Abstract

This thesis aims to explore the ontology and the normative nature of money.

Part 1 aims to provide a philosophical and methodological toolbox with which to consider the ontology of money and the boundary between market and non-market spheres. From a Critical Realist perspective, it blocks the slide into two problems of reductionism. The positivist perspective, on the one hand, reduces objects to their empirical existence and seeks to quantify them. The Post-structuralist perspective, on the other hand, reduces objects to our discourses and ignores their extra-discursive nature. The Critical Realist can avoid reducing commensurability into either a mere empirical existence or a mere social construction. Whether things are marketable or not is partly a matter of extra-discursive facts and partly of discursive institutional facts. A market boundary, a separation between the marketable and the non-marketable goods, exists not only for us, but also in virtue of the nature both of money and of non-monetary goods. The ontology of money matters to the morality of money.

Part 2 aims to provide an ethical approach from which to consider normative debates about money. From the perspective of an Aristotelian virtue ethics, it criticises the moral instrumentalist view of money — i.e. the view that money is simply a tool and hence that it is pointless to argue about morality of money as such — and the Smithian virtue-based justification of money, which holds that whilst the society may subsist without a positive virtue of beneficence, it cannot subsist without a negative virtue of justice promoted by money. From an Aristotelian virtue ethics perspective, it defends the importance and possibility of altruistic gift giving from both practical indifference and theoretical skepticism. Finally, it explores the possibility of a ‘virtue-based utopianism’ in contrast with an ‘evotopianism’ based on a consequentialist ethical perspective.
Note

This thesis is my own work and has not been submitted in the same form for a higher degree elsewhere.
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CHAPTER 0: INTRODUCTION

Money is, unarguably, central to the operation of capitalist economies. Despite our preoccupation with measuring various aspects of money (e.g. money supply) and attempting to discover its association with other economic variables (e.g. inflation), we seem to be no closer nowadays to an understanding of exactly *what money is* or *how money 'works'*** than half a century ago. As Schumpeter put matters in 1954, ‘[t]here is no denying that views on money are as difficult to describe as are shifting clouds’ (Schumpeter, 1994 [1954], p. 289). Ingham notes that economic thought is marked by a history of interrelated disputes involving divergent conceptions of the nature of money (Ingham, 1999, p. 105), some of the key ones are listed here. Money has been considered as:

- a precious metal (e.g. gold, silver).
- a commodity with objective qualities (e.g. value, stability of value, portability, indestructibility, homogeneity, divisibility, cognizability).
- a functional entity (e.g. medium of exchange, measurement of value, means of payment, store of value).
- a tool.
- a veil covering the ‘real’ economy.
- a *numéraire*.
- a creature of the state.
- a creature of trust.
- a commodity with (inter-)subjective qualities (e.g. saleability, scarcity, utility, evaluation by tastes, preferences and wants).
- a social institution.
- information.

In one sense, not understanding money properly does not matter: we can go about our daily monetary practices without knowing what money is. In another sense, however, this does matter: monetary theory and policy, concerning the Euro or local currencies for instance, must be based on some understanding of what money is. If not, it is highly likely that theory and policy will be misguided.
Moreover, whilst we are aware of many of the advantages of living in a monetised socio-economic system, without a more sophisticated understanding on money, we are likely to miss the disadvantages that seem to come with money. And this brings us to the twin aims of this thesis. This thesis aims to develop a more sophisticated understanding on money via an ontological enquiry;¹ and then to use this understanding as a base from which to explore some of the disadvantages, specifically, the ethical problems that money appears to generate.

0.1 Why Ontology?

Whilst the history of monetary theory has deployed various conceptions of the nature of money, it has generally developed around two dimensions: the material or the symbolic.² Ontology has, for many years, tended to be overlooked and has often been eclipsed by its relative epistemology.³ This has, almost inevitably, led to ontological confusion right across the spectrum of social science in general and in the analysis of money in particular. Ontological confusion has encouraged the practice of collapsing one dimension into the other so that whatever money is it is either entirely material or entirely symbolic. We need to avoid this.

With few (important) exceptions, most of those who have focused on the material dimension have treated money solely as a concrete, tangible entity. From this perspective, money is intrinsically valuable and is rendered valuable due to the innate properties that it possesses. In the second dimension, most of those who have focused on the symbolic dimension have treated money as a conceptual, nominal entity. From this perspective, money is extrinsically valuable and is rendered valuable due to what it promotes, how it is used or what context it resides in.

While a (crude) materialist view of money always had its critics, it came under particular fire when convertibility to gold was abandoned and new forms of money,

¹ Ontology is the philosophical investigation about nature of being or existence.
² Dodd implies that money is information, and claims that information, which defines feature of monetary networks, is 'neither material nor symbolic but something other; an other which cannot be grasped within the language of economics, nor indeed within any language which derives its structure from the dualism of the material and the symbolic, of concepts and the reality they are supposed to depict' (Dodd, 1994, pp. 157-8). Although this thesis accepts some of Dodd's claims, it attempts to figure out what this 'something other' actually is.
³ Epistemology is the philosophical investigation about knowledge of being or existence and about how knowledge of being is obtained.
such as credit cards and e-money, emerged. Developments like these triggered an over-reaction: if money can no longer considered to be just material, then perhaps it is just symbolic. Hayek is but one thinker who takes this view, writing: ‘Money is money, a word is a word, a cosmetic is a cosmetic, if and because somebody thinks they are’ (Hayek, 1949, p. 60). That is, something can be money if and because it is regarded as money. Physical properties are not only unimportant, they also tell us nothing about moneyness, rather, people’s belief, recognition, patterned behaviours or purposive action make something money. This chimes nicely with developments in Post-structuralist thought, which comes to see money as just ‘discourse’ and because of this, ends up as a crude idealist view of money.4

Now, in order to avoid the twin evils of crude materialism and crude idealism, we need a sophisticated ontology, one that can properly deal with both material and symbolic dimensions of money without reduction. This is where Critical Realism comes in. Over the last few years, Critical Realist thinkers (Fairclough, Jessop and Sayer, 2002) have been developing what we might call a social ontology with a concept of discourse. Thus, Critical Realism has an ontology that is sophisticated enough to deal with both material/extra-discursive and symbolic/discursive.

0.2 Why Ethics?
Money’s morality has generally been argued from the following ethical perspectives: consequentialist ethics and deontological ethics. Consequentialist ethics concern the state of affairs we should or should not bring about. From this view, it follows that money’s morality can be judged in terms of the goodness and badness of a state of affairs it promotes. Deontological ethics, in contrast, concern the actions we should or should not perform. From this view, it follows that money’s morality can be judged in term of rightness and wrongness of how to use it. However, a number of recent consequentialist and deontological approaches involve, what I call, a moral instrumentalist view on money (i.e. the view that it is pointless to argue about morality of money as such since money is merely a tool), and discourage us from arguing about morality of money in terms of the ontological nature of money.

4 Or postmodernist, although for ease I shall refer to both as Post-structuralist.
Utilitarian consequentialists consider that money is just a tool for maximising our utility, and therefore it is pointless to argue about money's morality as such, just as it is pointless to do about the morality of any other tool such as a hammer. This view, however, leaves out the possibility that the ontological status of money itself is incompatible with our ethical behaviour and human virtue. By assuming utility maximisation as our ultimate aim, it reduces any kinds of moral value into a super-value, namely utility. From this view, it follows that money is *consequentially* compatible with our ethical behaviour and human virtue, because it is a tool for maximising the super-value. This view, however, is value-monistic, wherein there exists only one end and all actions are means to it. It misguides us into considering that all other values, including moral values, are reducible to the super-value, utility.

In contrast, American pragmatists develop a deontological ethics and consider that money does not have any meaning outside of particular uses in particular contexts because its social meaning is created through use — i.e. there is no such thing as 'universally representational properties of money'. This view, however, leaves out the possibility that the ontological status of money itself influences the acts of moral agents. Starting from a rejection of the attempt to identify 'universally representational properties of money', it reduces money's meaning, which includes morality, into its uses and usages in contexts. From this view, it follows that money's morality can and ought to be a matter of its users and usages in contexts, not the ontological natures of money as such. If money were no more than meaning created through people's use, however, money would have different meanings only by depending on how people treat it. While it appears to be value-pluralistic and emancipatory, it can easily flip into moral relativism: money can be either good or bad only by depending on right or wrong usage.

Now, in order to avoid these moral instrumentalist views, we need a more sophisticated perspective of ethics that holds a view that the ontology of money matters to the ethics of money. This is where Aristotelian virtue ethics come in. Virtue ethics concern what kind of person we ought to be. From this view, it follows that money's morality can be judged in terms of the goodness or badness of *what it leads us to be*. A morally instrumentalist view on money can be avoided from an Aristotelian virtue ethics perspective. Firstly because, unlike utilitarian
consequentialist ethics, virtue ethics does not reduce the realisation of human virtue (i.e. intrinsic value) into a good state of affair (i.e. extrinsic value). Secondly because, unlike the pragmatist approach of deontological ethics, virtue ethics can ontologically investigate the compatibility between essences of money and the excellence of human virtue.

0.3 Format
Chapter 1 embarks on the ontological enquiry by developing a Critical Realist perspective on *discourse*. This necessitates an engagement with Post-structuralism and the strong social constructionist ontology which often implies that there is no extra-discursive dimension to reality and hence no distinction between *discourse* and *non* or *extra-discourse*. In this case, it necessitates an engagement with the claim that money is entirely discourse and the collapse of money into discourse. Critical Realism holds a non-reductionist distinction between the discursive and the extra-discursive. Because of this, it is useful in exploring the way in which *discourse* figures within, and *partly* constitutes money.

Chapter 2 turns to consider issues that are more recognisably ‘economic’ in nature that is, it deals with issues such as measurement, comparability, cardinality, ordinality, quantification, and standardisation. What is unique, however, is that it deals with these issues in a way that augments the previous Critical Realist analysis of discourse. It explores the way money becomes the universal measure of values by its ability to render incommensurable items commensurable, and does this by treating commensuration not as a purely physical process, but as a *discursive process*. The chapter, effectively, builds a Critical Realist perspective on *discourse* from which to consider money.

Chapter 3 considers the market boundary, that is, the boundary that separates marketable from non-marketable items. First, it draws on Walzer’s idea of ‘blocked exchanges’, that is, situations where things cannot and/or should not be traded for money. It also draws on Andre’s developments on ‘blocked exchanges’ where she considers not only what cannot be bought and sold, but also what could, but really ought not to be bought and sold. Second, it considers cases where certain social relations and value commitments, which are themselves actually constituted by our
refusal to put a price upon them. Third, it considers a Critical Realist meta-theory as a perspective for exploring the ontology of a market boundary. It also examines how the market and the non-market spheres can co-exist, despite the fact that the market sphere tends to either invade or corrupt into the non-market sphere in a certain context. Finally, it tackles some skepticism and criticism that has been levelled against the idea that ontology can be useful in determining a market boundary.

The chapter 4 and 5 explore the ways in which money itself may be incompatible with our ethical behaviour and human virtue, from the perspective of an Aristotelian virtue ethic. Chapter 4 critically examines a morally instrumentalist view of money (i.e. the view that it is pointless to argue about morality of money since money is merely a tool). First, it introduces three ethical perspectives that provide a basis for the specific purpose of examining the morality of money — i.e. consequentialism, deontological ethics and virtue ethics. We explore that a number of recent consequentialist and deontological approaches which have involved a morally instrumentalist view of money. Second, it elaborates an Aristotelian perspective of virtue ethics to demonstrate that moral instrumentalism can be avoided. Third, it criticises Radin's rejection of Marxist theory as a misreading, in order to demonstrate that moral instrumentalism can be avoided. And finally, it puts an Aristotelian virtue ethics perspective to work critically assessing some well-known attempts to justify money (i.e. money promotes equality and justice).

Chapter 5 critically examines a Smithian virtue-based justification of money (i.e. whilst the society may subsist without a positive virtue of beneficence, it cannot subsist without a negative virtue of justice promoted by money). Through a comparison with an Aristotelian virtue ethics perspective, it aims to explore the ways in which Smithian virtue ethics rather impede the possible excellence of human virtues. First, we consider the Aristotle's account of 'virtue' and 'justice'. For Aristotle, virtue is a mean between two extremes (i.e. excess and deficiency). He claims the possibility and desirability of reciprocation as a synthesis of the qualitative nature of persons and the quantitative nature of things. Second, we consider Smith's account of 'virtue' and 'justice'. Smith divides virtue into two kinds — i.e. a positive virtue (i.e. beneficence) and negative virtue (i.e. justice). Smith aims to persuade us to moderate our expectations of positive virtue and to prioritise negative virtue. Third,
we summarise the contrast between Aristotle’s and Smith’s virtue ethics in respect of their different conceptions of virtue and justice. Aristotle considers that friendship is more basic than justice for people’s association in their community, whereas Smith considers that justice is more basic than friendship for the subsistence of the society. And finally, we put an Aristotelian virtue ethics perspective to work critically assessing some Smithian attempts to justify money (i.e. money promotes independence and freedom).

Chapter 6 considers altruistic gift giving as a non-market activity to realise the excellence of human virtue. It defends the importance and possibility of altruistic gift giving from both practical indifference and theoretical skepticism. First, we consider Gregory’s distinction between commodity exchange and gift exchange. According to Gregory’s concept of gift exchange, the giver is taken to have ‘some kind of superiority (e.g. political control, power, status, prestige)’ over the receiver. Second, we examine the ways in which the act of giving involves different kinds of social relations — i.e. domination, instrumental reciprocity and mutuality. We show that gift giving does not exclude the possibility of non-reciprocal mutuality in gift giving of the kind described by Titmuss, in which the giver is supposed to make no obligation for return to the receiver. And finally, we consider recent skepticism about, and criticism of, altruistic gift giving, and develop a response to these skeptical moves from a perspective of a particular egalitarian mutualist form of Aristotelian virtue ethics.

The chapter 7 considers the ways in which we can be less dependent on money in a virtuous society. It does this by drawing upon Aristotelian virtue ethics developed in the previous chapters, which are concerned with what kind of person we ought and ought not to be. It explores the possibility of an Aristotelian ‘virtue-based utopianism’ and contrasts this with Hodgson’s ‘evotopianism’, which is based on the ethical perspective of consequentialism, which is concerned with what state of affairs we ought and ought not to bring about. The debate between these two notions of utopia is conducted, in three stages, via an ontological enquiry. First, we consider Meikle’s work to see how different ontological views on human beings, history and money make a difference to their utopianism. Second, we consider Hodgson’s ‘evotopia’. While Hodgson partly constitutes his ‘evotopian thinking’ by criticising Marx’s
‘teleological’ and ‘deterministic’ conception of history, the criticism does not fully work because Hodgson’s criticism of Marx seems to be based upon a misinterpretation of Marx. And finally, we explore the possibility of Aristotelian ‘virtue-based utopianism’, through Hess’s account of human beings, history, money and utopia.
Part 1: The Ontology of Money from a Critical Realist Perspective
CHAPTER 1: DISCOURSE

1.0 Introduction
This chapter aims to argue that money has both material or extra-discursive and symbolic or discursive dimensions, and both need to be understood if we are to understand money. Many of the traditional problems in attempts to understand money stem from the inability to capture both of these dimensions. Maintaining both these dimensions is virtually impossible from a Post-structuralist perspective because it lacks an ontology capable of dealing with material/extra-discursive phenomena. In order to overcome this problem, I turn to Critical Realism because its ontology is sophisticated enough to deal with both material or extra-discursive and symbolic or discursive phenomena. Because discourse is central to this chapter, and because the term is used differently by Post-structuralists and Critical Realists, I will use the term *discourse* (italicised) for Critical Realist usage, and ‘discourse’ (in inverted commas) for Post-structuralist usage.

From my Critical Realist perspective, I consider money to be partly discursive, in the sense that money requires *discourse* in order to be money, although I resist the temptation to collapse money into ‘discourse’. Although many things can be money, money always requires a material or physical presence or host (e.g. metal, paper, plastic). Although money is constituted partly by being regarded and(or) used as money, it is also constituted partly by being an appropriate material or physical entity. Money is not only *symbolic*, something intelligible or recognisable as money by being constituted within discursive practices, but also *material*, something physical that can have causal impact outside discursive practices. In short, money is partly discursive and partly *extra-discursive*.

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5 Underpinning all these questions is the issue of *ontology*. This thesis is not interested in epistemological issues, such as defining something which can be readily identified as money or identifying something which meets the criteria of a pre-existing definition of money (Dodd, 1994, p. xxi), but in ontological issues, such as exploring many kinds of *discursive* nature figure within and partly constitute money.

6 Nellhaus, for instance, claims a Critical Realist view on *discourse* with a sympathy to the Post-structuralist: He argues, on the one hand, that ‘Post-structuralist critiques (such as Laclau and Mouffe, 1985) rightly emphasize the significance of discursive articulation and the political valence of struggles over meanings’ (Nellhaus, 1998, p. 21). But he is, on the other hand, skeptical about their dismissing the distinction between discursive and non-discursive practices (Nellhaus, 1998, p. 16). This chapter aims to show that these two views fundamentally conflict with each other and to develop this issue so that Critical Realists can be separated from Post-structuralists in terms of the different ontologies of discourse.
Approaching money in this way creates obvious problems for economists who are, by and large, unfamiliar with concepts like discourse — and associated terms such as linguistics and semiosis. Yet if it is true that money has both a material and a symbolic dimension, which seems undeniable, then economists cannot forever neglect money's symbolic dimension and, by extension, the concepts needed to interrogate this dimension. Simply stated: economists must embrace discourse and discourse analysis if economists are ever going to understand money.

The chapter proceeds by posing, and answering, three methodological questions:

1. Why discourse and discourse analysis? That is, why do we need the concept of discourse in order to investigate the nature of money? How is discourse analysis a more appropriate method for investigating the symbolic dimension of money than other available methods?

2. What is 'discourse'? That is, to what does the term 'discourse' refer for the Post-structuralist? Should (and can) we sustain the distinction between discourse and extra-discourse?

3. What is discourse? That is, to what does the term discourse refer for the Critical Realist? What kind of aspects does money as discourse have? These methodological issues pave the way for a Critical Realist explanation of how discourse figures within, and partly constitutes money as a social practice without collapsing money into 'discourse'.

These three questions pave the way for explaining how discourse figures within, and partly constitutes money as a set of social practices in their articulation with other extra-discursive moments.

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7 Semiosis is a study of signification (i.e. the study of how and why one thing can mean another). Discourse refers to the semiotic elements of social practices in their articulation with other extra-discursive moments. I will discuss this further below.
1.1 Why Discourse?
We need the concept of discourse (italicised) and discourse analysis to investigate the nature of money, for three reasons:

The first reason is because money has a symbolic dimension. Whilst it goes without saying that money is involved with some sort of ‘symbolism’, we have no single agreed theory to explain how money is ‘symbolic’, or in what sense money is ‘symbolic’. It is not only because money is a complicated object to study, but also because there is no consensus on what a ‘symbol’ is, and neither is there a definition of the term ‘symbol’. There have been various explanations of this ‘symbolic’ nature of money, of which the followings are pivotal:

(1) Money is a numéraire (i.e. a unit of account). It is a conceptual, nominal dimension for measuring the magnitude of value in actual, qualitative things.
(2) Money is not intrinsically but extrinsically valuable. A currency, such as a bank note, has no final value, but has an instrumental value to get a commodity.
(3) Physical entity stands for a notion. There is no natural connection between the physical quality of money (e.g. a metal, a paper, a plastic card) and the ideas it represents (e.g. purchasing power, wealth).
(4) Money is not internally powerful but is externally authorised by a certain group or organisation (e.g. a community, a retail or central bank, a state).
(5) Money is involved with meaning. It carries various kinds of meaning (e.g. economic, political, social, cultural, historical).

To summarise, therefore, money is ‘symbolic’ because it is representational. We thereby need semiotics, the study of signs or symbols, in order to investigate the symbolic nature of money.

Secondly, we need the concept of discourse, because of its increasing significance in ‘New Capitalism’ (Fairclough, 2002). Capitalism can be thought of as undergoing a two-fold transformation: re-structuring and re-scaling.

Re-structuring refers to shifts in relations between different domains or fields of social life, — between the economic field and other fields (e.g. political, medical, educational, social, cultural), including ‘colonisation’ of other fields by the economic
field. For instance, new kinds of medical items are now traded off, or evaluated in terms of money in the market society (e.g. blood, human organs, babies, surrogate motherhood, human genome information). Money colonises non-monetary domains, and increases the range of purchasable items.

Re-scaling refers to shifts in relations between different scales of social life, — between social life on a local scale, a national scale, a regional scale, and a global scale. For instance, the orthodox form of money on a national scale (e.g. dollar, pound, yen) is simultaneously transformed partly into a local scale currency (e.g. LETS, Time Dollar) and partly into a regional scale currency (e.g. the Euro).

Moreover, capitalism is also transformed in association with new communication technologies. For instance, money is transformed into more symbolic and non-substantial form (e.g. credit card, e-money). The new capitalism is commonly grasped by terms, such as ‘knowledge-driven’ and ‘information-based’. This implies that it is also ‘discourse-driven (or discourse-based)’, because knowledge is produced, circulated and consumed as discourse. Discourse analysis then can contribute to investigation of those aspects of the transformation of capitalism where discourse matters.

Thirdly, if we need the concept of discourse, then we also need some means to investigate or analyse it. My preferred option is discourse analysis. From a linguistic perspective, discourse analysis arguably, the most appropriate method for investigating the symbolic dimension of money than other available methods.

Traditionally, linguistics has focused either on the structural facet of language as a closed system of signs in which the value of any sign derives from its relation to other signs (e.g. Saussurean Semiology) or on the performative facet of language that is constitutive of the social world and of the self (e.g. Anglo-American Pragmatics, Gadamerian Hermeneutics). In contrast, discourse analysis entails both views as conditions of the possibility of discourse. Let us consider why this might be the case by considering three major explorations of money, which have made an attempt to deploy a traditional linguistic perspective.
1.1.1 Saussurean Semiology

Saussure calls his study of signs 'semiology', which has had an enormous influence not only on structural linguistics but also on the methodology of the social sciences in general. Many have considered money and language as signs from a Saussurean or a Post-Saussurean perspective (cf. Baudrillard, 1981; Daly, 1991; Goux, 1994; Rossi-Landi, 1974; Thibault, 1997; etc.). There are two kinds of argument here. Money can be considered in terms of Saussure's distinction of langue/parole, and in terms of the distinction between the signifier/the signified. Let us proceed carefully through these two arguments in turn.

First, semiosis of money has been conducted as a study of langue. *Langue* is regarded as a system of signs, which is prior to actual language use, whereas *parole*, in contrast, is determined as actual language use, such as the production of speech sounds, written texts and speech acts. *Langue* is social — i.e. it is conventional and arbitrary relations between signs, whereas *parole* is individual — i.e. it is designed and intended by individuals. *Langue* is not intentional — i.e. it has no architect, whereas *parole* is intentional — i.e. it has an architect, individual language users. Moreover, *langue* can only be studied via a synchronic perspective. Synchronic linguistics is the study of an underlying system of language at a given moment in time. *Parole*, can only be studied via a diachronic perspective. Diachronic linguistics is the study of changing linguistic forms over time. According to Saussure, a synchronic study precedes a diachronic one. Linguistics is concerned primarily with *langue*, not *parole*.

Second, semiosis of money is rooted on a Saussure's notion of sign (i.e. the pair that are the signifier and the signified). The signifier is a sound pattern. It is not actually a physical sound, but the hearer's *psychological impression of a sound*. It is a representation of our sensory impressions. The signified is a concept or an idea. It is not a concrete thing itself, but the language user's *psychological impression of a thing*. Saussure's sign is arbitrary, and excludes extra-linguistic facts, which determine the existence of each sign and the relation between a signifier and a signified. For instance, the differences amongst the signs, such as 'horse', 'mule' and 'donkey', are not determined by the properties of these animals, but is determined in the linguistic system. There is no natural connection between an acoustic impression of an utterance of 'horse' (i.e. the signifier) and a concept of 'horse' (i.e. the signified). Instead, they
trigger one another and spontaneously emerge as ‘a linguistic value’ within a system of linguistic values. That is, Saussure’s signs present themselves as elements of a system and cannot be identified independently of it. This makes it clear that a synchronic study of langue is the primary study, because a study of values is a study of the system to which they belong.

Saussurean semiology is misleading for two reasons. Firstly, Saussure’s analytical distinction of langue/parole brackets out certain features of money in reality. Potter points out that it could perform a purely synchronic analysis upon a phenomenon, which has a temporal dimension in reality. He makes an ontological distinction between the structure of Saussure’s concept of langue (i.e. an abstraction) and the structure of language (i.e. the reality it ‘represents’), and emphasises that the structure of langue is not the structure of language. According to Potter:

The model of language — langue — allows us to see the arbitrary aspect of the nature of the relationship between signifier and signified in language (that is, in real languages). But it also obscures some of the emergent nature of the structure of language (real language). This — though it changes, though it exists as a real set of relations, though it is no reducible to individual instances of communication (i.e. parole) — is certainly not langue’ (Potter, 2001, p. 186).

That is, Saussurean Semiology obscures the emergent nature of the real structure of money at the same time as it enlightens the abstract system of differences.

Secondly, the Saussurean sign, the pair that are the signifier and the signified, does not involve a referent or object, and it leaves no room for extra-discursive elements within a process of signification. Nellhaus (1998, pp. 1-2) claims that while Saussurean Semiology cannot be incorporated into Critical Realism, the same cannot be said for Peirce’s semiotics. Nellhaus discovers a resemblance rather between Bhaskar’s semiotic triangles and Peirce’s philosophy of signs, called ‘semiotics’. In the Peircean notion of sign, there are two objects: the ‘dynamic object’ (i.e. the object of reference in the world) and the ‘immediate object’ (i.e. the object as the referent’s representation), and they correspond to Bhaskar’s contrast between the intransitive
and transitive dimensions of knowledge. While signs are, like Saussurean notion of sign, arbitrary, conventional and social, they are not wholly social but instead are determined to some degree by extra-discursive, even extra-human realities (ibid., p. 7).

1.1.2 Anglo-American Pragmatics

Anglo-American pragmatics is closely associated with the speech act theory of Austin and Searle. Speech act theory is a study of language as a form of action. Although its view of uttering as acting is an important for our concept of discourse, its method should be criticised by pointing out its three limitations: (a) individualism, (b) inappropriate generalisation of co-operative interaction and (c) belief in the possibility of single invented utterances (Fairclough, 1989, pp. 9-10). Let us look at the weaknesses of Anglo-American pragmatics, by considering the speech act analysis of one of its advocates, namely Hadreas (1989).

Hadreas proposes that ‘the monetary practices may be instructively conceived as cases of linguistic commitment’ which can effectively be analysed by Searle’s speech act theory (ibid., p. 115). In Hadreas’ view, monetary practices are a subclass of acts of acquisition. They are not one-sided and compulsive, but mutual and voluntary acts of acquisition, and they are necessarily linguistic. Hadreas considers money as it occurs in conversational context, and offers examples of three kinds of conversation designed to facilitate the exchange of goods and services: (1) a bartering conversation between a shepherd and a cowherd; (2) a commodity money conversation between a medieval merchant travelling upon a trade route and a merchant in spices; and (3) a fiat or fiduciary money conversation between the manager of a fast-food restaurant and a computer salesman. In his view, these monetary conversations are involved with the speech act of promise-making, which entails the following two preparatory and one essential conditions:

- Preparatory Condition No. 1: a hearer prefers that the speaker would do the act promised and the speaker believes that the hearer would prefer it.
- Preparatory Condition No. 2: it is obvious to both the speaker and the hearer that the speaker will not do the promised act in the normal course of events.
- The Essential Condition: the speaker intends that the utterance of the promise will place him under an obligation to do the promised act.
Hadreas’ argument is subject to three criticisms. The first criticism refers to his individualism. Speech act theory considers action as emanating wholly from the individual, and conceptualises it in terms of the strategies adopted by the individual speaker to achieve one's goals or intentions. For instance, bargaining strategies can be found in a following situation: The shepherd begins to walk away. “Wait. I need a plow. How about three sheep and a plow for these two cow,” the cowherd responds. Now it is the shepherd’s turn to accept the request, refuse it or counteroffer. These utterances imply that individual speakers manipulate language for bargaining and try to achieve their position in the supply/demand curve by offering and counteroffering one by one. Although people, in certain circumstances, strategically act and use conventions involved with monetary contracts, they simply follow the conventions without any strategy in other circumstances. Whilst Anglo-American Pragmatics acknowledges social practices, it illegitimately reduces them to the strategic creativity of individual speakers.

The second criticism relates to an over generalised co-operative interaction: speech act theory elevates co-operative interaction between equals into a prototype for social interaction in general, rather than seeing it as a form of interaction whose occurrence is limited and socially constrained. Hadreas argues that a monetary practice can be conceived as a speech act of promise-making, which entails its preparatory condition that ‘a hearer prefers that the speaker would do the act promised and the speaker believes that the hearer would prefer it’ (ibid., p. 117). That is, any act of monetary practice is mutually preferred and has two mutually dependent promises since it is involved with reciprocal speech acts between a “hearer” and a “speaker”. Both parties prefer the agreement over making or not making an agreement. Hadreas presupposes, therefore, that both parties believe that the exchange is a preferable course of action. The exchange is not, however, ‘as harmonious as the classical parable would lead us to believe’ (Clarke, 1982, p. 72-7). The exchange is not necessarily between equal individuals seeking to satisfy their needs or wants, but is quite often between the dominant and the weak in a monopolised market, or between the capitalist and the worker in a labour market. Anglo-American Pragmatics only takes into account that a single and isolated exchange is a preferable course of action and pays no attention to money that appears within, and partly constitutes, uncooperative and unequal interactions.
The third criticism concerns its single invented utterance rather than real extended discourse: speech act theory provides a strictly constrained space for investigating the independence of language and social context, because pragmatics, in which it is rooted, tends to be seen as an additional level of language study which fills in gaps left by the more fundamental levels of language study, or 'linguistic proper'. Let us look at following utterances: "I'll give you two sheep for those two cows." "No," "not interested." "Wait. I need a plow. How about three sheep and a plow for these two cow." "I need the plow I have. I'll give you three sheep for two cows." "All right, all right." "I need the sheep; these two cows for those three sheep." These utterances are invented merely for investigating language use separately from social context. Moreover, the distinction of three conversations, which Hadreas naively applies his speech act analysis to, result from non-historical/non-empirical development of the exchange form, from barter exchange, through commodity money exchange, into credit money exchange, invented by an individualistic account of classical political economics. Although he claims that the three conversations are not 'canonical' but contain 'typically different linguistic commitments,' they are not spontaneously made in a real life, but artificially designed for analytical convenience.

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8 Different interpretations of classical political economics bring about different views on exchange. On the one hand, Hadreas has a symmetrical, harmonious and individualistic view on exchange by applying his speech act analysis to an individualistic account of classical political economics. As I put it, Clarke claims that the exchange relation is essentially symmetrical for classical political economy, in a sense that the two parties have commodities that are wanted with each other, and satisfy their needs by exchanging them at the rate determined by the amount of labour-time they spend on acquiring them. 'Classical political economy was based on this picture of exchange as an essentially private relation of barter between individuals' (Clarke, 1982, p. 73). On the other hand, Wennerlind has a rather more conventional, autonomous and social view on exchange with his interpretation of classical political economists, such as Hume and Smith, as fiducially theorists and practical metalists (Wennerlind, 2001a; 2001b, pp. 561-3). 'Hume's analysis emphasized the importance of money's ability to communicate trust between anonymous individuals, therefore allowing extensive social bonds to evolve (Wennerlind, 2001b, p. 562).’ Wennerlind himself admits that the actual historical development of capitalism is much more contested and violent than Hume’s explanation of an emergent of a promissory note in a harmonious process, by claiming 'For some, money is not a cooperative but a contested social relation' (ibid., p. 563). But, the latter's account of classical political economics is more helpful for exploring discursive natures of money.
1.1.3 Gadamerian Hermeneutics

Horwitz considers the relationship between money and language by weaving together the Austrian 'subjectivist theory of money' and Georg Simmel's sociology of money with Hans-Georg Gadamer's hermeneutics (Horwitz, 1992). He, firstly, introduces the Austrian 'subjectivist theory of money' (derived mostly from Menger's view) whereby money is the most saleable commodity as a medium of exchange. Suppose one comes to the barter-market to get what one wants and others have, in exchange for what others want and one has. However, the barter exchange is not always successful, because it is hard to make a double coincidence of wants realised at once. At the next step, therefore, one intends to get rid of things that one has but one does not want and get something more saleable, which can later be exchanged for what one ultimately wants. Even though one cannot make a double coincidence of wants realised all at once, one can reach to what one really wants via a certain saleable commodity. Thus, more and more people start to use the saleable commodity as a medium of exchange and a single or very small number of goods emerge as the most saleable though that process of exchange, and finally that the most saleable good is generally accepted as money.

Horwitz claims that 'market actors', in the process of the evolution of money, don't merely redistribute existing 'objective knowledge', but rather they create 'subjective knowledge' that did not previously exist. Saleability or scarcity of goods resulting from people's wants is not 'objective information', but 'subjective information', which can be discovered and constituted through the actual process of economic exchange. 'Saleability is ultimately determined by the mental processes of market actors, and the discovery of degrees of saleability is a process of drawing out and interpreting accessible traces of the contextual knowledge of other minds, rather than uncovering some objective (outside the human mind) piece of information' (ibid., p. 196). According to his view, therefore, money is generated by 'subjective knowledge' of market actors about saleability, scarcity, preferences and valuations through the process of exchange.

Following this view, Horwitz develops his argument with Simmel's *The Philosophy of Money*, which owes much to 'Menger and subjective thought'. Horwitz, firstly, pays attention to the way in which money brings people to a social relationship based
on trust. ‘Money socializes us by enabling to utilise the contextual knowledge of others through the trust embodied in monetary exchange’ (ibid., p. 199). Trust here means ‘the belief that others equally accept the money commodity as a medium of exchange’. Trust is generated by money’s saleability arising out of ‘intersubjectivity.’ Horwitz cites a line from Simmel: ‘to believe in someone, without adding or even conceiving what it is that one believes about him, is to employ a very subtle and profound idiom’ (ibid., p. 200). We need and use the trust to make social bonds since we cannot have detailed knowledge of the people or institution in question. Horwitz, secondly, mentions an aspect of money as a social institution. ‘[T]he essence of money is that it is a tool. Rather than being an end in itself, money is a universal means to whatever ends are available in the market’ (ibid., p. 201). He goes on: ‘It is not a tool that humans have intentionally invented, but rather one we have stumbled across in our efforts to improve our place in the world’ (ibid.). Like another social institution, namely language, money is not an artificially made, but a spontaneously emerged tool in society.

Now, Horwitz applies a Gadamerian view of language to those two similar themes. For Gadamer, language is the medium of experience. It represents shared understandings between its users. ‘Like other institutions, language extends the scope of our understanding beyond the limit of our senses. Language is a way to make our personal knowledge available socially’ (ibid., p. 203). In Gadamer’s view, there is no reality outside something, which is understood through language, since all understanding is interpretation and all interpretation takes place through your own language. ‘For Gadamer, truth is not a matter of corresponding to some extra-linguistic “set of facts”, but rather an appreciation of what we can actually understand compared to a world where language is non-existent’ (ibid., p. 204). ‘For Gadamer, it is language that makes reason possible. How, then, is it possible to theorise and criticise that which exists outside of the language that provides knowledge of that existence?’ (ibid., p. 206). Horwitz considers the Gadamerian view of language as an advance on the Austrians and Simmel. For the Austrians and Simmel, social institutions are mirrors of subjective mental process. There is some ultimately knowable set of facts, values, tastes etc. that are hidden behind a veil of social institutions such as money and language. The purpose of such institutions is to reveal the ultimate constituents of these mental processes. For Gadamer, however, there are
no such ultimate constituents, rather social institutions like money and language co-evolve in a way that the idea of 'thoughts without language' is a contradiction in terms.

The Gadamerian view on language and its appropriation of Austrian’s and Simmel’s 'subjective theory of money', have the following shortcomings:

(a) Horwitz misinterprets both the Austrian and Simmel’s view on money. He introduces them simply by stressing the existence of subjective elements (e.g. subjective mental process, subjective evaluation, tastes, preferences, wants) and does not pay attention to the existence of any objective elements (e.g. quality, production process, labour, objective value), which are also central to their position.

(b) The Gadamerian notion of reality misleads us by committing the, so called, 'epistemic fallacy': 'the view that statements about being can be reduced to or analysed in terms of statements about knowledge' (Bhaskar, 1978, p. 36). In the Gadamerian view, there is 'no reality' outside language, but 'a world' where language does not exist. Whilst it is plausible to suggest that language makes it possible for us to acquire knowledge of the pre-linguistic or non-linguistic world, it is implausible to suggest that language makes the world exist. The pre-linguistic or non-linguistic world is also real, not in the sense of its intelligibility, but in the sense of its causal impact.

(c) Horwitz’s interpretation of ‘a subjective theory of money’ commits to the epistemic fallacy. He claims that as there are no real communicated thoughts outside of language, so there are no real market-relevant wants outside of expression in terms of money. Even though money makes it possible for us to know the price of what we want to buy, it does not mean that money creates an economic want. Besides, it is not the case that there is 'no reality' outside of expression in terms of money: there are many elements that exist outside of this expression (e.g. incommensurable values, ‘market-irrelevant’ values).
Whilst theses traditional linguistic perspectives inherently have serious shortcomings, these shortcomings can be overcome by using a Critical Realist interpretation of *discourse*:

(a') The Saussure's analytical distinction of *langue*/*parole* brackets out certain features of money in reality. Besides, the Saussurean sign does not involve an object, and it leaves no room for extra-discursive element within a process of signification. In using the notion of *discourse*, however, money cannot be reduced into synchronic/diachronic dualism because it the possibility of extra-discursive moments.

(b') Anglo-American pragmatics has its three limitations, namely individualism, inappropriate generalisation of co-operative interaction and belief in the possibility of single invented utterance. In using the concept of *discourse*, we can commit ourselves to a more conventional, socially constrained and real extended nature of money.

(c') Horwitz has shortcomings of committing the epistemic fallacy and of stressing only 'subjective' side of money, which can be avoided via *discourse*.

Let us turn to the Post-structuralist conception of 'discourse'.

1.2 What is 'discourse'?

The following section amounts to a Critical Realist interpretation and critique of the Post-structuralist perspective on 'discourse' (note the inverted commas). That is, it employs a Critical Realist perspective in an attempt to tease out what exactly Post-structuralist refer to when they use the term 'discourse'.

According to Torfing, it is 'a differential *ensemble* of signifying sequences in which meaning is constantly renegotiated' (Torfing, 1999, p. 85). From the Post-structuralist perspective, there can be no extra-discursive moments outside 'discourse', because the object is not prior to 'discourse' but it is already discursively constituted in order to make sense. One important aim of this chapter, however, is to keep alive the question, 'what is not *discourse*?' Against the Post-structuralist view that everything

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9 The Post-structuralist does not keep alive the question 'what is not *discourse*?' because they reduce everything into theorists' discourse. Although Post-structuralist economists have had considerable arguments on economics and discourse, they are mostly about theoretical discourses. Nevertheless,
is constituted within ‘discourse’ with no remainder, the chapter maintains the
distinction between the discursive and the extra-discursive and this paves the way for
explaining how and why discourse figures within, and partly constitutes money as
social practices without collapsing money into ‘discourse’.

Differences between Critical Realist and the Post-structuralist perspectives become
clear when they answer the following questions: Is practice discourse? What kind of
dualism? What kind of boundary?

1.2.1 Is Practice Discourse?
For Post-structuralists, the notion of ‘discourse’ can be replaced by that of ‘practice’,
whereas for Critical Realists discourse is not totally identical with practice. For Post-
structuralists, on the one hand, ‘discourse’ and ‘practice’ form a single category, since
action is inherent in ‘discourse’. Laclau denotes ‘if I’m going there and I open the
door, on the one hand I want to open the door, on the other this forces me to a material
act, which is to open the door. The performance of that act is what I call discourse; it
is not that discourse produces some kind of material effect, but that the material act of
producing it is what discourse is’ (Laclau and Bhaskar, 1998, p. 13). In short, the
practical dimension is entirely inherent in the discursive operation. For Critical
Realists, on the other hand, the notion of discourse cannot be replaced by that of
practice: practice is partly discursive and partly non-discursive. For instance, when we
recognise that words can be ‘mere words’, Critical Realists see them in terms of an
absence of internalisation between the discursive and the other non-discursive
moments: ‘mere words’ are a divorce between discursive construction of our practice
and our material practice. It is just in between a (crude) materialist and a (crude)
idealist views on discourse: (Crude) materialists privilege the extra-discursive
moment of practice and consider that ‘mere words’ are discourse that has no effect on
material practices. (Crude) idealists privilege the discursive moment of practice and
do not even recognise ‘mere words’: what they mean is not either significant or mere
words, but either successful or unsuccessful wording. Critical Realists, by contrast, do

discourse analysis is necessarily involved with two dimensions: the object as discourse (i.e. practices
themselves) and discourse about the object (i.e. theories of them). As for money, there are money as
discourse (i.e. semiotic elements of monetary practices themselves) and discourse about money (i.e.
theories of monetary practices). This chapter maintains a weak boundary between them, and is
interested in the former for investigating unexplored natures of money.

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not privilege any one moment, but say rather that 'mere words' are a matter of discourse not being integrated into the practice (Chouliaraki and Fairclough, 1999, pp. 28-9).

1.2.2 What Kind of Dualism?
Post-structuralists invoke a dualism of being (i.e. meaningful) and existence (i.e. meaningless), which is inherent in our discursive configuration of the object, whereas Critical Realists invoke a dualism of the intransitive dimension (i.e. practices themselves) and the transitive dimension (i.e. theories of them), which is not inherent in discourse. Both Post-structuralists and Critical Realists are against a naïve concept of truth, — i.e. that there is a privileged access to 'the truth' (Sayer, 2000, p. 68) — in the following two senses: both are against naïve 'foundationalism' — i.e. the view that we can have access to the truth because the world is what our concepts say it is; both are against naïve ‘objectivism’ — i.e. the view that we can have access to the truth because there is one-to-one correspondence between an object itself and a description about an object. In opposition to the naïve concept of truth, Post-structuralists, on the one hand, claim ‘the whole meaning of the object can never be exhausted by discourse’. ‘The discursive’ is not a defined object but rather a theoretical horizon (i.e. the boundary that we can see far away but we cannot reach since it is not fixed). That is, we are always within the field of an irreducible surplus of meaning, which is separated from the meaningless by its frontier that is historically changeable and contingent. Critical Realists, on the other hand, assert that all knowledge is fallible. ‘[W]hile realists of course accept that terms exist within discourse, their referents may exist outside (our) discourse: discourse and knowledge are not merely self-referential — that is why they are fallible!’ (Sayer, 2000, p. 62).

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10 Post-structuralists make a distinction between ‘being’ and ‘existence’, and consider that ‘a naked existence’ can have its meaning and become ‘a being’ in our discursive configuration. ‘[O]utside of any discursive context objects do not have being; they have only existence’ (Laclau and Mouffe, 1987, p. 85). This does not mean that the existence of the external world is dependent on our will or thought, but rather that the external world must be constitutive of a discursive configuration in order to have some meaning (Curry, 2002, p. 124). ‘The mountain would not be any of these things if I were not here; but this does not mean that the mountain does not exist. It is because it exists that it can be all these things; but none of them follows necessarily from its mere existence. And as a member of a certain community, I will never encounter the object in its naked existence — such a notion is a mere abstraction; rather that existence will always be given as articulated within discursive totalities’ (Laclau and Mouffe, 1987, p. 85).

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1.2.3 What Kind of Boundary?

Post-structuralists assume the boundary between being and existence as a theoretical *horizon* by being within the field of discursivity, whereas Critical Realists maintain a weak boundary between the intransitive and the transitive dimensions, which can be overseen by their praxis.

Post-structuralists cut across the discursive/non-discursive distinction in whichever senses and instead, keep the boundary between being and existence. 11 The being/existence distinction is not a boundary that can be overseen from above, but a theoretical *horizon* that can only be assumed by being within the field of discursivity. This follows from a notion that even the discursive/non-discursive distinction can only be presupposed by our discursive configuration. Laclau denotes ‘if you say about the intransitivity and transitivity of an object a set of things, these things are said on the basis of assumptions which are themselves challengeable, and in this sense: the very distinction between intransitivity and transitivity is itself transitive’ (Laclau and Bhaskar, 1998, p. 13). That is, we cannot get away and free from transitivity in any situation.

Critical Realists maintain a *weak boundary* between the intransitive dimension (i.e. practices themselves) and the transitive dimension (i.e. theories of them). 12 Critical

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11 Post-structuralists reject the discursive/non-discursive distinction through the abandonment of the following three distinctions: (a) linguistic/non-linguistic distinction (b) social/natural distinction and (c) thought/reality distinction. For Post-structuralists, the discursive/non-discursive distinction is invalid whichever senses the distinction refers to, since it does not overlap to the meaningful/meaningless distinction. (a) The distinction between linguistic and non-linguistic elements does not overlap with the distinction between ‘meaningful’ and ‘non-meaningful’ (Laclau and Mouffe, 1987, p. 83), since non-linguistic action is also meaningful, and therefore discursive. (b) Social/natural distinction does not overlap with meaningful/meaningless distinction. Natural facts are also discursive facts: the facts of physics, biology or astronomy are also integrated in meaningful totalities constructed by men (ibid., p.84). (c) Thought/reality distinction does not overlap with meaningful/meaningless distinction, since reality must be constitutive of a discursive configuration in order to have some meaning. 'The main consequence of a break with the discursive/extra-discursive dichotomy is the abandonment of the thought/reality opposition, and hence a major enlargement of the field of those categories which can account for social relations' (Laclau and Mouffe, 1985, p. 110).

12 Even a Post-structuralist, such as Daly, makes a distinction between two dimensions of discourse: ‘discourse of the economic’ and ‘the discourse on the economic’ (Daly, 1991, p. 94). On the one hand, discourse of the economic ‘refers to the historic construction of all identities which attempt to establish themselves within the ‘economic’ in a given conjuncture’. On the other hand, discourse on the economic ‘refers to all those discursive attempt to conceptually oversee, or domesticate, those identities.’ Although Daly agrees on that ‘there is always a division/tension between these two discursive spheres’, he thinks that it is unstable since ‘meta-narratives which previously established a
Realism operates 'in between' as it were, a (crude) materialist and a (crude) idealist view on discourse: (Crude) materialists, maintain a strong boundary between intransitive and transitive in order to make objective (and naïve) truth claims about them. For them, there is always one-to-one correspondence between practices themselves and theories of them, but there is no feedback and reflection between them. (Crude) idealists, maintain no boundary between intransitive and transitive. For them, there is nothing else but our different accounts, stories and theories; discourse is, in other words, always everywhere as an independent and creative force. Critical Realists take a position between those crude views: and maintain a conceptual distinction between intransitive and transitive whilst allowing feedback and reflection between them.

Let us finally consider how and why the Critical Realist view on discourse is more defensible than the Post-structuralist view on discourse:

The fact that every object is constituted as an object of discourse has nothing to do with whether there is a world external to thought, or with the realism/idealism opposition. An earthquake or the falling of a brick is an event that certainly exists, in the sense that it occurs here and now, independently of my will. But whether their specificity as objects is constituted in terms of 'natural phenomena' or 'expressions of the wrath of God', depends upon the structuring of a discursive field. What is denied is not that such objects exist externally to thought, but the rather different assertion that they could constitute themselves as objects outside any discursive condition of emergence. (Laclau and Mouffe, 1985, p. 108)

For Post-structuralists, the object as brute and naked existence can by no means be encountered: the object is completely constituted as being, not before, but exactly

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relative degree of stability' between two discursive spheres 'on the basis of universalist notion', starts to 'crack and disintegrate'.

