say, we shall take up this critique to the extent that it bears upon our main problem in this essay.

One of the principle elements of the Hegelian system of philosophy is its conception of the sensuous reality as the realization of “the Idea” in its own dialectical development. The sensuous reality out there, in other words, is nothing but a totality of realized moments of the historical and dialectical movement of the Idea. To formulate this principle in a simpler way, one

can say that Hegel starts with “the abstract”, with its existence in the realm of thought, and arrives at the reality, at the concrete, as the incarnation of the abstract. Reality then becomes a predicate of the Idea which appears as the real subject. In Marx’s *Critique of Hegel’s Doctrine of State*, published in 1843, we already find a well-elaborated critique of this principle of Hegelian philosophy, centered around the critique of Hegel’s conception of state:

The idea is subjectivized and the *real* relationship of the family and civil society to the state is conceived as their *inner, imaginary* activity. The family and civil society are the preconditions of the state; they are the true agents; but in speculative philosophy it is the reverse. When the idea is subjectivized the real subjects – civil society, the family, ‘circumstances, caprice etc.’ – are all transformed into *unreal*, objective moments of the Idea referring to different things.

(Marx 1992, p. 62, emphasis original)

What is at stake here is the problem of “real subjectivity”. And the famous debate about Marx’s inversion of Hegelian dialectics could be approached in this perspective. As the real subject of history, Hegel takes the Idea in its pure existence in the realm thought. It is the internal development of the Idea, its self-movement, that imparts actuality and historicity to the sensuous reality. Universal idea then becomes the real subject; sensuous reality, on the other hand, establishes itself as a particular moment, as a predicate, of the Idea: “He [Hegel] has converted into a product, a predicate of the Idea, what was properly its subject.” (Marx 1992, p. 69)

In the *Economic and Philosophical Manuscripts*, this problem continues to hold a prominent place; only this time within the general problematic of estrangement:

When, for example, Hegel conceives of wealth, the power of state, etc., as entities estranged from the being of man, he conceives them only in their thought form . . . They are entities of thought, and therefore simply an estrangement of *pure*, i.e. abstract, philosophical thought. (Marx 1992, p. 384, emphasis original)

For Hegel then, the estrangement of human being takes place in the realm of thought. It is the Idea in its self-movement that accounts for the history of estrangement and gives rise to alienation in the realm of abstract. Hegel acknowledges the estrangement of human being in its various manifestations; however, in providing an explanation to it, he confines its origin to the sphere of thought. Once again, we encounter the problem of real subjectivity here. Hegel’s philosophy, according to Marx, fails to capture the movement of *real* history, i.e. the history as

produced and experienced by human being in the production and re-production of her natural and social life:

Hegel has merely discovered the *abstract, logical, speculative* expression of the movement of history. This movement of history is not yet *real* history of man as a given subject (Marx 1992, p. 382, emphasis original)

In his various confrontations with the Hegelian philosophy, Marx consistently returns to this theme; he tenaciously criticizes this “speculative expression of the movement of history” he finds there, and argues in favor of an inversion, that which would place the human being in her real life-process – human being as the laboring subject – onto the center stage of history.

As mentioned earlier, Marx’s critique of Hegel, the very problematic of inversion, is important for us in so far as it paves the way to a discussion on the critique of political economy. From this perspective, the critique of Hegel amounts to a critique of the use of theoretical concepts, a critique of the mode of their construction and deployment in speculative philosophy. For Marx, the problem with the Hegelian philosophy lies in its attempt to explain historical social reality by beginning from abstract determinations which are devoid of historicity. And the problem with political economy, as Marx argues explicitly in *The Poverty of Philosophy*, is of the same nature.

Of Marx’s studies on philosophy and economic theory, *The Poverty of Philosophy* figures out as the key text for any analysis of Marx’s critique of political economy and its relation to the earlier critique of Hegelian philosophy. It is in this text, written polemically against Proudhon’s *The Philosophy of Poverty*, that we find Marx engaged in an explicit attempt to build a critique of the use and deployment of theoretical concepts in political economy. In formulating his critique, Marx in particular asserts that political economy partakes of the nature of speculative philosophy by beginning its analysis from abstract, *ahistorical* concepts. If we read this text from this perspective, therefore; if we find in it something more than merely a polemical argument, it reveals in all its glamour its importance for our main problem in this study.

In Chapter 2, entitled “The Metaphysics of Political Economy, Marx sets out to outline the main elements of his critique, arguing for “the poverty” of political economy in the sense of its inability to capture economic reality as a historical entity comprised by social relations:

The economists explain to us how production is carried on in the relation given, but what they do not explain is how these relations are produced, that is to say the historical movement which has created them. (Marx 1995, p. 114)

The inability of the economists to explain social relations of production lies in the mode in which they construct and employ theoretical concepts. Political economy uses abstract categories that have universal validity; therefore, it faces the impossibility to represent the economy in thought as a historical entity. The object of analysis of political economy, in other words, lies beyond history, on a terrain of ahistorical determinations. This is the point, Marx argues, where speculative philosophy and political economy have their commonality. They both start from abstract concepts and thus inevitably arrive at reality as a realization, an incarnation, of the Idea. Referring to the Hegelian “logical category”, Marx says:

Is there occasion to be surprised that everything, in the final abstraction, because it is abstraction, and not analysis, presents itself in the state of logical category? ... the metaphysicians who imagine that in making these abstractions they make an analysis...have in their turn the right to say that the things of this earth are embroideries of which the logical categories form the canvas. That is what distinguishes the philosopher from the Christian. The Christian has but one incarnation of the Logos, in spite of logic; the philosopher has never finished with incarnations. (Marx 1995, pp. 115-116)

And just as speculative philosophy, in its metaphysical existence, conceives of sensuous reality as an incarnation of the Idea, political economy, in its turn, suffers from a similar illusion. It creates an economy in thought, as a totality of abstract determinations, which represents the economy of human being as having an ideal existence independently of history. This is how political economy transforms, within its discourse, the historical reality into a natural ideality which is valid for all times and places:

