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# 1

## Introduction

...there is nothing which requires more to be illustrated by philosophy than trade does.

Samuel Johnson.<sup>1</sup>

### **Money and morality in everyday life**

Money raises deeply perplexing moral issues that run through the whole of our lives. Many central questions in our lives involve financial considerations: Do we have enough money to raise children? How should we earn our money? How much do we want of it? What should we do with it? To whom should we bequeath it? From birth to death we live enmeshed in the skeins of commercial exchange. However, if we cannot escape this enmeshment, we can perhaps understand it; and having done so, we may find things go better morally.

Of course, there would be no moral philosophy of money to pursue if it were the case that all of us were simply 'in it for the money', so that all we ever thought of was how to acquire it, or spend it. While we may have cynical moments in which we profess that life is a matter of who has the most money when they die, this is not how most of us think.

We might not always notice it, but moral concerns over money arise in many different spheres of our private and public lives. To illustrate the pervasiveness of money-based moral issues in our everyday lives, consider the following seven illustrative cases, some of which would clearly lead us to a rejection of money in our lives and others in which our responses are more ambivalent.

#### *Case 1: The Dogs of War*

You are a soldier in the national forces of a certain country and you are approached by representatives from another country. They offer you large sums of money if you will fight for them.

Many would be inclined to condemn you for accepting such an offer, but why? Clearly, we may have nothing against national armies and their capacity for violence in the national interest, but to fight solely for pecuniary reasons seems morally wrong. Equally, the army that refuses to fight unless (say) it is given a massive pay rise may already strike us as less than ideal.

We face all kinds of public policy decisions. How should we decide them? Should we employ money measures to determine the fundamental questions of public policy? But this too raises moral concerns.

*Case 2: Deciding Everything on a Dollar Basis*

You are working for a council that has to decide about whether to allow oil drilling on an environmentally sensitive and beautiful coral reef. The mayor suggests that one should simply undertake a cost–benefit analysis of the relative financial benefits of the tourism that the reef brings compared to those to be derived from oil revenues.

Is it always desirable to deploy cost–benefit techniques that demand we place a price on everything under consideration? What moral standing should we give to cost–benefit analysis? Are there reasons for using criteria other than the monetary rewards?

There might be cases where cost–benefit analysis will deliver repugnant conclusions. It might lead, for instance, to the conclusion that poorer nations are under-polluted since people there earn less than in more developed nations, so that the morbidity and mortality costs of the impact of pollution is less than in those nations which, in fact, produce the toxins? Are objections to this mere, misguided, sentimentality?

Such concerns with money-measurement reflect more general worries about the ubiquity of pricing in the ever-increasing commodification of our lives. Is it really true that everything has its price? Should we determine all our political and social decisions on the basis of cost–benefit analyses when this means assigning a dollar value to things that are ‘priceless’ or ‘irreplaceable’? Is it true that everything can be homogenised into quantitative monetary terms, so that Beethoven’s Fifth Symphony is ‘worth the same’ as 400 000 cartons of beer or as the lives of 3000 subsistence farmers? Surely there are goods that are sacred and so should be excluded from monetary valuation.

We find money worries also in our private celebrations and rituals. Consider the following.

*Case 3: The Bridal Register*

You are invited to a friend's wedding and acquainted with the Bridal Register which stipulates just what you should buy as a gift, where you should buy it and roughly what price you should pay for it.

We might well resent, even be horrified by, such a demand with its unashamed financial valuation of our prospective gifts. Is it right to feel bullied by a list of 'desired items' at 'recommended cost', and is one wrong to think that somehow the very act of giving has been debased? Consider babysitting for a friend who, on their return, insists on paying you for your time. Is it wrong to feel that somehow the fact of payment has cheapened what you have done, and so, to some degree, debased the friendship?

Consider now our fourth example.

*Case 4: The Really Indecent Proposal.*

You are pressed for money. Perhaps seriously so. And a proposal is made to you by a wealthy friend: 'Let me sleep with your spouse and I will give you one million dollars.'

Is this offer to be welcomed? Even considered? (Would even considering it be a case of one-thought-too-many?)

The intrusion of money into the private sphere may lead us into drawing subtle moral distinctions between kinds of money paid.