13 See 3.3 for further arguments on the contrast among three methodological perspectives: the Empirical Realist (i.e. crude materialist or objectivist), the Post-structuralist (i.e. crude idealist or subjectivist) and The Critical Realist (i.e. a middle standpoint).

14 'That which is outside (intransitivity) is never fully out there, and at the same time that which is in here (transitivity) is never purely in here, therefore they are constellationally contained within one another (yet irreducible) and hence open to being transformed in their relation to one another' (Curry, 2002, p. 127).
when and where its meaning is cognised, identified and formed. However, statements about being cannot be reduced to or analysed in terms of statements about knowledge. In other words, discursive practices in a sense of their causal impact cannot be reduced to those in a sense of their intelligibility. Even though the extra-discursive reality, such as an earthquake and the falling of a brick, is constituted within discursive practices in a sense of their intelligibility, it isn’t the case that it is constituted within discursive practices in a sense of their causal impact (Laclau and Bhaskar, 1998, p. 13). It can be assumed, for example, that global warming or the destruction of the ozone layer went on long before we had a concept of them. We come to the concept of most diseases long after they have had their causal impact. The causal processes involved in these environmental changes and diseases go on independently of our recognition of those causal processes. Moreover, there can be neither mistakes nor inadequate practices, if an earthquake or the falling of a brick is constituted in terms of ‘natural phenomena’ or ‘expressions of the wrath of God’ by depending upon their discursive configurations. For Post-structuralists, the object is merely something to be regarded as the object. In other words, the object is merely symbolic, something intelligible or recognisable by being constituted within discursive practices. In the final part, we will see the Critical Realist view on discourse, and how it grasps material and symbolic natures of money.

1.3 What is discourse?

This section considers what discourse refers to from a Critical Realist perspective. Fairclough, leading a socio-linguistic research project called Critical Discourse Analysis (hereafter CDA), defines discourse as semiotic elements of social practices (Chouliaraki and Fairclough, 1999, p. 38):

Discourse therefore includes language (written and spoken and in combination with other semiotics, for example, with music in singing), nonverbal communication (facial expressions, body movements, gestures, etc.) and visual images (for instance, photographs, film). The concept of discourse can be understood as a particular perspective on these various forms of semiosis — it sees them as moments of social practices in their articulation with other non-discursive moments. (ibid., italics added)
CDA develops with various concepts of other social theories, such as the dialectical view of discourse (cf. Volosinov, Harvey), the view of power as domination (cf. Foucault), the concept of hegemony (cf. Gramsci), and the discourse reflexivity (cf. Bourdieu, Giddens, Habermas). Critical Realists have recently become increasingly aware of the importance of semiosis (cf. Nellhaus, T. 1998; Carter B. and Sealey, A. 2000). Moreover, the Critical Realist perspective of discourse is currently developed with CDA (cf. Fairclough, N., Jessop, B. and Sayer, A. 2002). The CDA concept of discourse corresponds to some key notions of Critical Realism, especially the Transformational Model of Social Action, hereafter called TMSA.

Discourse cannot be adequately articulated by neoclassical economists with their deductivist method under the Empirical Realist ontology because their ontology is exhausted by the empirical domain (i.e. experiences and perceptions) and the actual domain (i.e. events and actions). However, it can be properly developed through a Critical Realist ontology, which has the real or 'deep' domain (e.g. mechanisms, powers, relations, structures, tendencies). As for money, Ingham criticises mainstream economics (i.e. neo-classical economics), which lacks the adequate ontological theory of money, and its deductivist and empiricist methodology from a Critical Realist perspective (Ingham, 1999). He claims that money can neither be explained from a viewpoint of individual calculations of utility as expressed in 'revealed preferences' nor statistical description of constant 'actual' event conjunction. His objective is to demonstrate that money is itself a social relation in the sense of the emergent property of a configuration of social relations. That is, by starting from the stratified ontology of Critical Realism, he claims that money can neither be grasped only as the empirical nor the actual, but as the real or 'deep'. Ingham suggests that money should be considered with a concept of discourse, which itself belongs to the real or 'deep' domain.

Having demonstrated that, unlike Post-structuralism, Critical Realism has an ontology that is sophisticated enough to deal with both discursive and extra-discursive phenomena, I now employ Critical Realism. The final section of this chapter allows us to understand the material and symbolic natures of money via the following key features: a dialectic of structure and action as a condition of possibility of discourse; an order of discourse, which is the way in which diverse aspects of discourse are
networked together; and the dialectic of discourse, which the internal relationship between discursive elements and extra-discursive elements without collapsing into each other. These anti-reductionist features of discourse pave the way for exploring that money is both material and symbolic.

1.3.1 Structure and Action

Discourse presupposes a dialectic of structure and action (or agency). As we have seen, most traditional linguistics focuses either on the structural facet of language or on the performative (i.e. action or agency) facet of language. CDA, however, considers a dialectic of structure and action as a condition of possibility of discourse. Theories and analyses orientated either to structure or to action are incomplete, because they are precondition and outcome for each other (Fairclough, 2000, pp. 170-1). This CDA concept of discourse corresponds to the principle of TMSA, as follows. The social world (e.g. economy) ontologically consists of social structures and agents. The structures (e.g. economic institutions, markets, the price mechanism, a distribution of income) are only reproduced via human agency (e.g. dealers, produces, consumers, employers, employees). The structures cannot exist independently of human agents, but they can exist independently of any one human agent. Hence they are concept dependent but not concept determined; they are socially constructed but not merely socially constructed. There have been two kinds of traditional ontology: reificationist and voluntarist. Reification refers to the notion that society exists independently of human action. Voluntarism refers to the notion that agents merely produce society in their actions. The Dialectical Critical Realist, in contrast, refers to the notion that reciprocal causality where agents' action causes structure, which then causes agents' action and so on. Nothing happens out of nothing. As Fleetwood claims, 'Agents do not create or produce structures ab initio, rather they recreate, reproduce and/or transform a set of pre-existing structures. Society continues to exist only because agents reproduce and/or transform those structures that they encounter in their social actions. Every action performed requires the pre-existence of some social structures which agents draw upon in order to initiate that action, an in doing so reproduce and/or transform them' (Fleetwood, 1997, pp. 130-1). For instance, modern currencies in the new capitalism did not happen out of nothing, but are reproduced and transformed from pre-existing monetary structures. This principle of TMSA, then, centres upon the real or 'deep' domain, which is the ever-present condition, and the
continually reproduced and/or transformed outcome, of human agency. Agents, acting purposefully or consciously, unconsciously draw upon, and thereby reproduce, structures, which govern their actions in daily life.

1.3.2 An Order of Discourse

It is a mistake to conceive of discourse as referring merely to linguistic or other forms of communicative acts because discourse motivates practical acts. And this has implications for our social practices that entail using money. Discourse figures in three ways in social practices, which constitute analytical categories of genres, discourses and styles (Fairclough, 2000; Chiapello and Fairclough, 2002). An order of discourse is the way in which diverse genres, discourses and styles are networked together.15

Firstly, discourse figures in the social activity, which constitutes genres. Genres are diverse ways of acting upon the world. In monetary practices, in saying 'I promise to pay', we make a promise to pay. It is not the case that we state or describe that we make a promise. We can make a promise just by saying what we do. They are called performative utterances, the vehicle of the performance of your act, such as 'I apologise,' 'I nominate,' 'you are fired,' 'the meeting is adjourned,' 'you are hereby sentenced' etc., in contrast with constative utterances such as statements, predictions, hypothesis etc. The speech act of promise making is different from that of prediction. Although the propositional content of the promise is expressed in the future tense (e.g. I will pay you tomorrow. Your purchase will be delivered next week, etc.), it is not a proposition which is given as true or false. 'Unlike predictions, scientific or commonsensical, where a theory of events allows us to infer some future state, promises are fulfilled with through human workings which include the intentions and plans of the people involved' (Hadreas, 1989, p. 118). Both seller and buyer believe that the exchange would not occur apart from their action, and both parties therefore enter into an obligation by making promise.

Secondly, discourse figures in representations, which constitute discourses. 16 Discourses are diverse ways of representing the world. The employment of discourses

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15 See 2.6 for further arguments on commensuration as discourses, genres and styles.
is a social practice, which helps to reproduce the material basis of monetary institutions. In monetary practices, as Zelizer indicates, we earmark monies — i.e. we create distinctions between different monies for different social interactions, and label (i.e. allocate) those different monies according to their different meanings or usages. According to Zelizer ‘there is no single, uniform, generalised money, but multiple monies: people earmark different currencies for many or perhaps all types of social interactions, much as they create distinctive languages for different social context’ (Zelizer, 1997, pp. 18-9). She asks, ‘[h]ow else, for instance, do we distinguish a bribe from a tribute or a donation, a wage from an honorarium, or an allowance from a salary? How do we identify ransom, bonuses, tips, damages, or premiums? True, there are quantitative differences between these various payments. But surely, the special vocabulary conveys much more than different amounts. Detached from its qualitative distinctions, the world of money becomes indecipherable’ (ibid., pp. 24-5). Earmarked monies are held to be qualitatively different from each other by corresponding to their different social interactions, and they are named by special vocabulary. These monies become decipherable with the help of qualitatively distinctive languages.

Thirdly, discourse figures in the constitution of identities, which constitutes styles. Styles are diverse ways of perceiving and articulating one’s own role. In monetary practices, we perceive, articulate and identify ourselves as sellers/buyers, creditors/debtors or donor/donee by reproducing certain performative utterances, such as I sell it/I buy it, I lend it/I borrow it, or I give it/I take it. Without these styles, we cannot identify our own role in a certain monetary relationship, or we cannot even identify what kind of monetary relationship we are involved with (e.g. purchasing, credit, charity). Moreover, the non-economic field is re-structured or ‘colonised’ by the economic field in association with the shift of styles. The shift of non-monetary styles to monetary ones appears within the monetary colonisation, and helps making more purchasable items. For instance, many kinds of human relationships (e.g. doctor-patient, teacher-student, husband-wife, parent-child) are evaluated in terms of monetary styles (e.g. seller-buyer, producer-consumer, supplier-demander). Adopting monetary styles can even have a positive effect on roles. In cases where status differences exist, such as that between doctor and patient, the ‘democratising’ or

16 Note the difference between discourse as an abstract noun, and discourses as a count noun.
‘levelling’ effect of money can minimise the negative effect of the authority of the expert doctor.

1.3.3 The Dialectic of Discourse
I mentioned above that money has symbolic and material dimensions. I then argued that Post-structuralism has problems with extra-discursive entities which, of course, included, material phenomena. Critical Realism has no such problems because its conception of discourse is more sophisticated. In fact, the Critical Realist conception of discourse allows the discursive/symbolic and extra-discursive/material dimensions to live in a dialectical relation. As Chiapello and Fairclough argue that discourse internalises, and is internalised, by extra-discursive elements without the different elements being reduced to each other (Chiapello and Fairclough, 2002). This can be developed even further by considering the work of Searle.

Although his individualism should be criticised, Searle’s conceptual distinction between institutional and brute facts is helpful to consider about the internalisation between discursive and extra-discursive elements (Searle, 1998, pp. 143-58):

Suppose I go to a travel agency, and buy a flight ticket to Copenhagen. I pay an agent by cheque, with my signature and bank service card as a guarantee. I get a ticket and a receipt. These procedures make it possible for me to take a flight from Manchester to Copenhagen. What I actually do, however, can be described as follows: I go and see a woman at a counter. I make noises and she makes noises too. I write some scribbles on a sheet in a small book. I give her the sheet. I also give her a small plastic card, but get it returned in a minute. She gives me pieces of paper. We make some noises again. And finally, my body flies and moves over the sea from a place in the Southwest to a place in the Northeast.
Let us begin by grouping together two sets of expressions, and labelling them *brute* and *institutional* facts:

- **Institutional facts** refer to expressions such as a travel agency, a flight ticket, an agent, check, signature, a bank service card, a receipt, Manchester, Copenhagen.

- **Brute facts** refer to expressions such as a woman, make noises, scribbles, a small book, a small plastic card, pieces of paper, a place in the Southwest, a place in the Northeast.

Now let us see how Searle’s distinction between *institutional* and *brute* facts correspond to our distinction between *discursive* and *extra-discursive* elements:

- **Discursive elements** correspond to institutional facts as they presuppose human institutions for their existence.

- **Extra-discursive elements** correspond to brute facts as they do not presuppose human institutions for their existence.

Now, let us elaborate a little further on this dialectical correspondence. We appear to have internal relations between institutional facts/discursive elements and brute facts/extra-discursive elements. Brute facts/extra-discursive elements require the institution of language (i.e. discourse) to be stated or described, but they themselves exist independently from it. Institutional facts/discursive elements control and make brute facts/extra-discursive elements possible. Neither institutional facts/discursive elements nor brute facts/extra-discursive elements can be reduced to one another: they internalise one another *without collapsing into each other*. Although many kinds of things can be money, there has to be some material realisation: the institutional and discursive reality is built on top of the brute and extra-discursive reality, irrespective of what this happens to be — dog’s teeth, woodpecker’s scalp, gold, silver, a piece of paper or a bit on a computer disc.
1.4 Conclusion

This chapter has applied a Critical Realist perspective, with specific emphasis upon discourse, to investigate the ontology of money. It has started from the claim that money has both material or extra-discursive and symbolic or discursive dimensions and both need to be understood if we are to understand money. Maintaining both these dimensions is virtually impossible from a Post-structuralist perspective because it lacks an ontology capable of dealing with material/extra-discursive phenomena. In order to overcome this problem, I turned to Critical Realism because its ontology is sophisticated enough to deal with both material or extra-discursive and symbolic or discursive phenomena. The material/extra-discursive dimension of money embodies value. The material body of the entity we use as money is the embodiment of society's labouring activities. The symbolic/discursive dimension of money allows it to reflect value. That is, when we see a coin, for example, we do not see a piece of metal, we see an abstract entity, something that reflects or expresses value. Moreover, we see value in terms of quantity. As with any symbolic/discursive phenomena, the social context is central to the way this process of abstraction operates. Hence, this contradiction between discursive and extra-discursive elements is inherent in money: money becomes money in this (irreducible) dialectical process of internalisation between discursive and extra-discursive elements. The next chapter will explore the ways in which money becomes the universal measure of value through the dialectic process, by which agents transform values into a commensurable form, which I refer to as 'commensuration as a discursive process'.
CHAPTER 2: INCOMMENSURABILITY AND COMMENSURATION

2.0 Introduction

Seat on last plane anywhere: £169
First Class train ticket: £32
Taxi: £48
Keeping your promises: Priceless.
There are some things money can’t buy.
For everything else, there’s MasterCard.

In this MasterCard’s TV commercial showed in the UK in winter, 2001/2, a businessman tries to get back home to keep his promise to celebrate Christmas with his daughter. He looks tired of queuing at a counter in a crowded airport, being leaned over by the next passenger in a train, and waiting a taxi outside in a freezing night. It will not only cost him £249 in total, it will also cost in terms of many kinds of unpleasantness and inconvenience. But he is determined to make the journey home irrespective of the unpleasantness, inconvenience, time or monetary cost because all these costs can be compensated by seeing his daughter’s joyful smile when he opens the door.

Whilst the commercial teaches us that keeping this promise is ‘priceless’, it has other lessons, so let us consider this simple example in a little more depth. In what respects is it impossible to put a price on things? It is impossible to put a price on some things:

1. Because ethical value cannot be estimated in terms of market value, since there is a categorical difference between ethics and economics. The promise is not economically, but ethically valuable.

2. Because we lack a single scale or dimension to measure the value of keeping one’s promise and the utility one gets from it.

3. Because fatherhood is constituted by a refusal to put a price on keeping a promise to one’s own daughter, a refusal to treat a promise as a commodity that can be bought or sold. I define this below as ‘Constitutive Incommensurability’.

4. Because the term ‘priceless’ is a metaphorical expression. It is as if keeping the promise is much more valuable than any amount of money, regardless of whether
it can actually be priced or not. While the businessman in the commercial appears determined to make the journey home no matter how much money it takes, he might actually succumb to a cost-benefit analysis and give up going home in exchange for £1 million.

Whilst word ‘priceless’ suggests that there are things, which we cannot put a price on, it does appear that anything can have a price put upon it in the market. Is the distinction between the ‘priceable’ and the ‘priceless’ a mere social construction (i.e. merely a discursive matter)? Are both the ‘priceable’ and the ‘priceless’ merely metaphorical expressions (i.e. ‘as if priceable’ and ‘as if priceless’)? Can money buy anything and everything? Can anything and everything be exchanged for money?

The answers to these (and other) questions are hidden in the ontology of money: they can be answered by exploring the processes, especially discursive processes, in which money becomes a universal measure of value. This chapter explores the ways in which money becomes the universal measure of value through the dialectic process, by which agents transform incommensurable values of items and options into a commensurable form, damaging and distorting their original nature. Because this process requires a series of discursive processes, I refer to it as a process of ‘discursive commensuration’.

This process of discursive commensuration is dialectical. Commensuration makes money at the same time as money makes commensuration possible:

- To say commensuration makes money means that something is constituted as money in the process of discursive commensuration. Money facilitates the quantification (i.e. transformation of quality into quantity) and standardisation (i.e. transformation of plural dimensions of value into a common scale) of the values of heterogeneous items that are exchanged. Quantification and standardisation are two aspects of commensuration that reside in money.

- To say money makes commensuration means that the very use of money necessarily involves us in the process of discursive commensuration. Once money is established and socially accepted as a means of measurement, it encourages
This chapter deals primarily with commensurability and incommensurability, that is, with phenomena that are usually considered to be the subject matter of quantitative kinds on analysis. Economists are familiar with issues such as ordinality and cardinality, measurement, price and value. But this chapter will go on to demonstrate that phenomena like commensurability and incommensurability have an inextricably qualitative, symbolic, and discursive dimension to them, and economists are completely unfamiliar with issues such as these. This chapter will not only show that money requires commensuration in order to be money, and that commensuration is a discursive process, but I will also use Critical Realist discourse analysis in order to show which discursive process are necessary and how they operate to make money.

This chapter poses and answers the following questions:

1. **What is commensurability?** First, it defines [in]commensurability as an existence [a lack] of measurement: two items (i.e. goods, services) or options (i.e. actions that an agent can both perform and have an opportunity to perform) are [in]commensurable if they can[not] be measured. The measurement presupposes two kinds of measures (i.e. cardinal or ordinal) and scales (i.e. a single scale or plural scales). Accordingly, it defines the following four conceptual categories — i.e. ‘strong commensurability’, ‘weak commensurability’, ‘strong comparability’, and ‘weak comparability’.

2. **Where is incommensurability?** By this question, I mean, what is incommensurability between? Second, it distinguishes three sources of incommensurability involving money — i.e. between values, between money and certain social relations or value commitments, and between (theoretical discourses — i.e. between theories, meta-theories and/or paradigms. These three sources of incommensurability are stratified and irreducible to one another.

3. **What is commensuration?** Third, it explores the claim that commensuration is a social process by which agents transform incommensurable values into a commensurable form. It develops the two aspects just noted — i.e. quantification and standardisation.
The fourth and fifth section turn to two writers whose work on money has, in many ways, unsurpassed by recent work, perhaps because they were prepared to engage in the ontology of money to an extent that almost no-one else has. That is, I draw on the work of Aristotle and Marx:

4. **Aristotle**: it is difficult to follow Aristotle’s arguments in NE V.5 because he argues ‘commensurability’ in several different respects. In order to reduce the difficulty, we reconsider the question (i.e. *commensurability in what respect*?).

5. **Marx**: we consider Marx’s three questions on money and commensuration in the chronological order he argued: What is the consequence of commensuration? How is commensuration possible? What constitutes commensurability? It is not often recognised, but Marx’s work paves the way to explore the *discursive* nature of commensuration.

6. **How is commensuration a discursive process?** It employs the Critical Realist perspective on *discourse* to explain exactly how and why commensuration is a discursive process. This will require a discussion of seven aspects — i.e. dialectics, discourses, genres, styles, evaluation, presupposition, and ideology.

### 2.1 What is commensurability?

Two items or options are commensurable if they can, and incommensurable if they cannot, be measured. Commensurability, then, rests on the existence of measurement. This raises the following two questions:

#### 2.1.1 What kind of measure?

There are two different kinds of measures: cardinal or ordinal. We make a distinction between ‘commensurability’ (i.e. an existence of a cardinal measure) and ‘comparability’ (i.e. an existence of an ordinal measure).

A cardinal measure presupposes *cardinal-value* wherein we count degrees of value between options or items. Cardinal-value requires judgements like ‘how much more valuable is this than that’. Values of options or items are precisely counted or ‘audited’. Cardinal value requires a cardinal measure with which to count the

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17 The term ‘incommensurability’ is often used as synonymous with the term ‘incomparability’ (Chang, 1997, pp. 1-7). Incomparability is defined as a lack of ordinal measure: two items or options are incomparable if they cannot be compared.
difference between different options or items (e.g. 10, 20, 30 etc.). For example, 20 units of value are twice as valuable as 10 units degree.

An ordinal measure presupposes ordinal-value: It is an ordering of value between options or items. Ordinal-value can be judged like 'this is more valuable than that' without asking 'how much more valuable'. Values of options or items are ranked and their gap so ranked are not counted or 'audited.' This presupposition leads us to require an ordinal measure — i.e. a measure that simply ranks the value different options or items offer (e.g. 1st, 2nd and 3rd etc). For example, the first ranked value does not need to be twice as valuable as the second ranked one.

2.1.2 How many scales?
There are two cases for both commensurability and comparability: with a single scale or plural scales. We can make a distinction between 'strong case' and 'weak case'.

A single scale presupposes value-monism wherein there exists only one intrinsically valuable property and that other values are reducible to this super-value. Different kinds of value are to be regarded as instances of just one super-value. Value monism requires a single scale or measurement with which to measure the ultimate value.

Plural scales presuppose value-pluralism wherein there exists a number of distinct values, such as autonomy, knowledge, justice, equality, beauty etc. which are neither reducible to each other nor to some ultimate value such as pleasure. Valuepluralism does not reduce plural dimensions of value into a single scale. Value pluralism requires plural scales or plural measurements with which to measure plural and irreducible values.
Combinations of cardinal/ordinal measures and single/plural scales deduce the following four basic concepts:

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<th>Cardinal Measure (Cardinal Value)</th>
<th>Ordinal Measure (Ordinal Value)</th>
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<tbody>
<tr>
<td>Single Scale</td>
<td><em>Strong Commensurability</em></td>
<td><em>Strong Comparability</em></td>
</tr>
<tr>
<td>(Value-Monism)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plural Scales</td>
<td><em>Weak Commensurability</em></td>
<td><em>Weak Comparability</em></td>
</tr>
<tr>
<td>(Value-Pluralism)</td>
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'Strong commensurability' is the notion that all objects and states of affairs possess a particular single property, which is considered to be the source of their value, and that the amount or degree of that property can be evaluated by a cardinal measure.

'Weak commensurability' is the notion that objects and states of affairs possess a number of various properties, which are considered to be the source of their values, and that those properties can be evaluated by a cardinal measure.

'Strong comparability' is a notion that there exists a single comparative term in terms of which all objects or states of affairs can be compared. It takes a form of value judgement as follows: 'A is more valuable than B'. The statement affirms that A is more valuable than B in a single scale.

'Weak comparability' is a notion that there exists plural comparative terms in terms of which objects or states of affairs can be compared. It takes a form of value judgement as follows: 'A is more valuable than B in which scale'. The statement leaves a possibility that B is more valuable than A in other scales.\(^1\)

\(^1\) The difference between strong and weak comparability can be explained in terms of Geach's distinction between attributive and predicative adjectives (cf. O'Neill, 1993, p. 105).
2.2 Where is incommensurability?

There are three sources of incommensurability involving money: (1) incommensurability between values,\(^{19}\) (2) 'constitutive incommensurability' between money and certain social relations or value commitments, and (3) incommensurability between (theoretical) discourses.\(^{20}\)

2.2.1 Incommensurability between Values

Incommensurability takes place between values — i.e. between the values of items or options. The term 'value' refers to the worth of a thing. It is used, typically, to describe the positive attributes of phenomena, and each positive expression has a corresponding negative meaning called 'dis-value' — e.g. prudential value (i.e. good or bad), moral value (i.e. right or wrong), logical value (i.e. true and false), aesthetic value (i.e. beauty and ugly), religious value (i.e. sacred and profane), economic value (i.e. expensive and cheap) and so on.

Some values have strong commensurability, which can be measured by a single and cardinal measurement. Others have only weak comparability, which can be measured by plural and ordinal measurements. According to Nagel (1987), value incommensurability arises from the following five fundamental types of value:

- **Obligations**: specific obligations, which arise from social relations or roles — e.g. obligations as father to one’s children, as husband to one’s wife, as a lecturer to one’s students, as a citizen to one’s community, as a nation to one’s country.
- **Rights**: general rights to do certain things — e.g. rights for vote, etc. — or not to be treated in certain ways — e.g. rights no to be exploited, tortured, assaulted etc.
- **Utility**: consideration of the effects (i.e. benefits or harms) of one’s action on the general welfare.
- **Perfectionist Ends**: the intrinsic value of certain achievements or creations — e.g. a scientific discovery, a work of art, a challenge for a world record etc.
- **Private Commitments**: commitments of one’s own projects or undertakings — e.g. climbing Everest, translating Aristotle’s *Metaphysics*, mastering Bach’s *Chaconne*.

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\(^{19}\) Incommensurability between values is called ‘pluralistic incommensurability’ (D’Agostino, 2000, pp. 429-31) or ‘value incommensurability’ (Richardson, 1994, pp. 250-70).

\(^{20}\) Incommensurability between theories is called ‘semantic incommensurability’ (D’Agostino, *ibid.* ) or ‘conceptual incommensurability’ (Richardson, *ibid.*).
According to Nagel, these values are irreducible with each other because they have different sources. 'I do not believe that the source of value is unitary — displaying apparent multiplicity only in its application to the world. I believe that value has fundamentally different kinds of sources, and that they are reflected in the classification of values into types. Not all values represent the pursuit of some single good in a variety of setting' (Nagel, 1987, pp. 177-8).

Nagel goes on to claim that these values are motivated by two different perspectives: personal (i.e. agent-centred) and impersonal (i.e. outcome-centred) perspectives. On the one hand, values such as obligations, rights and private commitments are personal, because they have to do with the reasons for the agent to perform or restrain from certain actions. On the other hand, values such as utility and perfectionist ends are impersonal, because they have to do with the outcome of the action (i.e. the state of affairs), which is independent from the nature of action and the reason for it. 'The two motives come from two different points of view, both important, but fundamentally irreducible to a common basis' (ibid., p. 179). These perspectives are incommensurable: neither of these different perspectives can be abandoned, neither is reducible to the other, neither is reducible to a third perspective.

2.2.2 'Constitutive Incommensurability'

Incommensurability can take place between money and certain social relations or value commitments, which is called 'constitutive incommensurability' (cf. Anderson, 1993, 1997; Chang, 1997, 2001; Raz, 1986). Suppose a huge amount of money is offered to us for ending our friendship with an intimate friend, or for leaving your homeland so that a dam can be built upon the land, the following two questions will presumably arise: (1) Are the values of friendship (or of love of one's homeland) and of money commensurable? (2) Can (and should) we respond to such an offer by taking the money? While the first question also matters, it would be overwhelmed by the importance of answering the second question. Many would unhesitatingly accept a view that the value of friendship (or of love to homeland) can neither be expressed by nor exchanged for the value of money. It is not the case of whether the value of money can be judged as bigger or smaller than, or equal as, that of friendship (or of love to one's homeland). It is rather fundamentally incompatible with the nature of
friendship (or of love to one's homeland) to compare with money as options for trading off. As for certain social relations, '[p]eople who say, 'For me money is more important than friends' are neither mistaken nor do they commit a wrong. They are simply incapable of having friends' (Raz, 1986, p. 353). Friends cease to be friends when they are treated as an option for money. That is, the incommensurability between money and certain social relations (e.g. family, parent-child, friend) is a constitutive feature of those relationships (e.g. love, friendship). As for certain value commitments, in the same way, incommensurability between money and certain value commitments (e.g. to lands, forests, streams, fisheries, livelihood) is a constitutive feature of those evaluations (e.g. love, respect).

O'Neill discusses constitutive incommensurability with one of the oldest 'willingness to accept surveys' in Herodotus' Histories (O'Neill, 1997; 1998; 2001b): 'When Darius was king of the Persian empire, he summoned the Greeks who were at his court and asked them how much money it would take for them to eat the corpses of their fathers. They responded they would not do it for any price. Afterwards, Darius summoned some Indians called Kallatiai who do eat their parents and asked in the presence of the Greeks ... for what price they would agree to cremate their dead fathers. They cried out loudly and told him to keep still (Herodotus, *Histories*, 3.38).'
The following two points can be read from this story: (1) there are various styles of funeral in the world. The Greeks cremate the corpses on the one hand, and the Kallatiai eat them on the other. However (2) it is universally refused to trade-off one's dead father. Both the Greeks and the Kallatiai refuse to put a price on changing their style of funeral for their fathers. 'There are certain social relations and evaluative commitments that are constituted by a refusal to put a price on them' (O'Neill, 2001b, p. 1866). 'Social loyalties, for example, to friends and to family, are constituted by a refusal to treat them as commodities that can be bought or sold'.

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21 Whether there is constitutive incommensurability matters not only the individual choice but also the social policy: 'When has the Russian government spent enough trying to save its sailors trapped in a sunken submarine? How should the Ford Motor Company evaluate competing designs for the Pinto if one design saves $100 million but involves a significantly higher probability of lost lives? Is the wealth generated from strip mining the side of a mountain comparable with the pristine beauty of that mountain?' If free speech is constitutively incomparable with money, are objections to campaign finance laws based on appeals to the First Amendment misguided?' (Chang, 2001, pp. 34-5).
A modern case of constitutive incommensurability can be found in the film ‘Billy Elliot’. Billy’s father recognises Billy’s talents for dance, and wants him to take an audition for the Royal Ballet School. But he has no income due to the yearlong coal miners’ strike. His returning to work for paying Billy’s trip to the audition means betraying his fellow strikers. He himself has condemned such ‘traitors’ with other ‘fellows’. Here is the first constitutive incommensurability, that is, between a wage and fellow strikers: the fellowship among striking coal miners is constituted by a refusal of a manager’s offer to work for a low wage. A fellow ceases to be a fellow when he treats other fellows as an option for money. Nevertheless, Billy’s father plans to go back to work, because he needs the money for Billy, which would lead to him losing his fellows, for the very purpose of making Billy’s dream come true. Here is the second constitutive incommensurability, that is, between a financial condition and love for one’s own child: fatherhood is constituted by the father understanding and supporting his child without any conditions. A father ceases to be a real father when he makes his son give up his dream in order to avoid financial hardship. That is, Billy’s father is urged to choose either taking a role of a fellow striker or a real father. What makes this story fascinating is that his fellow strikers dissuade Billy’s father from going back to work, by raising the fare for Billy’s journey: the fellows prevent a fellow from ceasing to be a fellow. Besides, Billy’s father also raises money by putting his dead wife’s accessories in pawn.

2.2.3 Incommensurability between (theoretical) discourses

There is a form of incommensurability that is not directly associated with the ontology of money, but with the epistemology of money — and other things besides. The reason this is worth mentioning is because slippage between ontology and epistemology (the epistemic fallacy and the relativism this generates) which is a continual Post-structuralist threat, can cause ontological confusion and, in this case, about the ontology of money. We might, because of this, end up confusing money and our theories of money.
The form of incommensurability I have in mind here is that which can take place between competing theories. Tomass (2001), for example, observes the possibility of incommensurability between rival monetary theories by Mises and Marx. He postulates three elements, which may constitute economic paradigms and thereby incommensurability between the rival monetary theories: different starting points, different methodological procedures and different conceptual schemes. Tomass starts by assuming that incommensurability exists between those rival monetary theories. Contrary to his own starting assumption, however, Tomass concludes that rival monetary theories are *commensurable* on the grounds of their logical compatibility, that is that they can stand in relations of logical consistency or inconsistency.

Understanding this (theoretical) incommensurability and, thereby, avoiding the epistemic fallacy, requires that we break relativism into two different kinds — epistemic and judgemental relativism.

**Incommensurability and Epistemic Relativism**

Epistemic relativism is the view that the world can only be known in terms of available descriptions or discourses. The way we conceptualise the world, reflects our epistemic standpoint(s). There is no independent access to the world. We have no choice but to confront the world via our conceptual apparatus. This means, of course, that all accounts, theories, models, descriptions, explanations and so on, are *theory-laden*, or as Fleetwood (2005) calls them, *conceptually mediated*. And accounts of money are no different. To say that an account of money is conceptually mediated, or to say that we can only know money in terms of some account or other, is not to say that money is simply an epiphenomena of this theory or these accounts. There are many ways of saying this, so allow me to say it in several ways to avoid any confusion. Whilst an account of money is a social construct it is not a *mere* social construct. Whilst an account of money is conceptually mediated, it is not simply an epiphenomenon of our concepts, it is irreducible to our concepts. That is, some entity, some referent remains as money and now, alongside it as it were, the fact that we have

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22 Incommensurability between theories may arise from other facts (Richardson, 1994, p. 260): (a) a priori nature of knowledge: much of what is learned is seemingly *a priori* or definitional. What is *a priori* or definitional may serve as a criterion of correctness for the elaboration of other parts of one's view. (b) Different cognitive ends: Values that go into defining what is taken as theoretical success,
a concept with which to deal conceptually with it. Fleetwood (2005) would say money is an example of a ‘socially real’ entity — i.e. it is not materially, artefactually, nor conceptually real. It is possible to say different theories of money are incommensurable, because they are epistemically relative. But let us be clear, the charge of (theoretical) incommensurability goes further than this. Let us see how far, and whether or not we need to go this far. There might be incommensurability between different accounts of money in the sense that all accounts of money (or whatever) are conceptually mediated. Although money can only be known in terms of some accounts of money, this does not mean money is simply an epiphenomenon of these accounts, a mere social construct. Money remains as a common referent. Epistemic relativism simply makes the claim that what we see is coloured by our standpoint. It makes no claims about judging.

**Incommensurability and Judgmental Relativism**

Judgmental Relativism is the view that, because of epistemic relativism, one cannot judge between different accounts and decide whether or not some accounts are better than the others. And accounts of money are no different. But here we see the ontological slippage at work. Underlying judgmental relativism is an ontological commitment. When advocates of judgemental relativism say an account of money is conceptually mediated, or say that we can only know money in terms of some account or other, the clear implication here is that money is simply an epiphenomena of this theory or these accounts. Money is a mere social construct; it is reducible to our concepts. That is, there is no entity, no referent that remains as money. All we have are competing accounts of money. In this case, we cannot compare our account of money to money itself, because the account socially constructs money. With no referent against which to compare our account, all we can do is compare accounts to one another. Clearly, from this ontological position, judgmental relativism is unavoidable. It is possible to say different accounts of money are incommensurable, because they are judgementally relative. But here is the snag. Judgemental relativism is avoidable because the ontology upon which it rests is avoidable. Judgemental relativism is avoidable provided we are willing to keep a distinction between our account of the world, and the world itself; between our account of money, and money corresponds to cognitive ends [values], including those of the scientists, such as simplicity, elegance,
itself. To deny this distinction is to accept some form of subjective idealism, to accept that our thinking, theorising, talking or whatever, about the world makes the world. I suggest that almost no-one does hold this position, not even Post-structuralists. The reason many Post-structuralists end up ensnared by judgemental relativism is because they are ontologically ambiguous.

In sum, then, Critical Realists accept epistemic relativism without having to go the extra step and accepting judgemental reason. That said, there is nothing in my claim that suggests judging between competing accounts or theories is easy. To be sure, it is often exceptionally difficult: but it is not an impossible task. Thus, this thesis accepts epistemic relativism, but does not accept judgmental relativism: it accepts incommensurability between theoretical discourses only in respect of epistemic relativism.\textsuperscript{23}

There is incommensurability between different theoretical discourses on money (e.g. neo-classical, Keynesian, Monetarist, Marxist, Austrian) in a sense that money is conceptually mediated: money can only be known in terms of some accounts of money, whilst there is money as a common referent. (Crude) idealists or subjectivists in the Post-structuralist camp, however, claim that there is no such thing as money as a common referent, but our different accounts, stories and theories of money. From this viewpoint, discourse is always everywhere as our creative force, with whomever it is involved, theorists or money users. It should not be forgotten, however, that incommensurability between values and ‘constitutive incommensurability’, argued above, could neither be derived from nor reduced to incommensurability between (theoretical) discourses.\textsuperscript{24} The former forms of incommensurability are not a result of our different accounts, stories and theories of money and incommensurability: it is not fruitfulness in engendering hypothesis, and explanatory value.

\textsuperscript{23} There is an interesting twist in my standpoint. I take a ‘commensurabilist’ standpoint for theoretical discourses. From a viewpoint of epistemic relativism without accepting judgmental relativism, I defends the logical compatibility of different theories on money: rival monetary theories are \textit{commensurable} on the grounds of their logical compatibility. In contrast, however, I take an ‘incommensurabilist’ standpoint for certain social relations and value commitments. I believe in the existence of constitutively incommensurable items and options, which are constituted by a refusal to put a price on them. See 3.2 for further arguments on constitutive incommensurability.

\textsuperscript{24} This argument is related to \textit{discourse}, which will be argued later on. This thesis argues against reductionism between two dimensions of discourse: \textit{incommensurability as discourse} (i.e. intransitive dimension) can neither be derived from nor reduced into \textit{discourse about incommensurability} (i.e. transitive dimension).
the case that there is money and incommensurability because they are regarded as so.  

2.3 What is commensuration?

Commensuration is a social process by which agents _transform_ values of items and options into a commensurable form.  

Commensuration transforms qualities into quantities, qualitative difference into magnitude. It is a way to reduce and simplify disparate information into numbers that can be easily be compared. This transformation allows people to quickly grasp, represent, and compare differences’ (Espeland and Stevens, 1998, p. 316). Corresponding to the basic concepts defined earlier on, commensuration has the following two aspects:

2.3.1 Quantification

Commensuration is a transformation of quality into quantity. To quantify is to assimilate incommensurable values into cardinal-value. It is to precisely audit the magnitude of the value of options or items. Quantification _can_ distort ordinal values (e.g. 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup>) or even uncountable values into cardinal values (e.g. 10, 20 and 30).

2.3.2 Standardisation

Commensuration is a transformation of plural dimensions of value into a common scale. To standardise is to assimilate incommensurable values into _value-monism_ to reduce all values into a single ultimate value (i.e. an intrinsically valuable property).

That is, commensuration reduces weak commensurability and strong and weak comparability into strong commensurability: it reduces ordinal values to cardinal value, plural values into a single ultimate value, as follows:

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25 See 3.4.2 for Posner’s arguments on ‘incommensurable claim’ as an example where (theoretical) incommensurability leads to confusion.

26 The following cases can be considered: (i) agents may translate things and activities with value incommensurability into a commensurable form: (ii) agents may translate things and activities, which are constitutively incommensurable into a commensurable form. Commensuration in both cases can damage and distort the original nature of the things and activities.
Now, how is commensuration possible? How is it possible to transform quality into quantity, and irreducible values into a common scale? What is the consequence of commensuration? Who does it? These questions, in the context of monetary phenomena, are prefigured by Aristotle, and answered by Marx.

2.4 Aristotle
Aristotle’s view on money and commensurability can be found in his argument on justice in *Nicomachean Ethics, Book V, Chapter 5*. As Meikle notes, Aristotle’s arguments in NE V.5. are confusing, firstly because he has so many questions and so few answers, and secondly because he does not clearly or explicitly distinguish all the questions in his mind (Meikle, 1995, p. 39). Meikle indicates that Aristotle’s argument involves the following four problems (ibid., p. 32, italics added):

- Explaining the equalizing, or making equal, of the *proportions* in which things are exchanged so that the condition of fairness is met, namely equality of proportion.
- Explaining the *commensurability*, which is logically presupposes by that equality.
- Explaining the measure and the *unit* used in quantifying the commensurable dimension, which is shared by products.
- Explaining the *holding-together* of divided labours within associations for exchange and within the association of the polis.

27 ‘Aristotle wants to know (1) How do you get fairness and equality into exchange? (2) What is equalized in fair exchange? (3) What is commensurable between products? (4) How is the magnitude of the commensurating property measured? (5) What is the unit of measure? (6) What holds exchangers together? and (7) what holds the polis together?’ (Meikle, 1995, p. 39)
Besides, Kaye (1998, pp. 40-52) categorises five aspects of money argued in Aristotle’s Nicomachean Ethics:

- Money as an instrument of geometric balance
- Money as a means for just exchange and equality
- Money as an instrument of relation and commensuration
- Money as a practical instrument for price determination
- Money as a part of a dynamic process of commensuration and equalisation.

Developing Meikle’s and Kaye’s indication, I detect the difficulty to follow Aristotle’s arguments in NE V.5 from the fact that he argues ‘a measure’ in several senses, and correspondingly argues ‘commensurability’ in several different respects: different senses of ‘a measure’ correspond to different respects of commensurability. In order to reduce the difficulty, let us keep the question in our mind (i.e. commensurability in what respect?) and read some crucial parts on money and commensuration in NE V.5:

- Commensurability in respect of proportionate balance (i.e. geometric proportionality): in this respect, a measure is a balance — i.e. a ratio between objects. The measure compares relative amounts of the homogeneous property with one another.

- Commensurability in respect of a common dimension: in this respect, a measure is a scale — i.e. a common dimension of homogeneous property (e.g. length, weight). The Measure presupposes a common dimension of homogeneous property.

- Commensurability in respect of quantitative equality (i.e. arithmetic equality): in this respect, a measure is a numéraire — i.e. a nominal unit of account. The measure counts magnitudes (i.e. absolute amounts) of the homogeneous property in a numerical unit.

- Commensurability in respect of practical equality: in this respect, a measure is a measuring rod — i.e. an actual device to measure. The measure calibrates degrees of the homogeneous property.
• **Commensurability in respect of a common standard**: in this respect, a measure is a standard — i.e. a model of criterion. The measure holds objects together in a single unit.

2.4.1 Nicomachean Ethics, Book V, Chapter 5

(1) When people associate with one another for the purpose of exchange, however, this kind of justice — reciprocity in accordance with proportion, not equality — is what binds them together, (2) since a city is kept together by proportionate reciprocation. (3) For people seek to return either evil for evil — otherwise they feel like slaves — or good for good — (4) otherwise no exchange takes place and it is exchange that holds them together (1132b-1133a).

(Aristotle, 2000, p. 89)

This part argues on *commensurability in respect of proportionate balance* (i.e. geometric proportion): (1) suggests that reciprocal justice with *proportionate balance instead of arithmetic equality* binds people together by proportionate reciprocation.²⁸ (2), (3) and (4) suggest that proportionate reciprocation is held for *people’s moral association*: people can only be associated and tied together in their community in a city by proportionate reciprocation. Reciprocity is our moral law: ‘[t]his is the special characteristic of grace, because one ought both to perform a return service to someone who has been gracious, and another time to make the first move by being gracious oneself (1133a)’ (ibid., p. 89). Thus, Aristotle’s original problem is in a form of ought-question: what constitutes a fair exchange? He answers himself that *proportionate balance* sufficiently constitutes a fair exchange: *arithmetic equality* is not required for a fair exchange.

(a) It is not two doctors who associate for exchange, but rather a doctor and a farmer, and, in general, people who are different and unequal, and must be made equal. (b) This is why everything that is exchanged must be in some way commensurable. (c) This is where money comes in; it functions as a kind of mean, since it is a measure of everything, including, therefore, excess and

²⁸ See 5.1 for further arguments on an Aristotle account of reciprocity.
deficiency. (d) It can tell us, for example, how many shoes are equal to a house or some food. (e) Then, as builder is to shoemaker, so must the number of shoes be to a house. (f) For without this, there can be no exchange and no association; and (g) it will not come about unless the products are in some sense equal. (h) Everything, then, must be measured by some one standard, as we said before. (i) This standard is in fact demand, which holds everything together; (j) for if people needed nothing, or needed things to different degrees, either there would be no exchange or it would not be the same as it now is. (k) But by social convention money has come to serve as a representative of demand. (l) And this is why money is called nomisma, because it exists not by nature but by convention (nomos), and it is in our power to change its value and to render it worthless (1133a). (ibid., p. 90)

For (a) equality between people, things must be (b) commensurable in respect of a common dimension. It is where money functions (c) as the universal measure of value. Then, (d), (e) and (f) suggest commensurability in respect of proportionate balance: they suggest that there are two levels of proportion — i.e. the proportion between products and that between producers. The proportion between the shoemaker’s product and the farmer’s one must be consistent with that between the shoemaker and the farmer. Money can tell the proportion between products, which is reflected by the proportion between people. There is neither exchange nor people’s association, (f) without this proportional relationship, and without (g) equality between products. Then, (h), (i) and (j) suggest commensurability in respect of a common standard: the demand (chreia) is a standard measure, which holds everything together. Aristotle neither connects chreia with commensurability in respect of a common dimension nor that in respect of proportionate balance: chreia neither is a homogeneous property, which makes a common dimension between products, nor has a ratio between products. Then, (k) and (l) suggest that commensurability in respect of a common standard shifts to commensurability in respect of practical equality: while chreia holds everything together, it lacks an actual device to measure until a measuring rod provides one. Thus, chreia is conventionally represented by money as a measuring rod.
So money makes things commensurable as a measure does, and equates them; for without exchange there would be no association between people, without equality no exchange, and without commensurability no equality. It is impossible that things differing to such a degree should become truly commensurable, but in relation to demand they can become commensurable enough. So there must be some one standard, and it must be on an agreed basis — which is why money is called nomisma. Money makes all things commensurable, since everything is measured by money. Let A be a house, B ten minae, C bed. A is half of B, if the house is worth, or equal to, five minae; and C, the bed, is worth one tenth of B. It is obvious, then, how many beds are equivalent to a house, namely, five. This is clearly how exchange took place before the existence of money, since it makes no difference whether you pay five beds for a house, or the value of five beds (1133b). (ibid., p. 91)

suggests *commensurability in respect of a common standard* — i.e. money as the universal measure of value holds things together. It does not refer to *commensurability in respect of a common dimension*, because commensurability as a common dimension is not what a measure makes but what a measure presupposes. 2, 3 and 4 trace the *chain of presuppositions* (i.e. people’s association presupposes exchange, which presupposes equality, which presupposes commensurability). 2 suggests *commensurability in respect of proportionate balance*, because people’s association sufficiently requires proportionate balance. The word ‘equality’ in 3 is ambiguous: it may refer to either ‘equality between products’ or ‘equality between people’. Commensurability in 4, which can be made by equality, is the one *in respect of a common standard*. 5 suggests the contrast between *commensurability in respect of a common dimension* and that *in respect of a common standard* — i.e. the contrast between that ‘different things become truly commensurable’, and that ‘things become commensurable enough in relation to demand’. Then 6 suggests *commensurability in respect of a common standard*. 7 is as same as 1: money as the universal measure of value holds things together. Then 8 suggests *commensurability in respect of quantitative equality*. While things can be commensurable in relation to

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chreia, it lacks a unit of account until a numéraire provides one. Thus, chreia is conventionally represented by money as a numéraire.

