

ARISTOTLE ON BUSINESS

Aristotle's treatment of trade in the *Politics* book one is usually regarded as especially hostile, and this is put down to snobbery and political prejudice on his part. The Greeks often regarded trade as a degrading thing for a free man to engage in, and it would be surprising if Aristotle's view of trade were entirely unconnected with this Greek sensibility. But there should be something more definite than a loose general affinity if a charge of prejudice is to be taken seriously. A balance of hostile judgements over argued cases to back them up would be some sort of evidence for prejudice, and *prima facie* evidence against would be anything like a theory from which the hostile judgements followed as conclusions. Theories can be concocted to give the required conclusions, of course, and then we must try to decide how serious the theory is. It comes to this: is there so little in the reasons Aristotle gives for his condemnation of trade that they may be convincingly explained away and belittled as no more than expressions of attitudes?

Ross clearly thought so, and he concludes that Aristotle's 'view is too much a reflexion of the ordinary Greek prejudice against trade as an illiberal occupation'.¹ Mulgan too finds Aristotle's view 'of interest as an expression of the aristocratic attitude towards wealth, with its preference for landed property and its prejudice against trade and commerce'.² Judgements of this kind suggest more modern disputes into which Aristotle is being dragged, though I shall not go into that.

Plato's criticisms of the pursuit of money are aimed at the moral qualities of the traders themselves, and at the effects that their activities have on relationships in the community: trade 'fills the land with wholesaling and retailing, breeds shifty and deceitful habits in a man's soul and makes the citizens distrustful and hostile' (*Laws* 705a). Certainly, Aristotle does not refrain from observing that *kapêlikê* 'is justly discredited (for it is not in accordance with nature, but involves men's taking things from one another)', 1258b1–2, but, on the whole, criticisms of this kind are strikingly absent from the four chapters that make up his economic thought, *N.E.* V, 5, and *Pol.* I, 8–10, and this is not what we might expect if his views on trade were little more than expressions of a prejudice against traders.

The criticism Aristotle actually offers of trade (*kapêlikê*), I shall argue, goes well beyond anything that can be attributed to taste, tradition and prejudice. It has roots deep in his metaphysics, ethics and theory of action, and the fact that this has gone so largely unnoticed is a lacuna. Aristotle's criticism is not primarily of *kapêlikê* at all, but of its end, the getting of wealth as exchange value or money. This is an end shared by many pursuits besides trade, and Aristotle seems to think that trade is not even the most ignoble way of pursuing it.

I

Aristotle distinguishes two forms of wealth. 'True wealth' (*ὁ ἀληθινὸς πλοῦτος*) is 'the stock of things that are useful in the community of the household or the polis' (*Pol.* I, 1256b30f. and 36–7). The significance of this is that he is defining 'true wealth' as the available stock of useful things or use values. The availability for use is what is important to him, and he is less concerned with what the form of property may happen to be through which the things become available for use. 'Wealth as a whole',

¹ W. D. Ross, *Aristotle* (London, 1949), p. 243.

² R. G. Mulgan, *Aristotle's Political Theory* (Oxford, 1977), p. 49.

he says in the *Rhetoric*, 'consists in using things rather than owning them; it is really the activity—that is, the use—of the property that constitutes wealth' (*Rhet.* 1361a23f.). Trade by its nature does not belong to the art of acquiring true wealth, because its aim is wealth as a quantity of exchange value in the form of money, or wealth 'of the spurious kind' (Jowett–Ross, 1257b29f.).

The distinction between the two forms of wealth is not fortuitous. It derives from the distinction between use value and exchange value which he was the first to draw (*Pol.* I, 1257a6–13), and which is the foundation of modern economic thought.³ The term 'use value' as a collective term collects substances as substances, that is, as the things they are by nature, and so use value is necessarily qualitatively differentiated, heterogeneous and particular. It is recognition of this fact that gives Aristotle his main problem in *N.E.* V, 5, which is to explain how such heterogeneous things may be commensurable (*σύμμετρα*, 1133b16, 18, 19, 22), as they must be since in exchange they stand in equations like '5 beds = 1 house = 5 minae' (1133b23ff.). Exchange value may inhere in those same substances, but since the term denotes a quantity it cannot collect them in the same way that 'use value' does, that is, as substances. Aristotle's inquiry in *N.E.* V, 5 is aimed at explaining what kind of quantity it is that is equalized (*ἰσασθῆναι*, 1133a18, 33b15–16) in exchange relations like '5 beds = 1 house', and though he fails to explain the nature of the quantity involved, he is aware that exchange value is a quantity, because goods as exchange values stand in equations as the beds and houses do, and he says in the *Categories* that only quantities are called 'equal'.

It is 'in virtue of qualities only that things are called *similar* and *dissimilar*; a thing is not similar to another in virtue of anything but that in virtue of which it is qualified. So it would be distinctive of a quality that a thing is called similar or dissimilar in virtue of it' (*Cat.* 11a16–19). With quantities, in contrast, 'most distinctive of a quantity is its being called both equal and unequal... For example, a body is called both equal and unequal, and a number is called both equal and unequal, and so is a time... But anything else—whatever is not a quantity—is certainly not, it would seem, called equal and unequal. For example, a condition is certainly not called equal and unequal, but rather, similar; and white is certainly not equal and unequal, but similar. Thus most distinctive of a quantity would be its being called both equal and unequal' (*Cat.* 6a26–36).

A quantity is undifferentiated, homogeneous and lacks species. Since use values or useful things are defined in the category of quality, and exchange values in the category of quantity, there is a metaphysical gulf between them which cannot be bridged.⁴ Aristotle carries this categorical distinction through with relentless

³ Sir Erich Roll writes of 1257a6–13 that 'in these words, Aristotle laid the foundation of the distinction between use-value and exchange-value, which has remained a part of economic thought to the present day', *A History of Economic Thought* (London, 1961), pp. 34–5. Roll also considered that Aristotle 'laid the foundations of science and was the first to pose the economic problems with which all later thinkers were concerned', *ibid.*, p. 33.