The economists have a singular manner of proceeding. There are for them only two kinds of institutions, those of art and those of nature. Feudal institutions are artificial institutions, those of bourgeoisie are natural institutions. In this way they resemble the theologians, who also establish two kinds of religion. Every religion but their own is an invention of men, while their own religion is an emanation from God. In saying that existing conditions—the conditions of bourgeois production—are natural, the economists give it to be understood that these are the relations in which wealth is created and the productive forces are developed conformably to the

laws of nature. Thus these relations are themselves natural laws, independent of the influence of time. (Marx 1995, p. 131)

The main problem with political economy, as Marx sees it, could hardly be more clearly expressed. What we need to emphasize here is the close relation between the “naturalization” of economy in thought and the theoretical use of abstract, universal concepts. It is through the construction of economy in thought as a totality of abstract categories that political economy looks upon existing relations of production as natural properties of human societies. The problem here transcends, to emphasize again, the use historical knowledge for theoretical analysis. It rather concerns a particular mode of theorizing in which the object of analysis and the problems it constitutes are defined on a plane of non-historical relations. The use of generic, universal concepts and the constitution of social reality as a terrain where natural laws prevail are inseparably related to each other.

Marx’s critique of political economy has a corollary to it, that which concerns what I propose to call “the mode of theoretical explanation” in political economy. But it is also valid, with equal force and legitimacy, for current mainstream economics. I would like to conclude this section by touching upon this corollary below.

Mainstream economic thought, both in its history and current manifestation, constructs its object of analysis on a theoretical space that transcends history, that exists beyond history. This leads, as we have seen, to a conception of economy that has a natural existence independent of history. All economic phenomena, in other words, profits, wages, interest rate, unemployment, business cycles, etc., are conceived of as natural properties of human societies in full blindness toward the historical relations which produce these phenomena on the surface of capitalist market economy. Now, given that this is how mainstream economics looks upon economic phenomena, let us scrutinize how it actually explains them in its theoretical analysis; let us look at, in other words, its mode of theoretical explanation.

One of the defining elements of mainstream economic theorizing is its explanation of economic phenomena through reducing it to an element that lies outside of the realm of economy. Schumpeter, at one of his mainstream moments, which were not uncommon especially in his early writings, summarizes this particular mode of explanation quite well when he says:

When we succeed in finding a definite causal relation between two phenomena, our problem is solved if the one which plays the “causal” role is non-economic. We have then accomplished what

we, as economist, are capable of in the case in question, and we must give place to other disciplines. If, on the other hand, the causal factor is itself economic in nature, we must continue our explanatory efforts until we ground upon a non-economic bottom. ... If I could say, for example, that the phenomenon ground-rent is founded upon differences in the qualities of land, the economic explanation would be complete.... Always we are concerned with describing the general forms of the causal links that connect economic with non-economic data. (Schumpeter 2004, p.5)

What this argument basically says is that economic theorizing consists in establishing a causal link where the non-economic, external factor plays the “causal role” in the explanation of economic phenomena. Indeed, the entire theoretical structure of mainstream economics, with its theory of price based on utility, its theory of distribution based on physical factor productivities, or its theory of business-cycles based on exogenous technological shocks, exemplify this mode of explanation in its different manifestations. What counts as economic theory in the mainstream of economic thought is the reduction of economic phenomena, within a relation of causation, to non-economic, external factors.

In *Poverty of Philosophy*, Marx also touches upon this problem in his discussion of the theory of rent. He criticizes Proudhon and political economy for not seeing that rent becomes possible only if the bourgeois relations of production become established in the country side. It is only through the establishment of capitalist relations of production, of competition and monetary relations, that the landlord accepts and seeks a monetary return from his estate in the form of rent: “Rent, in the Ricardian sense, is property in land in the bourgeois state—that is to say, feudal property which has been subjected to the conditions of bourgeois production.” (Marx 1995, p. 171).

Marx further observes:

Rent is possible only from the moment in which the development of the industry of the towns and the social organization resulting therefrom force the landlord to have regard only to venal profit, to the monetary relation of his agricultural products; to see, in fine, in his landed property, only a machine for making money. (Marx 1995, p. 174)

What is actually at stake here? Mainstream economics not only starts his analysis with economic phenomena as they appear on the surface, with economic phenomena abstracted and thus

embodied in *ahistorical* concepts, but also uses a mode of explanation that reduces these phenomena to non-economic factors without any regard to historical relations that give rise to these phenomena. These two facets, moreover, are intimately related to each other. The mode of construction of *ahistorical*, universal concepts independent of historical social relations is associated with the mode of explanation that attempts to account for historical economic phenomena with natural, non-social factors. Hence we find, for example, different theories of profit in the history of mainstream economics: based on entrepreneur activity (Schumpeter), quasi-rent (Marshall), or based on uncertainty (Knight); all these cases, in their appearance as different theories of profit, share the same mode of explanation. They all explain a historical socio-economic relation of capitalist society, profit, with a single, non-social factor. As Marx observes, however, in the case of ground-rent: “Rent results from the social relations in which exploration is carried on.... [it] proceeds from society and not from the soil.” (Marx 1995, p. 180).

This concludes our discussion on Marx’s critique of political economy which is directed against (1) the mode of construction of theoretical concepts to represent economic phenomena: mainstream economics constructs and starts with *ahistorical* concepts. (2) the mode of explanation of these phenomena within a theoretical structure: mainstream economics explains social phenomena by reducing them to non-social and non-historical factors. The materialist theory of knowledge constitutes an alternative to this mainstream method of acquiring the knowledge of capitalist economy. As we have argued above, however, even though Marx was quite clear in his critique of political economy, he never set out to write an explicit treatise on his method, on his theoretical practice to gain the knowledge of capitalist society. In the next section, the reader will find our attempt to contribute to materialist theory in the field of theory of knowledge.