2.4.2 ‘Marxist Aristotle’ and Aristotelian Marx

According to Meikle, Aristotle’s thought on money is fertile but contradictory, since he tries a number of ‘moves’ in his thought: first, he tries to establish that money is a common standard of measurement which itself constitutes commensurability and makes the equalisation of goods possible (Meikle, 1995, pp. 21-7). This move is, however, inadequate, because: (i) a measure requires to have the same property which it measures, like a measure of spatial magnitudes has a spatial magnitude; and (ii) a measure cannot itself create the same property, just as a measure of length does not create, but presupposes spatial extension. On the contrary to his first move, therefore, the possibility of measure presupposes some shared property, which makes incommensurable things commensurable. Aristotle gives up his first move, and tries another one by separating the means of measurement (money) from chreia (i.e. the need or demand) for commensurability. He thinks that money is a conventional representation of chreia. This chreia holds everything together in exchange, and it has come to be conventionally represented as money. His second move still has a problem, since he cannot link chreia with commensurability. Although chreia holds people together in association for exchange, and thereby holds everything together in exchange, it is explained as a condition of the people exchanging them, and not a property of the things. He actually seeks a property, which all things have in common in order to explain how they are commensurable. He tries two properties; that of being expressible in money, and that of being object of need. But he finally rejects them and concludes that there can be no such property (Meikle, 1995, p. 134).

Meikle claims that most of NE V.5. ‘is devoted to seeking a property that all products have in common, in order to explain how things are commensurable ... He tries two properties: that of ‘being expressible in money’, and that of ‘being object of the need’. But he rejects them and concludes that ‘in truth’ there can be no such property (1133b18-20). The property of ‘being a product of labour’ does not occur to him, in spite of the fact that the things in question are artefacts’ (Meikle, 1995, p. 134) Marx indicates that this ‘failing’ lies in the fact that Aristotle, and Greeks in general, lack a notion of labour:
Aristotle therefore himself tells us what prevented any further analysis: the lack of a concept of value. What is the homogeneous element, i.e. the common substance, which the house represents from the point of view of the bed, in the value expression for the bed? Such a thing, in truth, cannot exist, says Aristotle. But why not? Towards the bed, the house represents something equal, in so far as it represents what is really equal, both in the bed and the house. And that is — human labour. (Marx, 1976 [1867], p. 151)

Marx's readings of Aristotle in NE V.5. tend to lay emphasis on commensurability in respect of a common dimension, to which commensurability in other respects can be boiled down. It is wrong, however, to ascribe Marx's question of what constitutes commensurability to Aristotle. It is not the case that Aristotle 'fails' to discover human labour as the homogeneous element (i.e. the common substance) of products. He is not interested in finding out the exact property to constitute commensurability. He is rather interested in the way in which one respect of commensurability supplements another (e.g. chreia as a standard measure is conventionally represented by money as a numéraire) and in tracing the chain of presuppositions (i.e. people's association presupposes exchange, which presupposes equality, which presupposes commensurability). Unlike Meikle's claim, moreover, Aristotle does not devote himself to seeking a property that all products have in common in order to explain how things are commensurable, in most of NE V.5, either. As Meikle himself suspects, '[p]erhaps Aristotle was not after all asking the question (A), how different products can be strictly commensurable in the first place, or was not making it the primary objective of his inquiry. Perhaps he was asking another question altogether (B), how, or from what point of view, products can be treated as commensurable enough to allow exchange and the holding-together of the polis' (ibid., pp. 36-7). In other words, Aristotle does not fully seek what constitutes 'strict commensurability', but asks what constitutes 'sufficient commensurability'. It may be enough for him to consider about commensurability in respect of proportionate balance for answering

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Meikle himself indicates that Aristotle wants to answer in this short chapter the following questions: (1) How do you get fairness and equality into exchange? (2) What is equalized in fair exchange? (3) What is commensurable between products? (4) How is the magnitude of the commensurating property measured? (5) What is the unit of measure? (6) What holds exchangers together? and (7) what holds the polis together? (Meikle, 1995, p. 39)
his original ought-question: what constitutes a fair exchange? To summarise, therefore, the difficulty of understanding Aristotle's thought on money and commensurability derives from the fact that he moves among several different respects of commensurability, shifting his questioning from one to another. Nevertheless, it is a very fertile difficulty since it reminds us that money involves multiple respects of commensurability.

2.5 Marx

The shift of questioning can also be found in Marx: he is keen on the normative arguments (i.e. what is the consequence of commensuration?) in his early works (e.g. The Manuscript, The German Ideology). However, he shifts his questioning into the factual arguments (i.e. how is commensuration possible) in his middle work (e.g. Grundrisse), and then, he is devoted into the metaphysical arguments (i.e. what constitutes commensurability) in his late works (e.g. Capital).

2.5.1 What is the Consequence of Commensuration?

Marx use analogies (e.g. a love analogy, a language analogy) in order to explain how commensuration distorts the nature of what is exchanged and of identities of those who exchange:

If we assume man to be a man, and his relation to the world to be a human one, then love can be exchanged only for love, trust for trust, and so on. ... Each one of your relation to man — and the nature — must be a particular expression, corresponding to the object of your will, of your real individual life. If you love unrequitedly, i.e. if you love as love does not call forth love in return, if through the vital expression of your self as a loving person you fail to become a loved person, then your love is impotent, it is misfortune. (Marx, 1975 [1844], p. 379)

The love analogy suggests that the particularity of certain human relationships and activities, like love, would disappear as a consequence of commensuration. Love can be exchanged particularly for love. Each love is particular. That is, love can only be exchanged for love only between certain people: one can only be in love with a particular type of person. Unlike love, money is exchanged not only for a particular thing or person, but for everything. 'M'oney exchanges every quality for every other
quality ... ; it is the power which brings together impossibilities and forces contradictions to embrace' (ibid.). In other words, love can be exchanged for nothing else but love. If love is exchanged for money, love ceases to be love. There is constitutive incommensurability between love and money: the limited exchangeability (i.e. love can be exchanged only for love) is constitutive of the nature of what is exchanged (i.e. love). The ontology of money, however, exposes the constitutive incommensurability within human relationships and activities:

The exchangeability of all products, activities and relations with a third, objective entity which can be re-exchanged for everything without distinction — that is, the development of exchange values (and of money relations) is identical with universal venality, corruption. Universal prostitution appears to as a necessary phase in the development of the social character of personal talents, capacities, abilities, activities. More politely expressed: the universal relation of utility and use. (Marx, 1973 [1857-8], p. 163)

When love is exchanged for everything ‘without distinction’, love is corrupted into ‘universal prostitution’. Because love loses its limited exchangeability, its particularity disappears: when love is exchanged for love in terms of utility, it is not particular any more, but rather a general expression of utility relation, and therefore, love ceases to be love. It is, as if, in the way in which a particular expression is translated into a general expression:

[A]ll the activity of individuals in their manual intercourse, e.g. speech, love etc., is depicted as a relation of utility and utilisation. Hence the actual relations that are presupposed here are speech, love, the definite manifestations of definite qualities of individuals. Now these relations are supposed not to have the meaning peculiar to them but to be the expression and manifestation of some third relation introduced in their place, the relation of utility or utilisation. (Marx and Engels, 1970 [1845-6], p. 110)

The manual, actual and definite intercourse is depicted as the metaphysical, abstract and indefinite intercourse of utility. Now, whilst Marx, especially in Capital, is clearly concerned with the material aspect of money, with showing how one commodity
(gold) becomes the universal equivalent, he is aware of the symbolic aspect of money too. Granted he does not elaborate on the symbolic side to the extent he elaborates on the material side, but actually, the material aspect only makes sense if there is also a symbolic side. Whilst Marx, clearly, did not use the term ‘discourse’, he presupposed something like it. Let us consider how Marx treats the symbolic, discursive aspects of money as well as the material aspects. The following language analogies imply that the role of *discourse* is not lost on Marx: ‘This paraphrasing ceases to be meaningless and arbitrary only when these relations have validity for the individuals not on their own account, not as self-activity, but rather as disguises, though by no means disguises of the category of utilisation, but of an actual third aim and relation which is called the relation of utility’ (ibid.). ‘The verbal masquerade only has meaning when it is the unconscious or deliberate expression of an actual masquerade’ (ibid., italics added). These expressions (e.g. paraphrasing, the verbal masquerade) indicate that commensuration requires *language, signs*, or, for brevity, *discourse*. We will scrutinise the discursive nature of commensuration in the next section.

2.5.2 How is Commensuration Possible?
A chapter on money in the *Grundrisse* (Marx, 1973 [1857-8], espec. pp. 142-5) answers the second question — i.e. how is commensuration possible? He shows the way in which qualitatively different things (i.e. commodities) are conceptually equated, the equation is replaced by another qualitative element and it transforms into social symbol (i.e. money) in actual exchange:

In order to determine what amount of bread I need in order to exchange it for a yard of linen, I first equate the yard of linen with its exchange value, i.e. \( = \frac{1}{x} \) hours of labour time. Similarly, I equate the pound of bread with its exchange value, \( = \frac{1}{x} \) or \( = \frac{2}{x} \) hours of labour time. I equate each of the commodities with a third; i.e. not with themselves. *This third, which differs from them both, exists initially only in the head, as a conception, since it expresses a relation; just as, in general, relations can be established as existing only by being thought, as distinct from the subjects which are in these relations with each other. In becoming an exchange value, a product (or a activity) is not only transformed into a definite quantitative relation, a relative number – that is, a number which expresses the quantity of other commodities which equal it, which are its
equivalent, or the relation in which it is their equivalent – but it must also at the same time be transformed qualitatively, be transformed into another element, so that both commodities become magnitudes of the same kind, of the same unit, i.e. commensurable (ibid., p. 143, emphasis added).

Before being exchanged for one another in reality, two qualitatively different things (e.g. bread and linen) are ‘appraised in thought’, that is abstractly and imaginatively. In other words, they are brought into a given numerical relation to one another. The Qualities of two things is transformed into a quantity, a relative number (i.e. a number which expresses the quantitative equivalence). They are transformed into the third stuff ‘on paper,’ ‘in the head’ or ‘in speech’: it has a merely imaginary existence.

This bringing of different things (i.e. use-values) into a numerical relation presupposes that they are in the same dimension of homogeneous property (i.e. products of labouring activity) called value, and that they obtain the same denomination or unit (i.e. labour time) called exchange value. That is, two qualitatively different things (i.e. use-values) are transformed into an expression of labour time (i.e. exchange-value) in order to be compared as a certain magnitude of labour with other magnitudes of labour. On the one hand, this transformation makes it possible to compare qualitatively different things and it proceeds by mere abstraction. But actual exchange, on the other hand, requires a measuring rod (i.e. an actual device to measure) that represents labour time (i.e. exchange-value) as such: a real exchange process requires a real mediation and, therefore, an actual means to accomplish the abstraction. Thus, the abstraction is transformed into, or takes the form of ‘a third thing,’ namely another qualitative element: it is objectified, symbolised, or realised in a symbol. And this symbol is money.

Now, the two qualitatively different things are commodities. The third thing that expresses a social relation between them is also a commodity. But the latter commodity is a special one: it is the commodity that is to become money. The money commodity has ‘a double existence’: On the one hand, it is material — it is a qualitative, natural and physical entity produced by some labouring activities. On the other hand, it is symbolic — it is a quantitative, social and abstract entities. When we interact with an ordinary commodity, we focus on its material properties, because
these properties are why we want it in the first place.\footnote{I ignore here issues relating to do with symbolic commodities like Rolex watches and the like.} When we focus on the money commodity, by contrast, we focus on its symbolic properties. When we focus, say, on a 100 yen note, we do not focus on the paper and the ink: we focus on the symbolic side that this paper and ink symbolises, stands for, represents, expresses, something that is non-material. It stands for value.

As we have seen, commensurability between qualitatively different things is 
\textit{presupposed}: it is \textit{presupposed} that qualitatively different things are in the same dimension of homogeneous property, that they obtain the same unit of quantitative magnitude. Besides, this \textit{presupposition} is accomplished by a measuring rod in actual exchange. This means that the agents involved with commodity exchange does not have to be aware of a fact of commensurability. In \textit{Capital}, Marx, again, tries the language analogy:

\begin{quote}
Men do not therefore bring the products of their labour into relation with each other as values because they see these objects merely as the material integuments of homogeneous human labour. The reverse is true: by equating their different products to each other in exchange as values, they equate their different kinds of labour as human labour. \textit{They do this without being aware of it. Value, therefore, does not have its description branded on its forehead; it rather transforms every product of labour into a social hieroglyphic. Later on, men try to decipher the hieroglyphic, to get behind the secret of their own social product: for the characteristic which objects of utility have of being values is as much men's social product as is their language} (Marx, 1976 [1867], pp. 166-7, italics added).
\end{quote}

In difficulties of recognising the existence of value, and the homogeneous human labour that constitutes commensurability, commodity-owners think like Faust: 'In the beginning was the deed. (\textit{ibid.}, p. 180)' That is, they have already acted before thinking what it is. The social action of bringing their products into relation with other products as values \textit{presupposes} the homogeneous property hidden behind qualitatively different products, which constitutes commensurability in respect of a
common dimension. Then, after the deed performed without awareness of its real meaning, we can figure out what it implicitly meant. Marx metaphorically describes it as ‘deciphering a social hieroglyphic’.

To summarise, therefore, **commensuration is possible by the existence of a homogeneous property**. ‘The diversity of the measures for commodities arises *in part from the diverse nature of the objects* to be measured, and *in part from convention*’ (ibid., pp. 125-6, italics added). On the one hand, commensurability is a social construction (i.e. discursive): it is presupposed by the social act of equating different products. On the other hand, commensurability is *not merely* socially constructed, *but also* a practice or accomplishment (i.e. extra-discursive): it is neither created arbitrary nor out of nothing, but is hidden behind qualitatively different products and is discovered.

2.5.3 What Constitutes Commensurability?
Marx uses analogies (e.g. a weight analogy and a geometrical analogy) in order to explain what constitutes commensurability between products in respect of a common dimension:

A sugar-loaf possesses weight, but we can neither take a look at this weight nor touch it. In order to express the sugar-loaf as a weight, we put it into a relation of weight with the iron. In this relation, the iron counts as a body representing nothing but weight. Quantities of iron therefore serve to measure the weight of the sugar, and represent, in relation to the sugar-loaf, weight in its pure form, the form of manifestation of weight (ibid., pp. 148-9). If both objects lacked weight, they could not enter into this relation. ‘When we throw both of them into the scale, and therefore that, taken in the appropriate proportions, they have the same weight (ibid.).

If we speak of the distance as a relation between two things, we presuppose something “intrinsic”, some “property” of the things themselves, which enables them to be distant from each other (Marx, 1972, p. 143). We suppose both of them to be contained in space, to be points of space. Thus we equalise them as being both existences of space, and only after having them equalised *sub specie*
spatii we distinguish them as different points of space. To belong to space is their unity (ibid.). When we speak of the distance between A and B, we presuppose that they are points (or lines) in space. Having been reduced to points, and points of the same line, their distance may be expressed in inches, or feet, etc. The element the two commodities A and B have in common is, at first sight, their exchangeability. They are “exchangeable” objects. As “exchangeable” objects they are magnitudes of the same denomination. But this “their” existence as “exchangeable” objects must be different from their existence as values in use (ibid., p. 161).

Marx’s arguments refer to commensurability in respect of a common dimension. Two different things (i.e. sugar and iron, point A and B) are commensurable and ‘exchangeable’ in terms of a common dimension of homogeneous property (i.e. length, weight). Marx considers that the common element of commodities, which ‘cannot be a geometrical, physical, chemical or other natural property of commodities’ (Marx, 1976 [1867], p. 127), but can be abstracted from their natural properties when they are exchanged, is labouring activity. Whilst many heterodox economists accept this argument, many have failed to really unpack what this entails. Many have failed to ask (let alone answer) the question: what kind of labouring activity? Fleetwood (2000) reminds us not only that commodities are different entities, but also that the labouring activities that produced them are different activities: gunsmithing is a completely different activity from tailoring. Hence guns and coats are, by their natures, incommensurable entities in the sense that they are products of individual, concrete and particular (henceforth ICP) labour. ICP labour cannot, therefore, be the common property and hence cannot render incommensurable entities commensurable. However, as well as being products of ICP labour, they are also products of social, abstract and universal (henceforth SAU) labour. They are produced by SAU labour in a sense that one undertaking of ICP labour is socially related to many other such undertakings via the commodities produced. The individual concrete and particular nature of the various undertakings is abstracted via the market, and hence that ICP labour doubles into a unity of itself and universal labour.
Whilst ICP labour cannot render incommensurable entities commensurable, SAU labour can because it relates the labours of individual producers by abstracting from the concrete particularity of their labouring activities. SAU labour itself, however, has no material distinctiveness. It cannot manifest itself as empirically observable labour 'embodied' in a commodity because only hours of ICP labour are observable, and hence measurable. SAU labour is reflected in the bodily shape of a commodity. To summarise, therefore, what constitutes commensurability is SAU labour, which can be abstracted from ICP labour via the market. Commensurability between SAU labour products are transformed from incommensurability between ICP labour products through the following metaphysical process:

(1) As use-values, ICP labour products are both qualitatively and quantitatively different from one another. ICP labour cannot render incommensurable entities commensurable. There is no basis of commensurability between use-values.

(2) As values, SAU labour products are qualitatively identical with one another. SAU labour makes incommensurable entities commensurable, and transforms them into commodities.

(3) As exchange-values, commodities are quantitatively equal with each other. A commodity reflects a certain socially necessary magnitude of SAU labour, which makes commodities not only commensurable, but also commensurate.

As we have seen, the SAU labour is presupposed by exchanging products: when we exchange products, we presuppose the SAU labour on a metaphysical ground as a homogeneous property to constitute commensurability between heterogeneous products. The metaphysical presupposition follows to the actual possibility of exchange. Whilst it may have come as a surprise that Marx’s account of money and the commensuration of seemingly incommensurable entities, motivates us in the direction of discourse, this is nevertheless the case. The following section takes Marx’s account, and augments it with contemporary Critical Realism realist thinking on discourse. In brief, commensuration is a process of social practices in their articulation with other non-discursive moments.31

31 See 1.3 for a Critical Realist perspective on discourse.
2.6 Commensuration as a Discursive Process

I suggested above that commensuration makes money, meaning that something is constituted as money in the (discursive) process of commensuration. It is time to introduce and elaborate upon this discursive process that makes money.

2.6.1 Dialectics

Let us start not only by considering commensuration as a dialectical process in which both extra-discursive and discursive elements internalise one another, but by doing so without collapsing these elements into each other. We noted above that the money commodity has 'a double existence': On the one hand, it is material or extra-discursive — it is a qualitative, natural and physical entity produced by some labouring activities. On the other hand, it is symbolic or discursive — it is a quantitative, social and abstract entities. As argued in chapter 1, moreover, Searle's distinction between institutional and brute facts correspond to the distinction between extra-discursive and discursive: Brute facts/extra-discursive elements require the institution of language (i.e. discourse) to be stated or described, but they themselves exist independently from it. Institutional facts/discursive elements control and make brute facts/extra-discursive elements possible. Neither institutional facts/discursive elements nor brute facts/extra-discursive elements can be reduced to one another: they internalise one another without collapsing into each other. Although many kinds of things can be money, there has to be some material realisation: the institutional and discursive reality is built on top of the brute and extra-discursive reality, irrespective of what this happens to be — dog's teeth, woodpecker's scalp, gold, silver, a piece of paper or a bit on a computer disc.

2.6.2 Discourses

Recall that discourses are diverse ways of representing the social world. Commensuration necessitates discourses: it necessitates the representation of the social world as commensurable. Discourses involve a dialectic process of discursive commensuration noted at the beginning — i.e. commensuration as discourses makes money at the same time as money makes commensuration as discourses.
To say *commensuration makes money* means that something is constituted as money in the (discursive) process of commensuration. Money facilitates the quantification (i.e. transformation of quality into quantity) and standardisation (i.e. transformation of plural dimensions of value into a common scale) of the values of heterogeneous items that are exchanged. Quantification and standardisation are two aspects of commensuration that reside in money. As a result of these two aspects of commensuration (i.e. quantification and standardisation), money is constituted as the universal measure of value. Now, *commensuration as discourses* makes money. Commensuration occurs when we *represent* the social world in terms of a cardinal measure, and a single scale. That is, when we *represent* qualitatively different things (i.e. use value) as quantitative products (i.e. exchange-value), and then *represent* these things with various kinds of values in terms of a single ultimate value (i.e. the SAU labour). As a result of these two aspects of commensuration (i.e. quantification and standardisation), money is constituted as the universal measure of value.

To say *money makes commensuration* means that the very use of money necessarily involves us in the (discursive) process of *commensuration*. Once money is established and socially accepted as a means of measurement, it encourages (and, as we will see in part two, misguides) us into quantifying and standardising the values of the heterogeneous items being exchanged. Now, money makes *commensuration as discourses*. Money leads us to conceive of and speak of something as if it were a commodity subject to market exchange. ‘Those who use money to value the world see it through more quantitative eyes. The ability to apply mathematical operations to value has clearly been understood as a considerable economic advantage (witness the number of numerically based financial techniques that monetary valuation has generated). But it discounts, downplays, or even ignores those aspects of value that cannot be reduced to a single number’ (Carruthers and Espeland, 1998, p. 1401). Money leads us to quantify and standardise all sorts of values, and even to make them saleable by the ‘market rhetoric’ (Radin, 1996, p. 6).
2.6.3 Genres
Recall that genres are *diverse ways of acting upon the social world*. Commensuration is a social activity. It is a way in which people act upon the social world. It is not only constative, but also performative: it not only describes the social world but also radically transforms the social world. ‘Commensuration changes the terms of what can be talked about, how we value, and how we treat what we value’ (Espeland and Stevens, 1998, p. 315). Genres involve a dialectic process of discursive commensuration: *Commensuration as a genre* makes money: it creates new social categories (e.g. the commodity) and backs them with new social institutions (e.g. the market). In contrast, money makes *commensuration as genres*: it creates private categories (e.g. a business corporation) out of public entities (e.g. hospital, school, station), and establishes new interpretative frameworks (e.g. market liberalism). ‘The capacity to create relationships between virtually anything is extraordinary in that it simultaneously overcomes distance (by creating ties between things where none before had existed) and impose distance (by expressing value in such abstract, remote ways). In doing so, commensuration creates new things, new relations among disparate and remote things, and changes the meanings of old things’ (*ibid.*, p. 324). As commensuration gets institutionalised, it becomes more taken for granted and more constitutive of what it measures.

2.6.4 Styles
Recall that styles are *diverse ways of perceiving and articulating one’s own social role*. Commensuration is a process through which identities are constructed. Styles involve a dialectic process of discursive commensuration: *Commensuration as a style* makes money: money is constituted by perceiving and articulating our identities in terms of a cardinal measure and of a common scale. Money is established as the universal measure of value as heterogeneous people are re-conceptualised as homogeneous producers, and as heterogeneous relations between people are re-conceptualised as homogeneous relations between products. In contrast, money makes *commensuration as a style*: money leads us to perceive and articulate our identities in terms of a cardinal measure and of a common scale. It depersonalises ourselves: it re-conceptualises ourselves (only) in respect to their productivity and performance (i.e. how much we are productive, how many hours we work, etc.). It transforms a human being into a unit of economic resource whose productivity and performance is to be
quantitatively measured and enhanced. It also re-conceptualises our relations to others (only) in respect to our work. It transforms our various forms of social relationships (e.g. doctor-patient, lecturer-student, transport operator-passenger, husband-wife, parent-child) into monetary relationships (e.g. seller-buyer, producer-consumer, supplier-demander).

2.6.5 Evaluation
Evaluation refers to the diverse ways of selecting or focusing on values by choosing a certain measure. Commensuration is a way in which people select commensurable values from incommensurable wholes, or focus on commensurable values from among otherwise incommensurable values, by choosing a certain measure and applying it to them. Evaluation involves a dialectic process of discursive commensuration: Commensuration as an evaluation makes money: money is constituted by selecting or focusing on the homogeneous property (i.e. the SAU labour) from heterogeneous products, which presupposes the capitalism served by the labour value. In contrast, money makes commensuration as an evaluation: money leads us to evaluate everything in terms of money. In a market society, all kinds of values are evaluated and exchanged in terms of money — i.e. universal commodification. Even the performance of agents is evaluated in terms of economy, efficiency and effectiveness — i.e. value for money (VFM) audit. That is, money becomes a self-vindicating authority that influences and often changes the nature of the social activities being measured.

2.6.6 Presupposition
Presupposition refers to the diverse ways of regarding something as if it already exists and taking it for granted in imagination. Commensuration is a way in which people regard something as if it already exists and take it for granted in their imagination. Presupposition involves a dialectic process of discursive commensuration: commensuration as a presupposition makes money: we presuppose the homogeneity between heterogeneous things through selecting commensurable values from incommensurable wholes. We presuppose that qualitatively different things obtain the same unit of quantitative magnitude (i.e. quantification), and they are in the same dimension of homogeneous property (i.e. standardisation), which constitutes money. In contrast, money makes commensuration as a presupposition: money leads us to
presuppose a certain standard, goal or purpose, which might be served by the imposed monetary values, such as economy, efficiency and effectiveness. ‘When we assume that the unity conferred by numbers, when the homogeneity among things appears to be a property of the object rather than something produced by quantification, then we imagine we are simply counting or measuring something rather than commensurating disparate entities’ (Espeland and Stevens, 1998, pp. 316-7).

2.6.7 Ideology
Commensuration is not only technical but also political. Commensuration is technical: it simplifies our decision-making and makes it more mechanical. For instance, computer programmes calculate and identify alternative options or values that maximise our utility. They mechanically tell us what to do. Besides, commensuration is political: it is useful for ‘democratisation’. It is provoked by a desire to appear rational, limit discretion or conform to powerful expectation. It works to hide behind numbers, impose order or shore up weak authority. ‘Commensuration is political: It reconstructs relations of authority, creates new political entities, and establishes new interpretative frameworks’ (Espeland and Stevens, 1998, p. 323). On the one hand, commensuration as an ideology makes money: while commensuration appears to be quite a natural, neutral and merely technical process in which heterogeneous items are measured and exchanged, it can radically transform the world by creating new social categories (e.g. the commodity) and backing them with the weight of powerful institutions (e.g. the market). On the other hand, money makes commensuration as an ideology: while the introduction of the market regime into the non-market sphere (e.g. commodification, privatisation of the public sectors) is quite a natural, neutral and merely technical process in which fee-free items are charged, it can radically transform the world by reconstructing public entities (e.g. hospital, school, station) into private ones (e.g. a business corporation) and establishing new interpretative frameworks (e.g. market liberalism).
2.7 Conclusion

This chapter has dealt primarily with commensurability and incommensurability, that is, with phenomena that are usually considered to be the subject matter of quantitative kinds on analysis. Economists are familiar with issues such as ordinality and cardinality, measurement, price and value. But this chapter has demonstrated that phenomena like commensurability and incommensurability have an inextricably qualitative, symbolic, and discursive dimension to them, and economists are completely unfamiliar with issues such as these. I have not only shown that money requires commensuration and that commensuration is a discursive process, but I have also used Critical Realist discourse analysis in order to show which discursive processes are necessary and how they operate to make money. The next chapter takes up the second moment of the dialectic of money and commensuration, namely, that money makes commensuration.
CHAPTER 3: A MARKET BOUNDARY

3.0 Introduction

Recall the MasterCard advertisement from the start of the last chapter, especially one of the copy-lines that states, ‘There are some things money can’t buy. For everything else, there’s MasterCard.’ Two contradictory presuppositions lie buried within these comments:

- ‘For everything else, there’s MasterCard’ suggests that there is an *a priori* boundary between what money can and cannot buy, or a separation between the marketable and the non-marketable items.
- ‘There are some things money can’t buy’ seems misplaced in the context of a market economy. Indeed, it also appears to be possible to invert the aphorism and say, ‘For MasterCard, there is everything else’. This suggests that we can create and/or transform things into what money can or cannot buy, and consequently, there is an *a posteriori* boundary.

This chapter makes use of the ontology developed within Critical Realist circles in order to accept those seemingly contradictory presuppositions. This chapter considers four issues:

1. It examines the issue of blocked exchanges. According to Walzer (1983) a blocked exchange involves ‘things which cannot and/or should not be traded for money’. Judith Andre (1995) extends the analysis by recognising two scenarios. First, there are things ‘that cannot be bought and sold’, referred to as an ‘empirical impossibility’. Second, there are things that ‘could be but ought not be bought and sold’ referred to as ‘normative undesirability’. Andre is skeptical that all these arguments can be synthesised by any single principle.

2. It considers ‘constitutive incommensurability (i.e. those social relations and value commitments, which are constituted by the refusal of being priced)’ as a principle for a market boundary. It explores the claim that what *cannot* be traded off (i.e. the empirical impossibility) has implications for what *ought not* to be traded off (i.e.

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32 Whilst there are plural kinds of market boundary (e.g. between civil society and political community, public and private lives), this chapter focuses on one kind of market boundary (i.e. a separation between the marketable and the non-marketable items).
the normative undesirability). Because certain things **cannot** be traded off, they **ought not** to be traded off.

3. It considers a Critical Realist meta-theory as a perspective for exploring the ontology of a market boundary. From a Critical Realist perspective, it explores the ways in which a market boundary is both an empirical fact and a social construction: things are either marketable or non-marketable on the grounds that they are partly *brute* facts (i.e. extra-discursive) and *partly* institutional facts (i.e. discursive). It also examines how the market and the non-market regimes can co-exist, despite that the market sphere tends to either invade or corrupt into the non-market sphere in a certain context.

4. It tackles skepticism and criticism vis-à-vis the ontological status of a market boundary — e.g. instrumental incommensurability claims (i.e. even if they *are* incommensurable, it is best to assume they *are not*), strategic incommensurability claims (i.e. people rationally make incommensurability claims to obtain strategic advantages), incommensurability belief (i.e. friendship and money may be incomparable for you but comparable for me), and no-reason claims (i.e. there is *no good reason* to compare friendship to money, friendship cannot be compared to money, because it is reason-excluding).

These four points pave the way for arguing that a market boundary exists not only for us, but also in virtue of the nature both of money and of non-monetary goods — i.e. it is both a social construction (i.e. discursive) and an empirical fact (i.e. extra-discursive).

### 3.1 Blocked Exchanges

Walzer regards ‘the sphere of money and commodity (i.e. the market sphere)’ as the most dangerous potential (and actual) coloniser in modern societies. He is, therefore, concerned with how the market’s colonising tendencies are, or could be, controlled. Central to his argument is the notion of a blocked exchange, which involves ‘things which cannot and/or should not be traded for money’. His effective device for market colonisation is a list of fourteen ‘blocked exchanges’, which is intended to mark out the boundaries between market and non-market spheres, and to limit the market colonisation to other non-market spheres (Walzer, 1983, pp. 100-3):
- human beings
- political power and influence
- judicial decisions and legal services
- basic liberties like freedom of speech, press, religion and assembly
- marriage and procreation rights
- emigration rights
- exemptions from military service, jury duty and other forms of communally imposed work
- political office and professional standing
- basic welfare services like police protection and primary and secondary education
- ‘desperate exchanges’ involved with hard and dangerous works
- prize and honours
- divine grace
- love and friendship
- criminal acts like murder and illegal things to possess like drugs and guns

Andre (1995) extends Walzer’s analysis by recognising two scenarios. First, there are things ‘that cannot be bought and sold’, referred to as an ‘empirical impossibility’. Second, there are things that ‘could be but ought not be bought and sold’ referred to as ‘normative undesirability’. Andre is skeptical that all these arguments can be synthesised by any single principle. She also suggests there are three categories for each:3

Andre herself summarises her argument up to the following 8 questions: (1) the possibility of ownership: is it possible for this entity to be controlled by legal arrangement? (2) The morality of ownership: is this the kind of thing, which may legitimately be controlled or be kept from others? The possibility of alienation: can this thing be separated form the person whom it now attaches? (4) The morality of alienation: should it be possible for anyone to lose this? (5) The impact of the market on what is exchanged: does the exchange of this thing for gain endanger or demean it? (6) The impact of the market on buyer and seller: does the exchange of this thing for gain exploit, engender, or demean anyone? (7) The way money shapes an interaction: everything priced is commensurable. (Can we retain an understanding of a child’s immeasurable worth if the child was purchased?) Money is unevenly distributed; accumulating it depends upon luck, work, and ability. (Should civic duties be distributed upon different criteria, perhaps equally?) (8) The fact that accepting money essentially changes some actions: Does allowing people to do this for the sake of money destroy something of value (democratic office, prizes, criminal justice) or replace a desirable institution with a less-desirable or bad one (prostitution)?
3.1.1 What Cannot Be Sold

Some things cannot be owned: ‘nothing can be sold unless someone has certain prior legal relationships to it’ (*ibid.*, p. 174). Friendship and love, for example, cannot be owned, because their essences are spontaneous mutual appreciation, which cannot be guaranteed by the law. Divine grace cannot be owned, because by definition, no one can have legal rights to the pleasure of God or gifts from God. Nothing can be owned unless it is something over which laws can be effective. Affection and divine grace are not ownable because our having them is no subject to law. Furthermore, some public goods cannot be owned — e.g. the air we breath, the climate of trust in which we operate, quiet. Because they do not have right for exclusive use, they do not constitute ownership.

Some things cannot be alienated. Alienation can have different meanings: ‘something is alienable if it can be disconnected from the person it is now connected with and yet go on existing. In this sense, we can alienate land — transfer its ownership to someone else — *but not our memories*’ (*ibid.*, p. 178, italics added) Alienation can also mean simply to cease to have it, whether or not another acquires it. Honours, for instance, not only cannot be transferred to others but also cannot be lost: they can be refused, but once given and received the award cannot be cancelled by the recipient although they can be withdrawn by the committee when fraud is discovered.

Some things cannot be exchanged for gain (i.e. for money): some actions cannot be exchanged for gain, because ‘*[t]he fact that accepting money essentially changes some actions*’ (*ibid.*, p. 192). When something is done for money, it is done for a different purpose than it otherwise is, and the change in purpose can change the nature of action. Criminal justice cannot be exchanged for money because bribery is not just. Democratic office cannot be exchanged for money. When the person in office is chosen by the voters, the office is democratic, whereas when chosen by people with the most money, the office is not democratic. Prizes and honours cannot be exchanged for money, because if exchanged, they become something else. If they could be bought, they would represent something else: the luck, particular effort, and specific abilities which give one wealth. When a prize is bought, it is not really a prize at all.
3.1.2 What Could Be Sold, But Ought Not To Be Sold

Some things ought not to be owned: firstly, human beings could be owned, but should not be owned. Many rights over people are regarded as property rights. Some arise from contract between employers and employees. Others arise from status between parents and children. Whilst people can use some power of the state to persuade others to act, those rights should not exist: ‘no one should fully own — have a complete legal right to dispose of — any other human being’ (ibid., p. 177). Secondly, public goods could, but should not, be owned. Some public goods should be beyond private control, for reasons of efficiency, justice and community. They are preconditions of community life (e.g. defence, roads); they preserve community resources (e.g. wetlands that protect bio-diversity, forests that maintain the ozone layer); they are necessities of individual life (e.g. food, water, shelter); and they are artistic and historical objects (e.g. a Rembrandt, the original Declaration of Independence). The individual ownership of these things must be limited or prohibited for the good of the community.

Some things ought not to be alienated: we should not lose or transfer our own freedom (e.g. freedoms of speech, press, religion, and assembly), and right (e.g. rights to emigrate, to marry and to procreate) because ‘persons should be in some respects invincibly armoured against the state and other potentially oppressive agents’ (ibid., p. 179). We should not lose our welfare rights to education and to police protection, because they are essential for our life and growth. We should not transfer our military duty to another because we should equally share out some duties.

Some things ought not to be exchanged for gain (i.e. for money): firstly, babies could be exchanged for gain, but should not be exchanged for gain, because human beings should not be treated only as a means. ‘Treating someone as a means only’ is not just an ignoring of someone’s intrinsic value, but a denial of it (ibid., p. 182). Secondly, human organs could be, but should not be exchanged for gain, because if money can be made from selling organs, a lot more of them will be offered. Besides, people offering their organs for profit would have a reason to conceal facts making their organs unsuitable. Moreover, those who are likely to submit to painful and invasive surgery, and to accept the risks involved will be poor. Thirdly, sex could be, but should not be exchanged for gain, because commercial sex leads us to treat each other
only as a means. Sexual interaction should not be a meeting of mutually self-interested parties, treating one another only as means to their own ends.\textsuperscript{34}

Whilst both Walzer and Andre’s ‘blocked exchanges’ arguments are pioneering and provocative, they still leave room for improvement. First, Andre rightly indicates that some actions cannot be exchanged for profit, because the fact that accepting money essentially changes some actions. But, this could also be applied not only to actions, but also to goods. If, for example, we exchange environmental goods (e.g. wetlands that protect bio-diversity and forests that maintain the ozone layer) for profit, the act of exchange essentially changes them from environment into real estate. Thus, we use the word ‘items’ to include actions, goods, and services and will argue that the act of exchange against money changes the nature of items.

Second, Andre’s argument on why some things could be sold, but ought not to be sold entails that the nature of some things cannot be sold. She claims, for instance, that babies could be exchanged for gain, but should not be exchanged for gain, because human beings should not be treated only as a means. We do, however, sell babies whereas we cannot sell the parent-child relationships, because if do, they are no longer parent-child relationships: Social relations like family, parent-child, between friends are constituted by a refusal to put a price on them. Similarly, money can buy servants, but cannot buy human beings. Money can buy political office, but cannot buy the attention of elected officials. Money can buy the best lawyer in the country, but cannot buy criminal justice (Andre, 1995, p. 171).

Andre doubts that all these arguments can be synthesised by any single principle or perspective. I deflect her skepticism with the following two proposals: (a) Joseph Raz’s concept of ‘constitutive incommensurability’; and (b) the Critical Realist philosophy and methodology. The next two sections deal with these issues in turn.

\textsuperscript{34} Andre suggests that sex is ‘a borderline case’ between what cannot be bought and sold (i.e. empirical impossibility) and what ought not be bought and sold (i.e. normative undesirability) (Andre, 1995, p. 189). Trading off sex might change (and distort) the nature of sex: if exchanged, it is not sex (i.e. desirable institution) but prostitution (i.e. less-desirable or bad institution).
3.2 Constitutive Incommensurability

Two items (i.e. actions, goods, services) or options are incommensurable if they cannot be measured. Monetary incommensurability can occur between money and certain social relations (e.g. family, parent-child, friend) or value commitments (e.g. to political rights, legal rights, environment, education, medical service). Incommensurability between money and certain social relations is a constitutive feature of those relationships (e.g. love, friendship, intimacy) and valuations (e.g. democracy, justice, respect).

3.2.1 What Cannot Be Traded

I have argued that it is an empirical impossibility to trade constitutively incommensurable items or options because they are constituted by a refusal to put a price on them. Yet there are cases where this appears to be an empirical possibility, that is, where it appears that constitutively incommensurable items or options are traded. And if they are traded, it is incorrect to say they cannot be traded. We are, however, misled by appearances.

Constitutively incommensurable items cannot be traded, because if and when they are traded, they cannot properly be constituted as they are. Consider an example. Let us assume a homeland really is a constitutively incommensurable item. When it appears that the homeland is traded, what really happens is this. The attempt to trade the homeland transforms it into real estate and it is real estate that is traded. The homeland is, therefore, no longer properly constituted as a homeland. We do not always spot this transformation because a homeland and a piece of real estate look similar. It is, therefore, empirically impossible to trade constitutively incommensurable items or options because the actions of trying to trade transforms them into something else whereupon they are no longer properly constituted as those items or options. The above case of what cannot be traded has implications for what ought not to be traded, which is considered next.
3.2.2 What Ought Not To Be Traded

We ought not to attempt to trade all constitutively incommensurable items because the actions of trying to trade them not only transform them into something else, but also in some cases distort them in negative, damaging or harmful ways. The empirical impossibility and the normative undesirability of trading constitutively incommensurable items combine and allow us to use the notion of constitutive incommensurability to locate the market boundary. Items whereby the actions of trying to trade them do not change their nature are marketable. Items whereby the actions of trying to trade them do change their nature are non-marketable. This allows us to correct a common misunderstanding. Even though it appears that we can and do (i.e. empirically possible) trade many things, perhaps even everything, we cannot (i.e. empirically impossible) and we ought not to (i.e. normatively undesirably) trade some things. The empirical impossibility is the very reason for the normative undesirability.

The argument of constitutive incommensurability paves the way for exploring the ontology of a market by employing the Critical Realist philosophy and methodology.

3.3 The Critical Realist Perspective

Now that we have grounds for recognising a market boundary, we need to consolidate this by making the argument ontologically watertight. This section provides a toolbox for doing precisely this and proceeds to consider three ontological positions: Empirical Realism (i.e. crude materialist or objectivist), Post-structuralism (i.e. crude idealist or subjectivist) and Critical Realism (i.e. a middle standpoint, which can prevent the slide into two possible kinds of reductionism). Each section will make use of the following three dualities:

(a) Social structure and human agency (i.e. the agents’ actions and relations).
(b) The intransitive dimension (i.e. where actions or objects themselves occur) and the transitive dimension (i.e. where theories of them occur). This is important because confusion often follows from collapsing the distinction between them and implying that our theories (i.e. theoretical discourses) creates on constructs the actions or objects.
(c) The extra-discursive and the discursive. This is important because confusion often follows from collapsing the distinction between them and implying that the discursive creates or constructs the actions or objects.
3.3.1 The Empirical Realist

(a) Empirical Realists tend to ignore ontology. This makes it relatively easy for them to walk into ontological problems and yet be totally unaware that they have done so. Although they never discuss the agency-structure interaction, they nevertheless use it, and use it mistakenly. For Empirical Realists, a market boundary is established via the properties of things, to be more specific, by the values of things. The market sphere is created by things with commensurable value (i.e. a single and cardinal value). The non-market sphere is created by things with incommensurable values (i.e. values that are irreducible with each other or into the third value because they have different sources). Either way, the values are a form of social structure, which constrain the actions of human agents. This ontology is reificationist because the structure exists independently from the human interaction. If we allow that values are forms of social structure, then we can say that for Empirical Realists there is a strong boundary between social structure and human agency.

(b) Empirical Realists also have a strong boundary between the intransitive and transitive dimension. In the intransitive dimension, practices of commensuration occur whereas in the transitive dimension are theories of these practices. Thus the market boundary is theory-independent. What we can [not] commensurate in practice is what is [in]commensurable in theory. What can [not] be commodified creates the [non-]market sphere. There is always one-to-one correspondence between these dimensions, and there is no feedback and reflection between them. A market boundary is totally 'out there' as it were, independent of our identification of it, and can be examined from the 'outside'.

(c) There is no sense of discourse: everything is non-discursive. Thus, a market boundary is non-discursive. Things are reduced into their empirical and actual existence and quantified via money: things are either commensurable or incommensurable on the grounds that they can be observed and commensurated via money. What can [not] be commensurated in terms of money are [in] commensurable values, which create the [non-]market sphere. There can be no 'market colonisation': there is no possibility that incommensurable values can be commensurated via money.
Because Empirical Realists have an ontology wherein everything is non-discursive, the market sphere consists of things which money can buy, whereas the non-market sphere consists of things which money cannot buy: both spheres are perfectly segregated from each other.

3.3.2 The Post-structuralist

(a2) Unlike Empirical Realists, for Post-structuralists, there is no boundary between the social structure and the human agency. It has a voluntarist ontology: the structure is merely the product of human interaction. Thus, a market boundary is merely the product of human interaction. The market sphere is merely the product of economic relations between agents (i.e. aliens, strangers) and economic actions of agents (i.e. selling/buying). The non-market sphere is merely the product by ethical relations between agents (i.e. friends, family) and ethical actions of agents (i.e. giving/receiving).

(b2) There is no boundary between the intransitive dimension (i.e. practices themselves) and the transitive dimension (i.e. theories of them). Thus, a market boundary is theory-determined. There is no distinction between (in)commensuration as discourse and discourse about (in)commensurability. There is no such thing as a market boundary, as a common referent, but there are different accounts, stories and theories that construct a market boundary. Discourse is always and everywhere an independent and creative force. That is, our ‘(in)commensurability claims’ make things (in)commensurable. A market boundary is purely ‘in here’ as it were, dependent on our identification of it, and can be examined from the ‘inside’. It is arbitrary and anything goes.

(c2) There is no boundary between the extra-discursive and the discursive: everything is the discursive. There can be no extra-discursive moments outside ‘discourse’, because things are not prior to ‘discourse’: they are already discursively constituted in order to make sense. Thus, a market boundary is merely discursive: things are either commensurable or incommensurable on the grounds that they are discursively constructed. ‘A market boundary’ exists for us: it is classified by us, and therefore it can only have a meaning for us. The extra-discursive nature of things is reduced into our (theoretical) discourses. There can be no ‘market colonisation’. The non-market

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regime is merely a conceptual pole opposite to the market regime in a theoretical framework. While those poles might conceptually be modified, they cannot be colonised from one another in reality.

Post-structuralists cannot properly raise the issue of a market boundary, because they fail to sustain a boundary between the extra-discursive and the discursive. Money can discursively buy everything and/or cannot discursively buy anything: it is simply constituted within ‘discourse’. Both spheres are collapsed into one another.

3.3.3 The Critical Realist

(a) For Critical Realists, a market boundary is constituted by both social structure and human agency. The Critical Realist synthesises both kinds of traditional ontology (i.e. reificationist and voluntarist) and claims that agency causes structure, which then causes agency and so on, because structure cannot be identified with agency, cannot be explained in terms of agency, or cannot be reduced into agency, and vice versa. Thus, a market boundary is generated by social structures, which are recreated, reproduced, and transformed via human agency. The structures of the exchange spheres (i.e. commodity/non-commodity) and human interactions (i.e. buying/selling between aliens, giving/receiving between friends) are both precondition and outcome for each other. The (in)commensurability of things determines the appropriate acts (e.g. commodity exchange, gift exchange). The commensuration by agents (i.e. selling/buying) transforms the incommensurable into a commensurable form, and recreate a market boundary (i.e. the market colonisation).

(b) There is a weak boundary between the intransitive dimension and the transitive dimension. There is a weak conceptual distinction between (in)commensuration as discourse and discourse about (in)commensurability. There is also the possibility of feedback and reflection between them. Thus, a market boundary is theory-laden. It cannot exist independently from human agency, but can exist independently from any one human agent. A market boundary can only be known in terms of our accounts of incommensurability. However, incommensurability between values and ‘constitutive incommensurability’ can neither be derived from nor reduced into incommensurability between (theoretical) discourses. A market boundary is never fully ‘out there’, and at the same never purely ‘in here’. A market boundary is never
fully dependent or independent on our identification. Each pole is constellationally contained within one another (yet irreducible) and hence is open to being transformed in its relation to the other.

(c3) A market boundary is both extra-discursive and discursive: things are either commensurable or incommensurable on the grounds that they are both extra-discursive and discursive. It avoids reducing (in)commensurability into either a mere empirical fact or a mere social construction. It is impossible to reduce the argument of value incommensurability into that of incommensurability between theories. The Critical Realist maintains the distinction between the extra-discursive and the discursive and this paves the way for explaining commensuration as a discursive process in articulation with the extra-discursive properties of things.

