Justice as Economics in Aristotle’s Nicomachean Ethics

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Abstract

This article explores competing notions of equality in Aristotle’s theory of justice, and the importance of money for comparing unequals. While political justice requires an “arithmetical” equality in which equal persons receive equal shares, Aristotle suggests that persons are actually unequal; natural justice demands a “geometrical” form of equality in which unequal persons receive unequal shares. A resolution to this dilemma can be found in Aristotle’s discussion of reciprocity in which he demonstrates the significance of money in exchange. Money, perhaps surprisingly, makes commensurable persons and skills where no commensurability is apparent. As a commensurating “middle term” between unequal persons and their products, money is an important part of justice. It provides an artificial equality that can allow political justice and the rule of law to come into being. The core differences between Aristotle’s theory of justice and those of modern theorists John Rawls and Robert Nozick are also discussed.

This article explores competing notions of equality in Aristotle’s theory of justice, and the importance of money as an instrument for comparing unequals. Scholars typically point to book 1 of the Politics in which Aristotle famously critiques money as the medium of economic exchange as indicative of his views on the subject of money (see Nichols, 1992: 26-27). A common unit of measurement intended to represent goods for exchange, money, for Aristotle, is the source of the unlimited pursuit of wealth that is both unnatural and an obstacle to the good life (Pol. 1257a4-5, 30-41; 1257b29-35, 39-41) It focuses moneymakers on the pleasures of the body rather than the soul and causes an isolated individualism to emerge that divides citizens (Pol. 1257b40-1258a6; 1258b1-2). This critique in the Politics, however, is not exhaustive of Aristotle’s views on money. Rather, I argue that in book 5 of the Nicomachean Ethics, an analysis of Aristotle’s discussion of fairness in distribution, rectification and reciprocity shows that money, while not sufficient, is necessary for the existence of justice in the city.

A significant problem, I argue, emerges in Aristotle’s discussion of fairness in distribution and rectification. Political justice and the rule of law seem to require what Aristotle terms an “arithmetical” form of equality that assumes that all persons are equal and should receive equal

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shares. Yet, Aristotle suggests that persons are in fact unequal. Natural justice seems to demand a “geometrical” form of equality in which unequal persons receive unequal shares. A potential resolution to this dilemma can be found in Aristotle’s discussion of reciprocity in exchange, with which the article concludes. Although Aristotle, as he does in the Politics, will critique money in his discussion of friendship in books 8 and 9 of the Ethics, I argue that in his discussion of reciprocity in book 5 of the Ethics Aristotle demonstrates the significance and necessity of money in exchange. Money is that which makes commensurable human beings and skills where no commensurability is apparent. Aristotle therefore suggests that money, as a commensurating “middle term” between unequal persons and the products they produce, is an important part of justice. It initially binds persons together into a polity and provides a form of artificial equality that can allow political justice and the rule of law to come into being.

In exploring the concepts of equality and commensurability in Aristotle’s theory of justice, this paper treats Aristotle’s understanding of justice with a level of seriousness that some scholars question. For instance, William Mathie argues that while distributive justice is practiced within regimes—aristocrats distribute shares based on virtue, oligarchs based on wealth, and democrats based on free birth—Aristotle suggests that it is absent at the foundation of the regime (Mathie, 1987: 65-66). Distributive justice does not address the question of who merits a share in rule because for Aristotle, Mathie claims, distributive justice does not ask the more fundamental question of what in fact constitutes merit or desert (Mathie, 1987: 66, 68-69). In downgrading the importance of justice to Aristotle’s ethical and political theory as a whole, Mathie is in agreement with Delba Winthrop. Winthrop argues that Aristotle actually intends book 5 of the Nicomachean Ethics to undermine rather than reinforce our attachment to justice. Aristotle, according to Winthrop, brings to light two problems with the virtue of justice. First, justice rests on law, which embodies the fixed, universal principles by which a political community attempts to live. However, for Aristotle, in politics the changing particulars are more important than the universals (Winthrop, 1978: 1202, 1206). Second, to the extent that justice is the practice of virtue toward others, it demands that we disregard concern for own good (Winthrop, 1978: 1202). The universality and altruism demanded by justice, Winthrop argues, means that for Aristotle justice is unnatural and that a theory of friendship, provided in books 8 and 9 of the Ethics, is needed to replace the theory of justice as the core of his ethical theory (Winthrop, 1978: 1206, 1211, 1214). Susan D. Collins and Robert C. Bartlett, like Winthrop, argue that the suppression of the individual good for the good of the community brings into question whether in Aristotle’s view there is actually a natural ground for justice (Collins, 2004: 57; Bartlett, 1994: 149). Collins claims that for this reason, Aristotle points away from justice and the political life to philosophy or the theoretical life as the best life (Collins, 2004: 58-59).

