The Role of the Graces in Preventing Civic Violence and Economic Exploitation

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Abstract

The problem of the relation between violence and economic affairs has been a topic for political science since ancient Greece. Aristotle says that the Graces, minor deities of the Greek pantheon, have a role to play in inspiring citizens to be kind and generous towards each other in exchanges (*Nic. Ethics* 1133a2-4), for if they are not, and instead the powerful exploit the weak, citizens will "seek to return evil for evil" and turn towards civil strife and violence (1132b33). The Greeks, explains Aristotle, established sanctuaries to the Graces to encourage reciprocal giving among their citizens. Aristotle proposes a theory of value and of exchange by which we can measure economic well-being in terms of whether citizens are practicing reciprocal beneficence or exploiting each other. The one produces civil harmony, the other evokes violence. This article, through algebraic formulas, mainly focuses on the role of humanly factors such as kindness and grace in preventing violence and exploitation by citizens.

Keywords: Aristotle, Grace, Theory of value and of exchange, Proportional reciprocity, Civil harmony, Violence.

I. Introduction

In order to prove Aristotle's theory of value and of exchange as a method to measure economic well-being in terms of practicing of reciprocal beneficence by citizens or exploiting each other, this article, divided into three sections, will consider the related issues such as grace, reciprocity and social welfare to pave the way for the conclusion that state-managed or state-regulated economies are

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better contexts for the promotion of the human good than anarchic unregulated ones. A few graphs illustrating his principles and applying them to contemporary societies (including Iran) are included.

The prevalence of violence in unregulated capitalist economies—of citizen against citizen, of state or corporation against citizens, or of citizen against corporations or the state—is an indictment of those social systems, and suggests that state-regulated or state-managed economies are better for their peoples and more harmonious because they avoid the "anarchy" that Hegel found in unregulated capitalist economies.[1]

That problem of the relation between violence and economic affairs has been a topic for political science since ancient Greece, for then also did citizen seek to exploit fellow citizen. In proposing a remedy to the problem, Aristotle argued that reciprocity was the key ingredient of civic harmony and social welfare:

(1)   "Proportionate reciprocity… holds people together… for people seek to return either evil for evil, since otherwise their condition seems to be slavery, or good for good, since otherwise there is no exchange, but they are maintained in a community through exchange".[2] Aristotle attributed the origin of *stasis*, that is, civil conflict—the age-old worry of Greek thinkers—to a lack of, or the abandonment of reciprocity. He summed up the problem in stating in the *Nicomachean Ehtics* that "The superior [i.e., the wealthier or more powerful] party supposes that it is fitting for him to have more (*pleon echein*)".[3] Because of their greater power or wealth, the superior party often succeeds in imposing the following formula of exchange upon weaker fellow citizens:

(2)   "As the superior party is to the lesser, so the product (*ergon*) of the lesser is to his product, because he is in a position as ruler to ruled."[4]

Or, with the algebraic symbols that Aristotle assigns to the persons and the goods, we can restate (2) with the following formula:

(A) $$\frac{\alpha}{\beta} = \frac{\delta}{\gamma}.$$

where α represents the worth of the superior party, β that of the lesser, δ the lesser's product and γ the superior party's product. (One measure of worth is

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[1]   Cf. G.W.F. Hegel. 1932. *Jenenser Realphilosophie I*, Leipzig, Bd. 19 in *Sämtliche Werke*, eds., Georg Lasson, J. Hoffmeister; or summary thereof in H. Marcuse, *Reason and Revolution*, Oxford, 1947.

[2]   *EN* v.5.1132b33-1133a3. Abbreviations of Aristotle's texts used in this article include: *Pol.*= Aristotle, *Politics*; *EN = Nicomachean Ethics*; *EE = Eudemian Ethics.*

[3]   *EN* 1163a26-7.

[4]   *EE* 1242b8-10; for an example, cf. *EN* 1133a32-3.

wealth possessed, as in an oligarchy.[5]) The result of an exchange governed by formula A is that the party with higher status or more power exploits the one with less. A simple transformation of formula A shows that under it, the lesser has to pay more for the superior party's product than that product is worth. Consider

$$(A_1) \qquad \delta = \frac{\alpha}{\beta}\,\gamma$$

which states that the product δ that Party β has to hand over to party α must be greater in value than the product γ that party α hands over to her/him, by the factor $\frac{\alpha}{\beta}$.[6] Aristotle was the first to apply an inequality ratio (the $\frac{\alpha}{\beta}$) to represent class distinctions in political economy.