Critical Realists' ontology of a market boundary can prevent the slide into the following two possible kinds of reductionism: first, Empirical Realists reduce a market boundary into a mere empirical existence — i.e. things either marketable or non-marketable on the grounds that they can be observed and quantified via money. There is nothing to be considered because both spheres are perfectly segregated from each other. Second, Post-structuralists reduce a market boundary into a mere social construction — i.e. things are either marketable or non-marketable on the grounds that they are discursively constructed. ‘A market boundary exists for us: it is classified by us, and therefore it can only have a meaning for us’. Critical Realists find these views unacceptable because the former is rooted in a crude materialist or objectivist ontology, and the latter in a crude idealist or subjectivist ontology. In contrast, the Critical Realist presupposes that things are either marketable or non-marketable on the grounds that they are partly an empirical existence (i.e. extra-discursive) and partly a social construction (i.e. discursive). As Empirical Realists imply, there may be cases where commensurable values facilitate commensuration via money, and incommensurable values do not facilitate commensuration via money. As Post-structuralists imply, there may also be cases where even incommensurable values are discursively commensurated via money. In contrast, Critical Realists demonstrate a further case of constitutively incommensurable items or options, which are
empirically impossible to trade because the actions of trying to trade transforms them into something else whereupon they are no longer properly constituted as those items or options.

To grasp the efficacy of the Critical Realist perspective on a market boundary, let us consider the issues of market colonisation (i.e. the projection of the market principle into the non-market sphere) and non-market distortion or corruption (i.e. the projection of the non-market principle into the market sphere).

3.3.4 Market Colonisation and Non-Market Distortion

To say that market and non-market spheres are internally related, but irreducible, to one another, is to say that they are dialectically related. This means that the market boundary is permeable and, furthermore, that actions taken in the market sphere can impact upon the non-market sphere.

For example, because it is necessary (for most of us) to work in order to earn money we commit ourselves to the market sphere and this involves us in many kinds of economic, money orientated activities. And yet, we also commit ourselves to the non-market sphere and this involves us in many kinds of the non-economic, non-money-orientated activities, such as housekeeping, bringing up children, taking care of elderly people, and gift giving. These two opposing spheres are dialectically related:

On the one hand, the spheres create a boundary between themselves, making them non-permeable. This is because:

- In our everyday language we counterpose these two spheres so that we define the non-market sphere against the market sphere and vice versa.
- Our life consists of the combination of money-making and non money-making activities in practice. We cannot continue our life in the single mode, either in the market sphere or in the non-market sphere.

Because (a) the market sphere can appear to be the one against the non-market sphere, and vice versa in theory, one can only make sense against the other. Because (b) our

\[35\] See 1.3.3 for the argument about how Searle's conceptual distinction between institutional and brute
life consists of the combination of money-making and non money-making activities in practice, we cannot continue our life in the single mode, either in the market sphere or in the non-market sphere.

On the other hand, the spheres internalise each other, making them permeable. This is because:

- The market sphere internalises the non-market sphere by projecting its principle into the other (i.e. a market colonisation). The market sphere transfers its own meaning into the non-market sphere.
- The non-market sphere internalises the market sphere by projecting its principle into the other (i.e. a non-market distortion). The non-market sphere transfers its own meaning into the market sphere.

How is this dialectical relation possible? Keat claims that whilst the market and the non-market spheres can co-exist, the market sphere tends to invade the non-market sphere in some certain contexts (Keat, 1993, pp. 6-20). Keat distinguishes two ways, in which the market can impact on non-market spheres, which he calls ‘replicatory’ and ‘non-replicatory’ forms of market determination. In a replicatory form, market norms and meanings are projected into non-market spheres. For instance, human actions may be compared in terms of the amounts of utility they generate. In a non-replicatory form, economic activities create a sphere, which is dissimilar from an economic sphere. For example, the economy may require a sphere of family life (i.e. a sphere of personal intimacy, romantic love and emotional intensity etc.), which serves as a ‘haven’ in the ‘heartless world’ of economic life. The central issue here is which form of market determination results. Let us consider these possibilities in turn and see what is involved.

Market determination would take ‘replicatory’ forms where there are only strangers. First, the market sphere can impact on the non-market sphere in ‘replicatory’ form by projecting its principle into the other (i.e. a market colonisation). For instance, human relations and actions may be compared in terms of the utility they generate. This

See 6.3.3 The Domino Argument for the possibility of co-existence of the market and the non-market regimes — e.g. if commercialised sex services (i.e. prostitution) drive out non-commercialised sex.
'replicatory' form of the market determination would take place in the larger society where personal intimacy is absent. In this context, the defence of incommensurable values from commensuration should be claimed. Second, the non-market sphere can impact on the market sphere in 'replicatory' form by projecting its principle into the other (i.e. a non-market distortion or corruption), which is the opposite case to that of a market colonisation. For instance, business relations and actions, in which both a seller and a buyer must be responsible for each other, may be distorted or corrupt into irresponsible ones (e.g. a business contract may be distorted or corrupt into a verbal agreement). This 'replicatory' form of the market determination would also take place in the larger society where personal intimacy is absent. In this context, the defence of the economic independence from personal dependence should be claimed.\footnote{While the economic independence should be protected from a non-market distortion or corruption into personal dependence in the social context that there are only strangers, it is not the final goal we morally ought to aim at: the 'economic independence' is not a real and whole independence, because it is founded on 'objective dependence' on money. For further arguments, see 5.4.1 Money Promotes Independence.}

Market determination would take 'non-replicatory' forms where there are strong personal relations between individuals (e.g. family, friends). In a non-replicatory form, economic activities create a sphere, which is dissimilar from an economic sphere, which makes it resistant to being internalised by the market. For example, the economy may require a sphere for constitutive incommensurability such as a sphere of family life, which serves as a 'haven' in the 'heartless world' of economic life. This 'non-replicatory' form of market determination would take place in the smaller society where strong personal relations are present between individuals (e.g. family, friends). In such a context, the market and non-market spheres can co-exist because they are two radically different forms of human interaction: non-market interaction is not merely a fee-free version of its market counterpart.
3.4 In Defence of the Ontology of a Market Boundary

The final section tackles with some skepticism and criticism against my ontological argument that constitutive incommensurability creates a market boundary. The first three arguments (i.e. instrumental incommensurability claims, strategic incommensurability claims, and incommensurability belief) fail their arguments because they simply collapse constitutive incommensurability into discourse. While the last arguments try to justify constitutive incommensurability from the viewpoint of reason, they lead us into moral problems.

3.4.1 Instrumental Incommensurability Claims

Frederick Schauer (1998) claims:

\[\text{Commensurability and comparability are not (or are not only) properties of sets of values or reasons that do or do not obtain. Rather, commensurability and comparability often have, or can be constructed to have, the character of attitudes, dispositions, presumptions, or conceptual frameworks, and, as such, they are best thought of as being chosen rather than as simply existing and, furthermore, as being chosen for instrumental and not intrinsic reasons.} \]

(Schauer, 1998, p. 1217)

He suggests a shift of questioning from ontological to instrumental. He recognises the legitimacy of ontological questions such as what incommensurability is and if it exists. But he considers it more important to ask instrumental questions as follows: Should we instrumentally create and construct the discourse of commensurability? Is it useful to presume about the (im)possibility of commensurability? Does it maximise our utility to believe in a certain discourse of (in)commensurability? From his instrumentalist view, we can discursively perform morality: we can perform as if something is (in)commensurable, regardless of its property:

\[\text{If we view commensurability and incommensurability not only as positions that might be true or false, sound or unsound, justified or unjustified, but also as dispositions, attitudes, or presumptions that people might possess, then the question is whether morality would be better served if decision makers had one or the other attitude, disposition, or presumption. (ibid., p. 1225)} \]
Even if there are incommensurables, ... it might be best to assume that there are not, at least if we indulge the assumption that overestimate the number of incommensurables might lead people to underestimate the number of times in which it would be fruitful to engage in different moral work. ... Conversely, under different empirical conditions, we might think that it would be instrumentally valuable for people to believe that there were incommensurable values or reasons, even if there were not. (ibid., p. 1227, italics added).

From Schauer’s view, we ought to assume that there is (in)commensurability simply because doing so promotes a good state of affairs and maximises utility, or doing so satisfies a non-consequential demand of reason. Against this I suggest we ought to discover the existence of a market boundary regardless of whether or not it maximises utility. Incommensurability is not (merely) instrumental: it is not the case that a market boundary exists because it is useful, but that market boundary exists, and therefore it is useful to know what it is. What is wrong with his ‘instrumental incommensurability’ is that it presupposes, what Leiter calls, ‘epistemic agnosticism (i.e. the view that norms for belief need not make reference to the truth-bearing features of propositions)’ (Leiter, 1998, p. 1724). Besides, it even presupposes its radical subset, called ‘fictionalism (i.e. the view that one ought to believe certain false propositions because doing so maximises good consequences or doing so satisfies a nonconsequential demand of reason)’ (ibid.). This consequentialist mode of reasoning is highly likely to misguide us to trade off incommensurable items regardless of its truth, and to accelerate market colonisation.

3.4.2 Strategic Incommensurability Claims
Eric Posner’s (Posner, 2000, pp. 185-202) view can be summed up as in two points:
(a) The incommensurability issue is not a matter of ethics, but of sociology. While those who support the existence of incommensurable items or options regard it as a matter of moral choice, Posner treats it instead as a sociological fact: people often refuse to make tradeoffs in everyday life — tradeoffs that are often demanded by rational choice theory.
(b) Incommensurability is not only a matter of people’s representations, but also of their actual behaviours of choices, while the former influences the latter. It is not
only about the ways in which we represent (in)commensurable options, but also about the ways in which we behave as if there are (in)commensurable options. Posner calls the ‘as if’ speech acts ‘incommensurability claims’ and argues that they ‘emerge in an equilibrium in which people rationally seek partners for the purpose of obtaining cooperative gains’.

People rationally make incommensurability claims in order to obtain strategic advantages in their interactions which other. ‘Incommensurability claims do not reflect people’s interests and values; they conceal them’ (ibid., p. 187).

From Posner’s perspective, people have ‘incommensurability claims’ because, if they don’t, they would be seen by others as ‘a bad type’ (i.e. an unprincipled person who acts out of self-interest). He does not intend, however, that ‘people are cynical, or that they make incommensurability claims cynically’. Rather, he wants to reveal non-economic but sociological fact that people tend to rationalise their defection, when their interest and ideology conflict. That is, they tend to revise their story or action concerning incommensurable options into something believable and something that preserves their reputation or self-image as a principled person.

While Posner may have identified why some people claim that values are incommensurable, it is irrelevant to the question of whether or not values are in commensurable. Just as ‘the fact that politicians routinely invoke moral considerations on behalf of the policies they advocate is irrelevant to the question of whether or not these policies are moral’ (Leiter, 1998, p. 1728). While incommensurability may be claimed to obtain strategic advantages, questions such as, why it is claimed, how it is counted as, whether it is cheating or not, are not appropriate for asking whether or not some values are incommensurable.

Posner considers some examples. The first case is when a person who refuses to answer a cost benefit survey about the value of mountain, or a mountain view, claiming that no amount of money can compensate him for obstruction of that view. From Posner’s perspective, this incommensurability claim has nothing to do with whether the mountain view has an infinitive value: they serve the strategic purpose of signalling one’s loyalty to the environmental group. As Posner claims, an
‘incommensurability claim’ can be separated from ‘incommensurable values’. However, the later argument cannot be reduced it the former. While one can, by incommensurability claims, make use of the mountain view case for showing oneself as a good type, the incommensurability claim does not make constitutive incommensurability between money and the mountain view. It is empirically impossible to trade the mountain view, because the actions of trying to trade transform it into the real estate whereupon the mountain view is no longer properly constituted as it were. Posner claims, that when people ‘sacrifice mountain views so that they can move to a location where there are better jobs, better schools for their children, and more culture’, ‘[t]he mountain view and money are incommensurable, but the view and employment are comparable’. But the view and employment would be incommensurable in a situation where the view is destroyed by constructing a factory to make jobs.

The second case is about a professor who refuses to accept money to skip a faculty meeting but who would skip the faculty meeting in order to stay home with a sick child when childcare is not available. Posner considers the fact that the childcare can be optional for skipping a meeting whereas money cannot depends on value-maximising obligations. ‘Most people would think that the professor could skip the faculty meeting if the government threatened to fine him $100,000 if he goes’. Even money can be an alternative choice when the implicit value-maximising obligations allows one to skip meeting in order to meet serious personal obligations or to avoid serious harm. ‘This view is standard in contract theory’. It is consistent with the rational choice. The fact that the childcare can be an alternative choice for skipping a meeting whereas money cannot, however, does not depend on its value-maximisation, but on whether the professor can properly be constituted as a parent of the sick child. Even if the professor is threatened with a fine of $100,000, this does not make any difference to the fact that incommensurability between childcare and money is a constitutive feature of one’s parenthood.

Posner also considers a related case of a person who refuses to trade time with his family for money but would trade time with his family for a better career opportunity. He doubts the fruitfulness of the argument on whether time with one’s family can be compared with money or with the better career opportunity on a common metric. He
is rather more interested in whether this honest and limited incommensurability claim (i.e. ‘I will not trade off time with my family except for something that is very important for me’) can obtain strategic advantages. ‘Trading time with one’s family for a better job opportunity would count as cheating in some families but not in others — it simply depends on what value-maximising obligations emerge’. Posner does not mean that such incommensurability claims are ‘empty talk’, but that they ‘put people in a blind’. One the one hand, one cannot truly act consistently with one’s claims. On the other hand, however, if one does, one may lose the reputation that the claims are intended to establish. Posner considers only consistency between one’s incommensurability claims and one’s action of not trading off one’s family time.

3.4.3 Incommensurability Belief
Ruth Chang argues against Raz’s constitutive incomparability as an objective fact: any such putative incommensurability is relative to the beliefs of agents (Chang, 2001; 2002, pp. 95-119). She asks, ‘is a belief that friendship and money are incomparable constitutive of friendship?’ If it is so, all friends must have this belief: for friends, friendship and money are incomparable. But for those who are not friends, friendship and money may well be comparable. There is no error in believing that friendship and money are comparable as much as in believing that they are incomparable. ‘[F]riendship and money may be incomparable for you but comparable for me. It seems there is no ‘objective’ fact of the matter as to whether friendship and money are comparable’ (ibid., 2002, p. 101). What matters to Chang is whether a subjective and relative belief in incommensurability can be a constitutive feature for friendship.

The belief that friendship is not a mere market good, that it cannot be bought and sold like a commodity, that it cannot be replaced, compensated or measured by money might plausibly symbolise respect and high regard for friendship. … But these beliefs do not entail that friendship and money are incomparable (though the converse arguably holds). (ibid., p. 103)

She claims that whilst an incommensurability belief may symbolise the believer’s respect and high regard for friendship, it does not signify constitutive incompatibility itself. I have three objections to Chang’s arguments.
Firstly, constitutive incommensurability is not a subjective belief but an objective fact.\footnote{Sayer defines three notions of subjectivity/objectivity (Sayer, 2000, p. 58): 'subjectivity1' means 'value-laden', and 'objectivity1' means 'value-neutral'; 'subjectivity2' means 'not true' or 'merely a matter of opinion', and 'objectivity2' means 'true' or 'practically adequate'; 'subjectivity3' means 'pertaining to subject', and 'objectivity3' means 'pertaining to object'. Constitutive incommensurability is objective in the third sense: whether constitutive incommensurability holds between two items or relations is not just a matter of whether an individual believes or feels it to hold, but rather is a matter of the nature of the objects and relations in question.} It is not the case that a belief in incommensurability is constitutive of certain social relations and value commitments, but the act of refusing to trade is. It is not about incomparability between our particular friendship and money, but more generally between the nature of friendship in general and money.

Secondly, constitutive incommensurability is categorically different from incommensurability between values. Chang argues that incomparability generally refers to that one cannot be favoured over the other in a symmetric relation: if two items or options, A and B, are incomparable, A is not measurable by B, and B is not measurable by A, either. Chang continues, however, that incomparability between friendship and money is not symmetrical: it only entails that friendship is not measurable by money, and it does not entail that money is not measurable by friendship. I agree that incommensurable values (e.g. between items, options) are in a symmetric relation: when a certain agent-centred value is not measurable by a certain outcome-centred value, the latter is not measurable by the former, either. It is not the case, however, that constitutive incommensurability (e.g. between friendship and money, between environment and money) needs to stand in a symmetric relation.

Thirdly, constitutive incommensurability cannot be reduced to mere metaphorical discourse. Chang argues that incommensurability belief is rather 'a metaphorical sense of incomparability', which refers to the symbolic significance for one over the other in a non-symmetric relation. In this sense, one is 'incomparably better' than the other, which means 'vastly,' 'significantly,' or 'off-the-charts' better. While we have incommensurability claims or metaphors as discourse, it neither creates nor excludes constitutive incommensurability as extra-discursive. As with Posner's argument, it is just irrelevant to the question of the existence of a market boundary.
3.4.4 No Reason Claims

Chang also criticises Elizabeth Anderson’s affirmative argument of constitutive incommensurability from the viewpoint of reason — i.e. there is no good reason to compare friendship to money. Chang suggests Anderson’s approach to incomparability can be seen as ‘constitutive’, because our attitudes (e.g. respect, awe, honour) toward certain goods is constitutive of them, and it is in virtue of those attitudes that there is no good reason to compare them. Anderson’s view is based on her pragmatic value theory, which holds that ‘value judgements are constructions of practical reason that guide our reasoning about what to do and what to care about’ (Anderson, 1997, p. 91). It has the following two implications:

(a) Value judgements can only be applied with practical reasoning. It does not make any sense to talk about the goodness or badness of things that lack any relation to rational agents.

(b) Value judgements are justified by their practical functioning — i.e. if they are rational to be used to guide our deliberations and attitudes. It is not the case that it is rational to value something because it is good, but that it is good because it is rational for us to value it. ‘Things are good in virtue of bearing certain relations to principles of practical reason’ (ibid., p. 92).

The pragmatic value theory is more concerned with ‘making sense as good’ rather than ‘being good’. Anderson claims that the value of actions (and states of affairs) is derived from principles of expressing rational attitudes toward people. An action is good if it conforms to rational principles for expressing an agent’s attitudes toward the people one cares about. That is, she reduces “x is good” roughly to “it is rational to value x” — i.e. to value something is to adopt a favorable attitude susceptible to rational reflection toward it (ibid., p. 95). From her view, friendship is valuable because it is rational to value friendship: our appreciation towards friendship makes sense as good. Whereas there is no good reason to compare friendship to money: it does not make sense as good.

The problem with Anderson’s view is not that it involves constitutive incommensurability as such, but that she is committed to a reductionist view — i.e. the truth can be reduced into the reason we have to treat it as the truth. In this sense, Chang’s criticism gains force from Anderson’s wrong (or weak) justification of
constitutive incommensurability. Constitutive incommensurability cannot be reduced into the absence of good reason. It is not the case of whether comparing friendship to money makes sense as good or bad, but rather the case of whether friendship can still make sense as friendship as it were even after being traded. Anderson's reductionist approach to constitutive incommensurability prevents her from arguing about the empirical impossibility of trading off constitutively incommensurable items (i.e. what cannot be exchanged for money) elaborated above.

Richard Warner also explains constitutive incommensurability from the viewpoint of reason — i.e. some value commitments are constituted by not being compared to money, because it is 'reason-excluding'. Warner supposes, 'Jones and I are revolutionists. An official in the government we oppose offers $1,000,000 to reveal names, hiding places, and plans of my fellow revolutionaries' (Warner, 1998, p. 1294). On the one hand, 'Jones' refuses the offer by comparing loyalty-provided and money-provided reasons: loyalty is more valuable than money. But it could have been otherwise if the price were higher, say $10,000,000. On the other hand, 'I' refuse the offer because 'I' do not compare loyalty and money. I refuse the bribe because I have a reason to do so — i.e. no competing reason. A commitment to the revolution 'is constitutive of, definitive of, what I mean by loyalty that the money-provided considerations do not play the justificatory-motivational role of a reason for me. ... My commitment to the revolution guarantees that the financial considerations are motivationally completely inert — they cannot motivate me at all to betray' (ibid., p. 1295). Werner claims that such a reason-excluding commitment creates (constitutive) incommensurability.

While Werner also justifies constitutive incommensurability, his justification may cause some moral problems. When 'Jones and I' are offered money to betray the revolution, 'my reaction' is 'money is not relevant,' whereas 'Jones' reaction is 'how much?' This example suggests that loyalty to revolution is a 'reason-excluding' commitment, and thereby an 'incommensurability-creating' commitment for me but not for Jones. If constitutive incommensurability is something agents can privately or individually create, then a market boundary is relative to individual agents. This (mis)guides us towards moral relativism: we might be able to trade what others cannot. What is a constitutive feature of loyalty and fellowship is not a justificatory-
motivational role of a reason for individual agents, but a general fact of refusing trade.

3.5 Conclusion

Let us finally reconsider the inversion of the MasterCard aphorism:

- 'For everything else, there’s MasterCard' suggests that there is an a priori market boundary between marketable and non-marketable items, and therefore we can use money for marketable items and cannot for non-marketable.
- 'For MasterCard, there is everything else' suggests that there is a posteriori the market, and therefore we can create and/or transform non-marketable items into marketable ones.

Whilst both suggestions are true, the latter case is inclined to be overlooked by accident, or perhaps on purpose. On the one hand, commensuration makes money. Money becomes a standard of the measurement of value by transforming heterogeneous items into homogeneous products. When some items are commensurable and others are incommensurable, some commensurable items allow themselves to be commensurated via money, and become marketable; whereas other items do not allow this and so remain non-marketable. On the other hand, however, money makes commensuration. Once money is established and socially accepted as the universal measure of value, it persuades (and misguides) us into quantifying and standardising many kinds of value that lie within the heterogeneous items. When some items are commensurable and others are incommensurable, even incommensurable items may be distorted into a commensurable form via money, and become marketable. It ought not to be ignored that a market boundary presupposes discursive commensuration that money involves, and therefore some items on non-marketable side ought to be protected from both colonisation and corruption from the other side.
Part 2: The Normative Nature of Money from an Aristotelian Virtue Ethics Perspective
CHAPTER 4: AGAINST MORAL INSTRUMENTALISM

4.0 Introduction

The aphorism ‘money is the root of all evil’ is a misquotation from the Bible which reads, ‘For the love of money is the root of evil (Timothy 6).’ This tells us that the love of money, rather than money itself, is the source of vice. Many others agree. Goodwin (1986, p. 554) for example, argues that ‘it is not money that corrupts but people who are corruptible’. Keynes argues:

At any rate to me it seems clearer everyday that the moral problem of our age is concerned with the love of money, with the habitual appeal to the money motive in nine-tenths of the activities of life, with the universal striving after individual economic security as the prime object of endeavour, with the social approbation of money as the measure of constructive success, and with the social appeal to the hoarding instinct as the foundation of the necessary provision for the family and for the future. (Keynes, 1972 [1925], pp. 268-9, italics added)

Despite being a mistranslation, the aphorism may actually be more accurate: money, not those who use it, may be the problem. Nevertheless, the moral problem of our age seems to be concerned also with money itself. This thesis contains many examples where the nature of money leads its users astray. For example, money leads us to conceive, and speak of, something in terms of standardisation and quantification — even where this is highly inappropriate. Money depersonalises us by reducing us to a unit of economic resource (i.e. how productive are we?). It depersonalises our social relationships (e.g. doctor-patient, lecturer-student, transport operator-passenger, husband-wife, parent-child) into monetary relationships (e.g. seller-buyer, producer-consumer, supplier-demander). Because money is not merely a measure of values, but a universal measure of value, it can in principle sell and buy any kind of thing or service (e.g. human organs, babies, sex, surrogate motherhood, human genome information).

Operating from the perspective of an Aristotelian virtue ethic, this chapter and next chapter explore the accuracy of the opening aphorism, (despite it’s being) a mistranslation, and consider the ways in which money itself may be incompatible
with our ethical behaviour and human virtue. From an Aristotelian virtue ethic perspective, this chapter aims to critically examine what I will call, a morally instrumentalist view of money (i.e. the view that it is pointless to argue about morality of money since money is merely a tool), and the next chapter aims to deal with a Smithian virtue-based justification of money (i.e. whilst the society may subsist without a positive virtue of beneficence, it cannot subsist without a negative virtue of justice promoted by money).

This chapter aims to do as follows:

1. It introduces three ethical perspectives that provide a basis for the specific purpose of examining the morality of money — i.e. consequentialism, deontological ethics and virtue ethics. It explores a number of recent consequentialist and deontological approaches which have involved a morally instrumentalist view of money.

2. In order to avoid moral instrumentalism, it elaborates an Aristotelian virtue ethics perspective through Aristotle’s teleological specification of essentialism: it entails a teleological view (i.e. an entity’s essences can be revealed in the pattern of its development) and an essentialist view (i.e. the distinction between an entity’s ‘necessary’ and ‘accidental’ properties). The teleological essences of money cannot be reduced into our conceptions of money: they precede our discovery of them.

3. In order to demonstrate furthermore that moral instrumentalism can be avoided, it criticises Radin’s rejection of what she takes to be a misplaced Marxist argument and her defence of ‘anti-foundationalism’ and ‘incomplete commodification’.

4. It puts an Aristotelian virtue ethics perspective to work critically assessing some attempts to justify money from an egalitarian perspective (i.e. money promotes equality and justice).

These arguments pave the way for exploring how money is incompatible with our ethical behaviour and human virtue from an Aristotelian perspective of virtue ethics.
4.1 Three Ethical Perspectives

Harman indicates that ethics is concerned with the following three questions (Harman, 2001, p. 117)\(^\text{39}\):

(1) How are we to assess the relative *goodness* or *value* of situations?
(2) What is it for something to be one's moral *duty*?
(3) What are the *moral virtues* and *vices*?

According to these questions, there are following three moral theories (Harman, 2001, pp. 117-8):  
(1) A theory of value, which concerns what it is for a state of affairs to be good, all things considered, and for one situation to be better, all things considered, than another.
(2) A theory of duty, which concerns what agents ought morally to do on various occasions, what they have to do or are morally required to do, what they may do or are morally permitted to do, and what it is morally right or wrong for them to do.
(3) A theory of virtue, which concerns what it is to act virtuously or viciously on a particular occasion and how that is related to what it is to have a good or bad moral character.

Moreover, there are three ethical perspectives according to which moral theory they take to be the most basic:

(1) Consequentialism: states of affairs are the ethical primitives.
(2) Deontological ethics: acts of agents are the ethical primitives.
(3) Virtue ethics: dispositions of characters are the ethical primitives.

Let us respectively consider these ethical perspectives for examining the morality of money.

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\(^{39}\) In Harman's paper, 'What is it for something to be one's moral *duty*?' 'Theory of duty' and 'Deontological ethics' come the first, and 'How are we to assess the relative *goodness* or *value* of situations?' 'Theory of value' and 'Consequentialism' come the second.
4.1.1 Consequentialism

Consequentialist ethics are concerned with the state of affairs we should or should not bring about. Thus, the primitives of the ethical theory (i.e. what is intrinsically good or bad) are the states of affairs. From this view, it follows that money's morality can be judged in terms of the goodness and badness of a state of affairs it promotes. From a perspective of consequentialism, money is [in]compatible with our ethical behaviour if it promotes a good [bad] state of affairs. A number of recent consequentialist approaches have involved a moral instrumentalist view of money:

- Moral Instrumentalism: because money is just a means or a tool for maximising our utility, it is pointless to argue about the morality of money, as it is pointless to do about the morality of any other tool such as a hammer. Money's morality cannot be judged in terms of the goodness and badness of what it is, but in terms of goodness and badness of the state of affairs it promotes.

This consequentialist form of moral instrumentalism is applied for the justification of money in the following two ways:

- Functionalist Justification: money can be explained in terms of its functions — i.e. its causal roles. Money is an instrument that fulfils economic, social and political tasks. From this view, money is consequentially compatible with ethical behaviour if it fulfils those functions (e.g. as a medium of exchange, a measurement of value, a store of value, a means of payment).

- Utilitarian Justification: money can be justified in terms of welfare. Money is instrumentally useful to maximise our pleasure or preference satisfaction, which we can get from exchanging goods and services. From this view, it follows that money is consequentially compatible with ethical behaviour because it maximises utility.

4.1.2 Deontological Ethics

Deontological ethics, of which Kant's is prominent, are concerned with the acts we should or should not perform. The primitives of deontological ethics are the acts of agents. What is intrinsically good are certain acts we are obliged to perform and what is intrinsically bad are certain acts which are impermissible. From this view, it follows
that money's morality can be judged in term of rightness and wrongness of the acts involved in its use.

**Consequentialism vs. Deontological Ethics**

Consequentialism and deontological ethics have different views on a relationship between the right action and the good state:

- **Consequentialism** holds that the right action is what promotes the good state of affairs. The rightness and wrongness of a certain action is dependent on the goodness and badness of a state of affairs it promotes. In other words, *the good state is given priority over the right action*. For instance, a right action with money is determined by the utilities it maximises. The rightness of action is the extrinsic and instrumental value (i.e. the value derived from another source), whereas the goodness of state is the intrinsic and final value (i.e. the value derived from its own source). Thus, consequentialism is described as an agent-neutral moral theory: the agent's identity does not make any difference to the rightness and wrongness of our action, but the good result does. The goodness of the state is an outcome-centred value, which pertains to everyone.

- **Deontological ethics** hold that the right action is independent from the good state of affairs. The rightness and wrongness of a certain action is not determined by the goodness and badness of a state of affairs it promotes. In other words, *the right action is given priority over the good state*. It is therefore possible that even a wrong action promotes a good result. In monetary relationships, for instance, it is wrong to treat others not as ends but as means, regardless of whether or not money maximises utilities. The rightness of an action is not merely an extrinsic and instrumental value, but an intrinsic and final value. Thus, deontological ethics is described as an agent-relative moral theory: a reference to the agent's identity plays an important role in defining agents' moral obligations. For example, *I* have made a particular promise to pay a certain amount of money that *I* have an obligation to pay it. The rightness of the action is agent-centred.

From a perspective of deontological ethics, money is [in]compatible with our ethical behaviour if it its use constitutes a right [wrong] action. From Kant's deontological ethics, money is incompatible with our ethical behaviour if it leads human beings to
treat others not as ends but as mere means. Kant argues that human beings should never be treated merely as means, but as ends in themselves. Kant allows that persons can be treated both as means and as ends, but never just as means. In the kingdom of ends, Kant argues, things have either instrumental value (i.e. means) or final values (i.e. ends):

In the kingdom of ends everything has either a price or a dignity. What has a price can be replaced by something else as its equivalent; what on the other hand is raised above all price and therefore admits of no equivalent has a dignity. (Kant, 1996 [1785], p. 84)

Everything has either a relative, extrinsic and instrumental value, called ‘price’, or absolute, intrinsic, and final value, called ‘dignity’. The former value is optional, comparable and exchangeable, whereas the latter value has no alternative: it is constitutive of dignity of human existence. For Kant, some monetary transactions are incompatible with the dignity of persons, for example the buying and selling of persons. However, according to Kant’s view, some monetary relations, such as the buying of services are consistent with the dignity of persons since persons are not used merely a means but also as an end. Marx’s view, which we will discuss later, however, is stronger than Kant’s view: money leads us to treat others as means, while human beings should always and only be treated as ends in themselves.

A number of recent deontological approaches have involved a moral instrumentalist view of money:

• Moral Instrumentalism: because the social meaning of money is created through use, money does not have any meaning outside of particularly uses in particular contexts — i.e. there is no such thing as ‘universally representational properties of money’. Thus, money’s morality cannot be judged in terms of the goodness and badness of what it is, but in terms of rightness and wrongness of how it is used.

instance, Carruthers and Espeland view that money’s meaning and morality depend on its use and context:

> The meaning of money, like the meaning of words, cannot be reduced to that which it represents. Thus, it is misguided to try and identify universally representational properties of money and to link these to its meaning. The meaning of money does not depend on some characteristic that is common to all money. Instead, its meaning depends on what people in a particular context do with it. (Carruthers and Espeland, 1998, p. 1387, italics added)

They claim that the meaning of money does not depend on some common characteristics of money, but on its usage in a certain context. From this view, it follows that money’s morality can be judged (a) in terms of the goodness and badness of its usage, and (b) in terms of the rightness and wrongness of a context it is used. ‘There are some places where money does not or should not go and some functions for which it is inappropriate (Carruthers and Espeland, 1998, p. 1387)’. Thus, moral agents can and should encourage [avoid] a good [bad] usage of money in a right [wrong] context. In other words, American pragmatism theoretically leaves out the possibility that money itself influences the acts of moral agents. Because it rejects the very possibility of identifying ‘universally representational properties of money’, it reduces money’s meaning and morality into its uses in contexts. Although those pragmatists claim that ‘money is not a neutral or meaningless social object’, they still regard money as a value free instrument from an ethical perspective. From this morally instrumentalist view, it follows that the morality of money can and ought to be a matter of its users and usages in contexts, not the nature of money as such.

4.1.3 Virtue Ethics

Virtue ethics take the basic question in ethics to be the question what kind of person ought we to be. The primitives of virtue ethics are dispositions of characters. The basic good of ethical life is the development of a certain character. From this view, it follows that money’s morality can be judged in terms of the goodness or badness of what it leads us to be.
Consequentialism vs. Virtue Ethics

Consequentialism and virtue ethics are two different types of ethical theory called 'teleological':

- Consequentialism is extrinsically teleological because it identifies the right action as that which promotes the good result. From this view, the right action is regarded only as an extrinsic and instrumental value for another intrinsic and final value. The right action promotes an independently identifiable good result. **Consequentialism, therefore, makes a distinction between 'the right' and 'the good', and puts the priority of the latter over the former.** The goodness and badness of the consequences are independent from, and can be in conflict with the rightness and wrongness of the action.

- Virtue ethics is intrinsically teleological because they identify virtue as an excellence of human nature. Virtue is not a means to excellence of human nature, but is itself constitutive of the excellence of human nature. For example, intelligence is the excellence of thought. Beauty is the excellence of appearance. That is, virtue is identical with the best state of human beings. **Virtue ethics, therefore, neither makes a distinction between 'the right' and 'the good', nor puts the priority of one over the other.** The virtuous and right actions are good in themselves.

The consequentialist form of moral instrumentalism is derived from its own extrinsic teleology: money's morality cannot be judged in terms of the goodness and badness of what it is, but in terms of goodness and badness of the state of affairs it promotes. Consequentialists identify a good state of affairs independently from a right act of agents and a good disposition of agents' character, regard intrinsic and final value in a state of affair and put primacy on it over others. This causes a shortcoming of moral commensuration: it reduces any kinds of moral value into utility. When consequentialists explain utility maximisation as our ultimate aim, they presuppose strong commensurability between states of affairs. If not, it does not make sense to maximise their values. The consequentialist form of moral instrumentalism and moral commensuration, however, ought to and can be avoided by virtue ethics, which is based on intrinsic teleology. This will be considered in the section 2.
Deontological Ethics vs. Virtue Ethics

Virtue ethics is different from deontological ethics in its respect of the distinction between agents’ actions and their characteristics.

- Deontological ethics concern only our virtuous actions. It holds a view that there are reasons for performing certain actions (e.g. kind actions). It presupposes no theoretical distinction between performing a virtuous action and acting virtuously: a virtuous action is done by a virtuous person. From a perspective of deontological ethics, for instance, the reason for telling the truth is that to do so would be in accordance with the categorical imperative.

- Virtue ethics concern both our virtuous actions and our virtuous characteristics. It holds the view that there are reasons not only for performing certain actions (e.g. kind actions) but also for being a certain type person (i.e. a kind person). It presupposes a theoretical distinction between performing a virtuous action and acting virtuously. While a virtuous action appears to be what a virtuous person would do, it need not necessarily done by a virtuous person. From a perspective of virtue ethics, for instance, the reason for telling the truth is to be honest.

The deontological form of moral instrumentalism is derived from its own action-oriented moral judgement: money’s morality cannot be judged in terms of the goodness and badness of what it is, but in terms of rightness and wrongness of how it is used. The deontological form of moral instrumentalism, however, ought to and can also be avoided by virtue ethics, which concern the compatibility between essences of money and the excellence of human nature — i.e. the realisation of human essences. This will be considered in the next section.

4.2 Aristotelian Virtue Ethics

This section elaborates an Aristotelian perspective of virtue ethics through Aristotle’s teleological specification of essentialism in order to demonstrate how moral instrumentalism can be avoided. Aristotelian virtue ethics is currently argued to be a third alternative ethical perspective to consequentialism and deontological ethics, especially as a basis for arguing against the key consequentialist notions of value-monism and utility maximisation. Virtue ethics is a contextual ethics that strives for the good. What is good is the excellence of human nature, human flourishing, or
eudaimonia (i.e. happiness). The ends that are constitutive of human flourishing are on the Aristotelian account plural:

The valuable ends in human life are chosen for their own sake and they are self-sufficient, Aristotle maintains, not instrumental to a higher goal that would make the ends commensurable: pleasure, utility, or otherwise. The acts involved in pursuing the intrinsically valuable ends should strive for excellence and completeness. They imply that the good life consists of a plurality of incommensurable ends. As a consequence, Aristotle argues, the virtuous person would seek a mean between excess and deficiency of each value, rather than maximise one ultimate, commensurable goal. (Staveren, 2001, pp. 79-80)

The virtuous person seeks the full development of human capacities, which is neither extrinsically nor instrumentally, but intrinsically and finally valuable. Aristotle presupposes some shared tendency for human beings to be virtuous — i.e. all human beings equally have tendency to be virtuous unless it is interrupted. This illustrates that Aristotelian virtue ethics entail following two notions: one is a teleological view, which holds that an entity’s essences can be revealed in the pattern of its development, and the other is an essentialist view, which holds the distinction between an entity’s ‘necessary’ and ‘accidental’ properties.

4.2.1 Teleology

Teleology ‘is a theory about how the real nature (essence, q.v.) of a whole entity is to be identified; how its development from immature, to mature (telos, q.v.) and declining forms is to be explained; and characteristic behaviour (ergon, q.v.) is to be explained in a law-like fashion’ (Meikle, 1985, p. 178). Teleology is a theory of telos — i.e. the form, state or condition towards which an entity tends to develop by virtue of its intrinsic capacities, unless its development is interrupted. Aristotle’s essentialism contains this teleological claim: an object’s essences can be revealed in the pattern of its development. Thus, from Aristotle’s teleological account of essences, it follows that what money is relates to what money can do, and that depends upon its intrinsic capacities and causal powers. In other words, asking ‘what is money’ relates to asking ‘where is money heading’, and ‘what is money likely to do’.
In *Politics*, Aristotle introduces the teleological conception of money as the development or the evolution of exchange through following successive four forms (Meikle, 1995):

1. **Barter, or exchange without money (C-C')**: Aristotle thinks that it is ethically acceptable, because its end is both meeting natural needs and having enough. It is to get some useful things that satisfy your need. It is natural and necessary.

2. **Exchange mediated by money in case of selling a commodity in order to buy another commodity (C-M-C')**: barter is inconvenient for using what you have and getting what you need, because the acts of sale and purchase are fused into a single act. Money can separate the single act into two, which is more flexible since it allows the act of sale (C-M) and the act of purchase (M-C') to be separated in time and space. Aristotle thinks that it is also ethically acceptable, because its end is the satisfaction of human's natural needs.

3. **Exchange mediated by money in case of buying a commodity to sell it and make money (M-C-M')**: once people are accustomed to C-M-C', they are to come to the market, not with surplus goods you have made, but with money. Your aim is to get more money, by buying commodities and selling them for a greater sum. Aristotle thinks that M-C-M' is not ethically acceptable, because its end is not meeting natural needs or having enough, but the accumulation of money. One sum of money is different from another only in quantitatively, not in quality. There is no limit of the end in the art of wealth getting.

4. **Usury, or the lending of money at interest (M-M')**: money is lent to get a larger amount of money returned. It is the most hated monetary form.

Aristotle here distinguishes between two forms of acquisition, *oikonomike* and *chrematistike*, in terms of two forms of usage of acquired object. On the one hand, the first two acquisition modes, C-C' and C-M-C', are the economic, because it is to use an item primarily as it is, for instance, to use sandals to be worn. On the other hand, the last two acquisition modes, M-C-M' and M-M', are the chrematistic, because it is to use an item to be exchanged for money, for instance, to use sandals to be exchanged for a profit. Aristotle considers that the chrematistic art of acquisition is the natural development outcome of exchange from the economic. Aristotle considers the morality of money in terms of the particular moral character the acquisition mode tends to produce. 'The market, where its development is unchecked, tends to issue not
in the virtues constitutive of a flourishing human life, but in the vice of *pleonexia*, the disposition to want more than is proper' (O’Neill, 2001b, p. 163). Money tends to result, not in the virtue of human flourishing, but in the vice of *pleonexia*, the limitless pursuit of the art of wealth getting.

As argued above, a number of recent consequentialist approaches have involved a morally instrumentalist view of money (i.e. it is pointless to argue about the morality of money since it is a tool for maximising our utility), which is applied for money justifications (i.e. money is *consequentially* compatible with ethical behaviour because it functions or maximises our utility). The consequentialist form of moral instrumentalism, however, ought to and can be avoided by *virtue theory based on intrinsic teleology* rather than *value theory based on extrinsic teleology*. As we have seen, consequentialism involves the *theory of value*, which concerns what it is for a state of affairs to be good and for one situation to be better than another, whereas virtue ethics involves the *theory of virtue*, which concerns what it is to act virtuously or viciously on a particular occasion and how that is related to what it is to have a good or bad moral character. Both ethical theories are ‘teleological’: they make moral judgement in terms of the aim or goal of action. The former’s is an *extrinsic telos* (i.e. a good state of affairs), whereas the latter’s is an *intrinsic telos* (i.e. a good state of human beings). 40 An extrinsic telos for utilitarian consequentialists is an economic goal. ‘There is only one end, pleasure or utility, and all actions are means to it; they are therefore to be judged only on their efficacy in promoting that end, so that only the consequences of action are significant, not the actions themselves. Utilitarianism provides economics with a simulacrum of ethics in which it is not difficult to arrange a close association between utility maximization and the maximization of exchange value’ (Meikle, 1995, p. 107). For Aristotelian virtue ethicists, in contrast, an *intrinsic telos* is rather an ethical goal: it is the full realisation of human nature though virtuous actions. That is, predetermining money as a tool for utility maximisation prevents us from examining this *intrinsic telos* and its incompatibility with money.

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40 See chapter 7 for further arguments on a contrast between consequentialist and virtue-based utopianism, which are relatively based on the intrinsic and extrinsic teleology.
4.2.2 Essentialism

Essentialism holds a view that an object consists of some 'necessary' properties and, typically, 'accidental' properties.\(^4\) Essences define identity: essences make an object a certain kind of entity rather than any other. Essences are 'some characteristics that make it the kind of thing it is (or the very thing it is) and without which it could not exist or to be what it is' (Meikle, 1985, p. 177). The essential properties are in contrast with accidental properties, which an object can lack and still be what it is. To use a chemical example, H\(_2\)O are the essential properties of water, whereas if it is in a bowl or a kettle is a matter of accidental properties. Or to take a social example, in chess certain rules are essential, whereas if the chess pieces are wooden or plastic, or if the chess players are left-handed or right-handed are accidental (Sayer, 1997, p. 456).\(^4\)

The nature of essences can be characterised as follows (Meikle, 1985, pp. 153-74; O'Neill, 2001b, pp. 159-60, Sayer, 1997, pp. 453-87)\(^4\):

(a) Essences are dispositional: many essential properties of objects are dispositional, which are only actualised in certain circumstances. It is even a case that some essences are can only be characterised in terms of potentiality. For instance, a kitten becomes a cat. If a kitten could not become a cat, it wouldn’t have been a kitten, but something else. Certain sorts of change belong to essences: being a mature cat is an essence a kitten potentially has. ‘Going to be a cat in the future’ is a part of what it is to be a kitten now; to be a kitten now is to have the present

\(^{41}\) Aristotelian essentialism has traditionally been argued as opposing to atomism or accidentalism derived from Democritus and Epicurus (Meikle, 1985, pp. 8-9), which will be discussed in chapter 7: Utopia. The atomist considers that reality is made of ‘building blocks’ or atomistic ‘small-bits’, and further believes everything else is reducible to them. The essentialist, in contrast, considers that reality cannot be explained in terms of its constituent matter (i.e. atoms), but in terms of ‘organic wholes’ or ‘entities’, and further believes that everything else is rather irreducible to them (Meikle, 1985, p. 154; p. 175).

\(^2\) Not all rules are necessarily essential. ‘Constitutive rules’ are essential to a certain social practice whereas ‘regulative rules’ are accidental. Constitutive rules, on the one hand, constitute (and also regulate) an activity the existence of which is logically dependent on the rules. The rules of football or chess, for example, do not merely regulate playing football or chess, but create the very possibility of playing such games. The activities of playing football or chess are constituted by acting in accordance with the appropriate rules. The activity, therefore, cannot exist without its constitutive rules, and it is in this sense inseparable from the rules. Regulative rules, on the other hand, regulate a pre-existing activity, an activity whose existence is logically independent of the rules. For example, many rules of etiquette regulate inter-personal relationships that exist independently of the rules. While traffic rules may regulate traffic, it does not create or define our driving activity: (chaotic) traffic can exist without traffic rules.

\(^{43}\) There are even more: (c) Essences are dependent: some essential properties of objects are dependent on other properties, and part of the purpose of scientific investigation is to discover those dependencies. (d) Some have plural essences and others do not have one: ‘We could … argue that gender has no essence but that minerals, species, contracts, bureaucracies or the game of football do’ (Sayer, 2000, pp. 86-7).
potential to become a cat; to be an adult cat is to have realised that past potential’ (Meikle, 1985, p. 160). A kitten may be killed by car accident or fatal disease before becoming a mature cat. But they are features that a kitten does not necessarily have. If a kitten comes across those accidents, its potential is accidentally not realised.

(b) Essences are discoverable: essential properties of an object precede its discovery. We do not always know essential properties, but we discover them. Some entity has its essential properties before we know them to be so, and would still have essential properties even if they had never been discovered. Discovery of essences does not make some properties essences ex post factum. Discovery of essences requires investigation: essential properties cannot be discovered simply by looking at them or looking for them in a dictionary, but by means of observation, investigation and analysis of facts. The appearance of an object does not reveal its essences directly to us.

As was noted above, a number of recent deontological approaches have involved a moral instrumentalist view of money (i.e. money’s morality cannot be judged in terms of the goodness and badness of what it is, but in terms of rightness and wrongness of how it is used). This view is held by American pragmatists — i.e. there is no such thing as ‘universally representational properties of money’, because money does not create any meaning outside of its use in particular contexts. ‘Money creates meaning pragmatically, that is through use. Money is not a neutral or meaningless social object, and its meanings are consequential. People treat money differently depending on what it means — good or bad, appropriate or inappropriate, right or wrong, dirty or clean’ (Carruthers and Espeland, 1998, p. 1401). If money created meaning through people’s use, however, money would also have different meanings depending on how people treat it. While it appears to be value-pluralistic and emancipatory, it can easily flip into moral relativism: money can be either good or bad by depending on right or wrong usage. By being against misplaced essentialism, American pragmatists end up committed to a crude social constructivism — i.e. money is nothing more than our social construction of money. The essential properties of money, however, cannot be reduced to our conceptions of money: they can exist independently from us, and can precede our discovery of them. The discovery of money essences does not make them essences ex post factum. The essential properties of money are not ‘universally
representational properties of money’, but the ‘necessary properties’ money ontologically consists of. They are essential to the ontological status of money regardless of being discovered or not.