*Case 5: The Honorarium*

A human rights activist comes to your university to give a talk on some worthy matter, such as the progress being made in the development of legislation protecting freedom of speech. She is awarded an honorarium of \$1000 by the university as an expression of gratitude and to help cover her costs.

The financial reward is not understood by the university or the activist as simply a commercial transaction. There is, on all sides, a resistance to the idea that the relationship is essentially commercial in nature.

Similar points apply to the stipend of the clergyman. Typically, the clergyman does not understand the money he is afforded as *wages*, for he does not regard his work as wage-labour. (Presumably, this is the point of calling it a 'stipend' rather than a 'wage'.) This distinction marks a different relationship to what one does at work than is usually associated with jobs, and thus the stipend (and equally the honorarium) is not to be bluntly assimilated to wage-payment; indeed it may be seen as excluding it.

This ambiguity towards the markers of commercial exchange occasionally produces some oddities. Consider the peculiar institution of the Gentleman's Club, where no money actually changes hands at the time or place that services are provided. The point is not that money payments are eliminated – the bill for account arrives in the mail – but that the face-to-face relationships between the employee/service provider and the consumer do not present themselves as of the commercial kind; a point important to the recipients, if not the providers. But given that the exchanges are, in fact, commercial, and known by all the participants to be such, for what reasons might the members of such clubs wish for such an occlusion of the cash nexus? The attempt to maintain the appearance of a money-free zone even where that is a known fiction demonstrates our ambiguity about such matters.

There might even be instances where we would welcome the advent of specifically monetary relations. In *The Philosophy of Money* the German sociologist and cultural critic Georg Simmel (1858–1918) argues that freedom came to the serf not when he lost that status, but when he could pay his tithes in money rather than being asked to provide a specific amount of a certain product (e.g. wheat, cheese).<sup>2</sup> When it is a question of money, the serf is no longer bound to the production of a particular product, but is free to acquire the necessary monies as he sees fit. Now money does not look so much like an insult to a valued relationship, so much as a conduit to a greater degree of personal freedom.<sup>3</sup>

But if there are cases of commercial exchange that we take to be morally permissible, even desirable, this does not mean that such exchanges are insulated from our moral concerns. For instance, taking out a loan might be morally unobjectionable, but are all loan practices acceptable? Consider the following.

*Case 6: The Pay-Day Loan*

You are rung by the Electricity Commission to inform you that if you do not pay your electricity bill within 24 hours, your power will be cut off. Pay-day is a week away and you have no money whatsoever until then. You go to a pawn-broker who will lend you the money against your next pay, but at an extremely high interest rate. Out of necessity you accept the loan.

Such pay-day loans are typically for small amounts, at high interest rates, secured against the recipient's next pay cheque. They may be required to meet necessity, but they tend to impose their own demands that may lead us further and deeper into debt. Often the necessities in question

are the result of an addiction for which the loan provides the most temporary of relief while further embedding the demand and the associated self-destructive behaviours.

Case 6 concerns *consumption* loans. But would we have the same kind of worries about *investment* loans? Who could argue against levying interest on a loan oriented towards future development? But what if the level of interest charged is such that it more than swallows any investment returns, and demands further loaning at interest to fulfil the repayments? This is the case with much lending to third-world countries, and it results in chronic and seemingly irremediable debt. The debt-servitude of third-world countries tied to interest repayments and 'structural adjustments', which leaves little or nothing for national development, is surely of great concern.

Our intuitions about the morality of everyday commercial life cover the *cost* or *price* of goods themselves. We may, for example, have objections to profiteering in times of crises on the grounds that the prices charged are unjust. They are unjust because the commercial agents are taking advantage of the combination of our need, heavy demand and shortages in supply. We might also feel that there are occasions where need itself, regardless of levels of supply and demand, should set the price. Consider the following case.

*Case 7: The Just Price?*

You are working for a government agency in a developing nation that is ravaged by diseases that can only be treated by the use of expensive pharmaceuticals. You come across a very cheap supply of the required drugs produced in another country which ignores patent laws.