⁴ Aristotle's clear distinction between wealth as use value and wealth as exchange value is in marked contrast to the definitions of wealth found in some late-modern economic writing (those that are favourable to market economy) where it is usual to integrate or conflate, them. In the period of what is usually called Classical Political Economy, Smith, Ricardo and Marx had taken the Aristotelian view that use value and exchange value were conceptually distinct. After that, the position begins to get blurred, and Mill, for example, confusedly defines wealth as 'all useful or agreeable things, which possess exchangeable value', *Principles of Political Economy* (New York, 1969), p. 9. Alfred Marshall simply jettisons use value, suggesting that it is a useless concept, *Principles of Economics* (4 edn., London, 1898), p. 8; his definition of wealth is based on exchange value alone, *ibid.*, p. 125. Jevons, Goossens, Walras and Menger, the founders of

consistency in his economic analysis, and this is why he gives two definitions of wealth, a use value version ('true wealth') and an exchange value version ('wealth of the spurious kind').⁵

He does the same with the concept of exchange, distinguishing between natural and unnatural *chrēmatistikē* (1256a10–57a5). In natural exchange, the first sort to evolve, a kind of thing that is needed less (corn, say) is exchanged for money in order to get something different that is needed more (wine, say). The point of this kind of exchange is bound up with use value, need and consumption, and it meets a natural terminus when the thing needed is acquired; Aristotle says that it 'has a limit' (1257b31). (It can be represented in full as C-M/M-C to indicate the exchange of commodity and money, or for short as C-M-C.) In unnatural exchange, which develops out of the natural sort, the order of the acts of sale and purchase is reversed: the exchanger comes to market with money rather than goods, in order to buy goods and sell them again for more money. (It may be represented as M-C/C-M, or M-C-M for short.) The end it aims at is not 'true wealth' but wealth as exchange value in the form of a sum of money, 'wealth of the spurious kind'. Once M has been advanced to grow to M', the trader has just as much reason to advance M' to become M" as he had to advance M in the first place, and so on without assignable limit: 'In this art of wealth-getting there is no limit of the end' (1257b28f.). Thus exchange value or money becomes the end, and this is a misuse of money, Aristotle thinks, because money was introduced to facilitate natural exchange, and its true nature is to be such a means, not to be an end in itself (1258b4–5).

The two forms of exchange are often confused, and the 'source of the confusion is the near connection between the two kinds of wealth-getting; in either, the instrument is the same, although the use is different, and so they pass into one another; for each is a use of the same property, but with a difference: accumulation is the end in the one case, but there is a further end in the other' (1257b34ff.). On Aristotle's theory of action, actions are defined by their aims or ends, and if two activities aim at different things they are different activities; in the context of a discussion of actions he says that 'each thing is defined by its end' (*N.E.* III, 1115b22; *Met.* IX, 1050a22–4). C-M-C shares the same end as barter or non-monetary exchange (C-C): it 'is needed for the satisfaction of men's natural wants' (1257a30), and it is part of the art of *oikonomikē* (1256b27f.). But M-C-M is not, and it has no natural terminus: it 'is concerned only with getting a fund of money, and that only by the method of conducting the exchange of commodities' (1257b21ff.); 'Money is the starting point and the goal' (1257b22f.); 'there is no limit to the end it seeks; and the end it seeks is wealth of the sort we have mentioned... the mere acquisition of currency' (1257b28f.); all who engage in it, he says, 'increase their fund of money without any limit or pause' (1257b33f.). C-M-C has a limit built into its form, but there is no limit built into the form of M-C-M.

Aristotle's terminology is very loose, and perhaps because of this the translations do not always distinguish carefully or consistently between Aristotle's two sorts of wealth, or between the two sorts of *chrēmatistikē* or wealth-getting, and this

the current orthodoxy, marginal utility theory, careless of the category distinction involved, sought to show (in Schumpeter's words) 'what A. Smith, Ricardo and Marx had believed to be impossible, namely, that exchange value can be explained in terms of use value', *History of Economic Analysis* (Oxford, 1954), pp. 911–12.

⁵ A fuller account of his analysis is given in my article 'Aristotle and Exchange Value', in David Keyt and Fred. D. Miller Jr (eds.), *A Companion to Aristotle's Politics* (Blackwell, Oxford, 1991); reprinted in Mark Blaug (ed.), *Aristotle (384–322 B.C.)* (Aldershot, and Brookfield, Vermont, 1991).

sometimes obscures the thought.⁶ Contrast Jowett with Ross and Rackham at 1256b41. Jowett, in his original edition of 1885, conveys the thought clearly: 'there is another variety of the art of acquisition which is commonly and rightly called the art of making money, and it has in fact suggested the notion that wealth and property have no limit'. Ross revised Jowett for the 1921 Oxford edition, and at this point, for reasons that are understandable in the context, he replaces Jowett's 'making money' as the translation of *chrēmatistikē* by 'wealth-getting', which, by being ambiguous between Aristotle's two senses of 'wealth', blunts the very point Aristotle is trying to make. Rackham does the same. Aristotle's criticisms are always of money-making as a way of getting wealth, never of getting wealth as such, which of course includes natural *chrēmatistikē* or wealth-getting which aims at use value and which he does not want to criticize because it aims at use value.⁷

Production (Aristotle calls it *oikonomikē*)⁸ is about the natural processes of getting food and the other things required for life's needs so that there is 'enough' (1256a1–56b26). The expression Aristotle uses at 1256b4 is τὸ αὐτάρκους εἶναι, and the word *autarkia* is not always best translated as 'self-sufficiency', as it often is. The main meaning Aristotle gives it is that of 'having enough', and its secondary meaning is being 'independent of others', though the priority in Greek is generally the other way round according to Liddell and Scott. Aristotle defines it as 'that which on its own makes life worthy of choice and lacking in nothing' (*N.E.* I, 1097b14–15). When the term carries both meanings it does not always carry them equally. The context should decide which meaning should be stressed in translation, but in practice translators of the *Politics* often use 'self-sufficient' without sufficient regard to context. The context of the discussion around 1256b4 is deficiency, not dependency, and *autarkēs* here means having enough. The useful things provided by *oikonomikē* and natural *chrēmatistikē* are means, and there are enough of them when the ends they are to serve in the household and the polis are sufficiently provided for. The end sets the limit and tells us how much is enough.⁹