Although I argue that Aristotle’s theory of friendship will correct and supplement his theory of justice, I do not go as far as Winthrop in maintaining that friendship actually replaces justice as the peak of the ethical possibilities that Aristotle explores. Rather, I understand justice as a necessary if not sufficient building block to friendship and philosophy. In this my argument is similar to Leah Bradshaw’s. Bradshaw argues that Aristotle’s virtue ethics requires the education of the passions through law (Bradshaw, 2008: 174). For Bradshaw, therefore, Aristotelian ethics is closely aligned with justice and the practice of politics.

The core differences between Aristotle’s theory of justice and those of modern theorists such as John Rawls and Robert Nozick are also brought to light in this paper. In order to ground his concept of justice, Rawls theorizes about an “original position.” Roughly equivalent to the idea
of a state of nature in the philosophies of Hobbes, Locke, Kant and Rousseau, in the original position individuals are unaware of their natural talents or of what their socio-political position in society will be (Kymlicka, 2002: 61-63). From behind this “veil of ignorance,” individuals, Rawls argues, regarding each other as identical and thus as moral equals, would construct a just society in which all primary social goods are distributed equally (Kymlicka, 2002: 55, 61). Thus, Rawls’ theory of justice is premised on mutual recognition of a moral equality that gives rise to the maintenance of a socio-political equality among the members of society. To the extent that inequalities are tolerated, it is because they promote the interests of the disadvantaged rather than the advantaged (Kymlicka, 2002: 55-59).

The grounds of Aristotle’s theory of justice are quite different from those of Rawls. While Rawls invokes the idea of an original moral equality between human beings, Aristotle suggests that by nature persons are unequal. Moreover, in accordance with such natural inequality, Aristotle articulates a concept of geometrical distribution in which unequal persons receive unequal shares. However, such inequalities benefit the advantaged and not, as Rawls would insist, the disadvantaged.

Many modern readers, committed to the idea of the moral equality of all persons, will be tempted to dismiss the contemporary relevance of Aristotle’s apparently inegalitarian arguments. However, although suggesting that inequalities exist in nature, Aristotle, I argue, acknowledges that politics and law rest on a substantive recognition and application of equality. Aristotle’s reflections on how human communities can mediate between natural inequalities and the equality that needs to be recognized and maintained within society, contributes to our modern thinking about justice. Perhaps surprisingly, Aristotle points to money as that which can provide an artificial or constructed equality between human beings, thus contributing to the justice and stability of the political community.

It is in his conception of the potential purposes of money that Aristotle most differs from modern libertarians such as Robert Nozick. For Nozick, “self-ownership,” or the absolute right individuals have over their own person, implies the moral necessity of a minimal state and expansive free market in which everyone has a right to exchange their goods and services—as extensions of themselves—as they see fit (Kymlicka, 2002: 103-05, 109). According to Nozick, redistributive taxation favoured by liberal egalitarians such as Rawls in order to help the disadvantaged is coercive and unjust; it denies equality or the principle that all persons are ends in themselves and thus cannot be used or sacrificed for the benefit of others (Kymlicka, 2002: 104, 108). A just distribution of resources, therefore, is simply whatever results from people’s free exchanges within the market, which is likely to be a radically unequal distribution of income and opportunity.

