Aristotle and Locke on the Moral Limits of Wealth

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How much wealth should a person have? This is not a mathematical question, nor is it a legal question. Rather, it is a question of ethics. As such, the answer will lack the precision of mathematics, because ethical solutions rely on prudent judgement that takes into account both general principles and the particular characteristics of a specific situation. As an ethical question, it is not necessarily subject to the law, though some regimes do construct limits on individual wealth and all regimes may from time to time legitimately legislate in ways that affect the magnitude of wealth in response to recognised distortions in distribution that raise questions of distributive justice.

The question has both individual and communal dimensions. Where wealth is held by individuals, the first question is, perhaps, how much is enough in the sense of the question, what is necessary for a reasonable life? But, as individual wealth grows, sooner or later the question of what is a reasonable limit arises. The question is communal in two senses. First, as the whole community is dependent for its survival on the wealth available to it, questions of distribution and taxation carry with them matters of justice. Secondly, the community itself is faced with issues about its total wealth and the use to which it puts it. A country, for instance, that uses its excessive wealth simply to go to war for unjustified ends is in an unsound ethical position. This essay will examine the question of individual wealth, with reference to the communal issues in the first sense. It will not investigate the question of the total wealth of states.

The essay follows two previous essays, ‘Plato and Aristotle on the Ethics of Business’ and ‘Aristotle on the Ethics of Workplace Relations’, which dealt with core ethical issues in the area of business. It indirectly meets an objection that might be made to the claims of those essays along the lines that business is about generating wealth for the community and that, although it follows the ‘law’ of economy or of the market, it should not be subject to legal or moral limits. Nevertheless, the essay may well be read alone for the specific question it raises.

The essay will draw on the first two books of Aristotle’s Politics and Chapter Five of John Locke’s Second Treatise of Government, the contemporary relevance of which will be made clear shortly. Although he should be read together with Plato, Aristotle stands head and shoulders above others in the Greek classical world, which formulated the fundamental understandings of Western Civilisation. He remains a voice of sanity even today. John Locke is a suitable representative of the Early Modern period and of the change in political thinking that came with the revolutions of the 17th and 18th Centuries. He may not be the period’s greatest thinker, but he remains significant for the historical impact of his work, notably in the founding of the United States, and

1 Aristotle makes the point about lack of precision in ethics in the Nicomachean Ethics I, 3; I, 7; II, 2. ‘But we must still remember the caution given above, and not look for the same degree of exactness in all our studies, but only for as much as the subject-matter in each case allows and so far as is appropriate to the investigation.’ Nicomachean Ethics, translated by J. A. K. Thompson, revised by Hugh Tredennick (London: Penguin, 2004), I, 7 (1098a25-28), p. 17.

5 Aristotle’s achievements are very much linked with those of Socrates and Plato, and the Politics should be read in conjunction with Plato’s Republic, Statesman and The Laws.
his thought stands as a significant statement of the principles of liberal democracy.\(^6\)

We will begin with Locke’s chapter, ‘On Property’, and examine his arguments for the right to private property and his consideration of limits. It will then critique this position by examining Aristotle’s treatment of the same questions. There are deep links between the texts. On the one hand, Locke often appears to take his ‘curriculum’ from Aristotle, for instance, in his discussion of various societies in Chapter Seven. On the other hand, in his ordering of the discussion and in his assertion of principles, he puts maximum distance between himself and Aristotle.

**Locke on Property and the Limits of Wealth**

John Locke’s *Treatise* was, in its time and historically, truly revolutionary. Politically, it aimed at undermining claims of the legitimacy of the absolute rule of kings and though written under the Stuarts, it was not published until the reign of William and Mary and the beginnings of the kind of limited monarchy and ultimately limited government that Locke proposed. Socially, it promoted new understandings of human individuals in contrast to natural communities and of changed relationships between husbands and wives, parents and children. Economically, it strengthened the notion of private property and opened up the prospect of unlimited economic growth. Today we live out the implications of each of these revolutions, but for now our interest is with the third.