3. The Main Constituents of the Materialist Theory of Knowledge

Marx’s critique of political economy was a prelude to our main objective in this study, an introduction the discussion of which was necessary in our attempt construct the basic elements of a materialist theory of knowledge. Having introduced our main problematic in reference to Marx’s critique of political economy, we now turn to discuss the three main elements that we argue Marx uses in the process of historical conceptualization of social reality.

The First Constituent: Real Abstraction

The first problem that we would like to take up is that of abstraction. This term, with its peculiar connotation, seems to stand in a contradictory relation to the materialist theory in general. It seems to refer to a realm, beset with idealist determinations, that lies so far away from the basic tenets of materialist philosophy. Yet, abstraction, as in all schools of theoretical inquiry, has a significant role in materialist theory as well. The problem, therefore, lies in defining this role, in explicating and establishing the relation between abstraction, as a conceptual tool of theoretical thinking, and the materialist theory of knowledge.

In theoretical reflections that partake none of the basic elements of materialist theory, abstraction is conceived *only* as a process of thinking that takes place in head, in the realm of thought. Furthermore, its meaning is confined only to two particular instances. In one of them, abstraction is defined as the act of the human intellect to single out common determinations from a group of heterogeneous elements to form a homogenous totality. When a bucket consists of apples and bananas, for instance; and when one makes the statement that the bucket contains fruits, one abstracts in fact from the differences that an apple and banana have in their separate existence as two different kinds of fruit; and one brings them onto a space of commonality where they both appear the same. For this person, for the particular intention she has, which is in this case that she have a bucket of fruits, all the differences between an apple and banana lose their importance and fade away to construct the homogenous unity of the bucket. Common language, needless to say, is full of similar cases.

Abstraction, in its second most common meaning, refers to leaving out some determinations which are thought to be of negligible significance, or of no significance at all, for the problem at hand. This we see especially in so-called model building in natural and social sciences. The theorist, in this case, by introducing certain *assumptions* at the very beginning, before the theoretical analysis that is to say, uses her *judgment* and proclaims with a complacency, which we usually find in gods and goddesses of Ancient Greece, that those elements that are left out, that are abstracted from, do not merit an analysis for the main subject matter.

The materialist theory of knowledge, in the sense we try to develop it here, does not deny the existence of abstraction in the above-mentioned cases. How could it? These are processes that

take place in human mind in its reflection on reality out there. The problem that we would like to emphasize here, therefore, is the role and status of this mental abstraction for scientific practice. In many schools of social theory, mental abstraction, in its two different manifestations, is commonly applied at the beginning of theoretical inquiry; it is taken, in other words, as the starting point of analysis, without contemplating on how the process of abstraction might be related to real processes that take place in *reality* itself. As we have seen above, in our discussion on Marx's critique of political economy, mainstream economic theorizing too uses this mode of deployment of abstraction, which constitutes one of the most important elements of Marx's critique.

Materialist theory has its own peculiar attitude toward abstraction and the problem of the starting point in social analysis. In *German Ideology*, Marx and Engels state:

The premises from which we begin are not arbitrary ones, not dogmas, but *real premises from which abstraction can only be made in the imagination*. They are real individuals, their activity and the material conditions of their life, both those which they find already existing and those produced by their activity. These premises can thus be verified in a purely empirical way. (Marx and Engels 1998, pp. 36-37, emphasis added)

Let us make a close reading of this passage. It is important for us regarding to points: First, the problem of starting point of theoretical analysis; second, the role that abstraction plays in materialist theory.

Marx and Engels make it very clear that they start with human activity as "the real premise". Materialist social theory, in its practice of producing the knowledge of social reality, takes human activity as the starting point of analysis. Now, this has a particular significance for our main theme in this essay. In the introduction above, when we introduced our problematic as the historical appropriation of social reality in thought, we said that it is human activity, or more explicitly, the historically changing character of the mode of human activity that imparts historicity to social reality. In other words, within our theoretical discourse, social reality is historical because human activity, as the elementary unit of social reality is historical, i.e. it takes on historically specific forms in different realm of human existence. It is the taking of human activity in its historical existence as the starting point that gives rise to the main problem of materialist theory of knowledge: the historical appropriation of social reality in thought. These

two elements of a materialist reflection on social reality, its starting point and its theory of knowledge, stand in a close relationship to each other in this regard.

The passage quoted above has another significance for us, this time in our concrete attempt here to synthesize the elements of a materialist theory of knowledge. It introduces, even though implicitly, the first element that we would like to discuss: real abstraction. When Marx and Engels assert that their starting point is “real premises from which abstraction can *only* be made in the *imagination*”, they implicitly refer to another kind of abstraction, that which the materialist theory puts a high emphasis on in theoretical analysis of social reality. We are referring to “real abstraction” the analysis of which is the main problem in this section.

The term real abstraction refers to a process of abstraction that takes place, not in the imagination of the theorist, but in social reality itself (Colletti 1992); and herein lies its significance for materialist social theory. In its analysis of social reality, or a particular part thereof, materialist theory accords a special significance to this process in which heterogeneous elements, in their interaction through human behavior, arrive at a space of homogeneity. In its attempt to attain the knowledge of social reality, in other words, materialist theory does not start with abstraction, and with abstract concepts themselves. It tries to understand the real process in social reality, the real process of human activity and interaction, through which abstractions are established in reality itself. In two important parts of Marxist social theory, the importance of real abstraction manifests itself in utmost clarity: the theory of state and the theory of value.

For non-Marxists, and I have to say for some Marxists as well, Marx’s theory of state is reduced to a simple, one-dimensional, determination where the economy, that is the base, structures, shapes, sets the contours of the infrastructure, the state. It is not our objective here, I should like to indicate very clearly, to defend Marx’s theory of state, to argue in favor of its validity. We merely would like to argue that the common understanding of this theory as a mechanical interaction between economy and polity misses the essential point and constitutes in this sense an unfair analysis of a particular social theory.