Unlike Nozick, for whom money is a purely private good that should serve no larger purpose beyond the satisfaction of the individual’s desires and wishes, for Aristotle money is a public good that can serve a political goal beyond the individuals involved. As originally intended, money, according to Aristotle, allows for a commensurability between different persons and skills rather than the radical incommensurability defended by Nozick. The commensurability that money can bring, Aristotle argues, serves the greater good of initially binding individuals together into one polity governed by law. Money can make those who would simply be other similar to each other, thus making it plausible for the politically just to come into being.
Justice

Aristotle dedicates the entire fifth book of the *Nicomachean Ethics* to a discussion of the moral virtue of justice. He initially divides justice into two broad types: justice in the complete sense and justice in the partial sense. Justice in the complete sense is the lawful, and results in the acquisition of the whole of the moral virtues on the part of the law-abiding (NE 1129a30-35; 1129b11-30; 1130b21-25)² (see Bradshaw, 2008: 174; but see Collins, 2004: 57; Smith, 2001: 149-50; Tessitore, 1996: 40-41; and Winthrop, 1978: 1203). In the partial or particular sense, or as a distinct virtue in itself like all of the other moral virtues, justice means fairness (NE 1129a30-35). Moreover, justice as fairness can be further subdivided into three different forms: fairness in distribution, rectification, and reciprocity. It is the latter type of justice, justice as fairness, that is the focus of this paper.

Aristotle characterizes fairness, as he does the other moral virtues, as a mean between excess and deficiency (but see Collins, 2004: 55-56; Annas, 1993: 312-13; and Hardie, 1968: 182-84). Justice as fairness is a mean between the excess of taking or receiving more than your fair share of honours, security and especially material goods, and the deficiency of taking or receiving less than your fair share of these goods (NE 1129b6-11; 1130b3-5, 30-35) (see Collins, 2004: 56; and Smith, 2001: 136, 140, 146). The just, in other words, is receiving your fair share of goods, and thus getting what you deserve. However, disputes often arise concerning what persons actually deserve. Aristotle argues, “[e]veryone agrees that in distributions the just share must be given on the basis of what one deserves, though not everyone would name the same criterion of deserving” (NE 1131a25-27). Thus, for example, all in the city think the virtuous should rule, but they disagree over who is actually virtuous; according to Aristotle, “democrats say it is free birth, oligarchs that it is wealth or noble birth, and aristocrats that it is excellence” (NE 1131a27-28; also see Pol. 1280a6-19; 1282b15-1283a22). Disputes over merit or what constitutes desert, and thus over one’s fair share, are resolved by applying what Aristotle calls either a “geometrical” proportion in a just distribution, or an “arithmetical” proportion in a just rectification (but see Mathie, 1987: 64-69; and Winthrop, 1978: 1204).

Distribution and Rectification

Aristotle argues that a “geometrical” proportion or equality is applied when the concern is for a just distribution of goods between persons (NE 1131a29-32; 1131b8-12). According to Aristotle, in a just or fair distribution, “[i]f the persons are not equal, their (just) shares will not be equal ... when equals have and are awarded unequal shares or unequals equal shares, [this is the source of quarrels and recriminations]” (NE 1131a22-24) (also see Sokolon, 2006: 58-59, 64). Thus, geometrical proportion in distribution prioritizes the evaluation of persons rather than shares, and assumes that persons are unequal. It requires consideration of such questions as: Is this person “equal to” or worthy of the share that they will receive? Such questions result in equal shares being distributed to equals, but unequal shares to unequals (see Mathie, 1987: 63; and Winthrop, 1978: 1204). Justice as fairness is getting what you deserve as opposed to the same as everyone else, because persons deserve different things (see Barry, 1971: 112-13). For instance, person A and person B both spend eight hours a day in the office. Person A likes their employer and thus works hard all day, but person B dislikes their employer and is less productive as a result. On payday, a just distribution that applies geometrical proportion requires that person A receive $10.00 as their fair share, while person B receive only $5.00 (but
see Hardie, 1968: 191). Geometrical proportion in distribution, therefore, will result in much inequality of outcome between persons.

Aristotle argues, however, that there is another kind of just action not concerned with distribution but rather with playing a “rectifying function in private transactions” (NE 1131a1). These “private transactions” can in turn be divided into two kinds: “voluntary” transactions, which are economic or financial in nature, and “involuntary” transactions, which involve crimes or social immorals between persons such as murder, assault, theft, adultery and bearing false witness (NE 1131a1-8). In just rectification, which is the restoration of a loss or the taking back of an unjust gain, equality or fairness means something different than in just distribution (NE 1132a7-14). Justice in rectification requires the application not of a geometrical proportion as in a just distribution, but rather of an “arithmetical” proportion that implies, “[o]nly when the whole has been divided into two equal parts can a man say that he has what is properly his” (NE 1132a1, 27-28). Thus, for instance, person A and person B both spend eight hours a day in the office. If on pay day person A receives $10.00 and person B only $5.00, but both persons spent eight hours a day in the office, from the perspective of arithmetical proportion the employer and person A, who received more than their fair share, inflict a loss on person B who receives less than their fair share. A “rectification” is therefore needed in which $2.50 is taken away from person A and given to person B, so that both person A and person B receive $7.50 (see Winthrop, 1978: 1204). In this way the “whole” is divided into two “equal” parts as arithmetical proportion requires.