In Chapter Five, Locke’s argument is both theological and philosophical. He begins both with the creation of Adam in a fresh world and with a single human being born into the state of nature prior to the establishment of legitimate government. His intent is to justify the right to private property as a right with which neither civil nor ecclesiastical power can interfere. To do this he begins with the claim that what is given by either God or nature is given in common to all human beings. The progeny of Adam share the same inheritance; whoever is born has a right to preservation. The question that Locke poses is how can something (the earth and its fruits) that is given to all of humanity and therefore owned in common become the personal property of one person?

His answer is that a human being is its own property such that nobody else can claim ownership of the person. Similarly, one’s labour is one’s own, so that whatever one mixes one’s labour with becomes one’s own. ‘Whatsoever he removes out of the state that nature hath provided, and left it in, he hath mixt his labour with, and joined to it something that is his own, and thereby makes it his property.’\(^7\) The only determinant of ownership for Locke is the labour that one puts into hunting, gathering or planting. The argument is extended to land itself, so that one can enclose and claim ownership to just as much open land as one can effectively work. A secondary justification is that land that has been cultivated yields ‘a hundred times’ the product of waste land, so that the cultivator has increased the general wealth of all. Although law later enters in and arrangements change, Locke makes it clear that this right to property is prior to legal structure.

Locke, however, concedes a natural limit to human acquisition. ‘Every one had a right to as much as he could use, and property in all that he could effect with his labour. … He had only to look, that he used them before they spoiled, else he took more than his share and robbed others.’\(^8\) ‘To take more food from the common than one could use, and so allow it to spoil, or to fence more land than one could actually cultivate was wrong, because it wasted the common stock. Locke did allow that food might be bartered for more durable goods, but nothing could rightly be allowed to perish. In this condition, and without natural slaves or serfs, one would imagine that wealth, primarily found in land and useful product, would be fairly evenly distributed.

In Locke’s account, it is the invention of money that changes the situation. By convention, otherwise useless yet imperishable metal is given value and is able to be used in exchange. ‘The grounds for a moral limit to wealth are gone, and so people can store up as much as they wish, which they will do in varying degrees because of their differing degrees of industry. Disproportionate and unequal wealth is given moral justification on the basis or ‘tact and voluntary consent’ given by all

\(^{6}\) Thomas Hobbes (1588 – 1679) did much of the original thinking behind the new political scheme, most easily found in his *Leviathan*. Other important figures were Nicolò Machiavelli (1469 – 1527), Baron de Montesquieu (1688 – 1755) and Jean Jacques Rousseau (1712 – 1778). Adam Smith (1723 – 1790) contributed to economics in *An Inquiry into the Nature and Causes of the Wealth of Nations*.

\(^{7}\) *Second Treatise* ch. V, n. 27, p. 19. In Locke’s time, commons, where villagers could gather firewood or graze animals or hunt, existed, and within reasonable limits, appropriation of materials was not dependent on specific consent of other villagers or of some authority. His argument about land at times presumes an earlier situation of ‘wilde’ that were unpopulated and outside regulation of law, like in America.

\(^{8}\) *Second Treatise* ch. V, n. 46, p. 28.
to the valuation of coin. Locke makes three more critical moves. First, the lack of limit on wealth applies also to land, because what was first brought into ownership by use is now regulated by positive law, and so can be traded as can anything else. Secondly, he has great faith in the ability of human industry to multiply wealth. Hard work and clever technique can multiply useful product from land—ten, a hundred or even a thousand times. Thirdly, with the relatively recent discovery of the wilds of America, he does not imagine that exploitable land and natural resources would ever run out.

The moral landscape that Locke paints is very much like the one that underlies our economy today. It shows enormous confidence in industry and our ability to generate wealth. Although we may have begun to experience doubts, our economic assumptions maintain with Locke the belief that the resources of the earth are unlimited. We do not put limits, moral or otherwise, on the private property or wealth of individuals or corporations. Let us turn to Aristotle in order to see how he might react to the Lockean moral landscape.