As mentioned and defended earlier, Marx analysis of capitalist social reality starts with human activity in its historical existence. In particular, Marx starts with human activity in the realm of production; he puts at the center of his theoretical reflection the activity of human being through which she produces and reproduces her natural and social existence in historically changing forms and within historically specific social relations. Now, in capitalist society, Marx

argues, this activity takes place within a framework that is peculiar to capitalism as a mode of production: private property and division of labor among self-interested units. Furthermore, in these two elements Marx sees two expressions of the one and the same thing: “Division of labor and private property are, after all, identical expressions: in the one the same thing is affirmed with reference to activity as is affirmed in the other with reference to the product of this activity.” (Marx and Engels 1998, p. 52). So, in the realm of capitalist economy, in civil society, there exists an encounter of different, and often conflicting, interests within the social framework of division of labor and private property. Or, under capitalism, the productive activity of human being takes place within a setting which consists of atomized, self-interested, units. The existence of these various self-interests, the interaction in civil society of different self-interested units, gives rise to a contradiction, Marx claims, between self-interest and the *common interest as an abstract social phenomenon*:

...the division of labor also implies the contradiction between the interest of the separate individual...and the common interest of all individuals who have intercourse with one another. And indeed, this common interest does *not exist merely in the imagination*, as the “general interest”, *but first of all in reality*, as the mutual interdependence of the individuals among whom the labor is divided. (Marx and Engels 1998, p.52, emphasis added)

In other words, the common interest, as an abstract social phenomenon, arises in reality itself, in the process of interaction among different self-interested individuals in civil society. This is a *real abstraction* where the common interest establishes itself as different from and outside of particular, individual and concrete self-interests. The capitalist state, then, is nothing but the embodiment of this abstract common interest whose origin lies, however, in civil society, in the realm of economy:

Out of this very contradiction between the particular and the common interest, the common interest assumes an independent form as the *state*, which is divorced from the real individual and collective interest, and at the same time as an illusory community, always based, however, on the real ties... (Marx and Engels 1998, p. 52)

We find here a theory of state, a theory that is based on the process of real abstraction through which the interaction of independent and self-interested individuals in civil society gives rise to the common interest, and hence to a contradiction between self-interest and the common interest.

The state figures out, consequently, as the embodiment of the common interest in the realm of polity. Let us note that the way Marx formulates the problem above refers to the competitive economic order of capitalist society only. However, in its more general form, the theory is able to explain the existence of state as long as we find the existence of conflicting interests in the realm of economy. At this point Marx introduces the class analysis into the picture. Under the abstract existence of the common interest, which is represented by the state, “the real struggles of the different classes are fought out among one another (Marx and Engels 1998, p. 52). In other words, in a class society based on the existence of different interests, the state exists as the embodiment of the abstract common interest whose basis nevertheless lies in the realm of economy. It should also be mentioned that in this early formulation of a theory of state, we do not yet find the argument that in capitalist society state, and the common interest it represents, is controlled and dominated by the capitalist class. This is a later contribution that Marx makes to his youthful ideas on the relation between the economic realm and state.

Hence we find in Marx a general theory of state based on the process of real abstraction, a process that takes place through the interaction of diverse, conflicting interest in civil society, in the realm of economy. But Marx also emphasizes that the state takes on its most developed form in the modern bourgeois society:

The abstraction of the *state as such* was not born until the modern world because the abstraction of private life was not created until modern times. The abstraction of the political state is a modern product. (Marx 1992, p.90, emphasis original)

It is only in the modern bourgeois society where self-interest among atomized individuals prevails, that the common interest assumes its most abstract and developed form and gives rise to the state as such.⁵ A *particular* form of state, the modern state of bourgeois society, in other words, figures out as *universal*, as the *state as such*.

In modern civil society then we find the realm of polity as having an abstract existence; however, this abstract, universal existence has its ties in the civil society, in the real relations among individuals in the realm of economy. Hence we find the individual as leading “a double life, a life in heaven and a life on earth, not only in his mind, in his consciousness, but in *reality*” (Marx, 1992, p. 220, emphasis original). In the realm of polity where all the differences between

⁵ “As a rule, the most general abstractions arise only in the midst of the richest possible concrete development” (Marx 1993, p. 104)

the members of civil society, all the inequalities, are abstracted, the individual leads an abstract heavenly life. There she appears as the *citizen* of the state, while leading her real life in civil society in the midst of real differences, conflicts and inequalities: “The relationship of the political state to civil society is just as spiritual as the relationship of heaven to earth” (Marx 1992, p.220). It is through the real abstraction in civil society, through the process in which real differences are abstracted, that modern bourgeois society arrives at the citizen, as an abstract and universal concept and we see the difference between the real individual as she exists in civil society and between the abstract existence of the citizen in the heavenly realm of the state; or “between the tradesman and the citizen, between the day-laborer and the citizen, between the landowner and the citizen, between the *living individual* and the *citizen*. (Marx 1992, p. 221, emphasis original)

Real abstraction, as a constituent of the materialist way of acquiring the knowledge of things, is a general method of thinking about abstraction and abstract concepts. As such it can find an application in many areas of human thought. In mathematics, for instance, an idealist conception of this field, may argue that abstract mathematical concepts, such as numbers, geometric bodies, etc. arise purely in thought as a result of human intuition, or of innate ideas. A materialist reflection on mathematical concepts, on the other hand, sees these concepts as a result of daily practical activity of human being in its real existence. Accordingly, human beings, due to the necessities of their practical life, have engaged in comparing certain collections of concrete objects, in classifying them, separating them etc. It is through these processes related to human activity in its real existence that abstract numbers are derived from the collection of concrete objects. Similarly, according to the materialist account of them, geometrical bodies have been established as abstract concepts in thought as a result of the activities of human being in her material daily life:

They [human beings] built dwellings, cut stones, enclosed plots of land, stretched bowstrings in their bows, modeled their clay pottery, brought it to perfection and correspondingly formed the notion that a pot is curved, but a stretched bowstring is straight. In short, they first gave form to their material and only then recognized form as that which is impressed on material and can

therefore be considered in itself, as an abstraction from material. (Aleksandrov, Kolmogorov and Lavrent'ev 1999, pp. 19-20)⁶

According to a materialist theory of knowledge, abstract economic concepts and categories are defined and explained in a similar way. Their existence and use are accounted for, that is to say, in their intimate relation to human activity in its practical state and historical existence. We find an example of this mode of constructing abstract economic concepts, of this way of defining them based on a process of real abstraction in Marx's theory of value which we shall consider below in this regard.