Just rectification can produce divergent results from just distribution because, applying an arithmetical rather than a geometrical proportion, it prioritizes the evaluation of shares rather than persons, and assumes all persons are equal rather than unequal. It asks: Is the share “equal to” or worthy of the person that will receive it, assuming that all persons are equal? Such questions result in the attempt to maintain an absolute equality of shares between persons, rather than an inequality. Fairness, again, is getting what you deserve, but from the perspective of just rectification, all persons are and deserve the same. In the contemporary sense, arithmetical proportion in rectification ensures not equality of opportunity but rather equality of outcome.

Aristotle argues that just rectification can prioritize the evaluation of shares rather than the evaluation of persons because it focuses solely on the actions of persons rather than their character. In other words, this “partial” form of justice abstracts from the possession of moral virtue on the part of the person, or from what Aristotle calls justice in the “complete” sense. Thus, from the perspective of arithmetical proportion, according to Aristotle, “[i]t makes no difference whether a decent man has defrauded a bad man or vice versa, or whether it was a decent or a bad man who committed adultery. The only difference the law considers is that brought about by the damage: it treats the parties as equals and asks only whether one has done and the other has suffered wrong [or damage]. In this sense, the unjust is the inequality; thus the judge tries to restore the equilibrium” (NE 1132a1-7). For instance, a poor, troubled youth with no prospects for the future is caught consuming illegal drugs in the street. At the same time, a bright, young university student is caught experimenting with illegal drugs at a campus party thrown by seniors. What should the judge in these cases do? Treat both of them in the same way—“lock them up and throw away the key,” as it were—having committed the same crime? Or should the judge take into account the university student’s otherwise admirable record and potentially very bright future, acquitting the student while putting the poor, troubled
youth “behind bars,” as it were? Just distribution, operating under the assumptions of a geometrical proportion that evaluates persons, would direct the judge to the latter choice. Just rectification, on the other hand, adhering to an arithmetic proportion that focuses solely on actions and assumes the equality of persons, would direct the judge to the former.

A significant problem has therefore emerged in Aristotle’s discussion of justice in distribution and rectification. A just distribution that assumes inequality of persons and results in an inequality of shares may actually be unjust with regard to rectification that assumes the arithmetical or absolute equality of persons and thus ensures an equality of shares (but see Collins, 2004: 57). Should person A receive $10.00 and person B $5.00? Or should both receive $7.50? Should the poor, troubled youth go to jail and the bright, young university student be returned to school? Or should both end up “behind bars,” as it were? In other words, which justice is more just?

**Political Justice and the Rule of Law**

A preliminary answer to the question of which justice is more just, distribution or rectification, initially may be found in Aristotle’s discussion of political justice. Aristotle suggests that political justice is the “rule of reason” in contradistinction to the “rule of man,” as “man takes too large a share for himself and becomes a tyrant” (NE 1134a35-1134b1). Men, therefore, following their selfish passions, attempt to take more than their fair share of the good things, resulting in injustice and tyranny. Reason rules, however, “among men whose mutual relationship is regulated by law” (NE 1134a30). Aristotle thus associates political justice and the rule of reason with the rule of law (Bradshaw, 2008: 174; Sokolon, 2006: 81; but see Bartlett, 1994: 145, 147). Under the rule of law a person “does not get more than his share. He does not assign to himself a larger share of what is intrinsically good, unless such a share is proportionate to his deserts” (NE 1134b2-3). The law, in other words, constrains those it governs to do what is rational, which means not unfairly taking more of the good things than others. It mandates the recognition and acceptance of the equality of one’s fellow citizens to oneself. The reward for such recognition, Aristotle suggests, is the “honor and privilege” that comes in the form of sharing in the political rule of one’s city (NE 1134b6). According to Aristotle, “the politically just ... depends upon law and applies to people who have a natural capacity for law, that is people who have the requisite equality in ruling and being ruled” (NE 1134b13-15). Political justice, therefore, is the rule of law upheld by “ruling and being ruled” in turn by equal citizens who, recognizing each other as equals, accept equal shares of good things for themselves.