'Limit' is an important Aristotelian idea, and it is a serious matter for Aristotle that in the pursuit of wealth as exchange value 'there is no limit to the end it seeks'.¹⁰ In the context of 'virtue as a kind of mean' in the *Ethics* he says that 'evil belongs to

⁶ Finley notes that 'beginning with the Sophists, philosophers were faced with the problem of creating a vocabulary for systematic analysis out of everyday words. One increasingly common device was to employ the suffix *-ikos*. There are some seven hundred such words in Aristotle, many first employed by him'; see 'Aristotle and Economic Analysis', in M. I. Finley (ed.), *Studies in Ancient Society* (London, 1974), p. 41 n. 52, where he refers to P. Chantraine, *La formation des noms en grec ancien* (Paris, 1933), ch. 36.

⁷ Rackham at times even translates *chrēmatistikē* as 'business', so that 1257b35 Aristotle's distinction between the two arts of wealth-getting becomes an opaque distinction between 'the two arts of business', and Carnes Lord, in his translation *Aristotle: The Politics* (Chicago, 1984), makes it even more misleadingly a distinction between the two 'forms of expertise in business'. Both translations invite confusion of just those ends which Aristotle is at pains to distinguish systematically in the chapter. Finley agrees that 'Polanyi... was right to insist that failure to distinguish between the two meanings of *chrēmatistikē* is fatal to an understanding of this section of the *Politics*', 'Aristotle and Economic Analysis', p. 41 n. 52.

⁸ Where we might think of production in an abstract sense free of any particular institutional implication, Aristotle thinks of it as connected with the *oikos*. This is a confusion but it does not affect his argument.

⁹ Roll saw the importance of this and observed that 'Men may exchange without being engaged in the unnatural form of supply, the art of money-making. They would in that case exchange only until they had enough', op. cit. [n. 3], p. 35.

¹⁰ Plato's main objection to trade had been that it made it possible for the pursuit of wealth to be unlimited, see *Laws* 736e, 741e, 847d and 918d.

the class of the unlimited, as the Pythagoreans conjectured, and good to that of the limited' (*N.E.* II, 1106b29ff.). This does not apply to ends that are constitutive of the good life, because 'there is no limit to the pursuit of health, and as in the other arts there is no limit to the pursuit of their several ends, for they aim at accomplishing their ends to the uttermost' (*Pol.* I, 1257b25ff.). But it always applies to means. Aristotle holds as a general principle that an end imposes a limit on means. Every art has an end, and the means to that end are not unlimited, but limited to those means needed to attain it. 'For the amount of such property sufficient in itself for a good life is not unlimited, as Solon says that it is in the verse "But of riches no bound has been fixed or revealed to men"; for a limit has been fixed, as with the other arts, since no tool belonging to any art is without a limit whether in number or in size, and riches are a collection of tools for the householder or the statesman' (*Pol.* I, 1256b31–8); 'external goods have a limit, as has any instrument (and everything useful is useful for something)' (*Pol.* VII, 1323b7–10). Wealth in the order of nature (*ὁ πλοῦτος ὁ κατὰ φύσιν*, 1257b19f., that is, as use value, 'true wealth', *ὁ ἀληθινὸς πλοῦτος*) consists in 'those goods capable of accumulation which are necessary for life and useful for the community of the city or household', and are therefore not unlimited in number and size, but limited to those needed to attain the ends of these communities.

He goes on to say that it is from the existence of wealth as exchange value that we get the idea that wealth is unlimited (*Pol.* I, 1256b40f.). The limits set to wealth as use value are imposed by the particular arts and their ends, to which wealth in this sense is the means. But wealth as exchange value is not a means either to the arts and their immediate ends, or to the end that the arts themselves serve, the good life. That is enough to condemn it in Aristotle's view, but the position is even worse than this. When exchange value, or its representative, money, is well developed in society, it itself becomes the end, and the arts and their ends become means to it, instead of means to the good life.¹¹ He says that 'all these faculties become means for the business of providing wealth [*sc.* as money], in the belief that wealth is the end and that everything must be directed to the end' (1258a8–14). Wealth of this kind has no limit imposed from without because it is not a means subordinate to an end, and since it is itself a purely quantitative feature it has no limit of its own, so it has no limit at all.

II

Kapêlikê is certainly one way of pursuing that end, but there are lots of others. Almost all the activities that make up ethical and political life can be made into means for pursuing it. Philosophy itself can be used in this way, and Aristotle says that this is just what the Sophists do, for the Sophist 'is one who makes money from an apparent but unreal wisdom', (*S. El.* 165a23). The quality of the wisdom may be a separate criticism, or it may be connected with the fact that the Sophist designs his 'product' for sale like the maker of the Delphian knife, with the result that he produces 'philosophy' which stands to the real article as the Delphian pseudo-knife stands to a real knife that can do what it is meant to do properly.¹² Aristotle gives no explicit

¹¹ Roll notes that 'the natural purpose of exchange, the more abundant satisfaction of wants, is lost sight of; the accumulation of money becomes an end in itself', *op. cit.* (n. 3), p. 35.

¹² The Delphian knife seems to have been a crude tool that could serve as a knife, a file and a hammer, and its virtue was that it was cheap, or cheaper than the three tools separately. See Susemihl-Hicks, who cite Aquinas and Oresme, *The Politics of Aristotle* (New York, 1976), pp. 141–2. Aristotle also complains about 'the coppersmith who for cheapness makes a spit and a lampholder in one', *De Part. An.* IV, 683a22ff.

indication which form of the criticism he has in mind, though it is probably the latter, because he says that sophistry itself 'is, as we said, a kind of money making' (171b28), rather than a kind of philosophy. (He also thinks that Sophists are well advised to take cash in advance 'because no one would give money for the things they know', *N.E.* 1164a30ff.). Activities that look alike may be different, and if they have different ends they are different. What he says of *chrêmatistikê* in the *Politics*, he says of sophistry in the *Metaphysics*. Just as good and bad *chrêmatistikê* look alike because 'in either, the instrument is the same', when really they are quite different because 'the use is different' and is aimed at a different end (*ἕτερον τέλος*, 1257b34–8), so sophistry looks like philosophy because it 'turns on the same class of things as philosophy', but differs from it 'in respect of the purpose of the philosophic life' (*Met.* IV, 1004b17ff.). The same sort of thing can be said of any profession or activity which is capable of being applied to the pursuit of money or 'making a living'.