You might wonder whether the prices set by the pharmaceutical company that owns the patent are fair and whether – if they are unfair – that might justify buying the patent-free drugs. Many of us have the intuition that we should ignore the patents. But there are a range of questions here. Should prices be set by the market? Should they be subsidised so as to enable all to have access? Would selling the non-patent drugs involve injustice with respect to the resources the pharmaceutical company has invested in their development, or would it retard further research?

These seven cases are not intended to be systematic or exhaustive but illustrative. What they show is that we often have very complicated moral attitudes towards money, payment and the cash nexus. They introduce us to the range and subtlety of those moral judgements by which we may make distinctions between the appropriate and the inappropriate forms of exchange, between the appropriate and the inappropriate roles

pecuniary concerns may play as we pursue our activities, and between the proper and the improper operations of pricing under conditions of scarcity and the insistent demands of need.

While there may be 'tough-minded' economists and philosophers who are prepared to condemn such attitudes as errors or delusions, and so ignore the distinctions and discriminations reflected in our everyday judgements, it is surely incumbent on moral philosophers to take a more sympathetic approach. Before one condemns something as nonsense, the first thing to do is to try and make sense of it, but it is just this effort that is generally eschewed.

Such moral intuitions about money and commercial life are remarkably resilient. As contemporary economists Bruno Frey in Switzerland and Richard Thaler in the United States have demonstrated, even an informed acquaintance with modern economic life and neoclassical economic theory is no guarantee that such attitudes will simply fall away, even though some economic theory might hold that they are simply misguided.<sup>4</sup> In the 1990s Frey asked 1750 households in Switzerland and Germany for their response to the following question:

A hardware store has been selling snow shovels for 30 Swiss Francs (or 30 German Marks). The morning after a heavy snow storm, the store raises the price to CHF/DM40. How do you evaluate this rise?<sup>5</sup>

– He discovered that 83% of the respondents of these economically literate societies thought the opportunistic pricing of the hardware store owners was unfair.<sup>6</sup> Perhaps this reflects psychological or historical inertia. At the very least, it is a question that an investigation of the morality of money should leave open.

## **Contemporary moral philosophy and money**

It is one thing to have moral intuitions when it comes to money and the kinds of relationships it establishes, crowds out or ignores; it is another thing to understand the grounds of these intuitions. If the former is simply empirical, the latter is philosophical. Now the challenge is to see if these intuitions, given our more general moral commitments, make sense to us.

Given the nature of our enquiry, one might naturally turn to contemporary moral philosophy for some answers. But for all its naturalness such a turn brings no obvious or immediate advance. For the truth is that while some contemporary analytic moral philosophers have considered

various related questions, they have typically done so by focusing on *the market*. The central concern has been about the proper scope or range of the market, and while answering this question may presuppose certain moral intuitions about monetarisation, these are not the focus of attention. They are presumed, rather than explored. Indeed, given the market focus they cannot be adequately explored, for they are about money, not markets.

When we feel discomfort at a friend attempting to ‘pay’ us for helping them out with some chore, or when we find something repugnant about paying and receiving money for sexual relations, we are worrying about the place of money in what is going on, not anything about markets.

That philosophers have typically failed to explore our moral intuitions about money is something that needs explanation, not merely remediation. For when it comes to other morally charged issues – such as those concerned with sex, or with violence – moral philosophers have found much to say. Given the centrality of money in our lives, and the way that monetarised relationships not only underpin the formal market but extend well beyond it, it is regrettable that philosophers have not approached the morality of money with the same vigour as they have approached matters of violence and sex.

Moral philosophy’s shortcomings when it comes to dealing with the morality of money sometimes lie in certain well-entrenched ideas philosophers have had about the nature of philosophy itself. After all, the man we often take to be the founder of moral philosophy – Socrates (427–347 BC) – believed that his own pursuit of philosophy should be untainted by commercial considerations. Those who pursued philosophy with financial goals in mind were ‘merchants of the soul’ and to be condemned as such.<sup>7</sup> Without that repudiation we do not have philosophy, but sophistry. This anti-commercialism was deepened and expanded by subsequent philosophers, most notably Socrates avower followers Plato (427–347 BC) and Diogenes (d. 324 BC). According to Plato the true philosopher not only refuses to dirty his hands with money-grubbing of any kind, he strives always and everywhere to transcend the material world for a life among the eternal transcendent forms, while Diogenes went even further and insisted philosophy demanded we reject not merely the commercial, but human social life altogether.