4.3 Radin Against Marx

The third section considers Radin’s rejection of (what appears to her) misplaced Marxist arguments in order to furthermore demonstrate how moral instrumentalism can be avoided from an Aristotelian virtue ethics perspective.

Radin (1996) considers that Marxist arguments on incompatibility between universal commodification and human flourishing still have relevance, ‘because they expose the link between our conceptual schemes and our world’ (ibid., p. 83). ‘Universal commodification is a conceptual scheme, a worldview’ (ibid., p. 6). For Radin, we speak of market rhetoric (e.g. supply, demand, price, opportunity costs, production functions) as the commodification discourse: we conceive of and speak of something as if it were a commodity subject to market exchange. Moreover, ‘[universal] commodification is a reductionist conceptual scheme’ (ibid., p. 8). Universal commodification presupposes that all value can be expressed in terms of price, and reduces all values to a sum of money. This reductionist conceptual scheme may keep us from becoming a well-developed person.

While Radin shows her affinities to the Marxist arguments on the unethical nature of universal commodification, however, she rejects two further Marxist propositions: she does not adopt ‘the Marxist notion that commodification is always wrong’, and ‘the Marxist notion that commodified understandings of social interactions cannot coexist with noncommodified one’ (ibid., p. xii). Let us consider Radin’s two claims (i.e. anti-foundationalism and incomplete commodification), which she defends through a rejection of what she takes to be two misplaced Marxist positions (i.e. the rejection of foundationalism, and the rejection of universal non-commodificationism).
4.3.1 Anti-Foundationalism

Radin's criticism of the Kantian categorical imperative (i.e. universal principle of ethics) leads her to embrace a philosophical turn towards 'anti-foundationalism'. From a perspective of Kantian deontological ethics, the market conceptualisation of personhood harms personhood because it leads us to conceive of persons as means, not ends. It follows that, market rhetoric, which turns personhood into commodities, ought to be culturally and legally discouraged. Radin claims, however, that this Kantian ideal of personhood is even a cultural artifact: maintaining this conception means maintaining a firm cultural commitment to it. There can be no 'universal principle of ethics', because a firm cultural commitment to Kantian conceptual scheme makes a difference to reality:

If we accept the gist of the antifoundationalist theories, facts are not “out there” waiting to be described by a discourse. Facts are theory-dependent and value-dependent. Theories are formed in words. Commitments to facts and values are present in the language we use to reason and describe, and they shape our reasoning, our description, and the shape (for us) of reality itself. (Radin, 1996, p. 89)

Radin 'denies that rationality or truth consists of linear deductions from an unquestioned foundational reality or truth' (ibid.), because there are inseparable links between value and fact, between words and the world, between rhetoric and reality, and so on. Radin claims that our discourses matter to reality and truth through a consequentialist form of reasoning: the rhetoric matters to the reality, because 'there is no such thing as two radically different normative discourses reaching the “same” result' (ibid., p. 84, italics added). 'Our conceptualizations of what is matter for what is. Because words and the world are linked, the result at which a normative discourse arrives is not detachable from that discourse without altering the meaning of the result' (ibid., p. 88, italics added). 'This integration of discourse into a state of affairs follows from the pragmatist rejection of foundationalism’ (ibid., p. 89, italics added). These suggest that since radically different normative discourses reach different results, market rhetoric may (and may not) promote a good result. Normative discourses may (and may not) arrive at a good result by altering the meaning of the
result. Radin’s stresses the integration of rhetoric into reality as a state of affairs, integration of words into the world as a state of affairs.

Radin’s ‘anti-foundationalism’, however, has a problem through its collapse into moral relativism. Her pragmatism, rooted as it is in social constructionism and strong social constructionist ontology, views that our normative discourses constitute the world may misguide us into making or selecting our normative discourses in accordance with the result they promote. If our normative discourses constitute the world, as she claims, then we can control the morality by them. If our normative discourses about money, for instance, constitute the morality of money, we can regard money either as good or bad, appropriate or inappropriate, right or wrong, dirty or clean, and so on, by some appropriate discourses for the result we expect to promote. However, while facts are, as Radin claims, not ‘out there’ waiting to be described by a discourse, they are not ‘in here’ either to be arbitrarily manipulated by a discourse. While facts are, as Radin claims, theory-dependent and value-dependent, they are neither theory-determined nor value-determined. Radin summarises here position thus:

Simply put, there is no sharp distinction between the nature of an interaction and the terms in which we conceive of it. ... Whenever we can perceive a harm to persons, our perception is mediated through a conceptual structure or structures; conceptualisation makes it possible for us to see harm as harm. (Radin, 1996, p. 14, italics added)

From the absence of a sharp distinction between reality and concept, however, it does not necessarily follow that they can be reduced into each other. A moral harm can neither be reduced into our conception nor perception of it. While conceptualisation, as Radin claims, makes us possible to see harm as harm, it is not the case that it causes harm, just as the idea of gravity does not cause a harmful result of drowning, but gravity does (Marx and Engels, 1970 [1845-6], p. 37). As Radin herself denotes, ‘[t]he social world is partly constituted by our concepts and categories of belief’ (Radin, 1996, p. 80, italics added), meaning, importantly, that it is not totally constituted by our concepts.
4.3.2 Incomplete Commodification

Radin brings her argument down to the relative goodness of a state of affairs: she takes a state of affairs, which is integrated with our normative discourses, as an ethical primitive. As we have seen, she argues from the claim that radically "different" normative discourses do not reach the "same" result to the conclusion that there can be no universal principle of ethics, which is independent from a result it promotes. Thus, conceptual schemes of universal commodification and non-commodification reflect in the world. As for whether commodified and non-commodified sex are the "same" or "different", therefore, she claims that certain things (e.g. nuts and bolts) are the "same" whether commodified or not, whereas others (e.g. love, friendship, sexuality) are very "different" if commodified (Radin, 1996, pp. 94-5). She suggests that this ambiguous stance would be unsatisfactory to 'utopian humanist Marxists' who commit themselves to the idea that commodification is bad for human being in all senses:

The prohibition argument — that commodification of things is bad in itself, or because these things are not the "same" things that would be available to people in nonmarket relationships — leads to the universal noncommodification pursued by many utopian humanist Marxists. If commodification is bad in itself, it is bad for everything. Once we have understood the point about social construction, any social good is arguably "different" if not embedded in a market society. (Radin, 1996, p. 95, italics added)

For Radin, there can be no black and white sort of moral judgement (e.g. commodification is either good or bad in itself, for everything and for everybody). Thus, she seeks her stance in a gray area between commodification and non-commodification. She claims that theories about the role of the market can be imagined as ordered on a continuum between universal commodification (i.e. everything in markets), represented by Hobbesian utilitarian economists, and universal noncommodification (i.e. nothing in markets), represented by 'utopian humanists Marxists' (ibid., p. xiii). She considers that both theoretical poles are inadequate, and seeks a middle way: it is not a traditional middle way of market compartmentalisation (i.e. theorising the social world in terms of pure market and non-market domains) represented by Michael Walzer, but a new middle way of
incomplete commodification (i.e. the coexistence of commodified and non-commodified understandings). Incomplete commodification is the social state of affairs in which a commodified understanding (for some people) coexists with a non-commodified understanding (for others) (ibid., p. 102).

Radin's 'incomplete commodification', however, has problems in virtue of being argued on consequentialist grounds (i.e. in terms of the relative goodness of a state of affairs) in spite of Radin's own criticism of a utilitarian consequentialist claim: 'all values may be translated into — reduced to — money and radically (numerically) compared' (ibid., p. 6). She reduces the morality of commodification into a case of 'everything or nothing (i.e. which is a better social state of affairs, in which everything is commodified or in which nothing is commodified?)', and claims that incomplete commodification is a better social state of affairs than universal commodification and non-commodification. It is not the case, however, that the incomplete state of affairs realises the morality. Rather one needs to discover market boundaries properly in accordance with the ontology of items. While incomplete commodification may leave the possibility of a market boundary, it does not explain why certain things (e.g. nuts and bolts) are the "same" whether commodified or not, whereas others (e.g. love, friendship, sexuality) are very "different" if commodified. Moreover, 'incomplete commodification' also refers to the incompleteness in respect that the commodification of things is good for some people but bad for others, which again collapses into moral relativism where commodified things like love, friendship and sexuality are different from non-commodified forms for some people and the commodified form morally objectionable, but the same for others and hence morally acceptable. In any case, Radin's claim can easily flip into anything goes — i.e. the commodification may [and may not] consequently be compatible with somebody's morality.

Radin claims that the Marxist notion is that commodified understandings of social interactions cannot coexist with non-commodified ones. 'In his [Marx's] view that "bourgeois property" cannot coexist with other kinds of property, Marx may be understood to have meant that market and nonmarket forms cannot coexist' (ibid., p. 102). However her account misconstrues the nature of Marx's objections to money. Marx does not argue about the morality on a consequentialist ground. Marx's ethics is
rather a reconciliation of Kantian deontological ethics and Aristotelian virtue ethics (Kain, pp. 64-5). From a Kantian deontological ethics perspective, Marx considers that money is incompatible with categorical imperative, because it leads human beings to treat others not as an end but as a means: human beings ought to be treated as ends in themselves, never as means only, regardless of the consequences treating others as a means promotes. From an Aristotelian virtue ethics perspective, in contrast, Marx argues that money perverts human virtue: money prevents us from the realisation of human essence, which is not an extrinsic telos (i.e. a good state of affairs), but an intrinsic telos (i.e. a good state of human beings). Marx considers that commodification is incompatible with our ethical behaviour and human virtue, since treating others not as a means but as an end is incompatible with both a categorical imperative and an excellence of human virtue. From whichever ethical perspective, however, Marx’s argument does not depend upon the co-existence of the market and the non-market interactions as a state of affairs (i.e. an extrinsic telos): for Marx, a state of affairs (i.e. an extrinsic telos) does not play any role in the determination of our moral obligation.

4.4 Against Egalitarian Justifications of Money

This final section critically assesses, from an Aristotelian virtue ethics perspective, egalitarian justifications of money that appeal to equality and justice.

4.4.1 Money Promotes Equality

One argument for the defensibility of money is that it can be used to promote egalitarian objectives. Goodwin, for example, claims that money can be a better means than other alternatives to promote equality of wellbeing and satisfaction. What she refers to as communist states used to measure satisfaction ‘objectively’ according to some stipulated criteria of wellbeing — e.g. everyone gets eight ounces of meat a day, forty cubic sheet of space, three new outfits of cloth a year, and neglects individual preferences and differing needs too cavalierly and necessarily. ‘If we are attempting to evaluate and equalize material wellbeing and satisfaction, arrived at through the consumption of a variety of goods (as it is any advanced society), we can better do this by using money than by statutory bread and circuses — and, as an additional good, we can thereby foster a degree of free choice and control over personal life’ (Goodwin, 1986, p. 565). Goodwin’s argument, however, has a problem
Money can neither evaluate nor equalise preference and satisfaction because they are incommensurable — i.e., they cannot be measured in terms of single and cardinal measurement of value, namely money. Moreover, the process through which our preferences are formed and satisfied is context-dependent and contingent. ‘Preferences often adapt to circumstances’ (ibid.). One may give up wanting what one believes one cannot get. One may start wanting something because others also want it.

Goodwin’s egalitarianism is based on a utilitarian consequentialist view, which conceives welfare or utility as the satisfaction of a person’s preferences for some states of affairs over others, and treats individuals as those who rationally and freely choose their favourite options to maximise their welfare. This is called telic-egalitarianism, which can be in good contrast with virtue-based egalitarianism, based on an Aristotelian virtue ethics perspective. Let us compare these different kinds of egalitarianism:

- Telic Egalitarianism concerns equality as a good state of affairs. It claims that we ought to promote equality because equality over some set of goods is a good state of affairs in itself. What is wrong with inequality, correspondingly, is that it is a bad state of affairs as such (Parfit, 1997; cf. Miller, 1997; Norman, 1997).
- Virtues-based Egalitarianism concerns equality as a constitutive condition of excellences of character. It claims that we should aim at equality as a constitutive condition of virtues of character. What is unethical about inequality, correspondingly, is that it is a constitutive of vices of character (O’Neill, 2001a). Typical vices of inequality cited in the egalitarian tradition are such as dependence, snobbery, sycophancy; typical virtues of equality would be self-respect, independence and fellowship.

Telic egalitarianism needs to assume commensurability: it needs to assume a particular metric of equality through which we can compare different states of affairs and ascertain which is more or less equal than another. Like traditional maximising consequentialism it has to assume there is a single metric for comparison. However, there can be no such metric to measure our heterogeneous natures. Any metric that

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44 Apart from equality of preference satisfaction, there are equality of resources, equality of access to
equalises in one respect will leave us unequal in others. Commensurability is as much a problem for the egalitarian consequentialist as it is for the maximising consequentialist. In contrast, a virtue-based egalitarianism need not involve any such assumption of commensurability. It does not assume there is some single metric through which different states of affairs can be compared. It is concerned rather with the realisation of human flourishing and recognises that given our heterogeneous natures that different individuals have different needs.

The same line of argument against telic egalitarianism can be found in *the Critique of the Gotha Programme* (Marx and Engels, 1970 [1875]). Marx speculates that a virtue-based account of equality may be realised in a higher phase of communal society, which is yet an unequal society in a number of respects as a state of affairs. Marx firstly claims that, in a lower phase of communal society, its members may be equal in terms of their labour: an individual producer ‘receives a certificate from society that he has furnished such-and-such an amount of labor (after deducting his labor for the common funds); and with this certificate, he draws from the social stock of means of consumption as much as the same amount of labor cost. The same amount of labor which he has given to society in one form, he receives back in another’ (ibid.). In a lower phase of communal society, an each individual works *according to one's ability*, and the wealth is distributed to an each individual *according to one's contribution to the society*. Members of a society are equal in respect of exchanging equivalent values: telic-egalitarian account of equality is realised through arithmetic equality between exchanged products. Marx claims, however, ‘equal right here is still in principle — *bourgeois right*’ (ibid.), because the equality consists in the fact that measurement is made with an *equal standard*, labour:

But one man is superior to another physically, or mentally, and supplies more labor in the same time, or can labor for a longer time; and labor, to serve as a measure, must be defined by its duration or intensity, otherwise it ceases to be a standard of measurement. *This equal right is an unequal right for unequal labor.* It recognizes no class differences, because everyone is only a worker like everyone else; but it tacitly recognizes unequal individual endowment, and thus

advantage, or equality of capabilities to function etc.
productive capacity, as a natural privilege. It is, therefore, a right of inequality, in its content, like every right. Right, by its very nature, can consist only in the application of an equal standard; but unequal individuals (and they would not be different individuals if they were not unequal) are measurable only by an equal standard insofar as they are brought under an equal point of view, are taken from one definite side only -- for instance, in the present case, are regarded only as workers and nothing more is seen in them, everything else being ignored. Further, one worker is married, another is not; one has more children than another, and so on and so forth. Thus, with an equal performance of labor, and hence an equal in the social consumption fund, one will in fact receive more than another, one will be richer than another, and so on. To avoid all these defects, right, instead of being equal, would have to be unequal (ibid., italics added).

While there are inequalities between the workers’ abilities (e.g. physically, mentally) and/or between their circumstances (e.g. marriage, family), they can be ‘equalised’ through a standard measure of labour only in that respect as a state of affairs. It follows that the society has to be rather unequal in order to get rid of the defect of ignoring heterogeneous human natures. Marx further speculates that, in a higher phase of communal society, in contrast, its members are not any more ‘equalised’ though a standard measure of labour. ‘From each according to his ability, to each according to his needs!’ (ibid.): in a higher phase of communal society, an each individual works according to their ability, and yet the wealth is distributed to each individual, not according to their contribution to the society, but to their needs. Members of a society are equal in respect of a constitutive condition of certain virtue: virtue-based equality is realised through geometrical proportionality between the society members.45

45 Arie notes the similarity between Marx’s communal society and Aristotle’s polis in respect of their unequal natures. He has a citation from Castoriadis, which argues that Marx’s the Critique of the Gotha Programme is a result of paraphrasing several lines in Aristotle’s Nicomachean Ethics: Book V (Castoriadis, 1978, p. 718).
4.4.2 Money Promotes Justice

Goodwin argues the relevance of money to a socialist idea of social justice: 'money would be an important instrument in achieving the egalitarian distributive justice which socialists advocate' (Goodwin, 1986, p. 537, italics added). She is prompted by her own 'three experiences' to think about money and justice:

1. The first is in a hairdresser's salon. A stylist streaks the hair of an attractive young blonde, while another, with equal care, gives an old lady the best style that he can devise. 'Given free choice, doubtless both the stylist would have chosen to titivate the young woman. That is one of the profoundly unfair facts of human life, but one which money can mitigate. ... The natural inequality between individuals can and should be modified or compensated for in a socially just society' (ibid., p. 562, italics added).

2. The second is in Paris, while it takes (only) a week to find a flat 'if you arrive on the doorstep before anyone else with a deposit', it takes weeks to get a nominal attachment to a French college with letters and interviews with members of the academic hierarchy who have no particular incentive to grant it. 'How I wished I could give a deposit, or a bribe! (ibid.)', which suggests that money is a much more efficient mechanism than bureaucratic process for distributing justice.

3. The third is reading a student's dissertation on racial bias in the allocation of council housing in London. 'Statistics shows that blacks in London are consistently offered older and poorer quality council housing than whites, for reasons probably attributable to conscious and unconscious bias among housing officials. ... Without a doubt it would be better if all blacks had sufficient incomes to rent or buy housing in an ideal, bias-free market' (ibid., p. 563).

The structure of Goodwin's argument can be summarised as the following three steps:

(a) Injustice may occur in terms of difference age, sex, nationality, ethnicity etc.
(b) Injustice should not occur, because being unfair in terms of those differences is a bad state of affairs.
(c) Money can be the solution for injustice in terms of those differences.

Goodwin also here assumes a telic-egalitarian justification of money: money should and can promote justice as a good state of affairs: she presupposes a telic-egalitarian
account of justice/injustice as a good/bad state of affairs. My argument, in contrast, is from a perspective of virtue-based egalitarianism, again: even though injustice may occur as a state of affairs in one respect, there might be justice as a constitutive condition of virtuous character. What she describes in her three episodes is about the unfairness, which may occur in terms of in terms of age, sex, nationality and ethnicity. While the unfairness may occur, as Goodwin indicates, in terms of those natural and social differences, it is not caused by those differences themselves but by prejudiced individuals. Differences of age sex, and the like are neither 'the unfair facts of human life' nor 'natural inequalities' in themselves: they are features of our heterogeneous human natures, and their differences are not unfair in themselves. The problem lies in the social relations between persons that renders age, sex, nationality and ethnicity a matter of social subordination or social stigma. The problem is not resolved by making individuals indifferent to those qualities in particular contexts, but rather by transforming social relations that are responsible for the social subordination and stigma associated with those qualities.

Marx’s argument in the Critique of the Gotha Programme is helpful, again. Marx speculates that, in a lower phase of communal society, its members are indifferent: they 'are regarded only as workers and nothing more is seen in them, everything else being ignored' (Marx and Engels, 1970 [1875]). Still more in a capitalist market society, the only relevant factor is that each is an owner of property, and is willing to exchange one’s properties with each other. Whatever personalities and identities each has, they are just owners of a certain property. In a hairdresser's salon, a stylist is an owner of hairdressing service, a customer is an owner of a service fee, and they meet to exchange those properties for each other: all other 'properties', such as young blonde and old, are irrelevant and indifferent for a relationship between stylists and, and therefore ignored. In a housing market, we are owners of either house or rent, whatever skin colour is. Marx speculates that, in a higher phase of communal society, in contrast, its members become different: each individual works according to their different ability, and the wealth is distributed to each individual according to their different needs.
4.5 Conclusion

This chapter has demonstrated that a currently prevailing morally instrumentalist view of money should and can be avoided by an Aristotelian virtue ethics perspective. The moral instrumentalism, rooted in the Post-structuralist ontology, even conceals the distinction between gift giving and commodity exchange: ‘Of course, the difference between gifts and commodities has little or nothing to do with the objects themselves but rather with the role that they play and how they are perceived. ... Things are not intrinsically gifts or commodities — that status is bestowed on them depending on how they are used’ (Carruthers and Espeland, 1998, p. 1395). While I agree with their anti-atomist ontology (i.e. there is no such thing as a material atom of gift or commodity in an object), I do not agree with their deontological approach to moral instrumentalism (i.e. things can mean whichever, as gifts or commodities, not by depending on some common characteristics, but on their usage in a certain context). Their view of moral instrumentalism may cause moral relativism: it may occur that a certain thing could be a gift for me but a commodity for you if we do not share the same social context. An Aristotelian virtue ethics perspective can avoid the moral relativism: the essential properties of gift giving cannot be reduced into our conceptions of gift giving. The discovery of the essential properties of gift giving does not make a certain interaction gift giving ex post factum. This chapter against moral instrumentalism paves the way for the ontology of altruistic gift giving argued in chapter 6. First, however, we consider in chapter 5 one of the most influential and powerful virtues-based defences of money, that developed by Adam Smith. This account avoids many of the problems of the moral instrumentalism to be found in the consequentialist and deontological defences of money discussed in this chapter. However, I show, through a critical contrast with an Aristotelian virtue ethic, that the particular Calvinistic form of virtue ethic that Smith ultimately assumes is inadequate.
CHAPTER 5: AGAINST SMITHIAN VIRTUE ETHICS

Whoever loves money never has money enough; whoever loves wealth is never satisfied with his income. This too is meaningless. (Ecclesiastes, 5:10)

5.0 Introduction

'Ecclesiastes' is known as uniquely using many market terminologies, which mostly don't appear in other stories in the Old Testament — e.g. gain, toil, labour, income, reward, and wealth. While its origins are unclear, it is supposed to have been written under the Ptolemaic dynasty in the 3rd century BC, when the monetary economy underwent a great advancement. The story begins with a teacher's nihilistic grief for wealth and labour: “Meaningless! Meaningless!” says the Teacher. “Utterly meaningless! Everything is meaningless.” What does man gain from all his labor at which he toils under the sun? (ibid., 1: 2-3)' The teacher undertook an epicurean project of building houses, gardens and parks, planting all kinds of fruit trees, making reservoirs to water them, bringing slaves, owning herds and flocks, amassing silver, gold and treasures, acquiring singers and a harem, and so on. ‘Yet when I surveyed all that my hands had done and what I had toiled to achieve, everything was meaningless, a chasing after the wind; nothing was gained under the sun’ (ibid., 1:11). Then, however, the teacher miraculously turns this nihilism over to the affirmation of the meaningless life and world:

What does a man get for all the toil and anxious striving with which he labors under the sun? All his days his work is pain and grief; even at night his mind does not rest. This too is meaningless. A man can do nothing better than to eat and drink and find satisfaction in his work. This too, I see, is from the hand of God, for without him, who can eat or find enjoyment? To the man who pleases him, God gives wisdom, knowledge and happiness, but to the sinner he gives the task of gathering and storing up wealth to hand it over to the one who pleases God. This too is meaningless, a chasing after the wind. (ibid., 2:22-6, italics added).

46 'Ecclesiastes ('qohelet' in Hebrew) refers to a preacher or a teacher who speaks at an assembly.
Being quite different from a former nihilist, the teacher commends the enjoyment of the meaningless life and world. The teacher realises that it is good and proper for human beings to eat and drink, and to find satisfaction in their toilsome labour, since this is the gift of God. God gives human beings wealth and possessions, and enables them to enjoy them. No one can really comprehend what God has done under the sun. But human beings don’t need to concern their meaningless life, because God keeps it occupied with gladness of heart. What the righteous and the wise do are all in God’s hands. Whichever the righteous and the wicked, the good and the bad, the clean and the unclean, all share a common destiny before God. Why not become the God-fearing and be happy, then? Because ‘even a live dog is better off than a dead lion! For the living know that they will die, but the dead know nothing; they have no further reward, and even the memory of them is forgotten’ (ibid., 9:4-5, italics added).

Succeeding the previous chapter, this chapter critically examines a Smithian virtue-based justification of money (i.e. whilst the society may subsist without a positive virtue of beneficence, it cannot subsist without a negative virtue of justice promoted by money). It aims to expose the hidden agenda of Smithian virtue ethics — i.e. the affirmation of the rhetoric of the Ecclesiastes’ turning over the nihilism of wealth into the affirmation of the meaningless life and world. The rhetoric of the Ecclesiastes’ turning over can be summarised as follows:

1. Imperfect human beings are assumed before the perfect God.
2. Their imperfect nature is taken to be the gift of God.
3. The imperfect human beings are urged to make a contract with the perfect God.
4. Imperfect human beings are supposed to enjoy their meaningless life in God’s hands.

This Ecclesiastes’ turning over corresponds to the Smith’s conversion from the Stoic into the Calvinism in the 6th edition of The Theory of The Moral Sentiments: through abolishing the Stoic view of perfect virtue and employing the Calvinist view of imperfect but attainable virtue instead, Adam Smith attempts to persuade us to moderate our expectations of positive virtue (i.e. beneficence) and to prioritise negative virtue (i.e. justice). Through a comparison with Aristotelian virtue ethics, this chapter aims to reveal the way in which Smithian virtue ethics rather impedes the possible excellence of human virtues. It aims to do as follows:
1. It considers the Aristotle's account of 'virtue' and 'justice'. For Aristotle, virtue is a mean between two extremes (i.e. excess and deficiency). He claims the possibility and desirability of reciprocation as a synthesis of the qualitative nature of persons and the quantitative nature of things.

2. It considers the Smith's account of 'virtue' and 'justice'. Smith divides a virtue into two kinds — i.e. a positive virtue (i.e. beneficence) and a negative virtue (i.e. justice). Through employing the rhetoric of the Ecclesiastes' 'turning over, Smith persuades us to moderate our expectations of positive virtue and to prioritise negative virtue.

3. It summarises the contrast between Aristotle's and Smith's virtue ethics in respect of their different conceptions of virtue and justice. Aristotle considers that friendship is more basic than justice for people's association in their community, whereas Smith considers that justice is more basic than friendship for the subsistence of the society.

4. It puts an Aristotelian virtue ethics perspective to work critically assessing some Smithian attempts to justify money (i.e. money promotes independence and freedom).

These arguments pave the way for exploring how the Smithian virtue-based justification of money conceals a positive virtue of beneficence by leading us to seek a negative virtue of justice as the second best.

5.1 Aristotle
Aristotle's argument is based on the dichotomy of the qualitative nature of persons, which he characterises as a geometrical proportionality between persons and the quantitative nature of things, which he characterises as an arithmetic equality between things. Aristotle claims the possibility and desirability of reciprocation as a synthesis of these two natures: reciprocation is the transformation of geometrical proportionality, which makes people's association in their community, into arithmetic equality, which is to seek the medium between two extremes (i.e. excess and deficiency) themselves. Let us summarise Aristotle's concept of virtue and justice:
5.1.1 Virtue

Aristotle explains that the virtue is neither a feeling nor a capacity but a state:

> [E]very virtue causes that of which it is a virtue to be in a good state, and to perform its characteristic activity well. The virtue of the eye, for example, makes it and its characteristic activity, because it is through the virtue of the eye that we see well. Likewise, the virtue of the horse makes a horse good — good at running, at carrying its rider and at facing the enemy. If this is so in all cases, then the virtue of a human being too will be the state that makes a human being good and makes him perform his characteristic activity well (1106a). (Aristotle, 2000, p. 29)

The virtue is a good state, which can be a constitutive condition for performing certain characteristic activity. Beside, Aristotle claims that the virtue of character is a mean: ‘it is a mean between two vices, one of excess and one of deficiency (1109a)’ (ibid., p. 35). Then, Aristotle introduces two virtues related with wealth — i.e. generosity and magnificence: (i) generosity is a mean between the wasteful and the stingy: ‘Since generosity is a mean concerned with the giving and spending of money, the generous person will give and spend the right amounts, on the right objects, in both small and large matters alike, and he will do it with pleasure’ (1120b). (ibid., p. 62, italics added): (ii) magnificence is a mean between the vulgar and the niggardly: ‘The magnificent person will spend such amounts for the sake of what is noble, since this is a feature common to the virtues. Again, he will do it with pleasure and lavishly, because precise counting of the cost is niggardly’ (1122b). (ibid., p. 66, italics added)

Both cases suggest that the virtue of character is not a mean in respect of its absolute amount (i.e. arithmetic equality), but is a mean in respect of its relative ratio (i.e. proportionate balance)\(^47\): neither does being generous nor being magnificent depend on exactly how much wealth has been given or spent, but depend on how the proper amount of wealth has been given or spent with pleasure and lavishly.

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\(^ {47}\) This argument directly links to Aristotle’s concepts of three kinds of justice: ‘distributive justice (i.e. geometrical proportionality between persons)’, ‘rectificatory (or corrective) justice (i.e. arithmetic equality between things)’, and ‘reciprocal justice (i.e. transformation of geometrical proportionality into arithmetic equality)’. See 5.1.2 Justice.
While Aristotle considers that both friendship and justice are virtues, which people cannot lack in their life, he claims the superiority of the former to the latter:

Friendship seems also to hold cities together, and lawgivers to care more about it than about justice; for concord seems to be something like friendship, and this is what they aim at most of all, while taking special pains to eliminate civil conflict as something hostile. And when people are friends, they have no need of justice, while when they are just, the need friendship as well; and the highest form of justice seems to be a matter of friendship (1155a). (ibid., p. 144, italics added)

Aristotle claims that even lawgivers care more about friendship than about justice for people's concord in their community. For Aristotle, friendship does not require justice whereas justice requires friendship. Besides, justice can be its highest form with friendship. These considerations suggest that, for Aristotle, while both friendship and justice are required for a good society, friendship is more basic virtue than justice for society.

5.1.2 Justice
Aristotle explains 'reciprocity (i.e. reciprocal justice)' is a synthesis of distributive justice (i.e. the moral value) and rectificatory justice (i.e. the economic value). Followings are the summaries of three kinds of justice:48

- Distributive justice: geometrical proportionality between persons
Aristotle claims, '[o]ne type of particular justice ... is that found in distributions of honour or money or the other things that have to be shared among members of the political community (1130b)' (ibid., p. 85). The principle of these distributions must be in accordance with axeea, meaning merit or value:

For everyone agrees that justice in distribution must be in accordance with some kind of merit, but not everyone means the same by merit; democrats think that it

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48 I am indebted to Arie (1990) for understanding the co-relations among Aristotle's three kinds of justice.
is being a free citizen, oligarchs that it is wealth or noble birth, and aristocrats that it is virtue (1131a). (ibid., p. 86)

Justice must be distributed in accordance with a person’s merit or value. Whilst a person’s merit or value is uncertain (i.e. it may mean either one’s free citizenship, wealth, noble birth or virtue), when honour, money or things are to be distributed to a certain individual, whether he/she is deserved to have what is distributed matters. Suppose A and B as a value of a person and the other person, and C and D as a value of what is distributed to a person and the other person, ‘since the persons and the shares are divided in the same ratio’ (ibid., p. 86):

\[ A : B = C : D \]

Consequently in permutation:

\[ A : C = B : D \]

Moreover:

\[ A : B = A + C : B + D \]

Thus, the whole value of a person and what is distributed to a person will bear the same ration to the whole value of the other person and what is distributed to the other person. A ‘mathematician calls this kind of proportion geometrical, because in geometrical proportion what happens is that whole is to whole as each part is to each part. But this proportion is not continuous, since there is not a single numerical term for person and share’ (ibid., p. 87). The shares are justly distributed by being based on the geometrical proportionality between the persons.

- Rectificatory (or corrective) justice: arithmetic equality between things
Aristotle claims, ‘[t]he other kind of justice is rectificatory, which is found in both voluntary and involuntary transactions (1131b)’ (ibid., p. 87). The voluntary transactions are things like selling, buying, lending at interest, pledging, lending without interest, depositing, and letting. The involuntary transactions are either secret,
such as theft, adultery, poisoning, procuring, enticing away slaves, treacherous murder, and false witness, or involve force such as assault, imprisonment, murder, robbery, maiming, slander and insult (ibid., p. 85). For the involuntary transaction's case, when one strikes and the other is struck, or when one kills and the other killed, the action and the suffering are divided unequally. Thus, the judge must equalise them with penalty: the judge decreases the 'gain' of the assailant and compensate the 'loss' of the victim. 'So what is just in rectificatory will be the mean between the gain and the loss (1132a)' (ibid., p. 88). This also works for the voluntary transaction's case: these 'gain' and 'loss' are derived from voluntary transactions 'For having more than one's share is called gaining, while having less than one had at the beginning is called losing (1132b)' (ibid.).

In contrast with distributive justice based on geometrical proportionality between the persons, rectificatory justice is based on arithmetic equality between shares: 'It is as if there were a line divided into unequal parts, and he takes away that by which the greater segment exceeds the half, and adds it to the smaller segment (1132a)' (ibid., p. 88).

In contrast with geometrical proportionality, arithmetic equality has nothing to do with a person's merit or value: 'it makes no difference whether it is a good person who has defrauded a bad or a bad person a good, nor whether it is a good or bad person who has that has committed adultery' (1131b)' (ibid., p. 87). It rather matters to the medium between the two extremes, the gain and the loss, themselves: 'the just is a mean between some kind of gain and loss; it consists in having and equal amount both before and after the transaction (1132b)' (ibid., p. 88).

- Reciprocal justice: transformation of geometrical proportionality into arithmetic equality

Reciprocal justice 'fits neither distributive nor rectificatory justice' (Aristotle, 2000, p. 89). Nevertheless, reciprocal justice consists of both aspects: on the one hand, reciprocal justice is the same as distributive justice in respect of proportionate balance instead of arithmetic equality: 'When people associate with one another for
the purpose of exchange, however, this kind of justice — reciprocity in accordance with proportion, not equality — is what binds them together, since a city is kept together by proportionate reciprocation (1132b)' (ibid., p. 89). Reciprocal justice, which binds people together by proportionate reciprocation, is a constituent for the community of a city: 'we call anything just that tends to produce or to preserve happiness and its constituents for the community of a city (1129b)' (ibid., p. 82). On the other hand, however, reciprocal justice is the same as rectificatory justice in respect of the private exchange instead of the public distribution. The following passage outlines the way in which reciprocal justice is held through the private exchange, such as between a farmer and a shoemaker:

There will be reciprocity, then, when the equation has been made, so that the shoemaker's product is to the farmer's as farmer is to shoemaker. But we must bring them into the form of a proportion not after they have exchanged goods, but when they still have their own; otherwise one extreme will have both excesses. In this situation, they are equals and capable of association, because it is possible to establish this kind of equality between them. ... if this kind of reciprocity had been impossible, the two would not have entered in to an association with one another (1133b). (ibid., p. 90, italics added)

Aristotle here suggests that (a) there are two levels of proportion: the proportion between products and that between producers. The proportion between the shoemaker's product and the farmer's one must be consistent with that between the shoemaker and the farmer. Besides, the proportion between two products must already be established before being exchanged, since people thereby can associate with each other. Aristotle also suggests that (b) proportionate reciprocation is held for people's moral association: people can only be associated and tied together in their community in a city by proportionate reciprocation. Since Aristotle considers that a thing's nature is its final cause or final end, he furthermore suggests that people's moral association is the final end of both individual and a city: 'its end will include the ends of the others, and will therefore be the human good. For even if the good is the same for an individual as for a city, that of the city is obviously a greater and more complete thing to obtain and preserve (1094b)' (ibid., p. 4). For Aristotle, a city exists for the sake of the human good (i.e. for an individual to live virtuously).
This 'proportionate reciprocation' is made by a 'diagonal conjunction'. 'It is a diagonal conjunction that produces proportionate reciprocation. ... 'If, first, proportionate equality is established, and then reciprocation takes place, the result we mentioned will follow. If not, there is no equality, and the bargain falls through, since there is no reason why what one produces should not be more valuable than what the other produces, and the products must therefore be equated (1133a)' (ibid., pp. 89-90).

Let us consider a 'diagonal conjunction' made by A a builder, B a shoemaker, C a house, and D a shoe:

\[
\begin{array}{c}
| C \text{ (House)} & nD \text{ (Shoe)} |
\end{array}
\]

A (Builder) \quad B (Shoemaker)

When one house is given by the builder to the shoemaker, and in return, some number of shoes (i.e. nD) are given by the shoemaker to a builder, then one house is equivalent with some number of shoes. Now, the proportion between one house and one shoe must be compatible with the proportion between a builder and a shoemaker: 'It can tell us, for example, how many shoes are equal to a house or some food. Then, as builder is to shoemaker, so must the number of shoes be to a house. For without this, there can be no exchange and no association (1133b)' (ibid., p. 90, italics added).

This means, the proportion between one house and one shoe must be consistent with the proportion between one builder and one shoemaker. Aristotle, however, does not refer to axeea (i.e. merit or value) of a person. Instead of ascribing a person's value to one's free citizenship, wealth, noble birth or virtue, Aristotle attributes it to one's craft:

This is the case with other crafts as well. For they would have been ruined if what the passive party received were not the same in quantity and quality as what the active party produced; it is not two doctors who associate for exchange,
but rather a doctor and a farmer, and, in general, \textit{people are different and unequal}, and must be made equal (1133a)' (ibid., p. 90, italics added).

People (e.g. a doctor and a farmer, a builder and a shoemaker) are different and unequal in terms of their crafts (i.e. skills and contributions). Thus, the proportion between one house and one shoe must be consistent with the proportion between builder's crafts for building a house and shoemaker's crafts for making a shoe. It follows:

\[
A : B = C : D
\]

Furthermore:

\[
A : C = B : D
\]

The ratio is exactly the same as geometrical proportion, on which distributive justice is based on. At the same time, however, arithmetic equality is held between one house and some number of shoe (i.e. \( C = nD \)). To summarise, therefore, Aristotle considers reciprocal justice with the following three conceptual steps:

1. Geometrical proportionality is presupposed between persons in accordance with the different crafts for their production.
2. Products are exchanged on the basis of arithmetic equality.
3. Reciprocal justice is realised through a transformation of the qualitative nature of persons into the quantitative nature of products.

For Aristotle, reciprocation is the transformation of geometrical proportionality, which keeps the community in a city, into arithmetic equality, which is to seek the medium between the two extremes (i.e. excess and deficiency) themselves.

Aristotle's argument can be summarised as follows:

1. One Virtue: for Aristotle, the virtue is a good state, which can be a constitutive condition for performing certain characteristic activities. The virtue of character is a mean between two vices, one of excess and one of deficiency. While there are
many different forms of virtue (e.g. happiness, generosity, magnificence, friendship, justice), they are not categorised in different groups.

(2) Both A and B: Aristotle’s argument is based on the dichotomy of the qualitative nature of persons, which he characterises as a geometrical proportionality between persons and the quantitative nature of things, which he characterises as an arithmetic equality between things. Aristotle claims the possibility and desirability of reciprocation as a synthesis of these two natures: reciprocation is the transformation of geometrical proportionality, which makes people’s association in their community, into arithmetic equality, which is to seek the medium between two extremes (i.e. excess and deficiency) themselves.

(3) Friendship: for a good society, Aristotle takes friendship more basic than justice. Aristotle considers that while both friendship and justice are required for a good society, friendship is more basic than justice for people’s association in their community.

Let us turn to the Smith’s account of ‘virtue’ and ‘justice’.

5.2 Adam Smith
For Smith, there are two kinds of virtues, corresponding to two different endeavours to be made for sympathy — i.e. the Aristotelian virtue of humanity or sensibility and the Stoic virtue of self-command. Corresponding to these two kinds of an endeavour, Smith divides virtue into two kinds — i.e. a positive virtue (i.e. beneficence) and a negative virtue (i.e. justice). And finally, through employing the rhetoric of the Ecclesiastes’ turning over, Smith persuades us to moderate our expectations of positive virtue (i.e. beneficence) and to prioritise negative virtue (i.e. justice). Let us consider Smith’s arguments on virtue and justice.

5.2.1 Splitting Endeavour for Sympathy
Like Aristotle, Smith considers that the society flourishes when its members reciprocally stand in need of assistance of each other and satisfy that need from sentiments of reciprocity:

All the members of human society stand in need of each other’s assistance, and are likewise exposed to mutual injuries. Where the necessary assistance is
reciprocally afforded from love, from gratitude, from friendship, and esteem, the society flourishes and is happy. All the different members of it are bound together by the agreeable bands of love and affection, and are, as it were, drawn to one common centre of mutual good offices (II. ii. 3. 1). (Smith, 2002 [1759], p. 100)

Human beings are all equally vulnerable, and thus need one another: one may need another for help and one may be needed by another for help. Although we require the reciprocal assistance, knowing other’s necessity is more difficult than knowing one’s own necessity. In order to realise the reciprocal assistance, we therefore have to put oneself into the other’s shoes. Smith claims the importance of sympathy, which is founded on imaginary change of situation:

In all such cases, that there may be some correspondence of sentiments between the spectator and the person principally concerned, the spectator must, first of all, endeavour, as much as he can, to put himself in the situation of the other, and to bring home to himself every little circumstance of distress which can possibly occur to the sufferer. He must adopt the whole case of his compassion with all its minutest incidents; and strive to render as perfect as possible, that imaginary change of situation upon which his sympathy is founded (I. i. 4. 6). (ibid., p. 26, italics added)

While human beings are ‘naturally sympathetic, [they] never conceive, for what has befallen another, that degree of passion which naturally animates the person principally concerned’ (ibid.). Thus, the spectator must pay efforts of putting oneself into the concerned person’s shoes and render imaginary changes of situation as perfectly as possible. Smith suggests that two different endeavours must be paid for the perfect sympathy: one is for the spectator to enter into the sentiments of the person principally concerned, and the other is for the person principally concerned to bring down their emotions to what the spectator can go along with (i.e. lowering one’s passion to other’s pitch) (ibid., p. 29). Smith clearly stresses the latter:

We expect less sympathy from a common acquaintance than from a friend: we cannot open to the former all those little circumstances which we can unfold to
the latter: we assume, therefore, more tranquillity before him, and endeavour to fix our thoughts upon those general outlines of our situation which he is willing to consider. We expect still less sympathy from an assembly of strangers, and we assume, therefore, still more tranquillity before them, and always endeavour to bring down our passion to that pitch, which the particular company we are in may be expected to go along with (I. i. 4. 9). (ibid., p. 28, italics added)

We expect less sympathy from an assembly of strangers than from a common acquaintance, and from a common acquaintance than from a friend. The less intimate we become, the more tranquillity we assume, and thus, the more effort of lowering one’s passion to others’ pitch we must make.

To feel much for others and little for ourselves, that to restrain our selfish, and to indulge our benevolent affections, constitutes the perfection of human nature; ... As to love our neighbour as we love ourselves is the great law of Christianity, so it is the great precept of nature to love ourselves only as we love our neighbour, or what comes to the same thing, as our neighbour is capable of loving us (I. i. 5. 5). (ibid., p. 30, italics added)

These two kinds of endeavours are consistent with two laws of Christianity — i.e. to love our neighbour as we love ourselves and to love ourselves only as we love our neighbour. Smith also here stresses the latter and claims that not the former but rather the latter constitutes the perfection of human nature. Smith claims that two different sets of virtues are founded on the two different endeavours argued. ‘The soft, the gentle, the amiable virtues, the virtues of candid condescension and indulgent humanity, are founded upon the one: the great, the awful and respectable, the virtues of self-denial, of self-government, of that command of the passions which subjects all the movements of our nature to what our own dignity and honour, and the propriety of our own conduct require, take their origin from the other (I. i. 5.1). (ibid., p. 29, italics added)
5.2.2 Beneficence and Justice

Corresponding to the two kinds of endeavours, Smith divides the virtue into two kinds — i.e. beneficence and justice. Beneficence, which is based on an Aristotelian virtue of sensibility or humanity, seems to deserve the highest reward, whereas justice, which is based on the Stoic virtue of self-command, seems scarce to deserve any reward. There is a propriety in the practice of justice. ‘But as it does no real positive good, it is entitled to very little gratitude. Mere justice is, upon most occasions, but a negative virtue, and only hinders us from hurting our neighbour’ (ibid., p. 95, italics added). Unlike the rules of beneficent we must always fulfil by being productive of the greatest good, ‘[w]e may often fulfil all the rules of justice by sitting still and doing nothing’ (ibid., p. 96, italics added).49 Smith, hereafter, explains about the natures of ‘justice’ as a negative virtue in contrast with the natures of ‘beneficence’ as a positive virtue.50

(a) Freedom and Obligation

On the one hand, beneficence is a virtue, which cannot be obtained by force. ‘Beneficence is always free, it cannot be extorted by force, the mere want of it exposes to no punishment; because the mere want of beneficence tends to do no more real positive evil’ (ibid., p. 91). On the other hand, justice is a virtue, ‘of which the observance is not left to the freedom of our own wills, which may be extorted by force, and of which the violation exposes to resentment, and consequently to punishment’ (ibid., p. 93). Because ‘the violation of justice is the injury: it does real and positive hurt to some particular persons, from motives which are naturally disapproved of’ (ibid.). While the lack of beneficence can neither be refused by force nor be punished, the lack of justice must be refused by force and be punished.

As for the retaliation and the obligation for return, Smith suggests, on the one hand, that a positive [negative] virtue is to be returned for a positive [negative] virtue. ‘As every man doth, so shall it be done to him, and retaliation seems to be the great law

49 I am indebted to Arie (1990) for understanding the basic scheme of positive and negative virtues within Smith.

50 Smith explains that the word ‘justice’ in Greek has several different meanings: one is ‘distributive justice’, which consists in proper beneficence and the other is ‘commutative justice’ which consists in abstaining from what is another’s, and in doing voluntarily whatever we can with propriety be forced to do (VII. ii. 1. 10). (ibid., pp. 318-9) Smith suggests that beneficence belongs to the former, whereas justice belongs to the latter.
which is dictated to us by Nature. Beneficence and generosity we think due to the generous and beneficent’ (ibid., p. 96, italics added). Likewise, an eye to an eye, and a tooth to a tooth, for the case of a negative virtue. Smith suggests, on the other hand, that the obligation for return is a criterion for making a distinction between beneficence and justice: whilst reciprocity is not obligated in beneficence, it is obliged in justice. Beneficence, however, has an exception, namely gratitude: we are obliged to return our gratitude:

But of all the duties of beneficence, those which gratitude recommends to us approach nearest to what is called a perfect and complete obligation. What friendship, what generosity, what charity, would prompt us to do with universal approbation, is still more free, and can still less be extorted by force than the duties of gratitude. We talk of the debt of gratitude, not of charity, or generosity, nor even of friendship, when friendship is mere esteem, and has not been enhanced and complicated with gratitude for good offices. (ibid., p. 92, italics added)

While we may be in debt of gratitude, we cannot be in debt of charity, generosity, and friendship. Thus, the reciprocity of beneficence is not the exchange of like for like (e.g. an eye to an eye, a tooth to a tooth), but may be the exchange of unlike for unlike (e.g. a gratitude for a charity, a generosity, a friendship).

(b) Inaccurate and Accurate
The rules of beneficence are inaccurate: ‘the general rules which determine what are the offices of prudence, of charity, of generosity, of gratitude, of friendship, are in many respects loose and inaccurate’ (ibid., p. 202, italics added). Suppose your friend lent you money in your distress, ought you to lend his/her money back in his/her distress? Smith claims that there are no general rules to precisely answer questions — e.g. if you ought to lend money, when, how much, how long, and so on — because there are differences between your character and your friend’s, and between your circumstance and your friend’s. ‘You may be perfectly grateful, and justly refuse to lend him a halfpenny: and, on the contrary, you may be willing to lend, or even to give him ten times the sum which he lent you, and yet justly be accused of the blackest ingratitude, and of not having fulfilled the hundredth part of the obligation
you lie under' (ibid., p. 203). Thus, the general rules of beneficence, 'which ascertain the actions required by friendship, humanity, hospitality, generosity, are still more vague and indeterminate' (ibid., p. 203, italics added).