The point that needs to be emphasized is that Aristotle sees the pursuit of exchange value or money as a distinct end all of its own, distinct from trade or any other particular way of pursuing it. When it becomes connected with the conduct of another art A, as it always does, it is not an accidental accompaniment of A which leaves the conduct of that art unaffected. It is itself a distinct art, and because of that it introduces another end, an end quite distinct from the end of the art A and different from it. A conflict of ends arises, as a result of which something must happen to the end of art A; it can be compromised or subordinated or, in the worst case, entirely replaced by the end of getting money.

Complaints about money-making are familiar in ancient literature. Xenophon's Socrates complains of 'the traffickers in the market place who think of nothing but buying cheap and selling dear', and Plato's Socrates charmingly complains of the 'little bald-headed tinker who has made money'.¹³ Plato criticizes the confusion of aims that money introduces into the practice of the arts (*Republic* 342), though not as lucidly as Aristotle does here. In the *Laws* Plato bans citizens from taking part in trade (846d–847b, 915d–920d). Aristotle may have shared Plato's sentiments about the shifty and deceitful habits commerce breeds, and the distrust and hostility it spreads in the city, but if so he does not air them much, and his more penetrating criticism goes beyond sentiments of disgust.

People may pursue the aim of expanding exchange value, or 'enjoyable excess', by means of *kapêlikê*, and then they are not living well for the familiar Aristotelian reasons. But if they cannot pursue it by that means 'they try to do so by some other means, employing each of the faculties in an unnatural way...[and] make all these facilities means for the business of providing wealth [*chrêmatistikê*, that is, in this context, money-getting], in the belief that wealth is the end and that everything must be directed to the end' (*Pol.* I, 1258a8–14). Aristotle instances the military and medical arts, but the list can be extended a long way as he clearly intended it should be. 'For it is not the function of courage to produce wealth, but to inspire daring; nor is it the function of the military art nor of the medical art, but it belongs to the former to bring victory and to the latter to cause health. Yet these people make all these faculties means for the business of providing wealth' (*Pol.* I, 1258a11ff.). Each of these activities has an end or point for the sake of which it is pursued, and by which it is defined; causing people to be healthy, for instance, or causing them to be educated. But they can all be pursued for the sake of exchange value as well as for the sake of their own intrinsic end, or sometimes instead of it altogether. When that

¹³ Respectively, Xenophon, *Memorabilia* 3.7.2–7, and Plato, *Rep.* 4: 295e.

happens, their own real point or end can become no more than a means to the end of exchange value, namely, its quantitative growth. Since this single end is something quite different from their specific and intrinsic ends, these activities can be transformed, and their real points can be compromised or even destroyed.

The object of the medical art is health. But if the medical profession pursues it for the sake of exchange value, then health is no longer its only aim. The practitioners will now be pursuing two ends at the same time. Those ends can be combined in different proportions by individual practitioners. In the best case the practitioner will give the greatest priority to health and the least to money. Even in this case the aim is still not simply health, but a minimum compromise between health and the other end. In the worst case the practitioner gives the greatest priority to exchange value and the least to health. In this case he cannot disregard health altogether, because the pursuit of exchange value here is parasitic on the pursuit of health, and there is a threshold in the pursuit of health below which he cannot go and still effectively use the art for the pursuit of exchange value. He is using the medical art as a means to another end altogether. In both the best and the worst cases, and at every point on the spectrum between them, the practitioners are no longer pursuing health alone, and they will not do the same things they would have done if they had been. In practice, the two ends will not be clearly distinguished, and the practice of medicine will not aim in any simple way at either one end or the other. Rather, the two activities will 'pass into one another', as Aristotle says the two distinct arts of *chrêmatistikê* do. What he says of *chrêmatistikê* applies equally to medicine and any other art practised in this ambiguous way: 'The source of the confusion is the near connection between the two kinds of wealth-getting; in either, the instrument is the same, although the use is different, and so they pass into one another; for each is a use of the same property, but with a difference: accumulation is the end in the one case, but there is a further end in the other' (*Pol. I*, 1257b34ff.).

There is little to suggest that Aristotle regards this sort of misuse of an art primarily as a personal failing on the part of the individual practitioner. In *De Sophisticis Elenchis* he comes down hard on the Sophists for their misuse of philosophy, but he had his own reasons for doing that and they may well be a special case. In the *Politics* he does not subject doctors, soldiers, or any other professionals to harsh words for misusing their professions. And contrary to what commentators have often suggested, he even spares the traders the sort of treatment he gives the Sophists. Plato is much rougher with traders. Aristotle is not being unduly delicate and reserved in withholding criticism of this sort; it would be irrelevant to the nature of the problem as he understands it, which is not in any immediate way a problem of individual conscience, to be dealt with by individual practitioners resolving to avoid shameful behaviour in future. He regards these misuses as a more general kind of problem, and it is characteristic that he should do this. He believed that people generally act according to their economic position.¹⁴ People have to live, and if in order to live they must get money (as they must in an exchange-based society), and get it through the practice of the art they have been trained in, then that is what they will have to do; 'the life of money-making is one undertaken under compulsion' (*N.E. I*, 1096a5). These social arrangements are not of their making, and as individuals they have no

¹⁴ See G. E. M. de Ste. Croix, *The Class Struggle in the Ancient Greek World* (London, 1981), pp. 71, 73, 78, 79. Ste. Croix argues that Aristotle 'takes it for granted that men will act, politically or otherwise, above all according to their economic position', p. 79. See also the discussion of Ste. Croix in T. H. Irwin, 'Moral Science and Political Theory in Aristotle', in P. Cartledge and F. D. Harvey (eds.), *Crux* (Exeter, 1985).

choice but to accommodate to them. Aristotle is concerned with the nature of those social arrangements and the consequences of their operation before he is concerned with personal behaviour.