Even that most worldly of philosophers, David Hume (1711–1776) felt it important to insist that philosopher *qua* philosopher lives and thinks in a realm outside of, and separate from, ‘the realm of business’.<sup>8</sup> And certainly Bertrand Russell, when he found he needed money to alleviate

certain largely self-induced financial pressures, did not think he was actually doing philosophy when he was writing his popular works on philosophical themes. These were, as he ruefully admitted, journalistic potboilers.

To the extent that this rests on an axiomatic rejection of the 'mundane', and a commitment to the transcendent, there is nothing to say beyond the fact that while this kind of philosophy might well lead us out of the world, it throws no light at all on this world.

Such anti-monetarism would seem to rest on a *non sequitur*. For while it may be true that one cannot do philosophy, including moral philosophy, if one's animating goal is monetary reward rather than truth, it does not at all follow that one cannot think philosophically about money and the moral issues it clearly does raise in our lives. To do so would be to conflate our mentioning of the idea of money with its usage. The case is no different from that of sex or violence. Of course, one will struggle to think philosophically about either if one's basic concern in thinking about such matters is (say) to have sex or act violently, but that is not what the philosopher is aiming at.

However, what if we are wrong in thinking of money as we might think of sex or of violence. After all, while sex and violence might be seen as essential elements of the human condition, money itself has a history, and a complicated one at that. Why think that money is always one and the same thing? Might it not be related, but still quite different things in different times and circumstances? Certainly, this was something Marx (1818–1883) insisted on, distinguishing in *Capital* between 'money that is money only, and money that is capital'.<sup>9</sup>

If money is not one thing, but many and different things, then it follows that there cannot be a philosophy of money, for there is no specific subject matter which it might address. We do not think that this 'objection from variability' provides a serious obstacle to our project. As we shall see, those moral intuitions we might have about money and its place and role in our lives fix upon features of money which are plausibly seen as universal and invariable. In all economies, from the most primitive to the most sophisticated, the morally relevant features of money are one and the same. Money anywhere involves the commercial nexus if not markets; it involves commensurating different kinds of things and, potentially, all things; and it implies substitutability and the operations of a calculative rationality.

If the lack of philosophical concern over the morality of money may rest on the view that philosophy leads us out of the mundane world, not into it, or on the view that money is so contextually multifarious that

there is no single subject matter to explore, there is a different, more radical view according to which monetarisation lies at the very heart of philosophy and so is not something that we will ever be able to see from the point of view of philosophy.

In his recent book *Money and the Early Greek Mind* the classicist Richard Seaford argues that the development of money in the Ancient Greek world produced philosophy.<sup>10</sup> The key idea is that monetarisation makes available the idea of the universe as an impersonal system and involves a calculative rationality. Money transformed Greek social relationships, changing what had been a world constituted by structures of personal allegiance and hostility into a world of impersonal relationships constituted around the cash nexus. It was this transformation from the personal to the impersonal that made available that view on the universe which philosophy exploited.

Such views about the generation and dependence of philosophy on the monetarised are not limited to classicists such as Seaford. They have been the common property of many on the Marxist Left. To the extent that one has a materialist view of the production of ideas, it follows at once that a system of ideas cannot comprehend the reality of things.

What else does the history of ideas prove, than that intellectual production changes its character in proportion as material production is changed?<sup>11</sup>

Thus a moral philosophy of money can amount to nothing more than an *ideology* of money. Instead of comprehension and understanding we have rationalisation and reflection.

What should we make of such views? Is there really no room for a philosophy of money or, indeed, for any kind of philosophy at all? Undoubtedly there is no room for a moral philosophy of money if historical materialism is true, but then again there is no reason for thinking that it is true. And, even worse, if one does think that it is true, then this can not be because this view is the most rational or best supported by the available evidence.

What may be true is something far weaker. For it is certainly possible that money and monetarisation open up or encourage ways of viewing the world that have had an impact on philosophical theorising. It may even be true that certain styles of philosophising reflect economic interests. But all that means is that we must be as careful as we can when we reflect on money and its moral significance in our lives. We must ensure that we are not simply projecting elements of monetarised reality onto

the world generally; and we should do our best to avoid the temptation to simply rationalise that which is in our economic self-interest.