In what way, however, are the citizens of a politically just regime equal to each other? Do they share in a geometrical form of equality, which assumes that persons are actually unequal in desert and thus should result in an unequal distribution of shares? Or do they share in an arithmetical form of equality, which assumes an absolute equality among persons and thus ensures a strict equality of shares as in rectification? Aristotle initially suggests that the politically just regime can be based on either form of equality. Aristotle claims, “[t]he just in political matters is found among men who share a common life ... and who are free and equal, either proportionately [geometrically] or arithmetically” (NE 1134a26-28). Yet, further reflection on Aristotle’s understanding of the nature of law in his discussion of equity suggests that the rule of law tends to rest more on an arithmetical form of equality.
Aristotle refers to equity as that process by which the law is bent or laid aside in particular cases (NE 1137b20-22). The need for equity arises, according to Aristotle, because “all law is universal, but there are some things about which it is not possible to speak correctly in universal terms” (NE 1137b11-12). The fault is not with the law, however, as “[t]he law itself is none the less correct ... the mistake lies neither in the law nor in the lawgiver, but in the nature of the case” (NE 1137b13, 19). Aristotle thus argues that the law by its nature is universal, or applies equally to all in the city. It intends “equality before the law,” as it were, and hence assumes that the persons that come before it are the same rather than different. Both person A and person B should receive $7.50 for the same amount of work, and both the poor, troubled youth and the bright, young university student experimenting with illegal drugs should go to jail. The rule of law, it seems, and therefore political justice, inclines toward an arithmetical form of equality that assumes that persons are the same (see Collins, 2004: 55; Bradshaw, 1991: 557-58; and Winthrop, 1978: 1207; but see Annas, 1993: 314; and Mathie, 1987: 77).

Reciprocity, Equity, and Natural Justice

Doubts about the superior justice of arithmetical forms of equality, however, emerge in Aristotle’s discussion of reciprocity. Reciprocity can take place within both voluntary transactions, those that are economic or financial in nature, and involuntary transactions, those that are criminal or immoral in nature. With reference to involuntary transactions, Aristotle argues that reciprocity “corresponds neither to just action as just distribution nor to just action as rectification,” and is thus a distinct form of justice in itself (NE 1132b24-25). Reciprocity in this unique sense is defined by the Pythagoreans, according to Aristotle, as “suffering the same thing you’ve done to another” (NE 1132b 24). It assumes that what is just is “an eye for an eye,” or, that “what goes around comes around,” as it were. Yet, Aristotle initially objects to reciprocity as a form of justice because, like arithmetical proportion, it assumes that persons are equal or the same when in fact they are not (see Collins, 2004: 56; Winthrop, 1978: 1205; and Hardie, 1968: 193; but see Tessitore, 1996: 37; and Sokolon, 2006: 62). Aristotle argues for instance, that “if a magistrate, while in office, strikes a man, he should not be struck in return, and if someone strikes a magistrate, he should not only be struck in return but should, in addition, be punished” (NE 1132b26-30). Thus, as a father may rightfully strike a son but a son may not rightfully strike his father in return, so an officer of the law may with right strike a person but that person cannot with right strike the officer of the law in return. Aristotle, it appears, manifests a preference for a geometrical form of equality that assumes, unlike reciprocity, that persons are different and thus deserve to do and receive different things.

Further evidence of Aristotle’s preference for geometrical rather than arithmetical equality can be found if we return to Aristotle’s discussion of equity. As we have seen, equity sets aside the law in certain situations, and arises “in ... situation[s] in which the law speaks universally, but the case at hand happens to fall outside the universal formula” (NE 1137b19-20). The fact that equity, unlike law, can accommodate the particular actions of particular persons in particular circumstances, means that for Aristotle equity is not simply just but is even “better than the just” in a certain sense (NE 1137b7) (see Tessitore, 1996: 40; Bartlett, 1994: 144; and Winthrop, 1978: 1211). For instance, on the highway, there is one legal and universal speed limit—100kmph—which all drivers are expected to follow. The law does not say that some drivers can travel at 60kmph while others can travel at 140kmph. Yet, driver X’s wife has gone into labour and he is rushing to the hospital at 140kmph. Driver Y, in the meantime, is rushing to the casino.
at 140kmph to gamble. Both drivers have broken the law, but sometimes following the "letter of the law," as it were, or treating everyone equally in all situations would actually be unjust. It would be unfair to treat driver X, whose reason for violating the speed limit is his concern for his pregnant wife, the same as or equal to driver Y, whose reason for violating the speed limit is his concern to feed his problematic gambling habit. Equity “rectifies” or corrects the situation, laying aside the law for driver X while prosecuting driver Y. For Aristotle, the ability of equity, in contradistinction to law, to treat different and thus unequal persons and situations differently and unequally, means that although the “just and equitable are in fact identical (in genus), and ... both are morally good, the equitable is the better of the two” (NE 1137b8-11).