**Aristotle on Property and the Limits of Wealth**

Aristotle at once presents a very different world view. He does not imagine a primordial time, either theological or natural, in which fundamental moral and political principles might have been established. Rather, for him the world has always been much as it is. Civilisations have come and gone. Cities have been founded more or less successfully and have in time disappeared to be replaced by new cities. Cities that have been well founded with good laws and fine people and which have been fortunate in their placement and in their relationships with their neighbours have been very good places in which to live.9

People live in a territory and while distributive justice insists that all living there should be able to live satisfactorily, it is the constitution and laws that determine how property and wealth are distributed. The challenge is to write good laws so that the city does well and all the citizens live well. Indeed, Aristotle criticises the Spartan laws for

9 I will maintain the term 'city' for the broadest political community, as is proper to Aristotle's treatment of the Greek polis, sometimes translated 'city-state'. We might today translate it as 'a country', which implies more than 'a state' in the modern sense. There is, however, a certain irony about maintaining the term 'city' because today we more and more live in cities without any apparent attachment to the country-side around us. The work we do in cities often appears not to be useful yet it somehow generates money-wealth.

having enabled some to possess too much property and some to possess too little. A negative imperative for the legislator is that if groups in the city feel wrongly done by they will form factions, and strife will break out. Aristotle examines the question of property and wealth in two ways. In Book One of the Politics, he looks at the economic consequences and necessities of the different lives that people might live. In Book Two, he provides a more theoretical treatment of what should be held in common and what should be held privately. We will begin with Book One.

For Aristotle, possessions are about life, and it is a necessary part of the art living to know how to obtain, maintain and use the instruments that allow us not only to live but also to live well.10 At root, the issue is sustenance, and possessions (land, tools and materials) enable human beings to feed, clothe and house themselves and to move around and interact with others. The manner of obtaining possessions determines the different kinds of life—in the first order, farmers, fishers and hunters, each of whom harnesses resources given by nature. This leads Aristotle to his first definition of wealth as 'those goods a store of which is both necessary for life and useful for partnership in a city or a household'.11 He is clear that acquisitiveness of these kinds of possession has limits. One only needs as much as one can use effectively and well.

Aristotle’s second definition of wealth comes in response to commerce and the invention of money. Money is useful, because it allows exchange of things necessary to life across time and distance, but it has led people to 'define wealth as a given amount of money'.12 One can see how Locke has used Aristotle’s thought, but from this point they differ. Aristotle sees the strangeness of storing money, which apart from law 'is worth nothing and is not useful with a view to any of the necessary things.'13 Nevertheless, he concedes that there is an art of commercial expertise, which trades goods through the medium of money and that in one of its forms the resultant wealth is apparently without limit.14 How can this be? It is because the end of this kind of commerce is the generation of money-wealth itself rather than the exchange of goods, and money-generation imposes no natural limits. How could people choose this end? Aristotle says,

The cause of this state is that they are serious about living, but not about living well; and since that desire of theirs is

10 Politics I, 4.
11 Politics I, 8 (1256b28), p. 46.
12 Politics I, 9 (1257b8), p. 47.
13 Politics I, 9 (1257b12), p. 47.
14 This could apply to the 'middle men', but Aristotle is also critical of those who make money from money—the usurers.
without limit, they also desire what is productive of unlimited things.\textsuperscript{15}

This kind of life, he says, is about bodily gratification and excess, and not about the necessary things of life.

In Book Two, Aristotle raises the question of ‘whether possessions should be common or not’\textsuperscript{16} in response to Plato’s Republic and Socrates’ suggestion that all property should be held in common. He argues pragmatically for private property.

What belongs in common to the most people is accorded least care: they take thought for their own things above all, and less about things common, or only so much as falls to each individually.\textsuperscript{17}

Yet after examining cities, where things are shared and reflecting on the city as a unity of a multitude of different (and therefore complementary) people, he concludes that use ought to some degree be common.

It is evident, then, that it is better for possessions to be private, but to make them common in use. That [the citizens] become such [as to use them in common] – this is the task peculiar to the legislator.\textsuperscript{18}

This may seem a difficult task, but it is achievable even in our time through taxation and the public provision of services.