Finally, there is a different view as to why there is no interesting moral philosophy of money. This view holds that markets are shaped by an 'invisible hand' which turns the pursuit of personal advantage into the unintended production of public goods. The role of money therein is simply as a medium of exchange that facilitates the efficiency of the mechanism.

We take up 'invisible hand' accounts of the market in a later chapter. For now the important thing for us is that this view – whatever its credentials – is about money-in-the-market. But money is not restricted to such markets. Nor are those intuitions we have about various kinds of exchange necessarily intuitions about markets. First off, they are intuitions about the place for money in this or that context or case. Obviously, such intuitions will have implications for how we think of markets, and of markets of this kind, but such implications are derivative, not foundational.

We do not think these arguments against the possibility of a genuine moral philosophy of money are persuasive. Further, we think it unfortunate that they seem to have had such a stultifying impact on philosophy when it comes to investigating the morality of money. After all, worries about money and monetarisation have been, and continue to be, persistent and pressing. Certainly, they have been historically significant. Consider, to take but one of many possible examples, the consequences of the criticisms of Martin Luther (1483–1546) of Papal Indulgences (through which one could purchase time out of Purgatory) and the ultimate costs of these criticisms to the Roman Catholic Church through the role his ideas played in the coming of the Reformation. Think too of the role of money-lending in shaping European society and its more recent impact, in terms of crippling debt, on lesser developed countries. Alternatively, we need only reflect for a moment on contemporary concerns with the sale of body parts, and with the 'just pricing' of needed pharmaceuticals to see the historical significance of moral concerns over money.

But if modern moral philosophers have, for various reasons, given little or no philosophical attention to the philosophy of money, this is not true of much earlier generations of philosophers. The Ancients, the Patristics and the Medievals all looked hard and closely at such matters. They gave much thought to such things as the just price and to the ethics of usury; and particular attention to the relationship – or more precisely, the antagonism – between the sacred and the monetarised.

One reason for this lacuna is sheer ignorance; another is the prevalence of the view that contemporary attempts to moralise our dealings with money and markets involve novel processes and concerns, so that any attempt to learn from earlier thinkers is simply anachronistic.<sup>12</sup> As we shall see, when we explore the debates on just price and the morality of commerce, learning from earlier thinkers is not anachronistic.

But if analytic philosophers have not addressed these issues – and these are issues which they should address – this is not true of the arts. In history, literature, drama and film we find numerous explorations of various ethical issues regarding money. In working through moral issues relating to money we will sometimes make use of such reflections.

### The morally salient features of money

Our project then is to develop a moral philosophy of money. This requires a sensitive approach to the way that money matters in our lives as we embrace, or alternatively distance ourselves from, money concerns and the commercial life. Such an approach will try to systematise the distinctions we draw between the appropriate and the inappropriate modes of involvement in the world of money and then see whether on closer analysis these distinctions deserve our respect.

An important step is to clarify what might be the morally salient features of money. Traditionally, economists ascribe four functional roles to money in the economic life: a *unit of account* where this means it assigns a particular value to discrete commodities; a *store of abstract value* in that it can be accumulated for future use; a *means of payment* in that we use it to pay for goods purchased; and a *medium of exchange* in so far as it provides us with a means to the facilitation of commerce.<sup>13</sup>

It is in the final role, as a *medium of exchange*, that we find considerable discussion of the moral implications of the use of money. Beginning with Aristotle, who says that it was as a medium of exchange that money was invented, many writers pay attention to this feature of money. The twentieth-century economist Lionel Robbins (1898–1984) held that ‘money *as such* is obviously merely a means – a medium of exchange’.<sup>14</sup> He follows David Hume, who suggested that ‘Money is not, properly speaking, one of the subjects of commerce; but only the instrument which men have agreed upon to facilitate the exchange of one commodity for another.’<sup>15</sup> Thorstein Veblen (1857–1929) pressed this idea further towards the stronger claim that money has no moral significance beyond this: ‘Money values have . . . no significance other than that of purchasing power over consumable goods.’<sup>16</sup>

This stands in contrast to that tradition for which money involves more than just greasing the wheels of trade. Think here of the polemical violence of Marx in his early writings:

Money abases all the gods of mankind and changes them into commodities. Money is the universal self-sufficient value of all things. It has, therefore, deprived the whole world, both the human world and nature, of their own proper value. Money is the alienated essence of man's work and existence; this essence dominates him and he worships it.<sup>17</sup>

Or think of Immanuel Kant (1724–1804), who suggested that ‘everything has either a price or a dignity’.<sup>18</sup> For these writers money has moral significance over and above its role as a medium of exchange.