He is concerned with personal behaviour too, of course, but in this context he is concerned with it inasmuch as it is affected by those arrangements of money. He says of the boaster that 'he who claims more than he has with no ulterior object is a contemptible sort of fellow (otherwise he would not have delighted in falsehood), but seems futile rather than bad'. Boasting with an object in mind is worse, but it makes a difference what the object is: 'he who does it for the sake of reputation or honour is (for a boaster) not very much to be blamed'. On the other hand, 'he who does it for money, or the things that lead to money, is an uglier character' (*N.E.* IV, 1127b9–13). Aristotle thinks that everything can be expressed (*τετιμῆσθαι*) in money (*N.E.* V, 1133b14–15), and so money, as the universal equivalent, acts as a universal ulterior object that can enter into the doing of almost anything and into almost any sort of relationship, so that personal behaviour can be systematically affected by its presence.

What goes for the medical art goes for all the other arts and faculties that can be used in the same ambiguous way. Aristotle is concerned not only about exchange value compromising the single activity of *chrēmatistikē*, but about its invasion of the whole of ethical and political life. This artificial activity has a capacity to attach itself to other activities, to infiltrate its aim into theirs and to subordinate their ends to its own. This makes it a danger to Aristotle's conception of the sort of life fitting for creatures having the capacities humans have and living a polis life. It undermines the rational ordering of ends set out in the first pages of the *Nicomachean Ethics* (I, 1094a1–94b11). Aristotle holds that arts and their ends can and should be arranged in a hierarchy, some more serious and inclusive than others, and those that are less serious are pursued not for their own sakes but for the sake of others that are more serious; 'as bridle-making and the other arts concerned with the equipment of horses fall under the art of riding, and this and every military action under strategy, in the same way other arts fall under yet others—in all of these the ends of the master arts are to be preferred to all the subordinate ends; for it is for the sake of the former that the latter are pursued' (*N.E.* I, 1094a10–15). The master art is *politikē*, because its end is the good for man, and so its end includes all the other arts and their ends, and while they are pursued for its sake, it is not pursued for the sake of anything else. If these arts are infiltrated by the pursuit of exchange value and their ends compromised, confused or subverted in the ways considered above in relation to medicine, there can be little hope of their being rationally ordered. The polis itself, Aristotle says, comes into existence for the sake of life, but it exists for the sake of the good life (*Pol.* I, 1252b30–1; 80a31–2); it is not merely for defence and exchanging goods, it is a partnership in living well (*Pol.* III, 1280b29–35). 'Even if people living near each other had laws to prevent them wronging each other in the exchange of products—for instance, if one man were a carpenter, another a farmer, another a shoemaker, and others producers of other goods—and the whole population numbered ten thousand, still, if they associated in nothing more than military alliance and the exchange of goods, this would not be a polis' (*Pol.* III, 1280b17–23). The pursuit of wealth as exchange value is not good enough for Aristotle, but worse than that, it undermines his understanding of the fitting use of human capacities, the good for man, and the point of the polis and of political life.

Aristotle is more inclined than modern writers to rely on psychological and moral factors to explain social and political change. He criticizes those who see private

property as the cause of social evils, and suggests that the cause really lies in human wickedness (*Pol.* II, 1263b15–27). But in his account of the development of exchange value he handles the interaction of personal motivation and social forms and institutions more subtly. He argues that the end of exchange value, built into M-C-M, is something to which people adapt themselves and their behaviour. He does not think money and monetary exchange are neutral devices which human wickedness abuses by putting them to vicious ends. He thinks the vicious end is implicit in the institution itself. He does not explain the origin of the erroneous idea that wealth is unlimited as lying in vicious human propensities, as we might have expected perhaps, but in the existence of the form of exchange value itself; it is this that ‘has in fact suggested the notion that wealth and property have no limit’ (*Pol.* I, 1256b40ff.).

Ross argues that Aristotle overlooks the fact that people were able to seek unlimited wealth before money came into existence. Aristotle ‘does not notice that the pursuit of wealth for its own sake may arise even at his earliest stage, where goods are accumulated and exchange has not begun, and that in barter no less than in the exchange of goods for money profiteering is possible’.¹⁵ The implication is that money can hardly be blamed for the idea of unlimited wealth, and that Aristotle should have blamed human greed for it instead. But the thought that people could have wanted too much before there was money is, it has to be said, such an obvious one that it is hard to imagine that Aristotle did not think of it, particularly since *pleonexia* is a familiar Aristotelian idea. Ross misses Aristotle’s point. *Pleonexia*, simply wanting too much, is a human failing, and human failings are not Aristotle’s theme here. He is discussing a particular form of wealth, the money form, which is in its nature without a limit, so that those engaged in it pursue an unlimited end, with the result that their behaviour is systematically made into something indistinguishable from *pleonexia* even though they might not themselves be greedy people. The desire for too much is always there to cause bad behaviour, and Aristotle is not one to forget it. But this is not what he has in mind. His point is that C-M-C, as an institution or form of behaviour, has a limit built into its form: exchange comes to an end with the acquisition of a use value that is needed. It is difficult to suppose that he imagines this fact to be a guarantee against greed, and that when exchange was confined to barter, or to the C-M-C form, people behaved only in ungrasping ways. His point is about the nature of the activity of M-C-M and the end it embodies. It is in the nature of M-C-M that it has no limit built into its form. M is a quantity, so there is no amount of M which, once gained, allows one to say that the activity M-C-M-C-M-C-M... has reached its end; it is an activity without a natural terminus. For that reason, those who pursue it are engaged in a form of activity whose *end* is of such a kind that it has no limit. Whatever the degree of their personal propensity to greed may be, the nature of the end of the activity they are engaged in will ensure that their behaviour is greedy.