Aristotle offers another argument for private property, namely, that people take pleasure in relation to the things they call their own. That pleasure itself is good and natural, and that wealth makes it possible to be generous to others is also good and builds the community. The down side is that some people can turn out to be selfish and greedy and that in the case of accumulation of wealth this can lead people into depravity.

Aristotle’s solution to the problem raised by wealth and its potential unlimitedness is virtue.

A better defining principle would be ‘with moderation and liberality’ (for when separated the one will tend toward luxury, the other toward a life of hardship), since these are the choiceworthy dispositions concerning the use of property.\textsuperscript{19}

One ought to live moderately or temperately, and the proper response to wealth is to live liberally.

With this we can turn briefly to the Nicomachean Ethics. Here, however, we leave Locke, because whatever he might say about personal virtue, he would not allow it as part of political or economic thinking; not so, Aristotle.\textsuperscript{20}

In the Ethics, Aristotle proposes two virtues in relation to money or wealth. Liberality is the virtue of contentedly giving money or gifts to the right people for good purpose. Its contraries are prodigality, according to which money is squandered, often licentiously, and illiberality, which is the mark or the ‘stingy’ or ‘grasping’ and those who are ‘sordidly avaricious’. Liberal people are easy to do business with because they are somewhat indifferent to money. Similarly, they are unlikely to be very rich, since they are ‘neither acquisitive nor retentive of money, but [are] ready to part with it and [do] not value it for itself but only with a view to giving’.\textsuperscript{21} For those who do have significant wealth, the appropriate virtue is magnificence, or we might say philanthropy. ‘The magnificent man is a sort of connoisseur; he has an eye for fitness, and can spend large sums with good taste; so his outlay will be large, and appropriate.’\textsuperscript{22}

Such a person is public-spirited and is given honours by the city. The contraries are vulgarity and pettiness.

Conclusion

Aristotle has no difficulty with the existence of differences in wealth among citizens. Inheritance, cleverness, hard work and luck can each play a role in generating difference. In fact, his ‘best practicable’ constitution aims to achieve a balance between wealthy and poor in their participation in the life of the city. When, however, extreme variations occur between the very poor and the very rich, issues of distributive justice arise. Not only is wrong done, but the conditions readily lead to discontent, civil strife and even revolution. Also wrong are greed and depravity, and those who are wealthy are called to liberality and philanthropy.

For the modern period, Locke imagines the possibility of unlimited wealth riding on the unlimited exploitation of resources and labour. We have been very successful in generating wealth, but we are beginning to live with some of the consequences of Locke’s imagining as we face issues such as climate change and the depletion of natural resources. It is hard to argue that we have used our wealth well, and the Global Financial Crisis has shown the cost of vice to the well-being of the global community. Yet something of the

\textsuperscript{15} Politics I, 9 (1257b40-1258a2), p. 48.

\textsuperscript{16} Politics II, 5 (1262b39), p. 60.

\textsuperscript{17} Politics II, 3 (1261b32-34), p. 57.

\textsuperscript{18} Politics II, 5 (1263a37-40), p. 61.

\textsuperscript{19} Politics II, 6 (1265a32-35), p. 65.

\textsuperscript{20} An essential attribute of the Lockean liberal state is that neither the state nor its laws penetrate areas of morality as such, unless there is harm or conflict arising from the actions of citizens.

\textsuperscript{21} Ethics IV, 1 (1120b15-17), p. 84.

\textsuperscript{22} Ethics IV, 2 (1122a35-b1), p. 90.
Aristotelian remains. Our taxation systems redistribute wealth, limit consumption, provide public utilities and encourage philanthropy. When pushed, they can punish vice (excise on alcohol), penalise excessive consumption (luxury taxes) and limit the accumulation of wealth (inheritance taxes). It is not clear from public debate, however, that we truly understand what we are doing.

The Aristotelian solution is to understand what it is that we are doing and to generate the virtues appropriate to living well. It calls for a high level of moral consciousness. Blind belief in the rationality of invisible market forces and the consequent immunity from serious thought and moral question has not served us well. A moral limit on wealth is not the outcome of economic calculus but rather a consequence of human beings living virtuously and choosing wisely. In the Aristotelian view, it is this that education and the laws should encourage.

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