II. Grace

The superior party insists on Proportion A, says Aristotle, through an act of *pleonexia*, a deviation from, or corruption of civic friendship in classical Greek. Such exploitation in two party exchanges continues in advanced sector countries

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[5]   Cf. *EN* v.3.

[6]   This is true regardless of the value of $\frac{\alpha}{\beta}$, i.e., if $\frac{\alpha}{\beta} < 0$, then β exploits α. The long form of this analysis is as follows: Since shoes, houses, nourishment and health are incommensurables (cf. *EN* v.5.1133b18-20; and Robert Gallagher 'Incommensurability in Aristotle's theory of reciprocal justice,' *British Journal for the History of Philosophy.* 20:4 (2012): 667–701, esp. 669-83), we cannot arrive at an exact exchange ratio of those *erga*. Therefore,

$$(A_2) \qquad \frac{\delta}{\gamma} \neq \frac{N_\delta}{N_\gamma},$$

where N_i are the quantities of *erga* γ, δ. Rather, we can only approximate their relative value, i.e.,

$$(A_3) \qquad \frac{\delta}{\gamma} \approx \frac{N_\delta}{N_\gamma},$$

where we use $\approx$ to indicate the reduction involved in expressing $\frac{\delta}{\gamma}$ as a rational number. From A and A_3, we have

$$(A_4) \qquad \frac{N_\delta}{N_\gamma} = \frac{P_\gamma}{P_\delta} \approx \frac{\alpha}{\beta},$$

where P_i is the unit price of *ergon* δ, γ, for the ratio of the quantity of one good exchanged for the quantity of another is the inverse ratio of their unit prices (cf. Samuelson [1948], p. 58, cited by Soudek). If $\frac{\alpha}{\beta}$ signifies relative social status, and $\frac{\alpha}{\beta} > 1$, then party β hands over to party α more of his product than the product of party α is worth by the factor $\frac{\alpha}{\beta}$, for in accordance with A_4,

$$(A_5) \qquad N_\delta \approx \left(\frac{\alpha}{\beta}\right) N_\gamma.$$

That means that party α is materially rewarded through the transaction due to possessing a higher status. That higher relative status skews the exchange ratio. The result is that the price of the *ergon* of party α is higher than its value, i.e.,

$$(A_6) \qquad \frac{P_\gamma}{P_\delta} > \frac{V_\gamma}{V_\delta},$$

where V is the unit value of *ergon* δ or γ. Here, we take into account the fact that prices as exchange-values may not always reflect the use value of a good. In that way, we distinguish, as does Aristotle, between the proper use of a good and its use as an item for exchange (cf. *Pol.* i.9), or as Marx did, between use value and exchange value. A complete treatment of these formulae and other used in this article appears in the Author's "Incommensurability in Aristotle's theory of reciprocal justice," *British Journal for the History of Philosophy.* 20:4 (2012): 667–701.

today as well as in international trade, according to recent research.[7] In Aristotle's view, the community should regulate all such transactions to prevent the kind of exploitation represented by formula A, for if we allow the superior party to exploit the lesser, the lesser "returns evil for evil" and the community falls apart. Hence, we find the need for reciprocity to preserve the community. In other words, if citizens do not benefit from each other then, "Giving-of-a-share (*metadosis*) does not occur, but it is through giving-of-a-share that they remain together." He then refers to a peculiar cultural solution:

(3)　　"That is the reason they established a sanctuary of the Graces (*Charites*), so that there would be giving-back-in-turn (*antapodosis*)."[8]

The Graces are minor goddesses within the Greek pantheon. Aristotle may be referring to the sculpture of the Graces by Socrates which was commissioned by Athens for the entrance to the Acropolis (it is shown in Figure 1). For Aristotle, the Graces are symbolic of the virtues of kindness, generosity and gratitude—all forms of grace (*charis*). Aristotle continues his focus on grace in the text that follows passage 3:

(4)　　"For the following is peculiar to grace (*charis*): that we must serve-in-turn the one who has shown kindness (*charisamenos*) to us, and take the lead in showing kindness (*charizomenos*) in the future ourselves."[9]

Aristotle uses the veneration of the Graces and the exercise of grace to promote his notion that citizens must "show kindness" to each other in their economic dealings. That does not mean that the landlord should simply smile or say "Have a nice day!" to the tenant whom he exploits. Rather, it means that he should positively benefit his tenant.[10] In the *Rhetoric* Aristotle affirms that grace (*charis*) is expressed through giving or service. He cites the following as an instance of grace: "for example, the one who gave the mat in the Lyceum" or one who supported another in exile.[11] That text says that such a *charisamenos serves* someone.[12] Moreover, it states that the recipient of help is in a state of *need*.[13] So, the kindness is not gratuitous, but meets a need. The *charisamenos* is not just exhibiting a *manner* of graciousness, as when we hold a door open for