In contrast, the rules of justice are accurate: '[t]he rules of justice are accurate in the highest degree, and admit of no exceptions or modifications, but such as may be ascertained as accurately as the rules themselves, and which generally, indeed, flow from the very same principles with them. If I owe a man ten pounds, justice requires that I should precisely pay him ten pounds, either at the time agreed upon, or when he demands it' (ibid., p. 203-4, italics added).

(c) Final and Efficient Causation
On the one hand, beneficence is the final end. Smith claims that the final causation is 'the wisdom of man': it is ascribed to 'a refined and enlightened reason' of human beings, which leads us to advance the final end. For instance, a watch-maker's desire and intention lead a watch-maker to produce a watch. On the other hand, justice is the efficient end. Smith claims that the efficient causation is 'the wisdom of god': it is ascribed to the mechanism of a system. In 'the mechanism of a plant, or animal body', for instance, there are 'the two great purposes of nature (i.e. the support of individual and the propagation of species)'. In the mechanism of the watch, there are the motions of the wheels of the watch to point the hour by their spring. In the mechanism of the human bodies, there are the operations of bodies of their own accord, such as the blood circulation and the food digestion.

Smith claims, '[b]ut though, in accounting for the operations of bodies, we never fail to distinguish in this manner the efficient from the final cause, in accounting for those of the mind we are very apt to confound these two different things with one another' (ibid., p. 102, italics added). Smith suggests that the system of human nature would have been more simple and agreeable if its operations were deduced from a single principle of the final causation. But in fact, it is more complicated than its appearance, because it operations are from the compound of the final and efficient causations. Through indicating the puzzling nature of identifying causality, Smith aims to ascribe the operations of society, not to the final causation (i.e. the wisdom of man) but rather to the efficient causation (i.e. the wisdom of god). Unlike Aristotle, who considers
that the possibility of the community is identical with the full realisation of human nature, Smith considers the possibility of the society purely as a matter of the mechanism of its economic structure.

(d) Sufficient and Necessary for Society
On the one hand, beneficence is sufficient, but not necessary for the existence of society. Society may subsist, though not in the most comfortable state, without beneficence. ‘It is the ornament which embellishes, not the foundation which supports the building, and which it was, therefore, sufficient to recommended, but by no means necessary to impose’ (ibid., p. 101, italics added). On the other hand, justice is necessary for the existence of society. Society cannot subsist without justice: it must utterly be destroyed by the prevalence of injustice. ‘Justice, on the contrary, is the main pillar that upholds the whole edifice. If it is removed, the great, the immense fabric of human society ... must in a moment crumble into atoms’ (ibid.).

We have seen that Smith considers, like Aristotle, that the society flourishes when the necessary assistance is reciprocally afforded from their love, gratitude, friendship, and esteem, among the members. Unlike Aristotle, however, Smith considers that the society may still subsist without the reciprocal assistance from those positive virtues:

But though the necessary assistance should not be afforded from such generous and disinterested motives, though among the different members of the society there should be no mutual love and affection, the society, though less happy and agreeable, will not necessarily be dissolved. Society may subsist among different men, as among different merchants, from a sense of its utility, without any mutual love or affection; and though no man in it should owe any obligation, or be bound in gratitude to any other, it may still be upheld by a mercenary exchange of good offices according to an agreed valuation (II. ii. 3. 2). (ibid., p. 100, italics added)

As we have seen, Aristotle’s community is the moral community, in which people can be associated and tied together by proportionate reciprocation. Unlike Aristotle, Smith’s society is the commercial society, in which every human being ‘lives by exchanging, or becomes in some measure a merchant’ (Smith, 1993 [1776], p. 17,
italics added). In the commercial society, we expect our dinner, not from the benevolence of the butcher, the brewer, or the baker, but from their regard to their own interest. 'We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages' (ibid., p. 11, italics added).

Smith already establishes the dichotomy of the positive virtue (i.e. beneficence) and the negative virtue (i.e. justice) in the first edition of The Theory of The Moral Sentiments, and has put emphasis on the latter over the former from a Stoic virtue ethics perspective till the 5th edition. However, in the 6th edition Smith shifts to a form of Calvinism that puts even more emphasis on the latter over the former: Smith gives up the positive virtue (i.e. beneficence) and to rather seek the negative virtue (i.e. justice) as the second best.

5.2.3 The Stoic Perfect Virtue and the Calvinist Imperfect Virtue

A Smith's view of virtue is derived from the seemingly conflicting two Christian traditions — i.e. Stoicism and Calvinism. The early Smith stresses the Stoic view of perfect virtue: 'in the common degree of the moral, there is no virtue. Virtue is excellence, something uncommonly great and beautiful, which rises far above what is vulgar and ordinary (I.i.5.6)' (Smith, 2002 [1759], p. 30). This appears to entail both the amiable virtue, which consists in an extraordinary degree of sensibility, and the awful and respectable virtue, which consists in an extraordinary degree of self-command. However, Smith suggests 'two different standards' for the relationship between a human conduct and virtue: '[t]he first is the idea of complete propriety and perfection, which in those difficult situations, no human conduct ever did, or even can come up to', and '[t]he second is the idea of that degree of proximity or distance from this complete perfection, which the actions of the greater part of men commonly arrive at (I.i.5.9)' (ibid., p. 32). Thus, Smith has a double standard for the existence and the achievability of a perfect virtue: first, Smith presupposes the perfect virtue and separates it from a mere propriety, which can be possessed even by 'the most worthless of mankind'. Second, Smith explains that while it is impossible for a mankind to achieve the perfect virtue, it is possible to approach nearer to the

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51 I am indebted to Tanaka (1997) for understanding Smith's shift from the Stoic into the Calvinist.
perfection: while 'the greater part of men are incapable; and though it fails of absolute perfection', '[i]t may be a much nearer approximation towards perfection (I.i.5.8)' (ibid., p. 31). However, early Smith does not explicitly argue which virtue is achievable and which virtue is non-achievable — e.g. the respectable virtue of self-command is the achievable, whereas the amiable virtue of sensitivity is the non-achievable.

However, the late Smith critically develops the Stoic view of the perfect virtue, and claims that the respectable virtue of self-command is imperfect but attainable. Smith firstly admits that the Stoic view on virtue is not different from the Aristotelian one: 'So far the stoical idea of propriety and virtue is not very different from that of Aristotle and the ancient Peripatetics (VII.ii.1.17)' (ibid., p. 323). Then, Smith eliminates his early argument after this line and puts his new one in the 6th edition of The Theory of Moral Sentiments. Let us firstly have a look at his early argument, which has appeared from the 1st to the 5th editions and is eliminated in the 6th edition:

*What chiefly distinguished those two systems from one another was the different degrees of self-command which they required.* The peripatetics allowed of some degree of perturbation as suitable to the weakness of human nature, and as useful to so imperfect a creature as man. ... The stoics, on the contrary, demanded the most perfect apathy, and regarded every emotion that could in the smallest degree disturb the tranquillity of the mind, as the effect of levity and folly. The Peripatetics seem to have thought that no passion exceeded the bounds of propriety as long as the spectator, by the utmost effort of humanity, could sympathize with it. The Stoics, on the contrary, appear to have regarded every passion as improper, which made any demand upon the sympathy of the spectator, or required him to alter in any respect the natural and ordinary state of his mind, in order to keep time with the vehemence of its emotions. A man of virtue, they [the Stoics] seem to have thought, ought not to depend upon the generosity of those he lives with for pardon or approbation (VII.ii.1.18). (ibid. italics added)

The early Smith makes a rather clear contrast between the Aristotelian virtue of humanity and the Stoic virtue of self-command. The ancient Aristotelian school,
called the Peripatetics, on the one hand, accept the troubles due to the imperfect nature of human beings. They consider that we always ought to be passionate enough to sympathise with those who suffer. The Stoics, on the other hand, require the perfect apathy and the tranquillity of the mind. They consider that we ought not to take advantage of others' generosity. As the Stoics used to say, 'every man is, no doubt, by nature, first and principally recommended to his own care; and as he is fitter to take care of himself than of any other person, it is fit and right that it should be so. Every man, therefore, is much more deeply interested in whatever immediately concerns himself, than in what concerns any other man' (ibid., p. 96). Thus, the Stoic virtue of self-command does not depend on the other's generosity (i.e. imperfect passion) but on the self-interest (i.e. perfect apathy). In the 6th edition, however, Smith eliminates all above argument based on the Stoic view of perfect virtue, and added a Calvinist argument on virtue, as follows:

As all those who had arrived at this state of perfection, were equally happy; so all those who fell in the smallest degree short of it, how nearly soever they might approach to it, were equal miserable. As the man, they said, who was but an inch below the surface of the water, could no more breathe than he who was an hundred yards below it; so the man who had not completely subdued all his private, partial, and selfish passions, who had any other earnest desire but that for the universal happiness, who had not completely emerged from that abyss of misery and disorder into which his anxiety for the gratification of those private, partial and selfish passions had involved him, could no more breathe the free air of liberty and independency, could no more enjoy the security and happiness of the wise man, than he who was most remote from that situation. As all the actions of the wise man were perfect, and equally perfect; so all those of the man who had not arrived at this supreme wisdom were faulty, and, as some stoics pretended, equally faulty (VII.ii.1.40). (ibid., pp. 342-3, italics added)

As we have seen, early Smith assumes the non-achievable perfect virtue, but leaves the possibility to approach nearer to the perfection. In contrast, however, late Smith still assumes the non-achievable perfect virtue, and leaves no possibility (or worth) to
get closer to the perfection.\textsuperscript{52} 'As in shooting at a mark, the man who missed it by an inch had equally missed it with him who had done so by a hundred yards' (ibid.), those who approach nearer to the perfection are equally as imperfect as those who do not approach at all. This change has been caused by Smith's conversion from the Stoic view of the perfect virtue into the Calvinist view of 'the weakness and imperfection of human virtues' before the perfect god: 'Man, when about to appear before a being of infinite perfection, can feel but little confidence in his own merit, or in the imperfect propriety of his own conduct. ... To such a being, he can scarce imagine, that his littleness and weakness should ever seem to be the proper object, either of esteem or of reward (II.ii.3. an additional paragraph in the six ed.)' (ibid., p. 108, italics added). This Smith's shift makes a huge difference in the policy for a human conduct: the Stoic Smith, on the one hand, tells us that it is impossible for the imperfect human beings to acquire the perfect human virtue, but encourages them to approach to it as close as possible in practice.\textsuperscript{53} Calvinist Smith, on the other hand, tells that it is impossible for the imperfect human beings to acquire the perfect human virtue, and therefore, persuade them to approach rather to the imperfect but attainable virtue. The Smith's shift can also be found in the following added argument in the 6\textsuperscript{th} edition:

\textsuperscript{52} In contrast, Aristotle does not seem to be interested in the achievability of the perfection of virtue. 'What is contrary to brutishness might most appropriately be described as superhuman virtue, a virtue heroic and godlike; thus Homer depicts Priam saying of Hector that he was good in the extreme: 'For he seemed not to be a child of a mortal man but of a god.' So if, as they say, people become gods through superlative virtue, this must clearly be the sort of state opposed to brutishness. Just as no brute possesses vice or virtue, neither does a god; but the god's state is more honourable than virtue, while that of the brute is in a different class from vice (1145\textsuperscript{a})' (Aristotle, 2000, p. 119, italics added). In his argument, Aristotle is unclear about whether human beings can achieve the perfection of virtue. Aristotle firstly assumes a superhuman, heroic and godlike virtue, which is an extremely good state. Then, he argues about a 'godlike' discourse (i.e. a statement that 'he seems to be a child of a god') without arguing whether a godlike person is really a god (i.e. the achievability of the perfection of virtue). Aristotle argues, 'since it is unusual for a man to be a godlike (as the Spartans are wont in their dialect to call someone they particularly admire, saying 'He is godlike fellow'), so the brutish person is also uncommon among human beings. The point of Aristotle's argument is not about whether a godlike fellow is really a god (i.e. the achievability of the perfection of virtue), but about a contrast between the god and the brute.

\textsuperscript{53} Late Calvinist Smith explains the Stoics accepts a not perfectly advanced virtue: '[t]he Stoics in general seem to have admitted that there might be a degree of proficiency in those who had not advanced to perfect virtue and happiness. ... they called the imperfect virtues which they supposed them capable of exercising, no rectitudes, but proprieties, fitnesses, decent and becoming actions, for which a plausible or probable reason could be assigned. ... The doctrine of those imperfect, but attainable virtues, seems to have constituted what we may call the practical morality of the Stoics' (VII.ii.1.42) (ibid., p. 344, italics added). Thus, the Stoics accept the practical attainability of imperfect virtue, whereas the Calvinists rather stress the theological gap between the imperfect (i.e. mankind) and the perfect (i.e. the god).
If we consult our natural sentiments, we are apt to fear, lest before the holiness of God, vice should appear to be more worthy of punishment than the weakness and imperfection of human virtue can ever seem to be of reward. Man, when about to appear before a being of infinite perfection, can feel but little confidence in his own merit, or in the imperfect propriety of his own conduct. In the presence of his fellow-creatures, he may often justly elevate himself, and may often have reason to think highly of his own character and conduct, compared to the still greater imperfection of theirs. But the case is quite different when about to appear before his infinite Creator. To such a being, he can scarce imagine, that his littleness and weakness should ever seem to be the proper object, either of esteem or of reward. (ibid., p. 108, italics added)

Before the definite and imperfect fellows, human beings may often justify and underestimate their own imperfect natures, whereas before the infinite perfect God, they can rarely imagine that their imperfect natures are the proper object of esteem and reward. But instead, imperfect human beings can conceive themselves as vile as an insect instead, and urge themselves to atone for their guilt. ‘If he [a imperfect being] would still hope for happiness, he is conscious that he cannot demand it from the justice, but that he must entreat it from the mercy of God’ (ibid.). The imperfect human beings imagine that they must make ‘some other sacrifice, some other atonement’ for the purity of the divine justice. Because we can only a little depend upon ‘the imperfection of our own virtue’, we must pay ‘the most dreadful atonement’. This is the rhetoric of the Ecclesiastes’ turning over hidden in the Smithian virtue ethics. Smith starts from a picture of (1) finite imperfect human beings before the infinite perfect God, and claims that (2) their imperfect natures are the proper object of esteem and reward before God. Then (3) Smith urges human beings to make sacrifice and atonement for God, and (4) be persuaded to obey ‘the great machine of the universe (ibid., p. 24)’ without concern and to be ‘led by an invisible hand (ibid., p. 215)’. Through employing the rhetoric of the Ecclesiastes’ turning over, Adam Smith has completed his Stoic/Calvinist virtue based justification of wealth.
5.3 Comparison between Aristotle and Smith

Before criticising the Smithian virtue-based justifications of money, let us summarise the contrast between Aristotle’s and Smith’s virtue ethics in respect of their different conceptions of virtue and justice:

5.3.1 ‘One Virtue’ or ‘Two Virtues’

Aristotle does not divide the virtue, whereas Smith splits virtue into two kinds. For Aristotle, on the one hand, the virtue is a good state, which can be a constitutive condition for performing certain characteristic activity. The virtue of character is a mean between two vices, one of excess and one of deficiency. While there are many different forms of virtue (e.g. happiness, generosity, magnificence, friendship, justice), they are not categorised in different groups. For Smith, on the other hand, there are two kinds of virtues, corresponding to two different endeavours to be made for sympathy — i.e. the Aristotelian virtue of humanity or sensibility and the Stoic virtue of self-command. The Aristotelian virtue accepts the troubles due to the imperfect nature of human beings. Accordingly, we always ought to be passionate enough to sympathise with those who suffer. The Stoic virtue requires the perfect apathy and the tranquillity of the mind. Accordingly, we ought not to take advantage of other’s generosity. These two kinds of endeavours are consistent with two laws of Christianity — i.e. to love our neighbour as we love ourselves and to love ourselves only as we love our neighbour.

5.3.2 ‘Both A and B’ or ‘Either A or B’

While both Aristotle’s and Smith’s arguments are based on a dichotomy, Aristotle makes a case of both A and B, whereas Smith makes a case of either A or B. Aristotle’s argument is based on the dichotomy of the qualitative nature of persons, which he characterises as a geometrical proportionality between persons and the quantitative nature of things, which he characterises as an arithmetic equality between things. Aristotle claims the possibility and desirability of reciprocation as a synthesis of these two natures: reciprocation is the transformation of geometrical proportionality, which makes people’s association in their community, into arithmetic equality, which is to seek the medium between two extremes (i.e. excess and deficiency) themselves. In contrast, Smith’s argument is based on the dichotomy of the following two virtues: one is a positive virtue (i.e. beneficence) and the other is a
negative virtue (i.e. justice). Smith divides the virtue into the perfect but non-achievable virtue and the imperfect but attainable virtue, and puts emphasis on the latter over the former.

5.3.3 Friendship or Justice
Both Aristotle and Smith consider that the society flourishes when the necessary assistance is reciprocally afforded from the virtues, such as love, gratitude, friendship, and esteem. However, for a good society, Aristotle takes friendship to be more basic than justice, whereas Smith takes justice as more basic than friendship: Aristotle, on the one hand, considers that while both friendship and justice are required for a good society, friendship is more basic than justice for people’s association in their community. Smith, on the other hand, considers that while the society may still subsist without a positive virtue of beneficence, it cannot subsist without a negative virtue of justice (i.e. justice is more basic than friendship for the subsistence of the society). Through employing the rhetoric of the Ecclesiastes’ turning over, Smith persuades to moderate our expectations of positive virtue (i.e. beneficence) and to prioritise negative virtue (i.e. justice).

5.4 Against Smithian Justifications of Money
In the 6th edition of The Theory of Moral Sentiments, Smith adds a chapter on the compatibility between wealth and virtue, in which two faces of Smith corresponding to his conversion can successively be found — i.e. Stoic Smith and Calvinist Smith:

Two different roads are presented to us, equally leading to the attainment of this so much desired object; the one, by the study of wisdom and the practice of virtue; the other, by the acquisition of wealth and greatness. Two different characters are presented to our emulation; the one, of proud ambition and ostentatious avidity; the other, of humble modesty and equitable justice. ... though, I am afraid, but a small party, who are the real and steady admirers of wisdom and virtue. The great mob of mankind are the admirers and worshippers, and, what may seem more extraordinary, most frequently the disinterested admirers and worshippers, of wealth and greatness (I. iii. 3. 5). (Smith, 2002 [1759], p. 73, italics added)
Stoic Smith considers that only a small party goes along the road to virtue, whereas the great mob of mankind goes along the road to wealth. From a Stoic virtue of self-control perspective, Smith regrets that 'the respectful attentions of the world more strongly directed towards the rich ad the great, than towards the wise and the virtuous' (ibid.). But in contrast, Calvinist Smith always tells us good news:

*In the middling and inferior stations of life, the road to virtue and that to fortune*, to such fortune, at least, as men in such stations can reasonably expect to acquire, *are*, happily in the most case, *very nearly the same*. In all the middling and inferior professions, real and solid professional abilities, joined to prudent, just, firm, and temperate conduct, can very seldom fail of success. ... In such a situation, therefore, we may generally expect a considerable degree of virtue; and, fortunately for the good morals of society, *these are the situations of by far the greater part of mankind* (I. iii. 3. 5). (ibid., p. 74, italics added)

In the middling and inferior stations of life, the road to virtue and the road to wealth are happily the same, whereas in the superior stations of life, they are unhappily not always the same. However, the greater part of mankind is in such a situation of being on the road to wealth happily coincides with the road to virtue.54 Smith develops similar lines of argument for the compatibility between wealth and virtue in *The Wealth of Nations*. The arguments in the *Wealth of Nations* focus in particular on the virtues of independence and freedom. Let us, in the final section, critically assess these particular Smithian virtue-based justifications of money.

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54 Stoic Smith, however, appears again: 'the greater part of men are proud to imitate and resemble them [the rich and great] in the very qualities which dishonour and degrade them' (ibid., p. 75); 'the candidate for fortune too frequently abandon the paths of virtue; for unhappily, the road which leads to the one, and that which to the other, lie sometimes in very opposite' (ibid., p. 76). It is not the case that late Smith totally denies early Smith as the Stoic, but critically develops it and establishes his Stoic/Calvinist perspective.
5.4.1 Money Promotes Independence

A virtue-based justification of money for promoting the independence can be found in Adam Smith’s argument on virtues of commercial society. In a pre-commercial (i.e. feudal) society, the relations between the landlord and the tenant exhibit ties of personal dependence: the landlord must feed a hundred or a thousand of the dependants (i.e. tenants and retainers), and the dependants ‘must obey him, for the same reason that soldiers must obey the prince who pays them’ (Smith, 1993 [1776], p. 107). ‘The occupiers of land were in every respect as dependent upon the great proprietor as his retainers’ (ibid., p. 108). In a commercial society, however, a wealthy person does not have to feed, but can indirectly maintain many people through the monetary exchange: ‘a man of ten thousand a year can spend his whole revenue, and he generally does so, without directly maintaining twenty people, or being able to command more than ten footmen not worth the commanding. Indirectly, perhaps, he maintains as great or even a greater number of people than he could have done by the ancient method of expense’ (ibid., p. 110, italics added). ‘By paying that price he [the wealthy] indirectly pays all those wages and profits and thus indirectly contributes to the maintenance of all the workmen and their employers’ (ibid., p. 111). That is, the relations between the employer and the worker no longer exhibit ties of personal dependence: the personal independence between the wealthy and the poor can be maintained indirectly. ‘Though he [the wealthy] contributes, therefore, to the maintenance of them [the workmen] all, they are all more or less independent of him, because generally they can all be maintained without him’ (ibid., italics added). The wealthy can maintain an even greater number of people in a commercial society than in a pre-commercial society. Each tradesman can make living, not due to a single wealthy person, but due to many customers instead. ‘Though in some measure obliged to them [customers] all, therefore, he [a tradesman] is not absolutely dependent upon any one of them’ (ibid., italics added).

Smith considers that economic independence is rather compatible with personal independence: the former indirectly results in the latter. However, Smith’s ‘economic independence’, which indirectly results in the personal independence, is not a real and whole independence: the ‘economic independence’ is founded on ‘objective dependence’ on money itself. The point is one developed by Kant. Kant argues that fortune, which consists of money and goods, has an advantage of making us
independent from others. If we have money, we do not need others and their help. Money makes us independent because we do not need to rely on begging but rather only on buying. However, money makes us independent only in respect of our financial condition. Those who are financially independent from others appear to be more respectful than those who are dependent on others. Because money makes us economically independent, rich people appear to be noble — e.g. they can have great influence upon the social structure and the general welfare. They can also provide others' occupation. This does not entail, however, that money makes the rich themselves noble: money makes their circumstances noble. The standing of those with money renders them dependent on money itself.

Since, then, money makes one independent, one gains respect by the possession of it; one has worth, needs no one and depends on no one. But in making us independent of others, money in the long run makes us dependent upon itself; it frees us from others in order to enslave us. The worth which springs from independence is only negative; the positive value of wealth arises from the power which wealth gives us. Money gives me the power to use the powers of others in my service. (Kant, 1979 [1780-1], p. 177, italics added)

As money makes us independent from one another, it makes us dependent on money. Marx develops a similar line of argument that personal independence promoted to economic individuals by money is based on objective dependence. While money makes us become personally independent, it makes us objectively dependent on money:

In the money relation, in the developed system of exchange (and this semblance seduces the democrats), the ties of personal dependence, of distinctions of blood, education, etc. are in fact exploded, ripped up (at least, personal ties all appear as personal relations); and individuals seem independent (this is an independence which is at bottom merely an illusion, and it is more correctly called indifference), free to collide with one another and to engage in exchange within this freedom; but they appear thus only for someone who abstracts from the conditions, the conditions of existence within which these individuals enter into contract (and these conditions, in turn, are independent of the individuals
and, although created by society, appear as if they are natural conditions, not controllable by individuals). (Marx, 1973 [1857-8], pp. 163-4)

What money promotes appears to be 'independence', but it is in fact 'indifference'. As money promotes 'personal independence' for economic individuals, it renders the employer indifferent to workers such that it treats them purely through their homogeneous properties, namely labouring powers, and makes them objectively dependent on money instead. 'The worker becomes (objectively) dependent not on an individual, since the particular person to whom the worker sells his or her labor is indifferent, but rather on the system of capital' (Gould, 1978, p. 17).

5.4.2 Money Promotes Freedom
A Smithian virtue-based justification of money on the ground that it promotes freedom can be found in the same argument for justification of the independence: 'commerce and manufactures gradually introduced other and good government, and with them, the liberty and security of individuals, among the inhabitants of the country, who had before lived almost in a continual state of war with their neighbours, and of servile dependency upon their superiors' (Smith, 1993 [1776], p. 107, italics added). Smith suggests that commerce promotes freedom in terms of being emancipated from a state of war with neighbours and from the domination of superiors. Smith also considers that the liberty and security of individuals are rather compatible with the welfare of the public: the former indirectly results in the latter:

A revolution of the greatest importance to the public happiness, was in this manner brought about by two different orders of people, who had not the least intention to serve the public. To gratify the most childish vanity was the sole motive of the greatest proprietors. The merchants and artificers, much less ridiculous, acted merely from a view to their own interest, and in pursuit of their own pedlar principle of turning a penny wherever a penny was to be got. Neither of them had either knowledge or foresight of that great revolution which the folly of the one, and the industry of the other, was gradually bringing about. (ibid., pp. 112-3, italics added)
Smith gives a reason for the compatibility between wealth seeking and moral virtue, from a viewpoint that acting from one's self interest indirectly promotes the public happiness, which is made of individual's independence and freedom from each other.

While commerce may indirectly promote the negative feature of freedom (e.g. the freedom from a state of war with neighbours and from the domination of superiors), it does not promote, and even impedes the positive feature of freedom (e.g. the freedom to help others or to realise one's potentiality). Because the spirit of commerce is fundamentally incompatible with the spirit of altruism. Montesquieu, a contemporary as Smith in the 18th century, argues as follows:

Peace is the natural effect of trade. Two nations who traffic with each other become reciprocally dependent; for if one has an interest in buying, the other has an interest in selling: and thus their union is founded on their mutual necessities. But if the spirit of commerce unites nations, it does not in the same manner unite individuals. We see that in countries where the people move only by the spirit of commerce, they make a traffic of all the humane, all the moral virtues; the most trifling things, those which humanity would demand, are there done, or there given, only for money. The spirit of trade produces in the mind of a man a certain sense of exact justice, opposite, on the one hand, to robbery, and on the other to those moral virtues which forbid our always adhering rigidly to the rules of private interest, and suffer us to neglect this for the advantage of others. (Montesquieu, 1914 [1748], Book XX, Chapter 2, italics added)

Nations are instrumentally reciprocal through trade in respect that nations are related with each other from their own self-interest. Nations are free from an unequal relationship of domination — i.e. nations can freely trade each other, freely agree on pricing, and freely choose to serve the other in order to serve one's own purposes. But this instrumental reciprocity is incompatible with a real sense of mutuality, which involves the mutual enhancing relationship between free individuals — i.e. individuals recognise each other not as a means or an instrumental value, but as an end or a final value, and freely help each other to enhance other's freedom.

55 See 6.2 for further arguments on the difference between instrumental reciprocity and mutuality.
Marx similarly argues that Smith assumes an instrumental and negative account of freedom:

'Tranquillity' appears as the adequate state, as identical with 'freedom' and 'happiness'. It seems quite far from Smith's mind that the individual, 'in his normal state of health, strength, activity, skill, facility', also needs a normal portion of work, and of the suspension of tranquillity. Certainly, labour obtains its measure from the outside, through the aim to be attained and the obstacles to be overcome in attaining it. But Smith has no inkling whatever that this overcoming of obstacles is in itself a liberating activity — and that, further, the external aims become stripped of the semblance of merely external natural urgencies, and become posited as aims which the individual himself posits — hence as self-realisation, objectification of the subject, hence real freedom, whose action is precisely labour. (Marx, 1973 [1857-8], p. 611)

This passage highlights the different conceptualisations of freedom defended by Smith and Marx (Gould, 1978, pp. 101-4): for Smith, freedom is identical with 'tranquillity' or 'absence of toil' as an adequate state. This entails a negative feature of freedom and labour: freedom is to be free from externally forced labour (e.g. slave-labour, serf-labour, wage-labour). For Marx, in contrast, freedom is a liberating activity of overcoming of obstacles to attain the aim, which is not the external aim, but the internal aim of self-realisation (i.e. the intrinsic telos). This entails a positive feature of freedom and labour: freedom is a free activity or labour to achieve the internal aim of self-realisation. Thus, a Smithian virtue-based justification of money fails: while money may promote the negative feature of freedom, it does not promote, and even impedes the positive feature of freedom.
5.5 Conclusion

In this chapter, I have examined the most notable virtue-based justification of money, which can be formed on Smithian lines. We have seen that, corresponding to the Ecclesiastes’ turning over the nihilism for money into the affirmation of the meaningless life and world, Adam Smith abolishes the Stoic view of perfect virtue and employs the Calvinist view of imperfect but attainable virtue. The conversion has lead Smith to moderate his expectations of positive virtue (e.g. personal independence, positive freedom), and to prioritise negative virtue (e.g. economic independence, negative freedom). While Smithian virtue ethics rather impedes the possible excellence of human virtues, Aristotelian virtue ethics help us to seek the spirit of altruism as the first priority. In the next chapter, we explore this Aristotelian thought in more detail through an examination of the importance and the possibility of altruistic gift giving.
CHAPTER 6: ALTRUISTIC GIFT GIVING

To emerge from self, to give, freely and obligatorily. (Mauss, 2000, p. 71)

6.0 Introduction

The act of giving is paradoxical in that it is voluntary and obligatory at the same time. Even though the giver does not expect any return from the receiver, the giver may feel some kind of superiority over the receiver, and the receiver may feel some kind of debt to the giver. The act of giving is paradoxical in that it is one sided and mutual at the same time. While a gift is transferred in one direction from the giver to the receiver, their identities may be defined from one another as the superior and the inferior, or the creditor and the debtor. These paradoxical natures inherent within the act of giving have been defended since long ago (cf. Imamura, 2000):

And I say, o Subhuti, that a bodhisattva performs the act of giving without staying in things. They perform the act of giving without staying in any object at all. They perform the act of giving without staying in things that you see. They perform the act of giving without staying in sounds, and without staying in smells, or in tastes, or things that you touch, or in objects of the thought. O Subhuti, bodhisattvas perform the act of giving without conceiving of any thing in any way as a sign. That is how they give. Why is it so? Think, o Subhuti, of the mountains of merit collected by any bodhisattva who performs the act of giving without staying. This merit, o Subhuti, is not something you could easily ever measure. … it would be no easy thing to measure the mountains of merit collected by any bodhisattva who performs the act of giving without staying.

(The Diamond Cutter, Section 4, italics added)

The Diamond Cutter is a Buddhist Mahayana Sutra known as enlightening an ‘empty’ state of mind — i.e. a state in which there is nothing, and there is not nothing, either. It tells that the great beings perform the act of giving without conceiving of their performance as the act of giving. It is not the case that they perform the act of giving, nor do they not perform the act of giving, either: they do it without conceiving it as an act of giving. Because the great beings ‘never slip into any conception of a thought as a conception, nor do they slip into any conception of a thought as not being a
conception. Why is it so? Because if ... these bodhisattvas who are great beings slip into any conception of things as things, then they would grasp these same things as being a “self”; they would grasp these same things as being a living being; they would grasp these same things as being something that lives; they would grasp them as a person. And even if they were to slip into thinking of them as not being things, they would grasp them as being a “self”; as being a living being; and as being something that lives; and as being a person’ (ibid., Section 6). While it sounds complicated, it is quite simple in practice: they can simply perform the act of giving without sticking to the form of their act, without sticking to what is given, without sticking to the superiority/inferiority or credit/debt relationship.56

The Diamond Cutter does not aim to show the impossibility of the act of giving, but, on the contrary, to demonstrate the possibility of gift giving by achieving the ‘empty’ state of mind. Due to the paradoxical natures of gift giving, however, the argument that ‘the gift is impossible’ dominates recent theories of the gift in economics, anthropology and philosophy. Moreover in practice, we take gift giving (e.g. grants, awards, charity, donations, Christmas gifts) so much for granted that we never ask ourselves if it is ethically right, or how we really do it. That is, we practice it without fully knowing what it is and how it is possible. Thus, this chapter aims to defend the importance and possibility of altruistic gift giving from both theoretical skepticism and practical indifference. The chapter is structured as follows:

1. We first consider Gregory’s distinction between commodity exchange and gift exchange. According to Gregory’s concept of gift exchange, the giver is taken to have ‘some kind of superiority (e.g. political control, power, status, prestige)’ over the receiver.

2. We then examine the ways in which the act of giving involves different kinds of social relations — i.e. domination, instrumental reciprocity and mutuality. Gift giving does not exclude the possibility of non-reciprocal mutuality in gift giving of the kind described by Titmuss, in which the giver is supposed to make no obligation for return to the receiver.

56 Let us try a bicycle metaphor: as those who get used to riding a bike do not often conceive of the existence of bike or the fact of riding a bike even when they ride a bike, the great beings do not conceive of gift giving even when they do it.
3. Finally we consider recent skepticism about, and criticism of, altruistic gift giving, and develop a response to these skeptical moves from a perspective of a particular egalitarian mutualist form of Aristotelian virtue ethics.

These arguments pave the way for exploring the importance and the possibility of altruistic gift giving.

6.1 Commodity Exchange and Gift Exchange

According to Gregory, 'commodity exchange is an exchange of alienable objects between people who are in a state of reciprocal independence that establishes a quantitative relationship between the objects exchanged, whereas gift exchange is an exchange of inalienable objects between people who are in a state of reciprocal dependence that establishes a qualitative relationship between the subject transacting' (Gregory, 1982, pp. 100-1; 1983, p. 104, italics added). This account involves three crucial distinctions between the two modes of exchange:

(1) Reciprocal independence/reciprocal dependence. Transactors are in a state of 'reciprocal independence' if they are strangers or aliens, whereas they are in a state of 'reciprocal dependence' in a clan based economy. 'This distinction between dependence and independence should be seen as the extreme points on a continuum: as one moves from one extremity to another, the degree of dependence changes' (ibid., 1982, p. 42).

(2) Alienability/inalienability. Commodities are alienable objects transacted by aliens, whereas gifts are inalienable objects transacted by non-aliens. In commodity exchange social relations between transactors are objectified as a quantitative relation between the objects rather than subjects. In gift exchange things to be exchanged as gifts are personified or anthropomorphised between subjects. Marx calls this the 'fetishism' (i.e. objectification or reification) of commodities: the tendency for relations between people in a capitalist society to assume 'the fantastic form of a relation between things' (ibid., p. 45).
A quantitative relationship between the objects and a qualitative relationship between the subjects. Commodity exchange establishes quantitative relations (i.e. relative prices) between the objects. Suppose two transactors, A and B, exchange two commodities, C₁ and C₂, the exchange appears as one transaction as follows:

A — (C₁) —> B
A <— (C₂) — B

A gives B a commodity, and B gives A another commodity in exchange, which establishes the quantitative exchange relation between the objects: one unit of C₁ is equal to one unit of C₂. Gift exchange, by contrast, establishes qualitative relations (i.e. kinship) between the transactors. Suppose two transactors, A and B, exchange two gifts, G₁ and G₂, the exchange appears as two transactions as follows:

A — (G₁) —> B — (G₂) —> A

When A gives B a gift, B gives A another gift in exchange. This does not establish the quantitative exchange relation between the objects, but it does establish the gift-debt relationship between transactors: A is the creditor and B is the debtor in G₁; B is the creditor and A is the debtor in G₂. The one exchange consists of two transactions and the transactors become mutually indebted to each other. Gregory claims that the gift-debt relationship can only be cancelled by reversing the exchange, i.e. by B returning G₁ to A and A returning G₂ to B.

For Gregory the distinction between commodity exchange and gift exchange can be summed up as the difference between 'value (exchange-ratio)' and 'rank (exchange-order)'. Commodity exchange is the exchange of unlike-for-unlike, which establishes a relation of equality between the objects exchanged. In commodity exchange, two heterogeneous things are treated as equivalent by being equal to the third thing, the common measurement of value. Gift exchange, by contrast, is the exchange of like-for-like, which establishes an unequal relationship of domination between the
transactors. The giver is regarded as having 'some kind of superiority' over the receiver such as political control or simply prestige.

Gregory considers the way in which a given form of 'kinship distance (e.g. strangers, aliens, friends, family)' influences and determines a state of relationship (i.e. reciprocal independence/dependence) and a transaction mode (i.e. commodity exchange/gift exchange) — i.e. transactors have commodity exchange in a state of 'reciprocal independence' if they were strangers or aliens, whereas transactors have gift exchange in a state of 'reciprocal dependence' if they were family or friends in a clan based economy. However, Gregory does not argue the opposite case: 'kinship distance' between transactors may be influenced and determined by the state of relationship between them and the transaction mode they take. Sahlins suggests that the structure of 'kinship distance' enforces reciprocity in communities with established kinship rank, whereas reciprocity may affect kinship ranking in communities with not yet established kinship ranking:

[R]eciprocity is more or less engaged in the formation of rank itself, as a "starting mechanism". The connection between reciprocity and rank is brought to bear in the first case in the form, "to be noble is to be generous", in the second case, "to be generous is to be noble". The prevailing rank structure influences economics relations in the former instances; the reciprocity influences hierarchical relations in the latter. (Sahlins, 1974, p. 207)

The former implies the case that the social distance influences and determines a form of sociality — e.g. 'unto a stranger thou mayest lend upon usury; but unto thy brother thou shalt not lend usury (Deuteronomy)'; 'neighbors should be friendly and mutually trustful, whereas people from far-off are dangerous and unworthy of morally just consideration (Oliver)' (both in Sahlins, 1974, p. 191). In the former case, for instance, a close distance causes mutuality, whereas a far-off distance causes instrumental reciprocity. In contrast, the latter implies the case that a form of sociality influences and determines the social distance — e.g. 'It is a sacrilege, says Tacitus, for a German to shut his door against any man whomsoever, whether known or unknown. He who has behaved with hospitality to a stranger goes to show him another house where this hospitality is also practised; and he is there received with the same humanity'
(Montesquieu, 1914 [1748], Book XX, Chapter 2, italics added). In the latter case, for instance, mutuality reduces the social distance. In the next section, we will consider the latter case — i.e. a form of sociality (i.e. domination, instrumental reciprocity and mutuality) as a ‘starting mechanism’ for the gift relationship.

6.2 Three Forms of Sociality
Let us firstly consider Carol Gould’s three forms of sociality corresponding to three historical stages (Gould, 1978):

(1) Relations of Personal Dependence in Pre-capitalist Society
Relations of personal dependence are unequal, involving domination — e.g. between master and slave, between lord and serf. Individuals are personally dependent on one another in accordance with their status, role, and function within the community. They are internal relations: individuals are internally related with each other. For instance, in the master-slave relation, the master is a master only in and through one’s relation to the slave, and vice versa. Hence, they are reciprocal in respect that the master and the slave reciprocally require each other to constitute the unequal relationship of domination as exhibited in Hegel’s master-slave dialectic: the domination of master is a constitutive feature of the slave to be a slave, as the subordination of slave is a constitutive feature of the master to be a master. The term ‘domination’ entails a relationship between one who dominates and one who is dominated, as the relative term ‘larger than’ entails a relation between something that is larger and another thing that is smaller.

(2) Relations of Personal Independence Founded on Objective Dependence in Capitalism
Relations of personal independence involves monetary exchange — e.g. between seller and buyer, between producer and consumer. While individuals are personally independent of one another, they are objectively dependent on one another in accordance with the values of commodities they exchange. Relations of exchange are

57 However, relations of personal dependence are non-reciprocal in respect of unequal relations: the master stands in the relation of domination to the slave, whereas the slave stands in relation of subordination to the master; the master enters into the relation freely, whereas the slave enters into the relation under constraint; the master, in being a master, regards the slave as dependent, whereas the slave, in being a slave, regards the master as independent.
external relations: individuals are externally related with each other through commodities they exchange in the market — e.g. if the seller cannot find another who buys his/her own commodity, the seller cannot enter into the relationship with the buyer, and cannot be a seller, and vice versa. Hence, they are reciprocal: they are 'instrumentally reciprocal' in the sense that each agent enters into the relationship to use others as a mean for their own purposes (i.e. from their self-interest). Individuals freely enter into the exchange relationship, freely agree on the equivalence of value in commodities they exchange, and freely choose to serve the other in order to serve one's own purposes.

(3) Relations of Free Social Individuality in a Communal Society of the Future

Relations of free social individuality are the mutually enhancing relationships between free individuals. Individuals are both personally and objectively independent of one another. Individuals are related internally and directly with each other. They are not reciprocal since they do not expect any equivalent return from each other. But they are mutual in the sense that each individual recognises the freedom of others, and acts so as to enhance the freedom of others, which is the fullest self-realisation of social individuals: it is not the negative freedom or 'freedom from' — i.e. 'the absence of external constraint' — but the positive freedom or 'freedom to' — i.e. 'the overcoming of the external constraint'. 'Mutuality' goes beyond the Hegel's master-slave dialectic in that (i) individuals are equal; (ii) each individual freely enters into the relation with others freely; (iii) individuals are equally independent from one another. Besides, mutuality goes beyond the 'instrumental reciprocity' in that each individual recognises others not as a means or an instrumental value, but as an end or a final value.

These three kinds of social relation are hereafter called, domination, instrumental reciprocity and mutuality. Let us consider the way in which each form of sociality involves a social relationship through the act of giving.

58 Gould argues that they are also 'formally or abstractly reciprocal' in the sense that the reciprocity between exchanging agents is based on the abstract equivalence of value between commodities.
Domination involves the unequal relationship between the giver and the receiver — i.e. the act of giving takes a competitive form of assertion, and establishes the moral and political unbalance between the superior and the inferior. Aristotle argues that giving implies doing good and doing noble actions, while taking implies receiving good or not doing what is shameful (ibid., p. 61, italics added), and suggests that the effort to be paid for realising reciprocity is helping (i.e. giving) others and asking (i.e. receiving) for nothing:

He [a great-souled person] is the sort of person to do good, but is ashamed to be a beneficiary himself, since doing good is characteristic of a superior, receiving it of an inferior. And he will repay benefits with interest, so that his original benefactor, in addition to being paid, will have become a debtor and a beneficiary. Great-souled people seem also to remember any benefits they have conferred, but not those they have received (since a beneficiary is inferior to a benefactor, and he wishes to be a superior), and to hear of the former with pleasure, the latter with displeasure (1124b). (Aristotle, 2000, p. 70, italics added).

Aristotle firstly suggests that the reciprocal relationships between givers and receivers are not equal: the characteristics of a great-souled person, for Aristotle, are to ask for (almost) nothing, but to help others readily, because giving leads us to be a better disposition of a character than receiving. Aristotle secondly suggests that being great-souled is an aristocratic virtue available only for the rich but not for the poor: Aristotle suggests that giving and receiving good includes giving and receiving wealth.

Moreover, the act of giving is to discursively perform the unequal relationship of domination between the giver and the receiver. Being resonant with this Aristotle's view, Marcel Mauss claims that the act of giving is aimed to display not only generosity but also greatness:

The act of giving itself assumes very solemn forms: the thing received is disclaimed and mistrusted; it is only taken up for a moment, after it has been cast at one's feet. The giver affects an exaggerated modesty: having solemnly
brought on his present, to the sound of a seashell, he excuses himself for giving only the last of what remains to him, and throws down the object to be given at the feet of his rival and partner. However, the seashell and the herald proclaim to everybody *the solemn nature of this act of transfer*. The aim of all this is *to display generosity, freedom, and autonomous action, as well as greatness*. Yet, all in all, it is *mechanisms of obligation, and even of obligation through things, that are called into play*.

(Mauss, 2000, pp. 22-3, italics added)

Mauss suggests that we *make the performance of giving* in very solemn forms — e.g. the thing to be given/received is disclaimed and mistrusted; the giver puts on an exaggerated modesty; the act of transfer takes procedures. Thus, it is not (only) the case of whether the giver is the superior and the receiver is the inferior, but (also) the case that the act of giving is *to discursively perform* the moral unbalance: through performing the act of giving, the giver perceives him/herself as the superior (e.g. great-souled, magnanimous) and the receiver as the inferior (e.g. petty, little):

Between chiefs and vassals, between vassals and their tenants, through such gifts a hierarchy is established. To give is to show one’s superiority, to be more, to be higher in rank, *magister*. To accept without giving in return, or without giving more back, is to become client ad servant, to become small, to fall lower (*minister*). (ibid., p. 74)

The act of giving is to perform not only the moral unbalance but also the political unbalance: through performing the act of giving, the giver perceives him/herself as the higher and the receiver as the lower in rank. The mere fact of *having the thing* puts the recipients *in an uncertain state of quasi-culpability of spiritual inferiority and moral inequality* in relation to the one delivering the contract (ibid., p. 52).
6.2.2 Instrumental Reciprocity

Instrumental reciprocity involves the credit-debt relationship between giver and receiver — i.e. the act of giving takes a Gregory's form of gift exchange, and establishes the religious and economic dependence between creditor and the debtor. Mauss assumes that there are two kinds of the contractual relationship: (A) between the human beings and the gods, and (B) between the human beings (ibid., p. 15), and demonstrates that the human beings requires the former (i.e. the relationship with the gods) in order to have the latter (i.e. the relationship with other human beings):

One of the first groups of beings with which men had to enter into contract, and who, by definition, were there to make a contact with them, were above all the spirits of both the dead and of the gods. Indeed, it is they who are the true owners of the things and possessions of this world. With them it was most necessary to exchange, and with them it was most dangerous not to exchange. Yet, conversely, it was with them it was easiest and safest to exchange. (ibid., p. 16, italics added)

Human beings should prioritise their contractual relationship with the gods, namely the true owners of the things and possessions of this world. It is the most dangerous for the human beings not to exchange with the gods. Mauss suggests that the act of giving originates, not in a state of 'reciprocal independence' between equal individuals or groups of human beings, but in a state of 'reciprocal dependence' between human beings and the gods. Developing Mauss' argument, Hitoshi Imamura, a Japanese social theorist and historian, rephrases these two kinds of the contractual relationship as (a) the relation with 'outside' and (b) the relation within 'inside' (Imamura, 2000). Besides, he argues that the former precedes the latter, because the latter (the relation within 'inside') is created by being in the former (i.e. the relation with 'outside') — i.e. there can be no 'inside' without 'outside'.

Imamura cites the following argument by Mauss:

59 'This evolution was the natural one' (ibid.). While Mauss describes the evolution of the act of giving from the former (i.e. the relationship with the gods) into the latter (i.e. the relationship with other human beings) was natural, he does not specify in what sense natural (e.g. normal, not social but physical, not learned but inherent, spontaneous).