It is no defence to Aristotle’s criticism of money-making to object, as Barker and Ross do, that the trader performs a service. According to Ross, Aristotle ‘does not see that the commercial class, which he condemns, renders a useful public service and makes its profits only because it does so’, and according to Barker, Aristotle, like the Physiocrats, ‘forgot... that production is a process which does not stop till the article reaches the consumer; and they failed to realize that every stage of this process is equally valuable, and equally “productive”’.¹⁶ This is no defence because Aristotle’s

¹⁵ Ross, *Aristotle*, p. 243.

¹⁶ Ross, *Aristotle*, p. 243; Barker, *The Political Thought of Plato and Aristotle* (London, 1906), p. 390 n. 1.

criticism is not aimed at the trader alone, but at money and the effect it has on the arts when they are pursued for the sake of it. Those arts include most things that could be described as 'rendering a useful public service'. Making money is a distinct end and art, but it is not a distinct activity. There is no activity of 'making money' which can be conducted on its own, independently of the conduct of another art or useful activity, except in the literal sense of coining or printing legal tender. It is an end which can be pursued only by its being latched onto the conduct of some other art. This applies even to trade. Trade, insofar as it is a useful service, is the art of getting things to where they are needed. That art is transformed into 'trade' in the more familiar sense by being used as a way of making money. Ross's argument seems convincing only if the two arts and ends are conflated, and on Aristotle's view they have to be distinguished, as the two arts of good and bad *chrēmatistikē* have to be distinguished. The term 'trade' now has such strong commercial connotations that it can be difficult to detach them, but the distinction between the two sorts or arts of 'trade', the movement of use values and the movement of exchange values, can be important. Failure to observe it can lead to confusion in assessing ancient evidence, and Garnsey and Saller have occasion to note that 'Polanyi, and more recently, Finley, have reminded us that not all commodity movement in antiquity is properly described as trade in the sense of market exchange. In particular, the transport of goods under the order of or under the control of the state, "redistribution", or "administered trade", was of singular importance under the Roman empire. Insofar as rich investors were caught up in the transport to the city of Rome or the Roman armies of massive quantities of goods, especially tax grain, this would tell us little about the importance of trade in the Roman world.'¹⁷

Aristotle blames money rather than human frailty for the evils of exchange value, but human frailty has a share in the blame. The forms of exchange value, which are socially devised, exacerbate what are already human propensities for seeking pleasure and acting on shallow ideas of human wellbeing, and those natural propensities in turn reinforce the social forms. 'The many, the most vulgar, would seem to conceive the good and happiness as pleasure, and hence they also like the life of gratification. Here they appear completely slavish, since the life they decide on is a life for grazing animals; and yet they have some argument in their defence, since many in positions of power feel the same way as Sardanapallus' (*N.E.* I, 1095b16ff.).

Aristotle's systematic analysis of exchange value as an end of action has generally been overlooked, and Schumpeter, usually a subtle critic of Aristotle, arrives at the unbalanced conclusion that in Aristotle 'the trader (and shipowner), the shopkeeper, the money lender were mainly considered with a view to the ethical and political appraisal of their activities and their gains, neither of which seemed to call for explanatory analysis.'¹⁸

III

Barker censures Aristotle for being 'as reactionary in economics as was Plato', whose views he characterizes by the motto 'Back to the simple and the primitive'. He also attributes to him a belief in an ideal economic society which comes 'perilously near the "golden" age—"When wild in woods the noble savage ran"'.¹⁹ The constructions Barker puts on Aristotle here are likely to appear exaggerated to most readers today. They have a desperate quality which reappears often in his chapter entitled

¹⁷ P. Garnsey and R. Saller, *The Roman Empire* (London, 1990), p. 48.

¹⁸ Schumpeter, *History of Economic Analysis*, pp. 64–5.

¹⁹ Barker (n. 16), pp. 374–7.

'Aristotle's Principles of Economics'. The chapter is in greater part a barely disguised effort to justify modern or bourgeois conceptions of wealth, value, exchange, money and profit, in the face of Aristotle's analyses which Barker clearly sees as a threat.²⁰ He draws likenesses between Aristotle and the view of the Physiocrats that exchange is not productive: 'It may be remarked that the Physiocrats, with these views, were not socialists; nor need we therefore make Aristotle, with the same views, into a socialist'.²¹

Ross shows the same sensibility in defending what he calls 'the commercial class' on the ground, which is beside the point of Aristotle's main criticism, that it 'renders a useful public service and makes its profits only because it does so'. It was not generally appreciated at the time Ross was writing that there was no 'productive lending' in the ancient world, that is, there was no credit for establishing productive enterprises as opposed to lending for consumption, or in more general terms that money did not function as capital.²² So, although there was no real banking, Ross saw no obstacle to extending his defence of the commercial interest to encompass banking too by repudiating Aristotle's criticism of usury. The term 'usury' is often used these days to mean, not the taking of interest, which is what it used to mean for centuries, but only the taking of excessive interest. Ross, perhaps with this in mind, implies that there is a distinction here which Aristotle has failed to make, and he complains that 'a justifiable moral prejudice against iniquitous usury blinds him to the economic services rendered by lenders of capital'.²³ It is true that Aristotle does not explicitly distinguish between usury and greater usury, though it is probably not a distinction he would object to. But a distinction between bad usury and even worse usury is not what Ross has in mind. He wants a distinction between bad usury and good usury. This is impossible on Aristotle's view because his criticism of usury is a criticism of its end, and there is no difference of end between usury and iniquitous usury, only one of degree. This would be one of those actions, like adultery, which does not admit of a mean, and which 'are themselves bad, and not the excess or deficiencies of them' (*N.E.* II, 1107a9–26).