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[7]　　Cf. Wolff (1982), 86-7, and Robert Gallagher "An Aristotelian Social Welfare Function." (Forthcoming).
[8]　　*EN* v.5.1133a2-4.
[9]　　1133a4-5.
[10]　　For a more detailed discussion, cf. Robert Gallagher "The role of grace in Aristotle's theory of exchange," *Methexis 26*.
[11]　　B.7 1385a25-8.
[12]　　Cf. 1385a32, 33.
[13]　　Cf. 1385a21, 26, 32; 33.

someone, but rather does something concrete to assist a needy person, such as giving them a mat, or supporting them in exile.[14] It sounds utopian that a superior party would act as benefactor, rather than oppressor in our age of extreme inequality among citizens of the Great Democracies, with their histories of shooting striking citizens down in the streets of Paris or Chicago.[15] But in Aristotle's age, the aim of economic activity was different than that of today, so Aristotle's proposal for graciousness in economic affairs was consonant with his culture, writes Marx:

(5)   "In antiquity…wealth does not appear as the aim of production…The question [then] is always which mode of property creates the best citizens…Thus the old view, in which the human being appears as the aim of production…seems to be very lofty when contrasted to the modern world, where production appears as the aim of mankind and wealth as the aim of production."[16]

I propose that we study Aristotle's thought on economy more carefully in order to make the attempt to turn our era towards regarding the human being as the "aim of production." For Aristotle, the practice of proportional reciprocity is the key to the health of a society. That means correcting formula A, as is clear from his text. Aristotle advances a transformation of formula A out of the mouth of the lesser party who objects to its unbalanced character:

(6)   "But the one who is outdone reverses the proportion [A] and pairs the terms diagonally."[17]

If we "reverse" ratio $\frac{\delta}{\gamma}$ in Proportion A, we produce a new proportion,[18]

(B) $$\frac{\alpha}{\beta} = \frac{\gamma}{\delta}$$

Quite directly, Aristotle says that under transactions determined by formula B, "the superior one would seem to suffer a loss."[19] For, in contrast to the use of Proportion A, the result of applying Proportion B is different: the two parties do not remain in the same relative material positions as before, but the position of

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[14]   Cf. 1385a25-6.

[15]   On contemporary inequality, cf. F. Alvaredo, A.Atkinson, T.Piketty and E. Saez (2013) "The top 1% in international and historical perspective," *Journal of Economic Perspectives*, 27(3): 1-21. T. Piketty and E. Saez (2014) "Inequality in the long run," *Science*, 344(6186): 838-844.

[16]   Marx, K. (1973) *Grundrisse*, London; reprinted 1993 at pp.487-88.

[17]   *EE* 1242b15-16.

[18]   For a full discussion, cf. Gallagher (2012) 'Incommensurability in Aristotle's theory of reciprocal justice,' cited n.6.

[19]   1242b16-17.

the weaker is improved at the expense of the superior. For now, in contrast to formula A₁ we have:

$$(B_1) \qquad \gamma = \frac{\alpha}{\beta} \delta.$$

Now the product γ that the superior party α hands over to the weaker party β is greater in value than the product δ that party β hands over to her/him, by the factor $\frac{\alpha}{\beta}$. Aristotle proposes that the community compensate the superior party for the loss by awarding public honour, i.e. increased social influence. [20] In other words, Aristotle would honour the superior party who exercises the grace to assist his weaker partner, who accordingly has the means to live a better life, and returns "good for good," rather than "evil for evil."

III. Grace, reciprocity and social welfare

The foregoing discussion shows that Aristotle regards formula A as unjust, for he proposes a transformation of it into a formula for exchange that would benefit the weaker party. Let us return now to the question: How can we measure the extent to which citizens benefit each other and so avoid violence, that is, how can we measure the extent to which the human being is the aim of production? For Aristotle, a key to keeping the focus on the human being is "proportionate reciprocity" because it "holds people together." How can we measure that Aristotelian reciprocity?