60 Imamura argues that the relation with 'outside' human beings, what he calls the 'non- or extra-human beings', cannot be lacked for the relations between human beings (Imamura, 2000, pp. 145-6). According to Imamura, the 'non- or extra-human beings' can be named whatever as 'the nature', 'the nature'.
It is believed that purchase must be made from the gods, who can set the price of things. ... the owner must "purchase" from the spirits the right to carry out certain actions on "his" property, which is really theirs. Before cutting "his" wood, before even tilling "his" soil or plating the upright post of "his" house, the gods must be paid. Whereas the idea of purchase even seems very little developed in the civil and commercial usage of the Tradja, on the contrary this idea of purchase from the spirits and the gods is utterly constant. (Mauss, 2000, p. 16)

Mauss describes in market rhetoric that before carrying out certain actions with what the gods possess, such as 'wood', 'soil' and 'house', the human beings must 'purchase' the right to do so from the gods, because there can be no peaceful relation with other human beings without a peaceful relation with the gods. Mauss furthermore uses market rhetoric: 'Gifts to humans and to the gods also serve the purpose of buying peace between them both' (ibid., p. 17). Thus, the act of giving is aimed at 'buying peace': the act of giving to the gods (i.e. sacrifice), in particular, is believed to compensate and ease some troubles and conflicts between the human beings.

Moreover, Imamura claims: 'in the beginning was the deed of giving' (Imamura, 2000, p. 123). That is, the human beings are, in the beginning, given not only the world (e.g. a place to live, food) but also their own beings (e.g. life) by the non- or extra-human beings (e.g. nature, god). He continues that therefore the human beings feel indebted for the very first of gift giving from the non-human beings, and try to solve it by paying their debt back to the creditor in a form of sacrifice, which even motivates
the trade between human beings.\textsuperscript{62} That is, through the act of giving (i.e. sacrifice), human beings \textit{presuppose} that there was the act of giving from the non-human beings to the human beings. In other words, they \textit{presuppose} the very credit-debt relationship between human beings (i.e. debtor) and the non-human beings (i.e. creditor).

6.2.3 Mutuality

Mutuality involves the independent relationship between the giver and the receiver — i.e. the act of giving takes a form of altruistic gift giving, and establishes the mutually enhancing relationship between free individuals. Let us consider Titmuss' argument of the blood donation as an altruistic act of gift giving:

\begin{quote}
‘Gift-relationships’ … in modern societies … signify the notion of fellowship, which Tawney … conceived of as a matter of right relationships which are institutionally based. Voluntary blood donor systems … represent one practical and concrete demonstration of fellowship relationships institutionally based in Britain in the National Health Service and the National Transfusion Service. It is one example of how such relationships between free and equal individuals may be facilitated and encouraged by certain instruments of social policy. (Titmuss, 1997, p. 311, italics added).
\end{quote}

Titmuss' concept of altruistic gift giving involves the institutionally based relationships of fellowship between free and equal individuals. ‘The gift of blood takes place in impersonal situations’ (\textit{ibid.}, p. 127). The donor and the donee do not personally know with each other. Because there can be, in stranger relationships, no personal expressions of gratitude or of other sentiments, it is less possible that both parties can have some political controls or economic interests. Thus, altruistic gift giving defines neither the unequal relationship of domination nor the credit-debt relationship, but the independent relationship in the assembly of strangers in modern society.

\textsuperscript{62} Imamura argues that the indebt feeling can universally be found in all human beings on earth. Referring to Charles Malamoud's paper on the ancient Brahmanism, Imamura introduces that for the ancient Indians, the indebt is the essence of human beings. The very fact of being born means that, regardless of their own aim or intention, they are given their life from the extra-human being. For them, their life is identical with the debt: to live is to pay the debt back.
Blood donation is totally left to the donor’s discretion. There is neither a social obligation for giving, nor personal penalties for not giving. There are even no socially enforced sanctions of remorse, shame or guilt, either. The donor spontaneously realises the need of help for anonymous others. Blood donation is rather concerned with ‘stranger relationships’ — ‘with processes, institutions and structures which encourage or discourage the intensity and extensiveness of anonymous helpfulness in society’ (ibid., p. 279, italics added). Titmuss calls the sense of duty for helping anonymous others ‘ultra obligation’ — i.e. an obligation derived from our own characters. Instead of a social obligation for giving and returning in face-to-face relations, altruistic gift giving involves this ultra obligation in an egalitarian community.

[S]ocial gifts and actions carrying no explicit or implicit individual right to a return gift or actions are forms of ‘creative altruism’… They are creative in the sense that the self is realised with the help of anonymous others; they allow the biological need to help to express itself. Manifestations of altruism in this sense may of course be thought of as self-love. But they may also be thought of as giving life, or prolonging life or enriching life for anonymous others. (ibid., p. 279, italics added).

Altruistic gift giving is creative in respect of self-realisation: through altruistic gift giving to anonymous others, individuals can realise their social self in an egalitarian community. Creative altruism is motivated not only by self-love but also by love for anonymous others:

In not asking for or expecting any payment of money, these donors signified their belief in the willingness of other men to act altruistically in the future, and to join together to make a gift freely available should they have a need for it. … as individuals they were, it may be said, taking part in the creation of a greater good transcending the good of self-love. To ‘love’ themselves, they recognised the need to ‘love’ strangers. (ibid., p. 307, italics added)
Altruistic gift giving establishes *mutuality of 'love'*. Individuals are naturally dependent on each other in that they are all equally vulnerable. Thus, individuals need to love strangers to love themselves in such a context of roughly equal vulnerabilities in an egalitarian community: I care for others because others may care me. Titmuss admits an 'unspoken assumption of some form of gift-reciprocity; that those who give as members of a society to strangers will themselves (or their families) eventually benefit as members of that society' ([ibid.](#), p. 282). Mutuality, however, can neither be reduced to domination nor instrumental reciprocity, because it cares for freedom to give or not to give. The donor neither deliberately seeks nor desires for corresponding gift in return. The recipient is not required to make a corresponding gift in return, either. While the donor may have some return in future, there is no certainty for counter-gifts in the present or future.

Altruistic gift giving takes place in a state of *natural dependence*: there is an asymmetry between the donor (i.e. the one who is needed for help) and the donee (i.e. the one who needs help). However, altruistic gift giving takes place in a state of *social independence*: there is a 'social distance' between the donor and the donee, due to their impersonal relationship (i.e. they are unknown to each other). Titmuss makes a distinction between natural and social dependencies as follows:

In industrialized societies there are many causes of dependencies; they may be *natural dependencies* as in childhood, extreme old age and child-bearing. They may be caused by physical and psychological ill-health and incapacity; in part, these are culturally determined dependencies. Or they may be wholly or predominantly determined by social and cultural factors. These, it may be said, are the *'man-made' dependencies*. ([Titmuss, 1962](#), pp. 42-3, italics added)

Titmuss considers that the market cannot fully be the solution to dependency. In contrast with altruistic gift giving, Titmuss claims, 'one of the functions of atomistic private market systems is to 'free' men from any sense of obligation to or for other men regardless of the consequences to others who cannot reciprocate, and to release some men (who are eligible to give) from a sense of inclusion in society at the cost of excluding other men (who are not eligible to give)' ([Titmuss, 1997](#), p. 307). While the market 'frees' the rich from the obligation to the poor, it does not free the poor from
the rich. Thus, it cannot be the solution of the 'man-made' dependency between the rich and the poor.

Finally, altruistic gift giving involves incommensurable values. 'Because it has continually to ask the question 'Who is my stranger?', it must inevitably be concerned with unquantifiable and unmethodical aspects of man as well as with those aspects which can be identified and counted' (ibid., p. 290). While Titmuss does not criticise economists for not measuring the costs of medical care and the benefits of individuals and community, he is rather concerned with incommensurable values with which a cost benefit analysis cannot cope. 'We cannot count the golden sands of life; we cannot number the 'innumerable smiles' of seas of love' (ibid., p. 290). Titmuss is concerned with the social role in satisfying the biological need to help, which cannot be measured in statistics or monetary terms. 'Although attempts have been made to value human life, no money values can be attached to the presence or absence of a spirit of altruism in a society' (ibid., p. 263). Among many 'unmeasureable' or 'innumerable' things, Titmuss considers human blood as the most basic and sensitive indicator of social values and human relationships, which cannot be quantified or priced in monetary terms. 'If dollars or pounds exchange for blood then it may be morally acceptable for a myriad of other human activities and relationships also to exchange for dollars or pounds. Economists may fragment systems and value; other people do not' (ibid.).

To summarise, the act of giving involves some kind of social relations — i.e. domination, instrumental reciprocity and mutuality. Gregory suggests that the 'unreciprocated gift' is impossible, because it is a contradiction in terms: '[t]he notion of an unreciprocated gift is a contradiction in terms because reciprocity, along with the inalienability and the obligation to return it implies, is the defining characteristic of a gift' (Gregory, 1997, p. 65). Titmuss' concept of altruistic gift giving, however, can be argued as a possible instance of an 'unreciprocated gift'. The notion of an unreciprocated gift is not a contradiction in terms, because mutuality does not involve inalienability, and the obligation to return: mutuality involves the independent relationship between free individuals. In Gregory's concept of gift exchange, the giver is supposed to have 'some kind of superiority (e.g. political control, power, status, prestige)’ over the receiver, whereas in Titmuss' concept of altruistic gift giving, the
giver is supposed to make no obligation for return from the receiver. In the final section, we will consider some skepticism about, and criticism of, altruistic gift giving.

6.3 In Defence of Altruistic Gift Giving

Claims that the gift is impossible are commonly held in economics, anthropology and philosophy. In this section, the possibility of altruistic gift giving is defended from a perspective of a particular egalitarian mutualist form of Aristotelian virtue ethics.63

6.3.1 Anti-‘Free Gift’ View

Due to a strong influence by Mauss, many anthropologists believe that there are no such things as ‘free gifts’ or ‘pure gifts’. For instance, Douglas alleges that Mauss would have declared ‘Nonsense!’ to Titmuss’ idea of anonymous relationships through blood donation as pure gift, and claims, ‘[e]ven the idea of a pure gift is a contradiction. By ignoring the universal custom of compulsory gifts we make our own record incomprehensible to ourselves’ (Douglas, 2000, viii, italics added).64 As argued above, however, gift giving, is not necessarily compulsory. Ridley argues, ‘gift giving in a tribal society, where the object is to put somebody else under an obligation, is not gift giving at all; it is exploiting a reciprocal instinct’ (Ridley, 1996, pp. 123-4). He claims that the gift acts argued commonly by anthropologists are not some human invention that shapes our natures, but is a human invention to exploit our pre-existing natures, our innate respect for generosity and disrespect for those who would not share. In other words, the gift acts discussed by anthropologists are not acts of gift giving, which does not expect any return, but gift exchanges, which occur in credit-debt relationships between transactors, or in a state of ‘reciprocal dependence’ in a clan based economy. Although the existence of gift exchanges is plausible, they do not exclude the possibility of gift giving. If gift exchanges exclude gift giving, a pair of true altruists would never engage in gift acts. Because (a) a truly altruistic donor

63 Aristotle himself does not take a perspective of a particular egalitarian mutualist form of Aristotelian virtue ethics. As argued in 6.2.1, Aristotle concerns the act of giving, which takes a competitive form of assertion, and establishes the moral and political unbalance between the superior and the inferior. In his gift argument, Aristotle concerns an aristocratic virtue available only for the rich. In contrast, Titmuss concerns the act of giving, which takes a form of altruistic gift giving, and establishes the mutually enhancing relationship between free individuals. Titmuss concerns a virtue equally available for all. Thus, Titmuss moves away from Aristotle’s account of gift and develops a more egalitarian mutualist account of gift giving.

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would not insult the recipient by putting them in debt, and (b) a truly altruistic recipient would not insult the donor by returning the debt (ibid., pp. 118-9). As Ridley suggests, however, this pessimistic view is wrong: while altruistic motivation is incompatible with gift exchange under the obligation to return, it is compatible with, and made possible by, gift giving.

Moreover, some moral philosophers believe, as a normative fact, that there should be no 'free gifts' or 'pure gifts' because we ought to be reciprocal. For instance, Becker claims 'reciprocity' to be a fundamental virtue and claims, '[w]e ought to be disposed, as a matter of moral obligation, to return good in proportion to the good we receive' (Becker, 1986, p. 3, italics added). Becker admits that the reciprocating habit (e.g. bookkeeping) 'is not the sort of thing friend and family and lovers do. (Or at least, not what they should do.) In fact, it is the sort of thing we stop doing when we make friends, or fall in love' (ibid., p. 137). He claims, however, '[t]he disposition to reciprocate does not require explicit or exact accounting. In fact, where such bookkeeping interferes with the practice of other virtues, it is unjustified. It is, after all, only means, not an end in itself' (ibid., pp. 137-8, italics added). That is, balancing the books is not the point of an act of love. 'But it can be one of the results. And it is important to get that result. The equilibrium that reciprocity establishes is a means – something that enables us to sustain productive (justifiable) relationship' (ibid., p. 138.). Becker's argument is a consequentialist's one, which assumes that actions (e.g. bookkeeping) are instrumentally valuable as a means to producing the best state of affairs (i.e. balanced relationships). From an Aristotelian virtue ethics perspective, however, we raise an objection to this: we are not disposed to sustain, what Becker calls, 'social equilibrium' as a moral virtue. Becker claims that we need to commensurate a proportional return in order 'to reciprocate'. According to his view, we need to commensurate 'benefits' received from a gift and 'sacrifices' made by a counter-gift. Nevertheless, it is impossible, because there is no scale to measure such costs and benefits, which are derived from the gift. Gift relationships are those involved with incommensurable values (i.e. values which cannot be counted or audited by a cardinal scale like money) such as gratitude, friendship, love, etc. As

64 Douglas has an anti-free-gifts view also from a normative reason: 'There should not be any free gifts. What is wrong with the so-called free gifts is the donor's intention to be exempt from return gifts coming from the recipient. Refusing requital puts the act of giving outside any mutual ties' (ibid., vii).
Titmuss suggests, gift relationships are neither quantitative nor quantifiable. Moreover, commensuration is incompatible with morality, because it distorts the quality of gift relationships in the translation into quantity. Gift relationships cannot, and should not, be reduced to ‘reciprocity’ governed by economic rationality.

6.3.2 The Universal-Egoist View

Many economists believe that there are no such things as ‘altruistic gifts’, because we are always motivated by self-interest. Arrow, for example, translates Titmuss’ altruistic motivations for giving blood into the language of Hobbesian utility theory, as follows:

1. The welfare of each individual will depend both on his own satisfaction and on the satisfactions obtained by others. We have in mind here a positive relation: one of altruism rather than envy.

2. The welfare of each individual depends not only on the utilities of himself and others but also on his contributions to the utilities of others.

3. Each individual is, in some ultimate sense, motivated by purely egoistic satisfaction derived from the goods accruing to him, but there is an implicit social contract such that each performs duties for the other in a way calculated to enhance the satisfaction of all (Arrow, 1972, p. 348).

Arrow argues that there are two levels of utility from gift acts; one is the recipient’s satisfaction derived from a gift, and the other is the donor’s pleasure derived from seeing recipient’s satisfaction increased. A donor aims to give satisfaction to a recipient by an act of gift. But it is only a means to a self-interested end: to gain personal pleasure. Besides, self-interested motivations can maximise social welfare.

Arrow’s argument is fallacious: that a donor gets pleasure from the satisfaction of a recipient does not entail that one performs the gift act in order to get pleasure. As Hume says of the defenders of universal egoism, ‘[t]hey found, that every act of virtue or friendship was attended by a secret pleasure; whence they concluded, that friendship and virtue could not be disinterested. But the fallacy is obvious. The virtuous sentiment or passion produces the pleasure, and does not arise from it. I feel a pleasure in doing good to my friend, because I love him; but do not love him for the sake of that pleasure’ (Hume, 1985 [1777], pp. 85-6). We get pleasure from gift
giving to others because we care for them; we do not care for them in order to get the pleasure.

6.3.3 The Domino Argument

Many economists are skeptical about the importance of defending altruistic gift giving, because they believe that altruistic gift giving is not affected by the introduction of market. Arrow triggers this argument, too: 'Why should it be that the creation of a market for blood would decrease the altruism embodied in giving blood? ... The statement [by Titmuss] does indeed imply that individuals will be willing to give without payment. But it does not explain why this willingness should be affected by the fact that other individuals receive money for these services' (Arrow, 1972, p. 351). O'Neill suggests, however, that the nature of altruistic gift giving is affected by the introduction of market, because the nature of the individual's act is changed by the mixed system (O'Neill, 1992, pp. 278-88). Without the market, donation is simply an act of what he calls altruism$_1$ (i.e. a disposition to act in the interests of others), whereas the introduction of the market transforms donation into an act of what he calls altruism$_2$ (i.e. a disposition to act in the interests at the expense of one's own interests). He claims 'I am free to choose between free donation and paid donation but that choice itself alters the nature of free donation. It is redefined as an act of self-sacrificial altruism$_2$. This alters the motivational structure of an individual's act' (ibid., p. 286). That is, the introduction of the market mechanisms transforms activities that require weak altruism$_1$ into ones that demand strong altruism$_2$.

There is, however, an even more radical argument, which holds that the market drives out altruistic gift giving in a domino effect (cf. Radin, 1989; Mack, 1989). The domino argument maintains that market and non-market regimes cannot co-exist because of a slippery slope leading to market domination. As Archard notes, Mack's domino theory contains two arguments (Archard, 2002, pp. 87-103). The first argument on the 'Contamination of Meaning' refers to the way a market (or money) changes the meaning of goods. If the market is introduced for blood, the gift of blood will now also have an equivalent market value. The value of blood can now be

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65 Even though we play, for example, the lottery for an altruistic reason (i.e. for giving to charity), the possibility of winning as part of the structure of playing would undermine this would-be altruism (cf. Peacock, 2000, pp. 120-3).
conceived in monetary terms, even though it is donated. Thus, the market regime undermines the opportunity for a pure gift giving of blood by transforming its moral value into monetary value. \(^6\) The second argument on the ‘Erosion of Motivation’ refers to the way the market (or money) erodes motivation. If there is a market for blood, for instance, the possibility of selling blood erodes the motivation to engage in the donation of blood. It is not rational to donate without remuneration when one could. Thus, the market regime rules out the opportunity for pure gift giving of blood, because there it no reason to do it.

How convincing is the domino argument? A distinction drawn by Keat, discussed earlier in chapter 3, is useful here (Keat, 1993, pp. 6-20). He distinguishes two ways, in which the market can impact on non-market spheres, which he calls ‘replicatory’ and ‘non-replicatory’ forms of market determination. In a replicatory form, market norms and meanings are projected into non-market spheres. For instance, human actions may be compared in terms of the amounts of utility they generate. In a non-replicatory form, economic activities create a sphere, which is dissimilar from an economic sphere. For example, the economy may require a sphere of family life (i.e. a sphere of personal intimacy, romantic love and emotional intensity etc.), which serves as a ‘haven’ in the ‘heartless world’ of economic life. The central issue here is which form of market determination results. On the one hand, the market determination would take ‘replicatory’ forms where there are only strangers. Titmuss’ argument concerned the ways in which relations of care in the larger society where personal intimacy is absent can be sustained. In this context there is a strong argument for claiming that gift relationships are undermined by the introduction of market relationships. In such cases, as Archard notes, ‘[t]he societal domino does, even if currently standing, totter where the familial, friendship or love domino stands firm’ (Archard, 2002, p. 102). On the other hand, the market determination takes ‘non-replicatory’ forms where there are strong personal relations between individuals (e.g. family, friends). The market and non-market regimes can co-exist because they are two radically different forms of human interaction: non-market interaction is not

\(^6\) In the terms we developed in chapters 2 and 3, there is a constitutive incommensurability between moral value and monetary value of blood. A social relation between a donor and a donee of blood is constituted by a refusal to put a price on blood. We ought not to attempt to trade blood, because the actions of trying to trade it not only transforms the meaning of blood from a gift into a commodity, but also transforms the meaning of their relation from the donor/donee into the seller/buyer.
merely a fee-free version of its market counterpart. For instance, commercialised sex services (i.e. prostitution) do not drive out non-commercialised sex (cf. Archard, 2002; Mack, 1989, pp. 211-2). If monetary understanding of the good (as priced) does not contaminate the non-monetary understanding of the good as gift, there will be no erosion of the motivation to give rather than charge a price.

6.3.4 The Social Constructivist View
Parry is skeptical of the radical opposition between ‘gift exchange’ and ‘commodity exchange’, because he thinks that one can evolve rather easily into the other, the opposition looks less absolute than is often implied by many other anthropologists. He argues that the idea of the purely altruistic gift is the other side of the coin from the idea of the purely interested utilitarian exchange. By discussing the moral perils inherent in an Indian gift, called dana, and the moral neutrality of commercial transactions both in Hindu context, he claims that Gregory’s neat opposition does scant justice to very real continuities between gift and commodity (Parry, 1989). Parry, furthermore, mentions that Mauss often describes how we have opposed ‘the ideas of the gift and disinterestedness’ to ‘that of interest and the individual pursuit of utility’, and that Mauss’s real purposes is not to suggest there is no such thing as a pure gift in any society, but rather to tell us how we have acquired a theory that it should be. ‘The whole ideology of the gift, and conversely the whole idea of ‘economic self-interest’, are our invention’ (Parry, 1986, p. 458). In other words, the radical opposition derives from the fact that our ideology of the gift has been constructed in antithesis to market exchange. ‘We’ refers to Western theorists, although this is not clearly stated. Bloch and Parry suggest that there is some sort of dominant tendency being influenced by a certain value or ideology in structure of argument, and call it ‘Western discourse’. They indicate the existence of a tendency for postulating a fundamental division between ‘non-monetary’ and ‘monetary’ economies (or societies) and this gets elided with a series of other dichotomies such as ‘traditional’ and ‘modern’, ‘pre-capitalist’ and ‘capitalist’, ‘gift economies’ and ‘commodity economies’, ‘production for use’ and ‘production for exchange’ (Bloch and Parry, 1989, p. 7). Their aim is to reveal a

67 ‘Pleasurable loving sex between two consenting partners is not an interaction that saves each the expense of paying for sex with a prostitute’ (Archard, 2002, p. 96).
68 Harris similarly indicates that the contrast between ‘non-monetary’ and ‘monetary’ economies has been built into the structure of anthropology, and its theories are often articulated around a play of oppositions of ‘primitive’ and ‘civilised’, ‘traditional’ and ‘modern’, ‘pre-capitalist’ and ‘capitalist’,
real ambiguity and continuity between gift and commodity, which cannot be grasped by ‘Western discourse’ on morality of exchange as follows: gift exchange is safe and good, whereas commodity exchange is threatening and bad. ‘Western ideology has so emphasised the distinctiveness of the two cycles that it is then unable to imagine the mechanisms by which they are linked’ (Bloch and Parry, 1989, p. 30).

What we can find in their argument is a so-called, post-modern flip: because gift cannot be grasped with a naïve opposition of ethically good gift and bad money, it must be a mere fiction, which is socially constructed by ‘Western discourse’. There can be several objections against their flip: first, their argument that ‘Western discourse’ cannot grasp a real ambiguity and continuity between gift and commodity does not work. On the contrary, economic anthropologists accept a real ambiguity and continuity between gift and commodity. Gregory, for instance, did not claim there was a “radical opposition”, but rather wrote of “the very real continuities between gift and commodity”. Second, it is premature to simply regard gift exchange as ethically good in contrast with commodity exchange as ethically bad. If Western ideology or discourse appropriately emphasises the distinctiveness of the market and non-market spheres, then it would be even clearer that gift exchange in anthropology is fundamentally different from gift giving in ethics. Third, their argument that there is no such distinction between commodity and gift exchange does not work unless they offer reasons based firmly upon the nature of commodity and gift exchange, and not the discourse about them. That is, the fact that ‘we’ have created a distinction between commodity and gift exchange does not negate the possibility that this distinction actually exists as an extra-discursive phenomenon. The gift still can be real and possible: it can be both a socially constructed (ideally real) phenomena and an extra-discursive, socially real phenomena.69

‘non-literate’ and ‘literate’. The presence or absence of money and markets has provided ‘a central axis along which historical reality has been divided into two polarised and contrasted fields’ (Harris, 1989, p. 236).

69 See 3.3.3 on how the Critical Realist perspective maintains a distinction between the extra-discursive and the discursive.
6.3.5 The Post-Structuralist View

The Post-structuralist philosophers de-construct the economy/non-economy dualism, and claim that the gift cannot appear as a gift. For instance, Derrida indicates the impossibility of the gift. ‘At the limit, the gift as gift ought not appear as gift: either to the donee or to the donor. It cannot be gift as gift except by not being present as gift. Neither to the “one” nor to the “other.” If the other perceives or receives it, if he or she keeps it as gift, the gift is annulled’ (Derrida, 1992, p. 14). Derrida claims, on the one hand, that the gift requires economy as non-gift: the gift cannot be treated without its relation with economy as non-gift. There is no concept of the gift without being distinguished from the concept of economy. On the other hand, however, the gift interrupts economy. For there to be the gift, it must be aneconomic: there must be no reciprocity, return, exchange, counterfeit, or debt. It must not come back from its donee to its donor. It must not be circulated, nor must it be exchanged. It must not even be recognised as a gift. If it is recognised as gift, if it appears to its donee as such: ‘if the present is present to him as [a] present, this simple recognition suffices to annul the gift’ (ibid., p. 13). Derrida’s argument is to do with paradoxical natures within the act of giving noted at the beginning: it is voluntary and obligatory, one sided and mutual at the same time. The Diamond Cutter positively describes these paradoxes: bodhisattvas (i.e. great beings) perform the act of giving without conceiving of any thing in any way as a sign (i.e. without conceiving of their performance as the act of giving). In contrast, Derrida negatively describes these paradoxes: the gift is the impossible, which is not the case that it is impossible in practice, but the case that it is possible in practice to exist conceptually as the impossible, a double bind (ibid., p. 7).

There is no fundamental difference between Derrida’s and my argument in respect of understanding the paradoxical natures in the act of giving. It is acceptable that in the theoretical domain the gift cannot be treated without being related with the economy. As argued, gift exchange can conceptually be distinguished from commodity exchange, and altruistic gift giving can conceptually be distinguished from the act of giving, which establishes credit debt relationship. It is also acceptable that the concept of the gift is incompatible with the concept of the economy. The principles on which the altruistic gift giving is based, are incompatible with those on which the profit seeking is based. However, I do not agree with the Derridian Post-structuralist view.
that because the gift is conceptually the impossible, it is impossible in practice. When we practice altruistic gift giving, we do not require the different principle of profit seeking. The gift can be the gift without keeping a relation of foreignness to the circle of economy. Whilst it is plausible to suggest that the gift theory makes it possible to acquire knowledge of the pre- or non-discovered nature of the gift, it is implausible to suggest that the gift theory makes the gift practice exist. Although the gift might be, as Derrida indicates, the impossible in the sense of its intelligibility, it can be real and possible in the sense of its causal impact.

6.4 Conclusion

We live in a market society where trade in many kinds of things and services (e.g. human organs, babies, sex, surrogate motherhood, human genome information etc.) is possible. Because we take it for granted, thinking in terms of money appears for us to be 'natural'. And yet we still evaluate, and engage in, non-monetary and non-profit-making activities, such as housekeeping, bringing up children and taking care of elderly people. I am interested in seeking the possibility of an alternative principle, which requires more duties to act for the benefit of others than a monetary principle. The importance and possibility of altruistic gift giving ought to be defended from any kind of reductionism. As demonstrated, we can perform the act of giving without sticking to the superiority/inferiority or credit/debt relationship. This is the argument I offer you. I expect no return.
CHAPTER 7: UTOPIA

7.0 Introduction

The last six chapters have considered the ontology of money, primarily, from a Critical Realist perspective, and the ethics of money, primarily, from an Aristotelian virtue ethics perspective. Two interconnected sub-texts have run throughout the thesis: the ontology of money involves discursive commensuration, and this misguides us to transform even incommensurable values into a commensurable form. That is, money itself is incompatible with our ethical behaviour and human virtue. Let us finally draw the threads together in the issue of a virtuous society, namely utopia, and consider the ways in which we can be less dependent on money.

After some initial definitions, the chapter proceeds by interweaving the following:

- An Aristotelian virtue-based ethics and a consequentialist ethics
- An Aristotelian ‘virtue-based utopianism’ and a ‘consequentialist utopia’ propagated by Hodgson
- Three thinkers (Meikle, Hodgson and Hess) who have, in one form or another, touched upon:
  - The ontology of human beings
  - The ontology of human history
  - The ontology of money
  - The ontology of utopia

Let us start with some definitions. ‘Utopia’ is originally a Greek word, which consists of the prefix ‘ou’ meaning no and the root ‘topos’ meaning place (Sargent, 1994; Manuel and Manuel, 1979). In the 16th century, Thomas More coined the word ‘Eutopia’ with an alternative prefix ‘eu’ meaning good. As a result, the word ‘utopia’ has commonly been used to refer to ‘a non-existent good place’, unless a distinction between ‘utopia (i.e. no place)’ and ‘eutopia (i.e. good place)’ is specially required. In the 19th century, Karl Marx dismissed as ‘utopian socialists’ thinkers like Robert Owen, Henri Saint-Simon and Charles Fourier who considered the possibility of a better future through the establishment of small experimental communities. Since Marx’s criticism, the term ‘utopian socialists’ has been used to pejoratively to refer to
unrealistic and naïve social theorist and reformers. Around the turn to the 21st century, however, ‘utopia’ has started to be used with positive connotations again. In *Economics and Utopia*, Hodgson poses a challenge for the new millennium — i.e. the construction of ‘evotopia’.

This chapter aims to do as follows:

1. It considers Meikle’s argument on two traditions of ontology, atomist and essentialist, and sees how different ontological views on human nature, history and money make a difference to their utopianism. Despite the fact that Hodgson takes himself to be rejecting what he calls an ‘atomist ontology’, Hodgson’s Evotopianism, inadvertently perhaps, slides into an atomist ontology, in the sense that Meikle characterises it.

2. It considers Hodgson’s ‘evotopia’. While Hodgson partly constitutes his ‘evotopian thinking’ by criticising Marx’s ‘teleological’ and ‘deterministic’ conception of history, the criticism does not fully work for establishing his ‘evotopian thinking’, because Hodgson’s case is made not against, in Meikle’s terminology, a real ‘essentialist’ but rather against an ‘atomist’ interpretation of Marx.

3. It explores the possibility of Aristotelian ‘virtue-based utopianism’, through Moses Hess’s account of human nature, history, money and utopia. ‘Virtue-based utopia’ is an excellence of human nature, which each individual can seek to realise his/her one’s own life. We can be a virtuous person *within* the teleological development of history towards ‘virtue-based utopia’, unless interfered with. As we can realise our human virtue, we can *internally* stop our dependence on money within the teleological development of history.

These arguments pave the way for exploring the possibility of an Aristotelian ‘virtue-based utopianism’ in contrast with Hodgson’s ‘evotopianism’. 
7.1 Meikle's Essentialism

First, Meikle contrasts two traditions: atomist ontology and essentialist ontology. The atomist ontology, on the one hand, admits only and gives primacy to, 'building blocks' or atomistic 'small-bits', and further believes everything else is reducible to them. The essentialist ontology, on the other hand, admits 'organic wholes' or 'entities', and does not consider them to be reducible but rather irreducible to their parts (cf. Meikle, 1985, p. 154; p. 175).

An 'organic whole' or 'entity' is made up of its parts. But the relations between 'whole' and 'part' are complex. Firstly, the whole is irreducible to its parts. 'The relation between the whole entity and its parts is not the same as that between the constituent simples of an aggregate like a pile of sand. The complexity of an entity is irreducible, and it is what exists' (Meikle, 1985, p. 154). Secondly, entities are ontologically and metaphysically complex: 'It is part of the nature of an entity in its embryonic or immature form, to have the potential to become or develop into a mature specimen' (ibid., p. 154). It is again dissimilar to the case of sand: a pile of sand does not have of its nature a potential to become anything.

Wholes and Parts: 'On an essentialist ontology, the unity of the whole and its parts is, in central cases, not the result of accidental fortuitous accretions, but the result of increasing differentiation of an original essence. For atomist ontology, on the other hand, there are not entities such as men, stars, and trees, with natures, but abstraction denoted by the dummy-term 'thing', x, which happen to have certain 'qualities'" (ibid., p. 159).

In atomist ontology, on the one hand, there is neither the essence nor the potential of an entity. 'Going to be a cat' is not a real feature of the creature, but simply a statistical generalisation about a 'class' of creatures' (ibid., p. 160), which we may believe to be true of this particular creature because it resembles them. In essentialist ontology, on the other hand, certain sorts of change belong to the essence. 'Going to be cat in the future' is part of what it is to be a kitten now; to be a kitten now is to have the present potential to become a cat; to be an adult cat is to have realised that past potential’ (ibid., p. 160).
To understand what accidentally and necessarily happened is to understand the essence of an entity involving with those happenings. ‘If the creature did not have the potential to become a mature cat it would not be an immature cat, i.e. kitten. Potential is a feature that the creature necessarily has. What is not necessary is that that potential be realised, for accidents can happen. If the creature meets with such an accident, then accidentally its potential is not realised’ (ibid., p. 161).

Chance and Necessity: The atomist ontology treats all happenings as accidental, whereas the essentialist ontology treats them either as accidental or necessary. (cf. ibid., pp. 6-11; p. 161)

Atomist ontology rejects necessary changes, and instead asserts ‘regularities’ or constant conjunction of ‘event-types’. Thus, atomist ontology predicts ‘events’ on the basis of other ‘events’ with universal regularity. Essentialist ontology, in contrast, considers that ‘chance happenings to be exceptional, and that what is not exceptional, what happens ‘always or for the most part’, cannot be fortuitous’ (ibid., p. 162). What happens ‘always or for the most part’ does happen in virtue of the real nature of an entity. We can observe it in the set of events that happens ‘always or for the most part’. Thus, essentialist ontology uncovers an entity’s tendencies of development or potential, and sees how it can be expected to act or develop and probably will unless interfered with.

Essentialist ontology holds an Aristotelian distinction between two kinds of change: accidental and necessary. Accidental changes are ‘external motions’ arising from chance, whereas necessary changes are ‘internal motions’ arising from a thing’s essence (ibid., p. 163). This relates to a distinction between efficient causation (i.e. functions) and final causation (i.e. goals):

Efficient causation and Final causation: Efficient causation involves chains of events in which each event in the chain ‘causes’ the one succeeding it. Final
causation involves the tendency of development of a kind of thing towards an end or state by its nature, if it is not interfered with. (ibid., p. 175; p. 177)

Both efficient and final causations are consistent with teleological explanation — i.e. to explain the existence through the question of ‘for what purpose?’. Atomist ontology, on the one hand, puts primacy on extrinsic teleology, which concern cases of serving functions for benefit: something exists for the sake of benefit it promotes. It reduces all causations into efficient causation. It is a matter of regularities or uniformities of events, of invariable succession of one event-type by another event-type. Essentialist ontology, on the other hand, puts primacy on intrinsic teleology, which concerns cases of aiming towards the goals: something exists for the sake of its final goals. Its causal explanation contains the notion of tendency (potentially frustratable): it does not state what actually does happen, but what would happen so long as there were no interference.

7.1.1 The Ontology of Human Beings
The essential properties of the human species (i.e. Gattungswesen) are being conscious and social. The individual is already the social being. Thus, the full realisation of the essence of human as a mammalian species is identical with the full realisation of the essence of society.

Thus, the realised human society is a society of realised humans. The full realisation of the potentiality inherent in human society as an essence, is at the same time the society in which the potentiality of the social essence of the human natural species is fully realised. A fully realised human essence, and the fully realised essence of human society, are products of one and the same process. (Meikle, 1985, p. 58)

70 Kurki has properly criticised Critical Realism for the way in which CR tends to reduce other types of causes down to efficient causes is unnecessary and indeed misleading. CR needs and can have more regard to final causation rather than merely efficient causation. Kuruki mentions the irreducibility between the two kinds of causation: 'Final form of causality is closely linked with efficient causality, in fact we can often treat agents (efficient causes) and their intentions (final causes) as closely knit 'causal pair' in social explanation. This does not mean, however, that efficient causality exhaust the notion of final causality, that they become the same why' (Kurki, 2003, p. 12). In my view, however, two kinds of causality cannot be reduced into each other because they do not answer the same 'why' questions, while in practice they do not necessarily conflict with each other but are even mutually supportive.
The realisation of fully developed nature, namely *telos*, of the human species is at the same time the realisation of *telos* of society. Thus, human beings are interrelated with the teleological development of history: human beings achieve the realisation of themselves as real species being through a historical process. Human beings make history by achieving their self-realisation, but history equally makes it possible for them to realise their essence.

7.1.2 The Ontology of Human History

History is teleological, in a sense of realising of potentials inherent in human society. Teleology is a theory about how the real nature (essence) of a whole entity is to be identified, how its development from immature to mature or declining form is to be explained, and about how its characteristic behaviour is to be explained in a law-like fashion (*ibid.*, p. 178).

History is the process of coming-to-be of human society. Its essence is human labour, and its different 'principles' are the social forms in which that labour is historically supplied. History, in Marx’s view, does have an end or telos towards which it tends, however horribly that may jar on latter-day atomism sensibilities. Though, of course, as one must always add in order to give at least offence to delicate intellectual sensibilities, it is an end that is *frustratable* anywhere along the line. (Meikle, 1985, p. 57)

Meikle lucidly explains that, in history, there are only three categorical possibilities: there is only the necessary; there is only the accidental; there are both necessities and accidents. The first two cannot be defended, so we are left with the third (*ibid.*, p. 6). Although history is not strictly or only a succession of necessary events, it is not a succession of accidental events, either.

Meikle’s teleological view on history is *rather incompatible with* determinism. Teleology is not the theory to see ‘the world as the artefact of God or Guiding Intelligence and each thing in the world as existing and behaving in the way that it does as a fulfilment of his purpose’ (Meikle, 1985, p. 178). Teleology is not *deterministic*, which sees history as fully determined, universal regularities of event-types. Because (a) Marx’s conception of law does not relate to event-types, (b) it is
not universal but specific to a given real nature and the necessary tendencies, and (c) it can be frustrated by accidents.

7.1.3 The Ontology of Money

In *Politics*, Aristotle introduces the teleological conception of money as the development or the evolution of exchange through following successive four forms (Meikle, 1995):

1. **Barter, or exchange without money (C-C')**: Aristotle thinks that it is ethically acceptable, because its end is both meeting natural needs and having enough. It is to get some useful things that satisfy your need. It is natural and necessary.

2. **Exchange mediated by money in case of selling a commodity in order to buy another commodity (C-M-C')**: barter is inconvenient for using what you have and getting what you need, because the acts of sale and purchase are fused into a single act. Money can separate the single act into two, which is more flexible since it allows the act of sale (C-M) and the act of purchase (M-C') to be separated in time and space. Aristotle thinks that it is also ethically acceptable, because its end is the satisfaction of human's natural needs.

3. **Exchange mediated by money in the case of buying a commodity to sell it and make money (M-C-M')**: once people are accustomed to C-M-C', they are to come to the market, not with surplus goods they have made, but with money. Their aim is to get more money, by buying commodities and selling them for a greater sum. Aristotle thinks that M-C-M' is not ethically acceptable, because its end is not meeting natural needs or having enough, but the accumulation of money. One sum of money is different from another only in quantity, not in quality. There is no limit of the end in the art of wealth getting.

4. **Usury, or the lending of money at interest (M-M')**: money is lent to get a larger amount of money returned. It is the most hated monetary form.

Aristotle falls into inconsistency here. He presents the emergence of these four forms of exchange as a single and natural process of development, or evolution, in a sense that they appear to be accidentally different ways of doing essentially the same thing. Once C-C' becomes a common form of activity, the obstacle it poses to successive exchange become common experiences, and the way to get round them is to make one commodity into a means of exchange money. Moreover, once C-M-C' is established
and repeated over time, it can no longer be divided into a sequence of repetitions of C-M-C' as C-M-C/M-C-M/C-M-C/M-C-M-C/M-C-M/C-M-C/—, but there is as much reason to divide it up as C-M/M-C-M/M-C-M/M-C-M/M-C-M/M-C. That is, C-M-C' is an embryonic form of M-C-M'. Furthermore, once M-C-M' is established and repeated over time, money becomes the universal form of wealth, and most activities come to be done for the sake of it. That is, what is introduced to be a means to human ends becomes an end itself, and the human ends it is meant to serve become means to it. Aristotle is in two minds on money: 'money as a means' and 'money as an end (telos)', but money cannot ultimately be both a means and an end. He drops his thought and concludes that the true nature of money is what it is originally intended to be, a means, and its development into an end is an ethical perversion:

The identification of a unity is usually a matter of identifying an end or telos. But in his [Aristotle's] account of the development of exchange, he identifies not one end but two, so it is hard to see what the requisite unity can consist in, and without that there cannot really be a single process of development at all. (Meikle, 1995, pp. 98-9)

Aristotle defines actions by their ends. But Aristotle is confused by two kinds of telos: (a) extrinsic telos (i.e. the aim of exchange) and (b) intrinsic telos (i.e. a final form in the development of exchange):

(a) Extrinsic telos (i.e. the aim of exchange): Telos refers to the original aim for exchange. The original purpose for exchange is to get useful things that satisfy our need. That is, C' is a telos for C-C' and C-M-C'. Money is originally introduced as a means of exchange. Money is in its nature an instrument or means for the circulation of useful things or use values.

(b) Intrinsic telos (i.e. a final form in the development of exchange): Telos refers to a final or a matured form in the development of exchange in contrast with an original form. Aristotle introduces money as the development of exchange, and he sees this as evolving through four forms, namely C-C', C-M-C', M-C-M', and M-M'. 'M-M realises a potentiality in the nature of money' (ibid.). That is, M-M' is a telos in development of exchange.
The extrinsic and intrinsic \textit{telos} of exchange do not, in practice, conflict, but are rather supportive of each other: the exchange form does not develop into its final form without the aim of exchange. 'Not only need there be no conflict in practice between efficient and final causality, but the two are even mutually supportive' (Meikle, 1985, p. 171). Nevertheless, \textit{efficient causal explanation} being based on extrinsic teleology and \textit{final causal explanation} being based on intrinsic teleology can neither be replaced by nor reduced into each other. Aristotle unfortunately gives up his own final causal explanation, and rather identifies the nature of money by the original aim for exchange in order to secure his stipulation that money is invented to be used for exchange. But, as we will see below, Aristotle's final causal explanation of the development of exchange was rescued by Marx and Hess.

7.1.4 The Ontology of Utopia

Meikle does not argue about utopianism in particular. From Meikle's essentialist ontology, however, it follows that utopia is the full realisation of essences of both human species and society in the teleological development of history. First, the realisation of human essences is an \textit{intrinsic telos} for the human species. 'Much as for Aristotle and the ancient world, the highest end, for Marx, is the full realisation of individuals as ends in themselves' (Kain, 1988, p. 188). It is not for individuals to be subordinate to moral principles, which are supposed to be the highest ends in themselves, but \textit{to fulfil and transcend moral principles}. Kain indicates that Aristotle implicitly claims that \textit{human beings fit their world}, if and when they realise themselves. 'The human essence, when realised, is at home in the cosmos. Thus, the best life, the life which realises our essence, \textit{would} be a life of happiness because the contemplative life would be at least in part contemplation of this proper fit between human beings and their would. If it were the case that humans were alienated from the cosmos, ... the best life, even the life of virtue, would not lead to happiness' (\textit{ibid.}, p. 191). Like Aristotle, Marx also hopes to bring about a fit between human beings and their world so as to realize them as ends in themselves. Besides, this fit would occur in the teleological development of history. 'When the new society finally has emerged, then moral ideals or teleological ends can come into their own' (\textit{ibid.}, p. 193). Thus, the realisation of human essences is the \textit{intrinsic telos} for both human beings and history. In other words, human beings achieve the realisation of themselves as real species being through a process of teleological development of history.
7.2 Hodgson’s Evotopianism

Let us now turn to Hodgson’s ‘evotopian thinking’. Hodgson’s ‘evotopia’ is partly derived from his ‘anti-teleological’ and ‘anti-deterministic’ conception of history. But what Hodgson opposes is not Marx as a real ‘essentialist’ to use Meikle’s terminology. Rather he opposes Marx on the basis of a mistaken interpretation where he reads Marx as an ‘atomist’. Indeed, Hodgson himself, perhaps inadvertently, adopts an atomist ontology, in the sense that Meikle characterises it. This is the case despite the fact that Hodgson takes himself to be rejecting what he calls an ‘atomist ontology’, which he contrasts with an ‘organicist ontology’. Here is Hodgson’s account of the contrast:

‘Atomistic ontology’ and ‘Organicist ontology’: in an organicist ontology, relations between entities are internal rather than external, and the essential characteristics of any element are outcomes of relations with other entities. In contrast, in an atomistic ontology, entities possess qualities independently of their relations with other entities. (Hodgson, 1993, p. 88)

Hodgson criticises the ‘individualistic version of atomism and reductionism’ on the basis of ‘organicist ontology’: he criticises the way in which, in mainstream economics, economic phenomena are reduced into, and explained in terms of individuals (e.g. individual’s utility-driven or -maximising behaviour, individual’s taste and preference) independently of their relations with others and a whole society. ‘In the social sphere the human individual become the fundamental unit of analysis: the individual particle in motion. … But in such an atomist social ontology the essential aspects of human personality and motivation are conceived of as independent of the social relations with others’ (ibid., p. 236).

Hodgson stresses that he is an anti-atomist in terms of individuals. However, he is an atomist in terms of history. That is, Hodgson’s criticism is in fact against a misplaced essentialism on the basis of, in Meikle’s s terminology, atomist ontology. Hodgson criticises a deterministic view of history (i.e. seeing history as fully determined, universal regularities of event-types) from an atomistic view of history. Hodgson reduces all social changes in history into the accidental (i.e. whether predictable or not), and reduces all causations into the efficient causation (i.e. whether it functions or
It is all about the wrong basis of 'evotopia', which is explained through *extrinsic teleology* and justified through a *utilitarian form of consequentialism*. Let us start considering Hodgson's 'evotopianism' with his anti-teleological view of history.

### 7.2.1 The Ontology of Human History

History has no pre-ordained path or goal of any kind. It has no *necessary* movement towards a refined liberal-democratic capitalism, nor towards a socialism or communism of any variety. *Historical development is not teleological.* (Hodgson, 1999, p. 10, italics added)

Despite the fact that the word 'evolution' derived from 'the Latin word associated with a specifically directional and predestined activity; the scroll is unrolled to reveal that which is immanent and already within' (Hodgson, 1993, p. 37), Hodgson himself is not 'evolutionary' in terms of his conception of history: 'History is not the unrolling of a scroll: it has no teleology' (Hodgson, 1999, p.159). Hodgson's anti-teleological view of history comes from Veblen's. 'Veblen criticised both communism and pro-marketeers for proposing that *history could, would or should reach a fixed or perfect outcome*. Veblen rejected as pre-Darwinian the doctorial and teleological concept of a final goal, be it communism, capitalism or whatever' (*ibid.*, p. 243-4, italics added).