Marx's formulation of value theory has been the subject of many debates and criticisms. Many have found in it merely an extension of Ricardian value theory, an extension that introduced and developed the concept of surplus value within the general framework of classical political economy. Again without commenting on the status and validity of Marx's theory of value, we would like to present here its embodiment of real abstraction as a method of materialist thinking about social reality; a method that we find nowhere in the corpus of classical political economy.

The problem revolves again around taking human activity in its historical and social existence as the starting point of social analysis; and Marx's value theory should be analyzed within this perspective. Otherwise, as has been the case with many commentators, its distinct features in terms of being a part of Marx's materialist contemplation on social reality is easily ignored. For Marx then value has its genesis in the specific social relations into which human beings enter in their productive activity. The famous first Chapter of *Capital* contains a detailed scrutiny of this principle. Throughout the entire first chapter, where Marx deals, not with the capitalist system of production as such, but with what might called a system of commodity production among atomized units based on private property and exchange, the social character of

⁶ We encounter the same problematic regarding such concepts as time and space. The idealist conception, for example that which we find in Kant's *Critique of Pure Reason*, looks upon them as entities of pure thought and reason that exist prior to any experience. In the materialist conception, on the other hand, the abstractions of space and time are intimately related to the concrete, material objects. Time, for instance, does not have an existence independent and different from material objects; it is *not* that which flows on its own realm independent of objects. Space, in a similar way, does not exist absolutely independent of the existence of material world. Its abstract existence as a category of thought is intimately related to a particular reflection of human mind on concrete objects.

value is explained. We are of the opinion that even this chapter in itself should be enough to forestall the categorization Marx's value theory as a variant of the Ricardian labor theory of value.

The link in Marx's analysis between value and human activity in its social existence lies in a process of real abstraction that takes place when independent commodity producers exchange their products in the market within the structure of division of labor and private property. It is through and within this process, Marx argues, that value and its relation to abstract socially necessary human labor arises as a social phenomena; it is in this process that commodities as different use values and as the embodiment of different concrete labor, meet at a space of commonality, a space of homogeneity, where abstract labor and value acquire its abstract and social character. In *Capital*, in his elaboration on the concept of value Marx argues:

Men do not therefore bring the products of their labor into relation with each other as values because they see these objects merely as the material integuments of homogenous human labor. The reverse is true: by equating their different products to each other in exchange as values, they equate their different kinds of labor as human labor. (Marx 1990, p. 166)

In Marx's analysis, therefore, value and abstract labor are not abstractions that come into existence in the imagination of the theorist, in the realm of thought and speculation. They are the result of a process that takes place in reality within a particular social setting, a process in which different kinds of commodities and concrete useful labor are abstracted to arrive at value and socially necessary abstract human labor. Money, moreover, as a social phenomenon finds its theoretical explication in the same way in Marx's analysis. In *A Contribution to the Critique of Political Economy*, he observes:

The same dynamic relation, as a result of which commodities become exchange-values for one another, causes the labor-time contained in gold to represent universal labor-time, a given amount of which is expressed in different quantities of iron, wheat, coffee, etc. (Marx 1999, p. 65)

Unlike classical political economy and many variants of mainstream social analysis, Marx explains how value and abstract human labor, upon which is based his whole theory of surplus

value, arises in reality itself through a process of real abstraction.⁷The problem with the Hegelian theory of state and the mainstream analysis of value, then, is not that they use abstract concepts; this is not the problem because in these cases the object itself is abstract, which is consequently expressed through an abstract concept. Marx's critique therefore targets the inability to explain how abstract social phenomena arise through a real process within historically specific social relations. Two further points deserve special emphasis here: In Marx's analysis an abstract economic category, value, is defined with respect to a real process that takes place among individuals in their activity of production and exchange within a particular social setting. The second point concerns what we have called the mode of explanation above. The economic category of value is not explained in terms of physical qualities of things or psychological attributes of human beings. Value, as a social category peculiar to the capitalist economic relations, is explained with recourse to these social relations themselves. This mode of explanation sharply distinguishes Marxian economic theory from many variants of mainstream economic thinking. In the latter, as we have already seen in the quotation from Schumpeter, social economic phenomena are explained by reducing them to physical and natural properties of things; by reducing them, that is to say, to non-historical and non-social factors. Marx, on the other hand, employs a particular mode of explanation in which social phenomena are explicated in their relation to social relations, to other social phenomena as a whole. This does not mean that physical properties of things do not matter in theoretical analysis. But it does mean that they, the forces of production as Marx calls them, find their place in the analysis in their relation to social relations themselves. Therefore, the problem of endogeneity and exogeneity of variables loses its importance and validity in Marx's analysis.

The concept real abstraction figures out in our discussion as the first constituent element of the materialist theory of knowledge, as one of those units that define the peculiar method of knowing of materialist theory. We should now continue with our task and present other elements in what follows. However, this must not be done as a process of listing, a process in which different elements are laid out on a table, as it were. These elements should rather be presented in their synthetic unity, in their synthetic relation to each other, so that a materialist theory of knowledge could reveal itself as a field in itself.