Rejections of Aristotle's views on grounds of this kind have become the rule rather than the exception. Mulgan too conceives Aristotle primarily as an enemy of improvement and technology, in something like the spirit of a nineteenth-century English poetaster contrasting a greenery-yallery pastoral idyll with the devilry of the iron masters. He thinks that Aristotle's distinction between natural and unnatural wealth is to be interpreted as meaning that natural wealth (*ὁ ἀλθινὸς πλοῦτος*) 'is confined to the products of land or sea, such as farm animals and their by-products, crops, fruit and fish', and unnatural wealth is whatever (in Aristotle's phrase at 1257a3–5, taken quite against the context to be a reference to technology) 'is gained

²⁰ He may have had his suspicions confirmed by acquaintance with the work of R. von Pöhlmann whom he cites on p. 385 n. 2, though without giving the title of Pöhlmann's work. It may well have been *Geschichte des Antiken Sozialismus und Kommunismus*, a work of the Marxist tradition which appeared in two volumes in 1893 and 1901. It went to a second edition in 1912, and a third in 1925 under the title *Geschichte der Sozialen Frage und des Sozialismus in der Antiken Welt*.

²¹ Barker (n. 16), p. 390 n. 1.

²² On 'productive lending' in the ancient world, see Paul Millett, *Lending and Borrowing in Ancient Athens* (Cambridge, 1991), pp. 73–4, 96, 195. On the use of money in ship's bottomry see G. E. M. de Ste. Croix, 'Ancient Greek and Roman Maritime Loans', in Harold Edey and B. S. Yamey (eds.), *Debits, Credits, Finance and Profits* (London, 1974), pp. 41–59. On the absence of modern notions of asset values, profitability, investment, returns, accounting, etc., and on the nature of ancient accounts as no more than inventories and checks on embezzlement, see de Ste. Croix, 'Greek and Roman Accounting', in A. C. Littleton and B. S. Yamey (eds.), *Studies in the History of Accounting* (1956), pp. 14–74.

²³ Ross, *Aristotle*, p. 243.

by experience and skill'.²⁴ So he thinks that Aristotle is making a case for the 'claim that agriculture is closer than commerce to nature', and he concedes that in a sense this is so, 'if we mean that it is concerned more directly with products and processes of natural growth which do not depend on technology'. But of course agriculture too involves technology, and Mulgan suggests that Aristotle overlooks this in supposedly arguing that 'what is natural in the sense of primitive and unaffected by human technology is therefore best for man'. It is difficult to recognize Aristotle in any of this, and not surprisingly Mulgan comes to the conclusion that the arguments making up Aristotle's case about true and spurious wealth hardly do more than express attitudes.²⁵

Schumpeter is an exception, because he is inclined to look harder for serious analytical content in Aristotle. He does not like the analysis he finds there, but he does not rely heavily for his criticism on attributing ideological class attitudes to Aristotle. He reproduces the common opinion that Aristotle has 'the ideological preconceptions to be expected of a man who lived in, and wrote for, a cultivated leisure class, which held work and business pursuits in contempt and, of course, loved the farmer who fed it and hated the money lender who exploited it', but this is an aside and not the main thrust of his evaluation of Aristotle's argument.²⁶

The judgements arrived at by Barker, Ross and Mulgan are unbalanced in other ways too, because the attitudes they attribute to Aristotle are not particularly Greek, aristocratic or necessarily prejudiced. Contempt for commercial values is hardly a cultural quirk peculiar to the ancient Greek aristocracy. Historically it has been a common enough sentiment wherever there has been significant money economy. The antipathy of ancient authors is exceeded by that of medieval ones, whose views are well summarized by Tawney.²⁷ The Catholic Church continued to denounce them clearly up until the encyclical *Vix Pervenit* of 1745, and it still keeps them at arms length.²⁸ Such antipathy is common enough today, and not only among those who share socialist sensibilities. John Maynard Keynes, in an essay entitled 'Economic Possibilities for our Grandchildren' published in 1930, looks forward to a time (which he thinks will come in the lifetimes of the grandchildren of his own generation) when we 'shall be able to afford to dare to assess the money-motive at its true value', and recognize it 'for what it is, a somewhat disgusting morbidity, one of those semi-criminal, semi-pathological propensities which one hands over with a shudder to the specialists in mental disease'.²⁹

²⁴ Barker makes the comparable but slightly different point that Aristotle has a Physiocratic view of 'productive labour'. He suggests that, like Aristotle, the Physiocrats 'too "confined the epithet 'productivity' to *agricultural* labour, and denied it to every other class of labour". They too felt that it is agriculture, and similar extractive occupations, "that furnish the materials for all wealth; and that all other labour is merely engaged in the working of these materials"' (Gide, *Political Economy*, E.T., p. 113)', Barker, *ibid.*, p. 390 n. 1. The likeness between Aristotle and the Physiocrats is unconvincing since Aristotle did not have a notion of labour and productivity any more than any other Greek author; see Finley, *The Ancient Economy* (2nd edn., London, 1985), p. 21.

²⁵ Mulgan (n. 2), pp. 48–50.

²⁶ J. Schumpeter, *History of Economic Analysis* (Oxford, 1954), p. 60.

²⁷ R. H. Tawney, *Religion and the Rise of Capitalism* (London, 1926), ch. 1.

²⁸ See the encyclicals *Rerum Novarum* (1891), and *Quadragesimo Anno* (1931), and the accounts given of them in J. Y. Calvez and J. Perrin, *The Church and Social Justice* (London, 1961). In *Veritatis Splendor* (1993), many economic evils including 'degrading conditions of work which treat labourers as mere instruments of profit' are condemned as 'intrinsically evil' and 'a disgrace' (*Catholic Truth Society*, 1993), p. 123, though these have usually received less attention than other things more offensive to liberal sentiment, as indeed they do in the encyclical itself.

²⁹ J. M. Keynes, *Essays in Persuasion* (London, 1931), p. 369.