Hodgson's anti-teleological view of history is compatible with his account of 'anti-determinism'. His rejection of teleological history means 'a rejection of the idea of the 'inevitability' of socialism and of a 'natural' outcome or end-point in capitalist evolution. There is no natural path, or law, governing economic development' (*ibid.*, p. 140). While Hodgson indicates that the interpretation of Marx theory of history as 'teleological' remains controversial, he uses the word 'teleology' as 'a conception of immanent tendencies of capitalist development' (*ibid.*, p. 277). Hodgson criticises Marx as 'determinist': 'Marx's basic idea of history as a succession of different types of economic structure or system still has a lot going for it. This should not, however, be taken to imply that history is a deterministic series of stages, where one system inevitably is transformed into another 'higher' system' (*ibid.*, p. 159).
As we have seen, however, Meikle's teleological view on history is rather incompatible with determinism. Hodgson's misunderstanding on Marxian teleology might be because he inadvertently slips into an atomist ontology. Because Hodgson fails to distinguish between accidental and necessary changes, and sees all 'events' uniquely as 'regularities' or epistemological constant conjunction of 'event-types', non-accidental changes are only unreal 'inevitable' changes. In contrast with Marxian idea of 'teleological' and 'deterministic' view on history, Hodgson claims, in terms of Darwin's biological principles, that:

*it is impossible to predict* the character and form of social change. On the basis of Darwinism, change would occur as the result of chance variations; *these are a source of unpredictability*, and deny evolution any predetermined goal. (Hodgson, 1993, p. 41, italics added)

Hodgson considers the nature of social change in terms of whether it is predictable or not. However, essentialist ontology *does not predict* the development of history, in the same sense as it *does not predict* that a kitten is going to be a mature cat in the future. Instead, *it uncovers an entity's tendencies of development or potential, and sees how it can be expected to act or develop and probably will unless interfered with*.

### 7.2.2 The Ontology of Money

Hodgson establishes his evolutionary view of money through criticism of Menger's 'evolutionary' view. Menger views money as a paradigmatic 'organic' social institution. This 'organic', however, means neither 'natural or biological' nor 'being structurally interrelated with environment', but means that 'although the product of human action, it is not the product of human design' *(ibid.*, p. 109). For Menger, money is the most saleable commodity, and its saleability is based on the subjective evaluation by individuals. Money emerges through some kind of an 'evolutionary process'. 'Apart from the attribute of being 'most marketable', which is a culmination and consequence of individual perception and choices, Menger suggests that the good that emerges as money may be 'the most easily transported, the most durable and the most divisible' ... Consequently over time, a single commodity or group of commodities will emerge as money' *(ibid.*, p. 111).
Hodgson claims, however, that Menger’s ‘evolutionalist’ view on the emergence of money does not provide a complete evolutionary perspective. First, while money is ‘selected’ in Menger’s evolutionary view of the emergence of money, it is not fully ‘natural selection’. ‘What is ‘selected’ is the convention, or potential monetary unit, itself. However, … this is not the selection of what could be analogous to the ‘genetic’ elements driving the system’ (ibid., p. 111). Menger’s ‘ontogenetic’ view on evolutionary contrasts with Hodgson’s ‘phylogenetic’ one in term of understanding ‘natural selection’:

‘Ontogenetic Evolution’ and ‘Phylogeny Evolution’: Ontogeny involves the development of a particular organism from a set of given and unchanging genes. … In contrast, phylogeny is the complete and ongoing evolution of a population, including changes in its composition and that of the gene pool. It involves changes in the genetic potentialities of the population, as well as their individual phenotypic development. (ibid., p. 40)

For Menger, the object of evolutionary analysis is an emerging monetary unit and the cumulative reinforcement of a given unit. The ‘genetic material’ is the individual with her given preferences and goals, and she does not change during the emergence of money. ‘There is not necessarily even a process of evolutionary selection between rival monetary units nor is there a consideration of the changes in individual goals or preferences. While the medium of exchange is ‘selected’, it is through cumulative reinforcement, and is not necessarily through the sifting and winnowing of competing alternatives’ (ibid., p. 112). Hodgson claims that it is not fully ‘natural selection’ observed in phylogeny, but that confined in ontogeny.

Second, Menger’s ‘evolutionalist’ view on the emergence of money neglects problems of quality variation and verification of an emerging monetary unit. Menger’s ‘typological essentialism’ contrasts with Hodgson’s ‘population thinking’ in term of understanding ‘quality variation’.

There is a large controversy between ‘population thinking’ and ‘typological essentialism’, for which space does not allow a detailed examination of here. For instance, Elliot Sober argues that the essentialist method of explaining variability, formulated and applied to biology and physics by Aristotle, is no longer tenable: ‘Essentialism about species is today a dead issue, not because there is no conceivable way to defend it, but because the way in which it was defended by biologists was
'Typological essentialism' and 'Population thinking': In typological thinking, species are regarded as identifiable in terms of a few distinct characteristics which represent their essence. Accordingly, all variations around the ideal type are regarded as accidental aberrations. By contrast, in population thinking, species are described in terms of a distribution of characteristics. Whereas in typological thinking variation is a classificatory nuisance, in population thinking it is of paramount interest because it is precisely the variety of the system that fuels the evolutionary process. (ibid., p. 47)

Hodgson indicates that Menger as ‘typological essentialist’ suggests that the substance of an emerging monetary unit is homogeneous, invariant and recognisable by all agents, and this neglects problems of quality variation and verification of money and leaves out the possibility of the state intervention. In comparison with language, which is, Hodgson thinks, self-policing and self-regulating because individuals have an incentive to make their words clear, money is not, and thereby requires the intervention from the state more than language does. Hodgson concludes, therefore, that ‘money will be, to use Menger’s terminology — partly a ‘pragmatic’ rather than a purely ‘organic’ institution’ (ibid., p. 120). For Hodgson, money is neither fully nor merely autonomous, self-governing entity, but rather amendable and governable one.

First, Hodgson is an atomist in the guise of an ‘anti-atomist’. In contrast with typological thinking, which regards species as identifiable in terms of a few distinct characteristics, Hodgson regards species, in population thinking, in terms of a distribution of characteristics. ‘Whereas in typological thinking variation is a thoroughly discredited’ (Sober, 1980, p. 353). However, 'typological essentialism', which Sober and Hodgson criticise, seems to be different from Aristotelian essentialism this thesis defends. Sober sees a problem of typological essentialism in Aristotle's distinction between 'natural' and 'unnatural' state. Corresponding with Sober, Hodgson considers that typological essentialism holds a distinction between the ideal type (i.e. normal) and accidental aberrations (i.e. abnormal). In contrast, Aristotelian essentialism has been defined in 4.2.2 as a view that an object consists of some 'necessary' properties and 'accidental' properties: it entails a distinction between necessary (i.e. constitutive) and accidental (i.e. non-constitutive). In chess, certain rules are essential (i.e. necessary and constitutive to the game), whereas if the chess pieces are wooden or plastic, or if the chess players are left-handed or right-handed are accidental (i.e. non-constitutive). It is not a case that certain rules are natural and normal, whereas whether wooden or plastic, or whether left-handed or right-handed is unnatural and abnormal. This
classification nuisance, in population thinking it is of paramount interest'. On the basis of his atomistic view on history, Hodgson fails to distinguish between accidental and necessary characteristics for money, and sees all characteristics uniquely as 'interesting'.

Second, Hodgson seems to inadvertently slide towards a crude materialism. Hodgson argues only about the substance of an emerging monetary unit from either Menger's old or Hodgson's new evolutionary view. Hodgson focuses only on the material aspect of money and suggests the way in which one monetary unit is evolutionary selected among rival monetary units, and the way in which the substance of monetary units is heterogeneous, variant and not easily recognisable. Nevertheless, as I have been at pains to point out in this thesis, money has a symbolic, specifically discursive, dimension to it also. Ontological questions relating to money and its evolution cannot be reduced to the issue of how its material is selected.

7.2.3 The Ontology of Utopia

Hodgson's utopianism is based upon his account of both 'anti-teleological' and 'anti-determinist' views on history. In order to avoid arriving at 'the end of history' through a 'fixed' path, Hodgson looks at the possibility of utopia as a never-ending flexible process through which we can continuously learn:

In very general terms, a challenge for the twenty-first century is not the construction of a fixed and final utopia but of evotopia — a system that can foster learning, enhance human capacities, systematically incorporate growing knowledge and adapt to changing circumstances. (Hodgson, 1999, p. 240, italics added)

Hodgson's main purpose for evotopianism is to reject any kinds of fixed blueprint, and instead to build scenarios. 'The very fact that there is learning to be done, and human capabilities to be enhanced, means that no fixed blueprint of a desired future is possible' (ibid.). For Hodgson, however, we can explore a scenario along which capitalism could feasibly evolve, not into the past utopias (i.e. the individualistic free-

thesis is not interested in the ideal type of money in natural and normal state, but in the constitutive
market utopia of right and the collectively planned utopia of the left), but into a different type of socio-economic system. He claims that it is not to suggest that such as evolution is predestined, but to suggest the possibility of another system, which is driven by the growth of knowledge-incentive production. He considers that ‘evotopia’ is more feasible than the past utopias since it can deal more adequately with the acquisition and use of knowledge and dynamic process of learning.72

As one of his evotopian scenarios, Hodgson offers an alternative metric appropriate for the learning economy (ibid., pp. 228-39). Hodgson treats knowledge as consisting of skills (i.e. the direct human contributions to capabilities) and capabilities (i.e. a specific task, whether aided or unaided by tools, machines or other technological devices), and tries to track them down to a quantifiable metric. Hodgson believes that an increase in the level of skill and relevant knowledge of a human population can be represented as an upward movement in what he calls the ‘learning frontier’. At the learning frontier, the ‘evotopian’ system as a whole is supposed to reach ‘the maximum level of learning and skill, given its level of development and state of scientific and technological knowledge (ibid., p. 231).

The extent of the learning frontier is measured by the average amount of time it takes the population to reach the levels of skills that are deployed at this optimal position. The upward movement of the learning frontier is the main quantitative representation of the general advancement of human knowledge development in the system. (ibid., italics added)

Hodgson claims that, in the ‘evotopian’ system, moving the ‘learning frontier’ on a steady upward curve is a right action in terms of a good state of reaching the

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72 Hodgson defines learning in the following senses: (a) a dynamic process; ‘Learning is much more than a process of blueprint discovery, stimulus-response, input enhancement or statistical correction. Learning is a process of problem-formulation and problem-solving rather than the acquisition of given ‘bits’ of information ‘out there’ (ibid., p. 75). (b) Learning how to learn; ‘[L]earning is not simply the acquisition of information. The rapidly changing world in which we live highlights the importance not simply learning, but of ‘second-order learning’, that is, learning how to learn’ (ibid., p. 247). (c) Learning entails changes in routines, habits and institutions; ‘Learning does not simply mean the implantation of ideas in the head; it also means the adaptation and replication of habits and behaviour. At the socio-economic level, this entails changes in routines and institutions. The development in human learning over the last two hundred years has to a large degree been the result of such changes’ (ibid., p. 247).
maximum level of knowledge, in which ‘individuals enjoy enhanced possibilities of educative development’ (ibid.). This encourages the interpretation of ‘evotopianism’ as a form of consequentialism. The ‘evotopia’ is a good state of affairs, in which individuals can foster learning, enhance human capacities and adapt to unpredictable changes. Learning is a right act of agents because it promotes our flexibility and adaptability to unforeseen changes in ‘non-teleological history’. ‘Evotopia’ for what purpose? Because it functions: ‘evotopia’ is desired for the sake of the benefit it promotes. ‘Evotopia’ is expected to foster our endless learning, enhance human capabilities and flexibility for unpredictable changes of anti-teleological history out there. Its teleological explanation is based on extrinsic teleology — i.e. an alternative value system based on skills, which functions and promotes the knowledge maximisation within the ‘evotopian’ system. While Hodgson accepts ‘Malthus’s doctrine of the imperfectability of the world’ and rejects the possibility of creating a perfect social order (ibid., p. 242), Hodgson’s evotopianism is not much different from Benthamite utilitarianism in taking as ethically primitive some good and/or better state of affairs.

Hodgson also offers an alternative metric appropriate for the learning economy, which he contrasts with that he takes to be assumed in Marxism. He proposes the metric of skills as follows: the measure of a skill is the amount of time it takes to achieve that level of skill (ibid., p. 229, italics author’s). While Hodgson is concerned with the metric of skills through time, he claims it is different from ‘the Marxian concept of labour time’. He supposes that the acquisition of all necessary skills for being a brain surgeon requires about 30 years, but that not all people may have the ability to become brain surgeons within 30 years: some may never be capable of such work. Then, he argues that Marxian essentialist approach neglects such a variation: ‘In the Marxian approach this difficulty is dealt with by considering the potential of the average person, ignoring any variation about the mean. The essentialism of this [Marxian] approach is rejected here, in part because of its neglect of the ineradicable variety of human ability and skill’ (ibid., p. 229-30). Thus, Hodgson amends his own firstly proposed metric so as to cover the variety of human ability and skill, as follows: ‘The measure of a skill is the minimum amount of time that it takes the proportion of the population allocated to that skill to acquire that skill, given the currently optimal allocation of labour’ (ibid., p. 230, italics author’s). Hodgson
believes that it is possible to calculate the minimum amount of time required to acquire a certain skill for each person, and that the measure of a certain skill would be the mean of those minima.

Hodgson misunderstands the Marxist essentialism because of his inadvertent atomism. It is not the case that Marxist essentialism neglects the variation of human abilities and skills by considering the potential of the average person. It makes a distinction between a necessary element of commodity (i.e. the abstract human labour) and an accidental element of commodity (e.g. whether it is smithing or tailoring), and considers that products are commensurable in respect of abstract human labour, and therefore are exchanged in terms of their socially necessary labour. Hodgson rather fails to make this distinction and sees all elements including skills and capacities as equally unique. Hodgson neglects the Aristotelian/Marxist argument on how heterogeneous products are rendered commensurable. Hodgson denotes that his evotopian scenario differs from Marxism ‘in its treatment of the concept of knowledge, seeing labour no longer as the single, undifferentiated, commensurable substance, driving production’ (ibid., p. 219, italics added). Ignoring the issue on commensurability in respect of a common dimension, Hodgson just focuses on the practical attainability of measuring methods in respect of skills and capabilities. He claims that ‘[a]lthough these [changing] factors create difficulties for the proposed measures of the skills and capability level, they do not render the methods of measurement invalid’ (ibid., p. 234). However, it is not the case that it is difficult to get a measure of skills and capabilities, but is fundamentally impossible from the Aristotelian categorical separation between quality and quantity. I would rather agree with Hodgson’s own late remarks, which are inconsistent with what he says in regard to the ‘learning frontier’: ‘The evotopian emphasis, however, is not exclusively or primarily on quantitative measures. Quantity can never fully express quality. A huge variety of adaptable skills and capacities are required to deal with complexity’ (ibid., p. 247, italics added).
7.2.4 The Ontology of Human Beings

Hodgson offers the truth in a story of Lost Paradise, as follows:

\[\text{U}nlike\text{ other animals, humanity is forever both cursed and blessed by knowledge. It is the original sin, for which there is no clemency and from which there is no release. No longer innocent, we are collectively afflicted by an unavoidable and endless imperative to pursue wisdom, \textit{almost as if for its own sake}. (Hodgson, 1999, p. 262, italics added)}\]

Hodgson, however, has a high regard for the positive side of knowledge, which the book of Genesis fails to mention. ‘\text{[K]}nowledge is no longer something to be forbidden: it is a formidable necessity. Stored in our institutions, it is \textit{a means of both individual self-realisation and social emancipation}. Used properly, it is a basis for the enlargement and institutionalisation of \textit{other worthwhile human values’} (ibid., p. 262, italics added).

Hodgson claims that knowledge is not only a means, but also an end: ‘a major end and purpose of economic activity is to safeguard and develop human capabilities, including human enlightenment and learning. \textit{The ultimate end} is not simply consumption, but human education and \textit{the production of useful and warranted knowledge’} (ibid., p. 247, italics added). Hodgson cautiously avoids falling into teleological explanation of knowledge maximisation as ‘the end of history’, and claims: ‘\textit{The normative goals for humanity} — of knowledge, economic development, democracy, and need-satisfaction — are all entwined together. They are both a means and an end at the same time. ... Knowledge, in particular, is both a means and an end’ (ibid., p. 262, italics added).

But Hodgson does not indicate what the ‘other worthwhile human values’ and ‘the normative goals for humanity’ are. He hesitates to argue about the final and intrinsic value for humanity, because his main purpose is rather to prove that \textit{the learning economy is not the end of history}. For him, knowledge has to be both a means and an end, so that ‘evotopia’ can be a dynamic process of learning. Knowledge is, however, only extrinsically valuable. ‘Knowledge is not intrinsically valuable, for it makes sense to care about knowing something only if the object of knowledge is interesting
or important or the knowledge itself is useful. It doesn’t make sense to care intrinsically about knowing a boring subject’ (Anderson, 1993, p. 27).

7.3 Virtue-based Utopianism
As noted, ‘utopia’ refers to a non-existent good (or, at least, better) place. Let us ask: a good place in what respect? Let us recall the ethical perspectives discussed in chapter 4, and contrast what we might call, ‘consequentialist utopianism’, ‘deontological utopianism’, and ‘virtue-based utopianism’, which can be summarised as follows:

- Consequentialist utopianism concerns the state of affairs we ought and ought not to bring about. From this concern, it follows that utopia is a good state of affairs.
- Deontological utopianism concerns the kind of actions we should and should not perform. From this concern, it follows that utopia is a good state of right action in accordance with a moral duty such as the Kantian categorical imperative.73
- Virtue-based utopianism concerns the kind of person we ought and ought not to be. From this concern, it follows that utopia is a good state of human essence.74

In contrast with consequentialist utopianism, this section aims to explore an alternative utopianism, which presupposes Aristotelian virtue ethics, called ‘virtue-based utopia’. These two kinds of utopianism can be distinguished in terms of (a) their moral evaluation — i.e. to which does it put priority, ‘the right’ or ‘the good’?; and (b) their teleological explanation — i.e. is it desired to exist ‘for what purpose?’.

‘Evotopia’ is a good state of affairs, in which individuals can foster learning, enhance human capacities and adapt to unpredictable changes. Learning is a right act of agents because it promotes flexibility and adaptability to unforeseen changes in ‘non-teleological history’. ‘Evotopia’ for what purpose? Because it functions: ‘evotopia’ is desired for the sake of the benefit it promotes. ‘Evotopia’ is expected to foster our

73 ‘Evotopianism’ cannot be understood through a deontological ethics perspective, because it suggests that learning is a right act of agents in terms of a good state of affairs it promotes. Learning, for Hodgson, is not intrinsically and finally valuable for its own sake, but rather extrinsically and instrumentally valuable to promote our flexibility and adaptability to unforeseen changes in ‘non-teleological history’. ‘Evotopia’ for what purpose? Because it functions: ‘evotopia’ is desired for the sake of the benefit it promotes. ‘Evotopia’ is expected to foster our

74 ‘Evotopianism’ cannot be understood through virtue ethics perspective, either: his claim is not that we ought to be a learnable character, or knowledgeable person, as an excellence of human nature.
endless learning, enhance human capabilities and flexibility for unpredictable changes of anti-teleological history out there. Its teleological explanation is based on extrinsic teleology — i.e. the amendment of the metric of value functions and promotes the knowledge maximisation within the 'evotopian' system.

‘Virtue-based utopia’, by contrast, is a realisation of the human essence, in which each individual can seek to realise in his or her own life. Such a ‘virtue-based utopia’ is an intrinsic telos for both human species and history. The teleological development of human species is interrelated with that of history: human beings make history by achieving the self-realisation, but history equally makes it possible for human beings to realise their essence. Human beings achieve the realisation of themselves as real species being through a process of teleological development of history. Its teleological explanation is based on intrinsic teleology — i.e. as we can realise our human virtue, we can internally stop our dependence on money within the teleological development of history.

In this section, we try to describe the Aristotelian ‘virtue-based utopianism’, through Moses Hess’ account of human nature, history, money and utopia. His ‘Über das Geldwesen [about the essence of money]’ in 1841 is known for inspiring and influencing Marx in his ‘Economic and Philosophical Manuscripts’ in 1844.\textsuperscript{75}

7.3.1 The Ontology of Human Beings
According to Hess, human beings cooperate with each other through direct intercourse in an organic community, which is an essential act of species being. ‘Life is exchange of producing activity of life’ (Hess, 1961 [1841], p. 330). Like breathing the air, the exchange of producing activity of life is essential to human beings. Hess explains the essence of human beings with a natural/social contrast. Human beings unintentionally breathe the air in the natural sphere of the earth, whereas they intentionally exchange their producing activity of life in the social sphere of economy. But as human beings cannot live without the natural intercourse of breathing the air, they cannot live without the social intercourse of exchanging the producing activity of

\textsuperscript{75} While their arguments are very similar, ‘virtue-based utopianism’ can be found more explicitly in Hess than in Marx: whilst Marx focuses more on changing the contradictory social order, Hess mainly focuses on the emancipation of humanity from that social order.
life. Just as human beings have a natural activity of life (i.e. breathing), they exchange social activity of life in the intercourse of human beings. ‘The intercourse of humans is not merely derived from their nature; it is their real nature’ (ibid., p. 331). In the same way as body parts (e.g. organ) cannot live unless in a human body as a whole, individuals cannot live unless in an organic community as a whole. ‘They [human beings] are dead, if they are separated from each other. Their real life exists only in the mutual exchange of their producing activity of life, only in cooperation, only in the co-relation with the whole social body’ (ibid., p. 330). Hess calls this cooperative exchange of producing activity ‘species act (i.e. Gattungsact)’ (ibid., p. 331). Thus, the human essence lies in the cooperation through direct intercourse in an organic community. This allows us to interpret what Hess argues about mutuality, which involves the mutually enhancing relationship between free individuals. As argued in chapter 6, individuals can be related internally and directly with each other through altruistic gift giving as an essential act of species being.

7.3.2 The Ontology of Human History
For Hess, human beings originated with the immature form of their essence in social history. The essence of human being has a history of development or a developing history. According to Hess, human beings have a ‘double history of development’: natural and social. One is the first history of mankind as unconscious bodily beings in the natural world. The other is the second history of mankind as conscious spiritual beings in the social world. Human beings can appear with their completed form at the end of the second, social history that follows from the first, natural one (ibid., p. 345). Human beings have never been completed yet: they are approaching the promised land (i.e. dieses Land der VerheiBung), something that links to Hess’s utopianism. The history of human beings necessarily starts with their mutual destruction, which comes from the self-contradiction of their intercourse among isolated individuals. ‘The developing history of the human essence, or that of human kind, firstly appears as self-destruction of this essence’ (ibid., p. 332). Human beings originally could not cooperate with each other as members of an organic community and of species beings. If they could, they would not have stolen with violence or deceived with cunning. In spite of their cooperative nature, human beings struggled with their egos for external and alienated properties, because they were born with their immature form, as isolated individuals. Corresponding to Marx/Gould’s argument on the transformation the
social relations with historical development, however, Hess also considers that those originally isolated individuals can internally and directly be united.

7.3.3 The Ontology of Money

Money is the alienated power of human beings, their traded off activities. Money is the worth of human beings expressed in numbers. It is the hallmark of our slavery, the indelible fire mark of our slavery (ibid., p. 335).

Hess claims that money is non-organic in contrast with organic human beings. First, money is non-organic in the sense that it is alienated and externalised from organic human beings. ‘Money is the product of mutually alienated humans, externalised humans’ (ibid., p. 335). Second, money is non-organic in a sense that it is quantitative. ‘This universal plunder, money, is not an organic, living entity. Yes, it must be the social body, the organic species, which represents social intercourse; but it cannot do it, because money is by its nature not organic, not organised, not internally differentiated, but it is a dead mass, an amount or a number. How can the worth of a living nature, human being and its highest life and work be expressed in amounts or numbers? How the worth of the social life can be expressed in amounts or numbers?’ (ibid., pp. 343, italics added) This allows us to interpret Hess as recognising incompatibility between money’s commensuration (especially on the aspect of quantification) and incommensurable values (i.e. the worth of a living nature), argued in chapter 2 and 3.

As the following citations show, Marx owes a lot to Hess in terms of his alienation theory of money: ‘The individual is evaluated up as the end, whereas the mankind is evaluated down as the means: that is totally the reversal of the human and the natural life’ (ibid., p. 333). Money turns over the realisation of human essence from ends for human species to means for individuals. ‘Yes, we must keep selling our nature, our life, our own free activity, in order to make our miserable living. We keep buying our individual living in exchange for losing our freedom’ (ibid., p. 335). We sell our freedom in exchange for our life. The more we sell, the less free we are. ‘Money can never ever become possession’ (ibid., p. 343). Here, Hess suggests constitutive incommensurability (i.e. there are some things money cannot buy), argued in chapter
2 and 3: if we exchange a human being for money, it is not an inspired living entity, but an uninspired lifeless body. Money does not bring us the real possession. 'Thus, you must eternally strive to acquire something, which cannot be yours, which eternally remains far beyond yourself. You can only possess an inspired body with your money, but you can also never ever inspire it and it can never become your possession! You have to regard yourself happy to have a body which does not belong to you, happy to be able to exchange your own body, your meat and blood, your activity of life for this plunder, that is, happy to be able sell yourself, — although it was regarded as unhappy still in the medieval and ancient — you must regard yourself happy to be a modern owner of body' (ibid., p. 344).

7.3.4 The Ontology of Utopia

According to Hess, as money has been brought about by the demand for an external, indirect means of intercourse, money will be destroyed by the demand for an internal, direct intercourse. An act of altruistic gift giving, as I argued in chapter 6, might be a means through which internal and direct intercourse could occur. In an analogy with language, Hess claims that the abolition of money would force back history. Language is a lively, well-spirited means of intercourse that can grow organically with human beings, because it is an organic, organised whole. However, money cannot grow organically with human beings. Thus, money does not resemble lively language, but rather writing as a dead letter. Hess argues that while language has not been invented, writing and money have. 'If the invention is no longer necessary, no longer useful, and becomes even harmful, it is used by nobody any more, while it does not go back into 'the mother's body' for that reason' (ibid., pp. 346-7). While those inventions were 'useful' and even 'necessary', it is the case that they will therefore be 'useful' and 'necessary' still in the future. Hess admits that an external and alienated symbol, namely money, had to be invented by human beings in their mutually alienated relation. Because they were not fully human beings (i.e. they were not...

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76 An act of altruistic gift giving, discussed in chapter 6, can only be a means of internal and direct intercourse among united human beings in an organic society.

77 Hess' account of language can be detected in two essays on the origin of language: Johann Gottfried Herder's 'Abhandlung über den Ursprung der Sprache (1770)' and Jean-Jacques Rousseau's 'Essai sur l'origine des langues, où il est parlé de la mélodie et de l'imitation musicale (1781)'. Both essays describe writing as dead language, which lacks breathing (i.e. natural activity of life). The more language acquires clarity and precision by being fixed in writing, the more it loses liveliness it originally used to have.
internally united), they had to look for the external unity outside themselves. The abstracted means of intercourse rather increased the human capacity of production. Without this inhuman means of intercourse, they would not have had an intercourse at all.

As soon as human beings unite, and can find instead a direct intercourse between them, however, the inhuman, external, dead means of intercourse must necessarily be abolished; this dead and deceased means of intercourse cannot and won’t arbitrarily be abolished; its abolition is not held by ‘order’, as its creation is not. As the demand for an external means of unity brought about the spiritual and material idol through the internal breakdown of humankind, the demand for a direct, intimate unity of human beings will again destroy this idol (ibid., p. 347).  

An interesting contrast can be found between Marx and Hess in their views on the abolition of money society: ‘Communism is for us not a state of affairs which is to be established, an ideal to which reality [will] have to adjust itself. We call communism the real movement which abolishes the present state of things. The conditions of movement result from the premises now in existence’ (Marx, 1970 [1845-6], italics added). Like Hess, Marx offers a non-consequentialist form of utopianism: communism is not about establishing a good state of affairs. For Marx, a present state of affairs ought to and can be abolished. Marx is concerned with changing the contradictory social order by putting an end to a present phenomenon, such as money. For Hess, a present state of affairs cannot and won’t arbitrarily be abolished. Hess is concerned with our acquisition of intimate unity through a direct intercourse. Hess can be considered to hold a more explicitly virtue-based utopianism than Marx. Because money is an external, indirect means of intercourse, it would be rendered redundant by the existence of a means of internal, direct intercourse. If and when we acquire our

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78 Sobald aber die Menschen sich vereinigen, sobald ein unmittelbarer Verkehr zwischen ihnen stattfinden kann, muss das unmenschliche, äussere, tote Verkehrsmittel nothwendig abgeschafft werden; nicht willkiirlich kann und wird dieses tote und tödtende Verkehrsmittel abgeschafft werden; die Abschaffung desselben geschieht eben so wenig auf “Commando”, wie dessen Schaffung. So wie das Bedarfniß eines äußeren Vereinigungsmittels während der inneren Zerfallenheit des Menschengeschlechtes die geistigen und materiellen Götzen in’s Leben gerufen hatte, so wird das Bedarfniß einer unmittelbaren, innigen Vereinigung der Menschen dies Götzen wieder vernichten. (Hess, 1961, p. 347)
intimate unity through a direct intercourse, we will no longer be dependent on an external, indirect means of intercourse, namely money. We need neither restore nor abolish it externally, but we can internally stop our dependence on it.

7.4 Conclusion
There are currently various utopian monetary/moneyless projects (e.g. LETS, Social Credit, Time-based Currency, Basic Income), which are also based on the ethical perspective of consequentialism. In a utopian moneyless project such as LETS, 'utopian realism' takes the following logical steps:

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79 The utopian monetary/moneyless projects, defined as follows, are mostly based on assuming that bad money makes a bad state of affairs, and that creating good (or better) money makes a good (or better) state of affairs:
(1) LETS (i.e. Local Exchange and Trading System) is designed to be circulated within a local community as much as possible in order to promote 'reciprocal relationships' between people in a community (cf. Linton). Money, in the mainstream capitalist economy, has a fundamental problem in its nature of being scarce and hard to come by, since:
   - there is only so much in circulation;
   - it can go virtually anywhere, and so it does; and
   - we can't issue it ourselves.
LETS is designed to solve the problem of scarcity and availability, so that
   - it stays within a community it serves;
   - it is issued by the people who use it; and
   - it exists in sufficient supply to meet the needs of a community.
Since we can issue it whenever we need and it stays within a community, it prevents to flow away.

(2) Social Credit aims to promote social justice and environmental sustainability through the reformation of bank investment (Hutchinson, 1998, pp. 44-5). It assumes that bad money is financial credit (debt-based money), which is concerned with the probability of the delivery of money in its various forms. Banks create money as loans by determining how it will be invested on grounds of profitability. The loan does not go out of existence even though it is repaid by original debtor, but the repaid loan must be rapidly re-loaned in order to maintain production. In contrast, good money is real credit (credit-based money), which is concerned with the probability of the delivery of goods in their various forms. Real credit depends on two factors: the ability of produce, and a need to be satisfied. It is social and communal in origin and therefore belongs neither to the producer nor the consumer, but to the community. Social Credit aims to eliminate the debt-based financial system and to replace it for the credit-based system. The creation of locally controlled financial mechanism promotes locally controlled production and income distribution. It is no longer determined by those motivated by greed and operating on the basis of the creation of artificial scarcities, but by members of community motivated by saving non-profitable value such as environment.

(3) Time-based Currency aims to promote equality in respect of time: 'an hour is always worth as much as an hour' (Offe and Heinze, 1992, p. 52). Differences of talent or skill, between different workers and different types of work, are intended to make no more difference than variations of in the intensity of the demand for different types of goods. Good money is supposed to be counted in time whereas bad money is traded for time. 'Time would have to be treated like money, yet without being traded for money' (ibid., p. 51). The labour vouchers are based on time as the unit of account.

(4) Basic Income aims to promote equality in respect of income distribution. It is an income unconditionally granted to all on an individual basis, without means test or work requirement. It is a form of minimum income guarantee that differs from those that now exist in various European countries in three important ways:
   - it is being paid to individuals rather than households;
   - it is paid irrespective of any income from other sources; and
   - it is paid without requiring the performance of any work or the willingness to accept a job if offered.
(1) It assumes, on one extremity, a state of affairs with money. While money is incompatible with ethical behaviour and human virtue, it cannot be abolished all at once;

(2) It assumes, on the other extremity, a state of affair without money. While altruistic gift giving is compatible with ethical behaviour and human virtue, it cannot cover all transactions already established in terms of money;

(3) It assumes a midpoint between these two extremities — i.e. a stepping-stone from (1) to (2).

A Nicotine patch can be a good metaphor for a stepping-stone: because we cannot easily stop smoking all at once, we require some kind of tool, such as a nicotine patch, which externally helps us to reduce our dependency on cigarette, as a stepping-stone for being a non-smoker. Virtue-based utopianism, however, doubts the effectiveness of such an external effort to stop the dependency. For instance, LETS is parallel to and parasitic upon the mainstream capitalist economy and, thereby, is mutually supplemental with the mainstream economy. What they promote is not post-capitalism but glocalisation (i.e. globalisation and localisation) of the market. While current utopian moneyless projects are ‘realistic’ in a sense that we can start them without stopping money all at once, they do not encourage the search for (a non-monetary) post-capitalist society.

Those utopian projects appeal to certain people because they can be made to work (at least the extent they do) without any radical change, that is, without the abolition of money. Hodgson’s ‘evotopia’ also entails this ‘utopian realism’. Being associated with Giddens’, so called, third way discourse, Hodgson considers that both collectively planned utopia of (some on) the left and individualistic free market utopia of the (free-market) right are inappropriate for a complex economy driven by innovation and rapid human learning, and thereby unfeasible, because their blueprints misunderstand the nature of learning and knowledge in a modern economy. Instead of the blueprints offered by the right and the left, Hodgson advocates scenario building as discovering ‘institutionally immanent possibilities’. ‘Scenario building is no idle

Basic income also involves ‘utopian realism’: ‘A basic income ... is provided in cash, without any restriction as to the nature or timing of the consumption or investment it helps fund. In most variants, it
speculation, but the investigation of plausible future causal chains, stemming from the conditions and force of the present’ (Hodgson, 1999, p. 180). Whether a blueprint or a scenario building is on offer, Hodgson’s ‘utopian realism’ is based on the ethical perspective of consequentialism, which is concerned with a good state of affairs for our learning:

In very general terms, a challenge for the twenty-first century is not the construction of a fixed and final utopia but of evotopia — a system that can foster learning, enhance human capacities, systematically incorporate growing knowledge and adapt to changing circumstances. (ibid., p. 240, italics added)

This thesis claims, in contrast, that the real challenge, at any point of both history and individual life, is not the construction of a system as an adaptation to the anti-teleological history out there, but virtue-based utopianism — i.e. being a virtuous person. Virtue is not a good state of affairs, but a good state of the human character. On the Aristotelian account we define that state in terms of the realisation of the human essence. Both Hegel and Marx historicise that essentialism: as Wood puts it both views ‘the human nature to be actualized as a historical product’ (Wood, 1999, p. 33). Being virtuous is the goal for both human species and history. The teleological development of human species are interrelated with that of history: human beings make history by achieving their self-realisation, but history equally makes it possible for them to realise their essence. Human beings achieve the realisation of themselves as real species being through a process of teleological development of history. Thus, if we can uncover money’s tendencies of development or potential, we do not need to endlessly ‘learn’ to adapt to unpredictable changes caused by money. If we can realise our human virtue, we can be less and less dependent on money, which is incompatible with human virtue. Neither need we restore nor abolish it externally, but can internally uncover it and stop our dependence on it. We consider the contrast between those external and internal approaches further in the final concluding chapter.

supplements, rather than substitutes, existing in-kind transfers such as free education or basic health insurance’ (Van Parijs, 2000, p. 3, italics added).
Let us reconsider the concept of the 'priceless' through an episode told by a Japanese philosopher, who had been 'a visiting farmer' in a mountain village, cultivating a small field for more than 25 years. He wanted to buy an old farmhouse there, but he could not find any houses for sale. 'It may sound strange for those who are not familiar with the present situation of mountain villages, because there must be plenty of vacant houses due to depopulation now in progress in mountain villages.' There are plenty of vacant houses. Many villagers kindly offer to let their houses. The rent is almost free. Nevertheless, there are no houses for sale. Nobody wants to sell their house even though they do not need it any more. 'Nobody wants to sell a house, in which he was born and brought up, in which his parents and grand-parents have lived.' He asked many villagers to give him information about a house for sale, and even asked his relatives to negotiate with house owners for selling. As soon as he finally found a house for sale, he told its owner that he wanted to buy it, and also asked a villager to negotiate all about a contract including setting a price. 'I won't engage in bargaining, so please agree with the deal!'

But later, the philosopher figured out that he had given the negotiator a terrible headache. In an urban area, we can rely on market price of real estate for setting a price. 'But there is no market price of real estate in a village, for there is, as we can easily imagine, no market of real estate in a village. There had presumably never been any deals in real estate in the village's history.' A seller of the house, on the one hand, might have expected a certain price. But it was doubtful how much it was subjectively reasonable. A buyer of the house, on the other hand, did not know how much it was without a reference to market price. Besides, an 80-year-old farmhouse would be assessed at 0 in an urban area. But he says, 'I was desperate to have an old farmhouse. I wanted an old styled farmhouse rather than a modern house. Therefore, that house is valuable for me, and should not be assessed at 0. But I don't know at all about its just price, either.' That is, the negotiator must be charged with a 'great mission' to put a price on that which lacks market and price.

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There was an even greater hurdle after the negotiation among three parties. No transaction can be approved without following nationally established procedures. Trading is more than an agreement between a seller and a buyer. It has to go along with the nationally established rules. Thus, the philosopher and the house seller visited a village office, and were introduced to a judicial scrivener from the same village. The procedures are quickly completed. During the procedure, the judicial scrivener asked them, ‘what are the items for sale?’ They were just confused and could not answer. The judicial scrivener laughed and explained, ‘I mean, how much did you price for housing land, forest land, and house?’ They had never considered them separately. ‘Housing land, forest land next to housing land, and house are absolutely necessary for me to make my own base in the village, and cannot be separated from one another for my village life. My aim for this deal is not getting a real estate but getting my own base for my village life. That means, the owner loses his own base for his village life.’

After all of this much ado about nothing, the house seller asked the philosopher, ‘will you give me a cup of tea, when I come back to the village to visit the family grave?’ ‘Of course, you are welcome at any time. But I only stay in the village sometimes. I hope I will be there on the day you visit.’ ‘I am quite relived to hear it. I thought I even lost a place to take a seat in the village.’ It is the reason why villagers don’t want to sell their houses. They just don’t want to lose their place to sit down, relax and enjoy a cup of tea. ‘It was quite natural from this sense that we hadn’t set a price for forest land, housing land etc.’

In this episode, people have traded ‘priceless property’ in the following respects:

1) Practically Priceless: because nobody had ever traded their property so far, there is no market of real estate in the village. Because the village lacks a real estate market, it has no market price for real estate.

2) Categorical difference between quality and quality: traders are not interested in exchanging a real estate, but rather in exchanging the ‘usefulness’ of a base for their village life. While a real estate can be divided into several purchasing items, such as housing land, forest land and house, the ‘usefulness’ of a base for their

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81 Uchiyama indicates (1) and (2).
village life cannot be divided from one another. Usefulness (i.e. use-value) is qualitative, whereas price (i.e. exchange-value) is quantitative: they are different dimensions.

(3) Constitutive Incommensurability: there are certain social relations (e.g. family, parent-child, friend) and evaluative commitments (e.g. to lands, forests, streams, fisheries, livelihood) that are constituted by a refusal to put a price on them. ‘Nobody wants to sell a house, in which one was born and brought up, in which one’s parents and grand-parents have lived’. That is, social loyalties both to lands and forest one was brought up in and to family and ancestors are constituted by a refusal to treat them as commodities that can be bought or sold.

There are many different kinds of ‘pricelessness’, and they are certainly plausible. What should not be neglected, however, is its ontological status — i.e. constitutive incommensurability. Pricelessness as constitutive incommensurability cannot be reduced into a ‘priceless claim’ — i.e. ‘priceless’ as a metaphorical expression to suggest that it is as if something is much more valuable than any amount of money, regardless of whether it can actually be priced or not. When one sells one’s parents’ and grand-parents’ home, it is not home any more, but is transformed into three items — i.e. housing land, forest land, and house. Thus, ‘pricelessness’ is not merely a matter of our discourse.

Uchiyama tells that he was after all happy with this trade because ‘money has been regarded as a silly thing in the whole process of the dealing’. Both the seller and buyer are rather interested in a ‘trade of usefulness’. Price was not very significant for either of them, provided it would be afforded. They are required by a state, however, to make a procedure to justify a trade of fictitious commodities. ‘Money was just a pointless means to arrange the trade of fictitious commodities’.

Uchiyama mentions, however, that this fiction becomes more and more important and acquires reality in market economy. For example, the price of a car is not set as a result of its design and production but, on the contrary, a car is designed and produced according to a price set in advance. This makes a difference to our life style: we do not trade useful things to live, but rather, we make a standard of life according to the
price of our labour. The fictitious activity of price setting becomes dominant over substantive economy.

This is a case of the 'tail wagging the dog': the reality (i.e. the primary) is subordinate to the fiction (i.e. the secondary). As I have argued, the capitalist market economy is currently being transformed into a 'discourse-driven (or -based)' one. Money is being transformed via new communication technologies into more symbolic and non-substantial forms (e.g. credit card, e-money). What is traded for money also becomes more symbolic and various (e.g. information, knowledge, right, image, words). Regardless of whether we are aware of it or not, we are discursively driven to project the market regime into non-market spheres and increase the range of purchasable items. Moreover, this is a case of a 'Procrustean bed': our satisfaction (i.e. the internal) is fitted to its criterion (i.e. the external). I have also argued that a consequentialist utopian discourse, which concerns the perfection of state of affairs, is the dominant utopian discourse. Those who speak a consequentialist discourse neglect, however, the fact that our state of mind and character (e.g. happiness, contentment, comfortableness) may be distorted to realise a perfect state of affairs (i.e. an exact conformity to a standard measure).

The proposal this thesis suggests, in contrast, is that we need to reverse these subordinations back to normal: it suggests that the fiction (i.e. the secondary) be subordinate to the reality (i.e. the primary) and that the state of affairs (i.e. the external) be subordinate to the state of mind and character (i.e. the internal). Moreover, so as to get them back to a proper relationship, this thesis advocates stopping externalisation from a perspective of virtue-based utopianism. Let us finally describe it with an ill-treatment metaphor.

A Japanese medical doctor, Komazawa, tells us about the Buddhist wisdom of two different methods of treatment — i.e. 'against-treatment' and 'with-treatment'

82 In an ancient Greek mythology by Theseus, Procrustes, meaning "he who stretches", keeps a house by the side of the road where he offers hospitality to passing strangers, who are invited in for a pleasant meal and a night's rest in his very special bed. Procrustes describes it as having the unique property that its length exactly matches whomsoever lays down upon it. What Procrustes does not volunteer is the method by which this "one-size-fits-all" is achieved, namely as soon as the guest lays down Procrustes goes to work upon him, stretching him on the rack if he is too short for the bed and chopping off his legs if he is too long. Theseus turns the tables on Procrustes, fatally adjusting him to fit his own bed.
('Against-treatment' involves externalising oneself from a problem (e.g. physical illness, mental disorder) and taking remedies against a problem as an object to be solved. 'With-treatment', in contrast, involves just acknowledging and going along with a problem till it is healed. For instance, using ice to cool down a fever is an 'against-treatment', whereas keeping warm enough to have a good sweat is a 'with-treatment' for a fever. For someone who is in deep grief, saying some encouraging words to overcome their sorrow is an 'against-treatment', whereas taking a load off their mind by crying together is a 'with-treatment' for sadness. Komazawa confesses that he has initially misunderstood the real meaning of 'with-treatment': he thought it referred to being in sympathy and helpful with patients, but figured out it did not. No matter how sympathetically a doctor may encourage an anorexic child to eat, lack of empathy with the child's reasons for not eating makes an apparently 'with-treatment' actually an 'against-treatment'. Komazawa claims that modern Western medical science is based on this idea of 'against-treatment': it regards disease as a bad state of affair and tries to turn it into good health as a good state of affairs.

They are English translations of 'Taiji' and 'Douji' in Japanese.

The contrast between 'against-treatment' and 'with-treatment' is similar to that between the north wind and the Sun, in the following Aesop's fable: The North Wind and the Sun disputed as to which was the most powerful, and agreed that he should be declared the victor who could first strip a wayfaring man of his clothes. The North Wind first tried his power and blew with all his might, but the keener his blasts, the closer the Traveller wrapped his cloak around him, until at last, resigning all hope of victory, the Wind called upon the Sun to see what he could do. The Sun suddenly shone out with all his warmth. The Traveller no sooner felt his genial rays than he took off one garment after another, and at last, fairly overcome with heat, undressed and bathed in a stream that lay in his path. In this fable, the north wind takes 'against-treatment' and tries to attain the object externally, whereas the sun takes 'with-treatment' and makes an effect internally.

Like money, cancer is described as evil. Sontag indicates that the controlling metaphors in descriptions of cancer are drawn from the language of warfare: 'cancer cells do not simply multiply; they are 'invasive.' ... Cancer cells 'colonize' from the original tumor to far sites in the body, first setting up tiny outposts ('micro-metastases') whose presence is assumed, though they cannot be detected. Rarely are the body's 'defenses' vigorous enough to obliterate a tumor that has established its own blood supply and consists of billions of detective cells. However, 'radical' the surgical intervention, however, many 'scans' are taken of the body landscape, most remissions are temporary; the prospects are that 'tumor invasion' will continue, or that rouge cells will eventually regroup and mount a new assault on the organism' (Sontag, 1991, pp. 65-6). Treatment of cancer also has a military favour: 'Radiotherapy uses the metaphors of aerial warfare; patients are 'bombarded' with toxic rays. And chemotherapy is chemical warfare, using poisons. Treatment aims to 'kill' cancer cells (without, it is hoped, killing the patient). Unpleasant side effects to treatment are advertised, indeed over-advertised. ('The agony of chemotherapy' is a standard phrase) It is impossible to avoid damaging or destroying healthy cells (indeed, some methods used to treat cancer can cause cancer), but it is thought that nearly any damage to the body is justified if it saves the patient's life' (ibid., pp. 66-7). Not only is the clinical course of cancer and its medical treatment, but also cancer itself is conceived as the enemy on which
him/herself by refusing to acknowledge that he/she does not want to eat. On the contrary Komazawa, as a child doctor, discovers himself that 'with-treatment' can ironically be even more successful for a favourable turn than 'against-treatment' in many cases.

In a nutshell, this thesis maintains that society requires 'with-treatment' rather than 'against-treatment'. For sure, it advocates that, despite being a mistranslation, the aphorism 'money is the root of all evil' may actually be more accurate that the original. It claims that money itself is incompatible with our ethical behaviour and human virtue. However, regardless of whether with a help of a stepping-stone or without, this thesis is skeptical towards any kinds of consequentialist effort to turn a bad state of affairs into a good one. By changing our society so as to directly take a favourable turn (e.g. to turn a state with money into that without money) rather misguides us to be against the society by refusing that it subsists with the root of evil, and to be externalised from our own society. In contrast, this thesis offers a 'with-treatment' to society: we need neither externally to restore nor abolish money as the root of evil, but we can internally uncover the ontology of money and stop our dependence on it. So as money dependence to be healed, this thesis acknowledges that altruistic gift giving can internally make an effect with the society, as the sun acknowledges that heating can internally make an effect with a traveller. As the north wind fails to blow up a traveller's cloth even with all its might, it is impossible that all currently held commercial exchanges are replaced for altruistic gift giving. It is possible, however, that each individual is concerned with their free activities, which do not enhance the negative freedom or 'freedom from' — i.e. 'the absence of external constraint' — but enhance positive freedom or 'freedom to' — i.e. 'the overcoming of the external constraint'. If and when we achieve the fullest self-realisation of free social individuals through altruistic gift giving, we would discover that we can be less dependent on (or even independent from) money.

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society wages war. It follows that a Western medical treatment refuses a state with cancer cells, and tries to turn it to a state without them, even though it damages other healthy cells.
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