⁷ “. . . [the] abstraction of labor as such is not merely the mental product of a concrete totality of labors. Indifference towards specific labors corresponds to a form of society in which individuals can with ease transfer from one labor to another.” (Marx 1993, p.104)

The Second Constituent: Reification

There have been many debates in Marxian scholarship revolving around the concept of reification and the related themes of alienation, estrangement and commodity fetishism. One central topic in such debates has again been the relation between Marx's early and mature writings. It has been scrutinized, in particular, whether Marx continued to make use of these concepts, and the method they embody, after his turn to political economy, after his move, that is to say, from the critique of Hegel to the critique of political economy. We adhere here to the view that these concepts continued to play a significant role, especially in respect of Marx's method of analysis, in his later writings. But this is not the decisive issue for us. We are rather concerned, in our attempt to synthesize a materialist theory of knowledge, with the place and significance of the concepts of reification, alienation and commodity fetishism in the synthetic unity of this theory. How should we think about these concepts once we problematize them in their relation to the other constituents of a materialist theory of knowledge, and at this stage, in their relation to real abstraction? This will be the main issue for this section.

We understand by the term reification the general problematic of the relation between *things* and *social relations* among people. The associated problems of alienation and commodity fetishism appear therefore as particular instances of this general problem for the capitalist society. In our constitution of a materialist theory of knowledge, we argue that reification constitutes one of the main constituents of this theory, on of the elements which, together with others, imparts to the materialist way of knowing its materialist texture. Rubin (1990), in his discussion on the importance of commodity fetishism for the general method of Marxist theory, summarizes well this general relation, that between things and social relations, that we define here as reification.

Rubin argues that the relation between things and social relations have three main aspects. In the sense we use the term here, Rubin's argument amounts to saying that the general problem of *reification* has three manifestations in social reality. The first one refers to the *dependence* of production relations among people on the distribution of things, that is, on the distribution of productive forces. In a society where private property prevails, the distribution of means of production confers upon people a particular set of social relations of production. The second one concerns the *realization* of production relations through things, commodity fetishism proper. In this instance of reification, which we observe only within the capitalist-commodity production,

the social relations among people manifest themselves in the form of a relation among things. The social character of the productive activity of human being, in other words, appears as material relations among things, present itself as something belonging to things, i.e. to the products of human labor in the commodity-form. The last instance of reification is the *symbolization* of social relations in things. In this case, a particular thing, in its material existence, represents, in a symbolized form, certain relations among people. This symbolization, moreover, is not only confined to the economic realm but can take place in various other spheres of social reality (Rubin 1990).⁸

Now, the fundamental question for us is not a discussion on reification as such. As has been mentioned earlier, there exists a huge literature devoted to this concept and to the problems, issues centering around it. Our contribution here should lie in the problem of the particular role that reification plays in a general theory of materialist way of knowing. To this end we shall discuss the relation that we argue exists between the first constituent, real abstraction, and reification.

The fundamental importance of the concept of real abstraction lies in its ability to explain how social relations among people give rise to certain social phenomena that embody an abstract existence, an existence that is different from and outside of the concrete elements of the social relation in question. In the commodity-producing capitalist market economy, for instance, social relations between different producers create the economic category of value as a social phenomenon peculiar to capitalism. Through a process of real abstraction, qualitatively different commodities meet upon a space of commonality where they all appear the same, as bearers of value. In a similar way, the existence of diverse interests in civil society gives rise to the phenomenon of general interest as distinct from the particular interest of each and every

⁸ The ongoing problem in Turkey concerning Islamic head-cover could be approached in this perspective. There have been fierce debates about whether it should be allowed to Muslim women to wear head-cover at public and government institutions such as universities and government offices. Some have argued that this will create a contradiction with the principle of secularism because head-cover is a religious symbol and thus should not exist at the public institutions of a country whose constitution defines it as a secular republic. Some others, on the other hand, have claimed that prohibition of head-cover at government institutions is an assault on basic human rights. They have argued, therefore, *on the basis of human rights*, that Muslim women should be allowed to wear head-cover without any restrictions. Now, from a materialist perspective, an important aspect of the problem concerns the analysis of social relations which find a material existence in and are symbolized by the Islamic head cover in Turkey. Does it, the head cover, represent a struggle for freedom in current Turkish society; or is it a symbol in which a particular political ideology that favors the application of Islamic rules in all possible public and private spaces finds its outward, material expression?

individual, the phenomenon which is represented in the realm of polity by state. Real abstraction, in other words, allows us to understand the processes through which abstractions are arrived at in social reality itself, abstractions that create social phenomena that lie outside of the concrete, particular interests.

At this point in our discussion, it should be emphasized that social phenomena created through a process of real abstraction acquire a separate and *estranged* existence. They are confronted by particular individuals, who have actually created them in their social existence, as something external. In the competitive capitalist market economy, therefore, the peculiar structure of civil society gives rise to the phenomena of value and modern state that appear to have a separate existence from the individual in her real life in civil society. This contention about the estranged existence of real-abstracted social phenomena occupies an important place for a materialist mode of appropriating social reality in thought. For, in its analysis, a materialist reflection on social reality looks at how social phenomena that acquire an abstract and estranged existence through the process of real abstraction express themselves in social reality *through things*; how these phenomena, in other words, become objectified, that is reified, in things as the material form of their expression.

Herein lies the relation between real abstraction and reification as fundamental constituents of a materialist way of knowing social reality. In its theoretical practice, a materialist social theory not only tries to understand how abstract social phenomena are arrived at in social reality itself, but also aims to account for the reified expression of these phenomena through things. Marx's concept of commodity fetishism finds its proper place, we believe, in this formalization. In the capitalist economy, relations of production not only gives rise to the economic category of value as an abstract category, but value, and hence these relations themselves, become realized and expressed through things, through commodities. This is perhaps why Marx starts his *Capital* with the analysis of commodity, why he takes the commodity as the *microcosm* of capitalism where the capitalist relations can be found in a simple, reified form. In this perspective, moreover the modern state with all its concrete apparatuses, figures out as nothing but the reification of the common interest that is established in social society through the process of real abstraction.