We are concerned with more than just the four functional properties of money as the economist might conceive of them; we are concerned with those features of money that impact on our understanding and conception of what has value and, particularly, what has moral value. We direct the reader's attention to four such features: the *universality* of money valuation and exchange; the *commensurating* of values that money permits; the possibilities for *unlimited acquisition* it opens up; and its role as a discriminating *distributive mechanism*. Let us take each in turn, beginning with the idea of universality.

In a barter economy, exchange takes place only if the trading parties have in their possession just those goods and services that each requires. If not, then exchange is unlikely to occur. Money, on the other hand, is a *universal substitute*. Even if parties to an exchange do not possess particular goods or services that the other requires, they can still exchange. As a universal substitute money places all commodities in relationship to one another, and in doing so is, as Aristotle (384–322 BC) says, ‘our guarantor for future exchange’.<sup>19</sup>

Philosophers have reacted differently to this universality. Marx focuses on the negative aspect and describes money as the ‘universal pander’ for which all goods are substitutable and, conversely, which makes commodity goods substitutable for each and every other commodity. But, equally, there is a long tradition of viewing this in a positive light. The Medieval philosopher and theologian Albertus Magnus (c.1200–1280) suggests that it is precisely through its role as a universal pander that money opens the way ‘for a flux and reflux of grateful services [which] holds the city together’.<sup>20</sup>

A second morally salient feature of money is its role as a *commensurating device*. Money provides a common measure of value (or ‘universal comparator’) and in so doing commensurates. Money allows us to rank goods in an ordering. It allows us to draw equivalences between various commodities. In the *Nicomachean Ethics*, Aristotle makes the somewhat startling observation about the relationship between three commodities, namely houses, beds and money. A house he says is worth five minae (an ancient Greek coinage) and a bed one minae, and knowing this means that we can calculate that five beds are equal to one house.<sup>21</sup> His point is that since money is a measure that makes things commensurable, it also equates them.

Not all philosophers have viewed this positively. Marx based much of his moral criticism of the realm of Mammon on this feature of money.<sup>22</sup> Since money serves as a ‘universal measure of value’, as soon as a commodity such as a table ‘emerges as a commodity’ it becomes comparable with all other goods, something he finds morally objectionable.<sup>23</sup> An antagonism to this capacity for universal comparison is also to be found in contemporary debates on commensurability by writers such as Elizabeth Anderson and Cass Sunstein.<sup>24</sup>

But, equally, positive discussions of this feature of money are also available. For instance, Plato, in *The Laws*, maintains that it is precisely this commensurating capacity of money that makes the provision of the necessities of life possible by facilitating the possibilities of rational exchange.<sup>25</sup>

A third morally salient feature of money concerns the opportunities for *accumulation* it opens up. Money is a store of value and one that from its own nature is subject to no upper limits of accumulation. This was a point made forcefully by the English philosopher John Locke (1632–1704).<sup>26</sup> Other goods, such as apples, are subject to spoliation and therefore accumulation beyond the point of individual consumption involves the wilful waste of resources. Exceeding the ‘bounds of his just property’ does not reside in the amount one accumulates, but ‘the perishing of anything uselessly in it’.<sup>27</sup> However, with the advent of money, accumulation is no longer wasteful since the value does not disappear; money represents ‘some lasting thing that men might keep without spoiling’.<sup>28</sup> For Locke, it is only with the advent of money that personal accumulation of wealth becomes morally justified. But as is the way with philosophers, this is contentious.<sup>29</sup> For Aristotle, it was exactly the possibilities for endless accumulation that constituted no small part of its destructive evil. Since there is no limit to the amount of money one can accumulate, the pursuit of money is an activity without an end

point (without a *telos*) – regressive and circular – and without conditions for its satisfaction it cannot be a proper human activity.<sup>30</sup>

The last morally salient feature of money we consider involves its role as a *distributive mechanism*. Money both creates and exists within the marketplace and as such facilitates the allocation of those goods available as commodities.