Aristotle’s analysis of equity leads us to question on what basis, if not law, the equitable person or judge decides what is equitable in any given case. This question points to Aristotle’s distinction between natural justice and conventional justice (but see Winthrop, 1978: 1211). Conventional justice, according to Aristotle, is “everything enacted by decree” (NE 1134b23). Examples that Aristotle gives are laws requiring that a prisoner’s ransom will be one mina, that a sacrifice shall consist of a goat and not two sheep, “and all other measures enacted for particular occasions” (NE 1134b22). Conventional justice, in other words, is contained within positive, human-made law that, although “speaking” universally, deals with particulars and is the product of particular regimes. Dependent on the particular regime, conventional justice is changeable. Monarchies, aristocracies, and democracies, for instance, will each have different laws and therefore different or changing conceptions of what is just. This leads some to believe that natural justice does not exist, as they think “whatever is by nature is unchangeable and has the same force everywhere—as, for example, fire burns both here and in Persia—whereas they see that notions of what is just change” (NE 1134b24–26). They are, however, mistaken according to Aristotle, as “there are some things that are just by nature” and indeed “have the same force everywhere” (NE 1134b30; 19). Aristotle therefore argues that there is a natural justice that exists beyond the regime (but see Winthrop, 1978: 1206-08). Natural justice is thus distinct from human law and in a certain sense relativizes the latter; it allows one to say that some laws are unjust or that there is a distinction between the legal and the just.

Although maintaining a distinction between the naturally just, which “has the same force everywhere,” and the conventionally just, Aristotle does claim that the naturally just is “nevertheless changeable” (NE 1134b29). What does it mean to say that there is a natural justice that “has the same force everywhere” but which is also “changeable”? Perhaps the process of equity can illuminate this complexity. On what basis does the equitable person or judge lay aside the law in a particular situation? It would appear that the judge looks away from one universal, the positive law of the city, toward another universal, natural justice beyond the regime, to adjust or accommodate his or her ruling to the particular circumstances at hand. This would explain why natural justice, although having the same force everywhere, is also changeable. What is naturally just in any given circumstance would change with the particular situations into which it is called to adjudicate; its application and therefore manifestation would change with the changing particulars of each separate case.

The analysis of reciprocity, equity, and natural justice reveals a possible dilemma in Aristotle’s understanding of justice. Political justice and the rule of law seem to rest on an arithmetical form of equality that assumes that all persons are the same and therefore equal, thus receiving equal treatment and shares. Yet, in his objection to reciprocity and his discussions of equity and natural justice, Aristotle suggests that persons are actually unequal. Natural justice, it seems,
demands a geometrical form of equality in which different and therefore unequal persons and situations are treated differently and receive unequal shares.

**Reciprocity in Exchange: Money**

A potential resolution to the conflict between political and natural justice, appearing as they do to rest on arithmetical and geometrical forms of equality respectively, suggests itself in Aristotle’s discussion of another form of reciprocity, reciprocity in voluntary transactions (but see Winthrop, 1978: 1205). This is reciprocity in exchange or in the economic life of the citizens, with which I shall conclude.