Real abstraction and reification have indeed been analyzed and explicated in detail by many scholars in the materialist tradition. The fundamental problem, so it seems to us, is the

analysis of the relation in which these two constituents stand to each other. In this section we have attempted to establish this relation which we think as crucial in any attempt to synthesize a materialist theory of knowledge. And for the commodity-producing capitalist society in particular, we have argued that self-interested individuals, in their social relations in civil society, give rise to social phenomena that have an abstract and estranged existence; social phenomena that, moreover, find a reified expression in things. Now we turn to the last constituent that we in fact alluded to in the introduction: The material existence of concepts in the realm of thought, i.e. *the concrete in thought*. It is only after the discussion of the first two constituents that we are in a position now to analyze this concept, which Marx uses in *Grundrisse*, in terms of its importance for a materialist way of knowing social reality

The Third Constituent: The Concrete in Thought

In the introduction above we defined the main problem of the materialist theory of knowledge as the appropriation of social reality in thought in its historicity. Based on this premise, we argued that a materialist way of knowing social reality is distinguished, not by its adherence to the existence of the material world out there, but by a peculiar mode of representing social reality in thought, a representation that captures social reality historically, a representation, in other words, that constructs concrete, material concepts in this sense. This amounts to arguing that materialist social theory does not work with abstract concepts that have an *ahistorical*, universal validity, but constructs its concepts and categories in accordance to the historical existence of its object of analysis to arrive at a critical dominance of this object.

If the object that lies in front of us awaiting a critical reflection and domination is the modern society with its historical existence in all its various spheres; and for economic science in particular, if the object of analysis is the modern economy, the problem becomes the historical appropriation of modern economy in thought. This appropriation, this critical domination, of social reality eludes the above-mentioned abstract and universal concepts. These exist on a terrain of abstract determinations; the social phenomena they refer to, therefore, appear to possess an *ahistorical* existence. In other words, the theoretical problems that are expressed through these abstract concepts are problems that lie outside of history, problems with non-historical formulations and hence with non-historical solutions.

The materialist position regarding the role of abstraction in theoretical practice has been discussed above. It has been argued that apart from purely mental abstractions, materialist theory recognizes and uses real abstractions in its theoretical contemplation on social reality. However, and this is the main argument in this part of our discussion, abstract categories, even those that are arrived at through real abstraction, should further be transformed for a critical and historical appropriation of social reality in thought. In other words, the abstract in thought should be transformed, as a part of the materialist theoretical practice, into the concrete in thought, into a theoretical category that captures its object in its historical existence proper.

Our discussion on the concrete in thought as a constituent element of a materialist theory of knowledge is based upon a critical reading of the short piece, entitled “The Method of Political Economy”, which was made available to the general reader as the introductory section of *Grundrisse*. It should be mentioned that it is a controversial subject to what extent Marx actually adhered, in his later writings on economics, to the methodological principles he outlined in this text (Nicolaus 1993). Be that as it may, we find in this text important ideas and methodological principles which merit a critical reading and scrutiny. Our aim here, to emphasize again, is not to re-tell in a more explicit form, what Marx has already said; but to read Marx critically and constructively – constructively in the sense that adding new elements when necessary – to synthesize a materialist theory of knowledge.

Marx introduces the concept concrete in thought within a general problematic that concerns the critique of the method of political economy and Hegelian philosophy. Political economy and mercantilist economic discourse, Marx argues, arrive, in their theoretical analysis, at “ever thinner abstractions”: the analytic movement from population to the division of labor, and then to exchange value etc. (Marx 1993, p. 100). However, he continues, “from there the journey would have to be retraced” to arrive at the concrete in thought, at a totality in thought, which is not “the chaotic conception of a whole, but ... a rich totality of many determinations and relations.” (Marx 1993, p. 100). This movement from the abstract to the concrete in thought does not mean, however, that the sensuous reality out there is the product of this movement in the realm thought—the illusion of Hegelian philosophy. It merely represents the way in which thinking head appropriates sensuous reality in thought as a totality, as a unity of simple and abstract determinations. This unity, i.e. the concrete in thought, is a product of thinking, a product

of theoretical practice in which the abstract in thought is transformed into the concrete in thought to arrive at the mental appropriation of reality.

At each stage in this movement, the movement from the abstract to the concrete, a richer appropriation of reality in thought is arrived at:

As soon as these individual moments [thinner abstractions] had been more or less firmly established and abstracted, there began the economic systems, which ascended from the simple relations, such as labor, division of labor, need, exchange value, to the level of state, exchange between nations and the world market. [This] is obviously the scientifically correct method. (Marx 1993, pp. 100-101)

Marx undertakes here a *diachronic* analysis of the movement from the abstract to the concrete in thought; he explains how at each instant abstract determinations give way to more concrete concepts, concepts embracing more determinations in their unity. This movement, furthermore, takes place in the realm of thought; it involves a theoretical practice in which abstract determinations, the abstract in thought, is transformed into a richer determination, into the concrete in thought.

Let us now ask, How does this problem manifest itself if we formulate it not *diachronically*, but in its *synchronic* structure? If we, in other words, analyze the movement from the abstract to the concrete, not in terms of transforming one concept into another, but in terms of its instances within a particular concept itself? This is how we would like to take up the concept of concrete in thought; we want to problematize the thought-process in which a given concept is transformed from its abstract existence into a historical and concrete determination. We shall argue that concrete in thought, in its material existence in the realm of thought, offers a solution to the question that we posed at the very beginning as the fundamental problem of the materialist theory of knowledge: appropriation of social reality in thought in its historicity. However, the concrete in thought should be discussed, in accordance to the general principle of synthesis, in its relation to the other constituents, real abstraction and reification.

In order to explicate this relation, in order to explore the proper place of the concrete in thought within the general framework of a materialist theory of knowledge, let us avail ourselves of the examples that we discussed above: the Marxian theory of value and state. In both of these cases we have seen that a theoretical concept expresses a social phenomenon that arises, first, out of a process of real abstraction; and second, becomes reified in and realized through things,

through concrete objects. However, and I would like to call the attention of the reader to this point, at this stage the concept exists still as the expression of an abstraction and hence still as an abstract entity itself. It lacks, in other words, the dimension necessary for a historical domination and appropriation of social reality in thought. True, value and the state as such, are modern products; they are the results of the peculiar existence of the modern, bourgeois civil society. But, even though their abstract existence is intimately related to the historicity of social reality, they cannot in this abstract existence arrive at a critical and historical appropriation of this reality. To this end, a further step is necessary, a theoretical practice that will transform their abstract ontology in the realm of thought into a concrete existence, into the concrete in thought. Only after this transformation has been accomplished, only after a theoretical category establishes itself as the concrete in thought, it becomes part of the theoretical apparatus of a materialist reflection on social reality: material social theory, we would like argue, works with the concrete in thought, with concepts that, in their concrete existence in the realm of thought, appropriates social reality in its historicity.