The distributive mechanism provided by the commercial realm is a simple one, in which access to any good is (ideally at least) conditional solely upon the possession of economic wealth.<sup>31</sup> As Moll Flanders wryly notes in Daniel Defoe's novel of the same name, 'with money in the pocket one is at home anywhere'.<sup>32</sup>

Some like Simmel have focused on the socially progressive aspects of the use of money to allocate goods. Allocating goods according to willingness to pay can undermine oppressive traditional social structures. Indeed the sumptuary laws of the early-modern period which attempted to restrict the dress and culinary choices of those who were not born of nobility were a conservative response to this revolutionary aspect of the commercial realm. As Tim Park notes, the sumptuary laws of Medici Florence involved the following restrictions:

No meal with more than two courses for the common classes. No more than a certain number of guests at any given meal. No clothes of more than one colour, unless you are a knight or his lady. Or a magistrate, perhaps. Or a doctor. No fine materials for children. No soft leather soles on your white linen socks. No fur collars. No buttons on women's clothes except between the wrist and elbow, and for maids, none at all. For maids, in fact, no fancy headdress and no high heels, just kerchief and clogs.<sup>33</sup>

Sumptuary laws constrain the commercial realm.<sup>34</sup> But without them, so long as one has money in one's pocket then one can buy whatever clothes one likes, regardless of one's bloodline. It is financial wealth, not personal status or individual relationships, which determines the access to commodities.<sup>35</sup>

At the same time, many philosophers have focused on ways in which the market does discriminate between those with economic wealth and those without it. Persons with little economic power are effectively excluded from access to many commodities. Similarly, those with wealth may be able to buy exemption from monetarised burdens, such as buying one's way out of war-service. Here our concerns over money feed directly into concerns over social justice.

It is worth noting that some of our interest will be directed more to issues of personal morality, and at other times the focus will be on issues of social justice and so on matters of public policy. We need to be careful not to conflate the two. Ordinary usage of the terms ‘morality’ and ‘justice’ is often ambiguous between the individual and the public and this is something that has afflicted moral philosophy as well. Plato, notoriously, gives an account of justice in *The Republic* which tries to explain what justice is as a personal virtue by investigating what it amounts to in the city. In developing an account of the morality of money we need to be vigilant about what sense is at issue.

### **Our moral philosophy of money: The approach herein**

There is a widespread view according to which philosophy, and thereby moral philosophy as one of its sub-disciplines, involves the use of arcane language designed to lead us from the superficial and trivial world of ‘Appearances’ to that deep and important underlying reality which constitutes the ‘Real World’. Philosophy is concerned with another world, another realm. This is an entirely different philosophical cast of mind to ours. Many may regard the material with which we deal – money motives, pricing, commodification, money-lending and, more generally, the morality of commercial life – as unphilosophical and mundane. We, however, do not try to go beyond the appearances but rather to *comprehend* them. In our view philosophy does not involve flight from the everyday, but demands a critical engagement with it. Indeed there is no reason to be less intellectually rigorous about the quotidian than about the structure of far-off possible worlds (indeed there may well be more). Money provides just as many opportunities for rigorous analysis as any other philosophical subject.

In order to explore this ‘mundane’ subject matter we employ what some might see as an equally mundane Aristotelian methodology. We hold that such enquiry should begin with our everyday intuitions, problems, difficulties, fears, reservations and concerns that arise as we deal and trade in the world of money. Everyday ‘folk’ views on the morality of commercial life provide us with a starting point. We take these folk views seriously (although not uncritically) and ask whether on reflection we can still endorse them or whether they should be modified or repudiated. For instance, does the idea that money corrupts make sense on closer scrutiny? The methodology is Aristotelian, in the sense

of his employment of what he called *endoxa* to begin any philosophical enquiry.<sup>36</sup> (For Aristotle, dialectic was a method ‘from which we will be able to syllogise from common beliefs about every topic proposed to us, and will say nothing conflicting when we give an account ourselves’.)<sup>37</sup>