The evidence usually adduced for the view that Aristotle espoused a cause of opposition against traders comes from *Politics* I. 8–10. It is true that Aristotle has little good to say about traders in those chapters, but he has little bad to say about them either. He is critical of trade, but unlike Plato he has nothing to say about the moral qualities of those who engage in it. Traders are not really the target of his criticism. His target is too general and its social application too wide, for it to be at all plausible to suggest that the purpose of these chapters is to mount a political attack on the trader in particular. Aristotle's criticism is directed at wealth-getting in the sense of money-making, and he is explicit that the trader is not the only one who does this because doctors, philosophers, soldiers, and other professionals do it too. It is not even particularly clear that he thinks the trader is worse than the others, because even if the trader practises an ignoble art, so do they, and at least he is not perverting a noble one at the same time. Aristotle does not explicitly make this point but it is an obvious implication, and it is clearly in his mind when he condemns the Sophists for abusing philosophy by turning it into money-making.

It cannot even be said that he picks on traders as offenders more often than he picks on others, or that he subjects them to any special opprobrium. The target of his criticism is *chrêmatistikê* in the bad sense of money-making, and this is the term he uses to describe what the Sophists do and what is done by those who misuse the medical and military arts. *Kapêlikê* or trade is only one of a number of examples of the bad kind of *chrêmatistikê* which Aristotle singles out for mention. It is true that *kapêlikê* has a special place in his analysis of exchange in *Politics* I, but this is only because he thought it had a special place in the genesis of bad *chrêmatistikê* as a general phenomenon which includes *kapêlikê* but is not exhausted by it. The context of that discussion is an examination of wealth, and when Aristotle distinguishes true wealth from false wealth or money, the trader is not especially prominent as an example of the pursuer of false wealth; the professions are at least as prominent if not more so, and the artisan is implicated too by inference from the case of the 'niggardly' smith who makes the Delphian knife. This hardly amounts to evidence that the chapters mount a political attack on traders. The discussion of fairness in exchange in the *Ethics* furnishes Aristotle with a golden opportunity to heap obloquy on the trader's head, since he thinks M-C-M involves people 'taking things from one another', but he does not take it. The usual terms for trade and trader, *kapêlikê* and *kapêlos*, do not occur at all in *N.E.* V, 5. There may be more than one reason for this, but even so it hardly suggests that a cause of political opposition to the class of traders was close to Aristotle's heart, even if there were reason to think that he entertained one. The only reason given for thinking that he did is this supposed evidence from *Politics* I.

It is not very convincing to accuse Aristotle of sharing the prejudices of the Greek landowning class. His criticisms apply not only to the trader, the presumed object of Greek aristocratic contempt, but to professionals generally, the very class Aristotle was brought up in. His own father was a doctor, and he himself, although he had privileges at Athens, remained a metic, a class which was almost entirely engaged in trade and manufacture. The charge of prejudice is particularly unfair, because the criticisms Aristotle actually makes, as opposed to the ones Mulgan puts into his mouth, are evidence if any were needed of his detachment and fair-mindedness rather than of prejudice.

There is no way of knowing for certain whether the views Aristotle takes of money-wealth and money-makers were peculiarly aristocratic ones. Similar views may have been much commoner than that. It would not be very surprising if the peasants of the

chôra and the non-aristocratic city dwellers held such views, because some of them would have had as much reason as anyone to resent the living made by traders and usurers. But practically nothing is known of what they thought about anything, so describing Aristotle's views as specifically 'aristocratic' can be little more than conjecture. Even if it were fair to describe the view he held of money-wealth as an 'aristocratic' one, it would certainly fit no kind of pattern in his opinions and principles. The thrust of so many of Aristotle's political convictions, in constitutional matters and in others, favours the middle kind of people. Just to take a few random examples: the best *politeia* is not governed exclusively either by the rich or by the poor (*Pol.* IV, 1294b37f.). Those in between the rich and poor 'are most ready to follow rational principle' (*Pol.* IV, 1295b5f.), and where they exist in numbers there is more likely to be a better *politeia* (*Pol.* IV, 1296a23), and one which confines the strife between rich and poor within limits (*Pol.* IV, 1294a35f.; 1297a38f.). Aristotle's account of the best *politeia* hardly embodies an aristocratic principle. On the contrary, he says that 'it is evident that the best *politeia* is that arrangement according to which anyone whatsoever (*ὅστις οὖν*) might do best and live a flourishing life' (*Pol.* VIII, 1324a23–5). He reports with typical detachment the contending opinions about what 'desert' should mean in the principle 'agreed by all' that honours and other things belonging to the community should be distributed according to desert, hinting at the self-interestedness of the definitions: 'democrats make the criterion free birth; those of oligarchic sympathies, wealth', and aristocrats are not spared the irony, for 'upholders of aristocracy make it virtue' (*N.E.* V, 1131a24ff.).

In any case, there is no reason to believe that there was any serious political antagonism between the commercial class and the landed aristocracy. The claim that there was is seldom made in so many words, but it is often hinted at and implied. Soudek's suggestion, for instance, that 'the author of the *Laws*... had made his peace with moneymaking and plutocracy, while Aristotle never gave up his opposition to this class', misunderstands both Plato and Aristotle.³⁰ But it strikes another false note too, and Finley writes that beneath Soudek's misunderstanding there 'lies an equally fantastic picture of a sharp class struggle in Greece between wealthy landowners and merchants'.³¹

On the whole there is little to be got out of attempting to evaluate the first book of the *Politics* and *N.E.* V, 5 in terms of Aristotle's real or imagined class loyalties, and the attempts that have been made at it have seldom been entirely free of the taint of ideology themselves. Aristotle's attack on exchange value and its associated behaviour is at an intellectual level that criticism of this order cannot penetrate to. His attack may seem more pertinent to the market economies of today, now that *ethikê* and *politikê* have been so thoroughly penetrated by exchange value and the confusion of ends has reached so deeply into everything. His criticism, however, has often come to be taken more trivially by scholars in modern times rather than more seriously.

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³⁰ J. Soudek, 'Aristotle's Theory of Exchange', *Proc. Amer. Philos. Soc.* 96 (1952), pp. 71–2; reprinted in Mark Blaug (n. 5).

³¹ M. I. Finley, 'Aristotle and Economic Analysis', p. 43 n. 60; also reprinted in Mark Blaug (n. 5).