The category of state, for instance, that we find in Marx's early writings exists as an abstraction in thought. Even though its abstract existence in modern society is accounted for with recourse to a process of real abstraction, it lacks the historical appropriation of modern society which would explicate the relation between state and relations of production in civil society. It is only after the class analysis is introduced, the Marxian concept of state acquires a concrete existence. This concrete formulation, state as the concrete in thought, allows Marx to formulate his ideas about the relation between the bourgeois state and the capitalist class, his thesis that modern state exists as an instrument of the hegemony of the capitalist class. I would like to note that we do not want to argue here that the development of Marx's theory of state constitutes the only way how the theoretical category state is transformed from an abstract concept into a concrete one. It only exemplifies for us an instant of the theoretical practice in which concrete determinations are established out of abstract concepts.

Marxian category of value offers another instance in Marx's theoretical analysis of the movement from the abstract to the concrete in thought. We have seen that the theoretical category of value there arises based upon a real abstraction in the realm of economy and finds a material expression, through reification, in commodities. In the first chapter of *Capital*, where Marx introduces the category of value, "the social setting" is not yet that of capitalist society, however.

Producers, who own their means of production, are engaged in commodity production and exchange within the social framework of division of labor and private property. We do not yet find the capitalist relations of production; wage labor and capital do not exist. In this framework Marx explains how the particular relations of production create the social phenomenon of value; how, in other words, different kinds of useful labor in the social division of labor and in the relation of exchange become abstracted in reality to constitute abstract human labor and value as abstract social phenomena. The category value at this stage embodies an abstract existence; it exists as the abstract in thought. In its abstract existence, in other words, the category of value is unable to appropriate the historical relations of production of capitalist society. It is again only after class analysis becomes a part of Marx's economic discourse in later chapters of *Capital*, the category value establishes itself as a concrete concept. It is only through and within this movement from the abstract to the concrete, value captures the specific relations of capitalism and gives way to surplus value and exploitation as the specific, historical relations of the capitalist society.

Our synchronic analysis of Marxian concepts offers a particular interpretation of their role and place in the general structure of Marxian social theory. Furthermore, they allow us to argue that concepts in their existence as the concrete in thought provide a solution to the problematic of the materialist theory of knowledge. Theoretical concepts in their concrete existence in the realm of thought appropriate social reality in its historicity, capturing the specific, historical determinations that elude abstract concepts. Our emphasis on the concrete in thought as the final constituent of a materialist theory of knowledge must not create the impression, however, that it occupies the prominent place. This would contradict with our earlier statement that we set ourselves the task of synthesizing a materialist way of knowing in this study. Concrete in thought acquires its significance only within its relation to the other constituents, to real abstraction and reification, as we have tried to argue above in our discussion on Marxian theory of value and state. Only in their unity, in the form of a synthesis, the elements acquire the position of being the constituents of a materialist theory of knowledge.

2.4. Concluding Remarks

Our attempt in this essay has been to outline the main elements of a materialist appropriation of social reality in thought, of a materialist mode of acquiring the knowledge of social reality. We

have argued that in Marx's critique of political economy, and in his theoretical structure in general, we find those elements in a practical state of existence; and we have attempted to bring these elements into their synthetic unity which should define and set the boundaries of the field of materialist theory of knowledge. This field, in our opinion, still needs important contributions and awaits, therefore, further theoretical work by those who take materialist theory seriously in their theoretical analyses. Having said that, we believe the synthesis that we have tried to arrive at should be important for any further elaboration in this field.

I would like to devote the conclusion to emphasizing the importance of the main theme of this study for economic theory, and for critical social theory in general: Marxian approach to theorizing social reality, as a mode of producing knowledge, constitutes an important alternative to the method that we find in much of the mainstream work in social sciences and in economics. For economics, in particular, the hegemonic existence of the mainstream school of thought, with its particular mode of constructing theoretical concepts, and with its specific mode of explanation, have long threatened in this discipline the free intellectual atmosphere of debate and confrontation of different points of view. Given this state of affairs, studies on the alternative approaches in economic theorizing acquire a special significance. Materialist theory, with its particular method, with its particular mode of constructing and using theoretical concepts, has a great potential in this sense to contribute to the plurality and heterodoxy in economic science.

In this study, we have tried to emphasize the role that theoretical concepts play in a historical reflection on social reality. We have defined the main problem of a materialist way of knowing as the historical appropriation of social reality in thought, and offered a solution to this problem in our synthesis of real abstraction, reification and the concrete in thought. Historical appropriation of social reality through theoretical practice manifests its importance especially utterly if we take into account the ever changing nature of social reality throughout history. Given this change, given the fact that human activity and social relations among people have been mutable in history, to reflect this change in the realm of thought appears as an important theoretical problem. Theoretical concepts and categories that are defined and established for a set of particular historical relations may easily lose its explanatory power and fall into abeyance in the face of historical change. Again, the issue here is not only formulating new theories, new theoretical frameworks, but coming up with new conceptions, using concrete, material concepts to capture social reality in its historically changing existence. Materialist theory of knowledge

acknowledges this problem and provides its particular solution to it. It further points to the problems in this regard associated with the use of universal concepts devoid of any historical determination. If we accept that historical change is an ever present part of our social existence, and if we believe that prospects of progressive change ultimately lie in human practice, we should squarely face the task of creating a historical and critical discourse on social reality within which the prospects for progressive change could be thought out.

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