Our *particular* way of making sense of those intuitions about commercial life involves what we want to call *economic casuistry*. We are neither bluntly antagonistic to commercial life nor unblushingly enamoured of it. We draw distinctions between different kinds of monetarised exchanges and different kinds of mercenary motives. Perhaps the closest parallel to the ethics of money we aim to develop is with just war theory. For just war theorists neither bluntly endorse nor condemn military violence; they are neither pacifists nor militarists. They distinguish between the legitimacy of offensive and defensive warfare, and between the motives that underpin such ventures; they distinguish between legitimate and illegitimate ways of carrying on such warfare and of ending such fighting, and the appropriate ways that various kinds of people may then be treated. In the same way we distinguish between proper and improper ways of pursuing and deploying money.

It is important that our general endorsement of commerce not be confused with a view that would approve of everything being bought and sold. The fact that we are not opposed to money and markets as such does not mean that there are not commercial acts that are beyond the pale. For the most part our economic casuistry involves placing constraints on commercial activity, rather than banning it outright. There will be some things – for instance, people – that should not be bought and sold.

One further distinctive feature of our approach is the focus on *motives*. In distinguishing between legitimate and illegitimate forms of commerce we pay particular attention to the motives that animate commercial agents in their dealings with money. (We are following a long tradition that is presently under-recognised.) In *The Politics* Aristotle famously distinguished two forms of commercial exchange, the *natural* and the *unnatural* or *chrematistic*.<sup>38</sup> Natural exchange involves the selling of goods originally produced for household consumption which have subsequently been found to be in excess of the household’s needs. Chrematistic exchange, on the other hand, involves the sale of goods that were intentionally produced for realising a financial profit and for this reason it stands condemned. The moral distinction depends on whether monetary motives have directed the production of the good. In the

Medieval period writers such as Saint Thomas Aquinas (c.1225–1274) held that it was permissible to pursue money as a goal (and to engage in chrematistic production) so long as the money was sought as a mere means to other morally acceptable ends (such as providing for one's family or for reasons of charitable giving).

We draw a different moral distinction between money motives. On our line of thinking, the pursuit of money for its own sake is permissible *so long as we do not violate any fundamental moral norms in that pursuit*. For us it is the person who will do *anything* for money or will pursue profit whatever its source who is of real concern. Note, however, that we do not hold that questions of the morality of commerce can be entirely explained through an analysis of motives, for outcomes also matter, but we do hold that it is an important part of the story; and in many cases, the most important part of the story.

Also in our account the notion of a *moral hazard* plays a pivotal role. A moral hazard we take to be something akin to what the Medieval Schoolmen thought of as an 'occasion of sin'. The point is not that dealings with money are, in and of themselves, morally wrong – typically they are not – but that such dealings may see us confront temptations to a variety of vicious, or at least morally undesirable, actions and modes of regard. For example, they may lead us in our pursuit of filthy lucre to disregard or override important moral side-constraints, or to view other people as mere means to the accumulation of capital. The use and pursuit of money is not necessarily wrong or necessarily connected to some vice; it is simply that it has a *tendency* towards those ends.<sup>39</sup>

Our analysis centres on money as a moral hazard not because we wish to condemn the pecuniary in all of its manifestations, but because of the potentially adverse moral impact it has on our motives once they are incorporated into the cash nexus. There is always the danger that the pursuit of money will become all-consuming. As the Roman aesthetician Longinus (c.100 AD) noted, it is hard to see how:

... if we value the possession of unlimited wealth, or, to give the truth of the matter, make a god of it, we can avoid allowing the evils that naturally attend its entry into our souls.<sup>40</sup>

It is the evils that follow from a pursuit of money *unconstrained by moral considerations* that are our object of study. Money and the profit-motive are necessary elements of our lives – at least as we can currently conceive of them – but we must avoid or minimise the moral hazards that commercial life places in our way. Our aim is to provide a moral

typology of the various forms of the profit-motive and to delineate the logical structure of the relationship between commercial activity and non-instrumental modes of valuing so as to allow us to navigate our way around these moral hazards.

We begin with an extended exploration of the views of various philosophers in the Western tradition on the morality of commerce in general.

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