Reciprocity in mutual exchange, for instance when a shoemaker barters their shoes for a cloak and a cloakmaker barters their cloak for a pair of shoes, is, for Aristotle, what initially brings and holds the community together and binds the citizens into one polity (NE 1132b31, 12, 24). Exchange, Aristotle argues, arises out of two conditions. The first is the mutual need, or in contemporary terms “demand,” that the citizens have of each other. According to Aristotle, “need ... holds the parties together as if they were one single unit ... [as] there is no exchange when one or both parties do not stand in need of the other” (NE 1133b6-7). Second, mutual need that fosters exchange results from the diversity of individuals and specialization of functions. Thus, as Aristotle states, “a community is not formed by two physicians, but by a physician and a farmer, and, in general, by people who are different and unequal” (NE 1133a16-17, also see Pol. 1261a23-25). Moreover, these diverse individuals must practice one function if exchange is to take place. If a physician grew his own wheat and a farmer also practiced the medical art, neither would have need of the other, both being self-sufficient, and exchange would not take place. Yet, a physician who focuses solely on the medical art would have to exchange this art for the farmer’s wheat, and a farmer who focuses solely on agriculture would have to exchange their wheat for the physician’s medical art when ill. Exchange and therefore community, according to Aristotle, arises among human beings due to the diversity of talents and specialization of trades that causes persons to have mutual need of each other.

Although diversity and specialization binds individuals together in mutual need, it is fair to ask: Are all in the city equally needy? Or: Does everyone contribute things of equal value? For instance, a physician needs shoes and a shoemaker, suffering from disease, needs the medical art. In order to satisfy their mutual needs, the physician cures the shoemaker’s illness in exchange for one thousand pairs of shoes from the shoemaker. Yet, although in mutual need of each other and their respective skills, are the physician and the shoemaker equally needy? Will the physician ever need the shoemaker’s shoes as much as the shoemaker needs the physician’s medical art? Aristotle suggests, “it is impossible that things differing so greatly from one another should in reality become commensurable” (NE 1133b18-19). Yet, without commensurability between goods, there can be no exchange and thus no community between the individuals in need who produce such goods. The value of persons, it seems, is linked to the value of and hence need for the goods that they produce (see Hardie, 1968: 196, 200). Aristotle suggests that the initial solution to this apparently unbridgeable gap in the equality of need, and therefore goods, is the invention of money. According to Aristotle, money, or “currency,” tells us, for example, “how many shoes are equal to a house or to a given quantity of food” (NE 1133b21; 1133a21). Thus, if one pair of shoes costs $10.00, a given quantity of food $50.00, and a house $100.00, we know that five pairs of shoes are equal to the given quantity of food and that ten
pairs of shoes are equal to the house. In this way, according to Aristotle, “money acts like a measure: it makes goods commensurable and equalizes them. For ... there is no exchange without equality and no equality without commensurability” (NE 1133b15-17; see also 1163b33-1164a2).

Later in books 8 and 9 of the Ethics, Aristotle critiques the introduction of money as that which grounds relationships between dissimilar persons within the city. According to Aristotle, citizens whose relationships are mediated through money often slip into viewing the purpose of their mutual exchange as material gain and the purpose of the city as economic prosperity. A self-interested individualism emerges as a result, causing factions and threatening descent into civil strife. Thus, although the political community may initially come into being to satisfy the mutual needs of its members, the satisfaction of need facilitated through monetary exchange is not enough to maintain unity, but friendship is needed in addition (see Winthrop, 1978: 1202, 1214-15). This is why, according to Aristotle, “lawgivers ... devote more attention to [friendship] than to justice” (NE 1155a22). Yet, even though the invention of money to facilitate exchange is not a sufficient condition to keep the city together over time, it is a necessary one. Aristotle explains the necessity of money in exchange in book 5 of the Ethics.

The significance of money in exchange is that it makes commensurable human beings and skills, and thus the mutual need they have of each other, where no initial or natural commensurability is apparent (see Collins, 2004: 55). For instance, with the introduction of money into their relationship, the physician no longer cures the shoemaker in exchange for one thousand pairs of shoes that the physician does not need. Rather the physician receives one thousand gold coins that he can then use in exchange with another for something that he does in fact need. Thus, one thousand gold coins, given by the shoemaker to the physician, allows the shoemaker to serve a necessary need of the physician just as the physician’s medical art served a necessary need of the shoemaker. Money, in other words, allows the shoemaker and the physician to enter into a reciprocal form of exchange that would otherwise be absent, in which the physician truly “receives that which they have given to another.” Money, Aristotle suggests, is an important part of justice and at the origin of the political community. It initially takes persons who would simply be other and binds them together into a polity, providing a form of artificial or constructed equality between persons that can allow political justice and the rule of law to plausibly come into being.

References


Endnotes