Reciprocity for Aristotle is understood with respect to the use of ratio $\frac{\alpha}{\beta}$ in an exchange.[21] The ratio expresses the relative social status of the parties to an exchange, the degree to which one party may exploit the other. Clearly, if α exploits β, reciprocity, in Aristotle's sense, would seem to be lacking in the transaction, for Aristotle says that if exchangers do not benefit each other, then "Giving-of-a-share (*metadosis*) [of each other's goods] does not occur, but it is by giving-of-a-share that they remain together," for certainly if one party exploits the other, the first party is not benefiting the second.[22] There is no grace in that. As Aristotle says, "For it is not possible at the same time both to make money from the commons and to be honoured."[23]

Accordingly, I propose that if the average value of $\frac{\alpha}{\beta}$ in exchanges between superior and weaker parties in a country declines towards 1, then social welfare

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[20]   *EE* 1242b16-21.
[21]   Cf. *EN* v.5.1133a32f
[22]   *EN* 1133ª1-2; cf. ª3-5; *EE* 1242b2–21, esp. 1242b15–21.
[23]   Cf. *EN* 1163b7-10.

would improve or, alternatively, expressing that as a positive function, if the average value of $\frac{\beta}{\alpha}$ would increase.[24] I call that quantity (the average value of $\frac{\beta}{\alpha}$) *reciprocity,* or *reciprocal social welfare. That quantity measures reciprocity in a society, that is, the degree to which members of a society cooperate to benefit each other, which is "peculiar to grace,"* as noted in passage 4.

To estimate *reciprocity* for a whole society, we approximate it for any given year with the ratio of the income share of lower quintiles of a population to that of higher quintiles. For example, we designate by $\frac{Q_5}{Q_1}$ the ratio of the lowest income quintile to the highest. Our assumption is that the movement of such ratios would follow that of the average value of $\frac{\beta}{\alpha}$. We justify that as follows: In using ratios of income quintiles to estimate the average value of $\frac{\beta}{\alpha}$ we implicitly assume that everyone in an economy carries out transactions with everyone else, at least indirectly, which assumption is valid insofar as the market mediates all transactions. Therefore, it is reasonable to estimate *reciprocity* by ratios of quintiles of the income shares of the less well-off to those better off.

Figures 2-4 show $\frac{Q_5}{Q_1}$ for the U.S., Russia and Iran over recent decades.[25] The average rate of change of $\frac{Q_5}{Q_1}$ is represented in the average slope of the graphs. If $\frac{Q_5}{Q_1}$ correlates with the average value of $\frac{\beta}{\alpha}$, and the graph of $\frac{Q_5}{Q_1}$ has a *positive* slope, then reciprocal social welfare may be said to be improving, for the transactions in the economy examined lead to closing the gap between the better-off and those less so, perhaps by the wealthier benefiting those less well off in some transactions. This appears to have been the case between 1986 and 2005 in Iran (cf. Figure 4).

If $\frac{Q_5}{Q_1}$ correlates with the average value of $\frac{\beta}{\alpha}$, and the graph of $\frac{Q_5}{Q_1}$ has a *negative* slope, then social welfare is declining, for transactions in the economy examined lead to widening the gap between the better-off and those less so, because the wealthier benefit from transactions proportionately more than those less well off. Figure 2 shows that this is the case dramatically in the U.S., for according to the figure, social welfare has been steadily on the decline there

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[24]   I draw this suggestion from Aristotle's *Eudemian Ethics*. Cf. Gallagher (2012) 'Incommensurability in Aristotle's theory of reciprocal justice,' cited n.6 for a complete discussion.

[25]   Data for Fig. 2 from U.S. Census Bureau (n.d.), and for Figs. 3-4 from the World Bank (n.d.), are the ratio of the income share of the poorest 20% of a country's population to the income share of the wealthiest 20%.

since 1976 when it was 9.8% to 6.5% in 2010. Russia experienced a precipitous drop in social welfare from 29% in 1988 to 8% in 1993 and has since recovered only to the range of 11-14%.

In contrast to almost all advanced sector nations, reciprocal social welfare in Iran has improved from the mid-1980s to 2005 at an average rate of 0.27% per year. By contrast, social welfare in the U.S. *decreased* during the same period at an average annual rate of -0.11%. The absolute value of reciprocal social welfare in Iran was more than twice that of the U.S. by 2005.

IV. Concluding Remarks

In recent decades, we have seen a rising tide of violence both in the U.S. internally and in its foreign policy. Figure 2 shows that over the same period, class distinctions have grown dramatically in the U.S. following the removal of the graduated income tax on the wealthy that had been established by Roosevelt.[26] In the U.S. certainly, reciprocity has declined. For Aristotle, that means that graciousness is no longer exercised or exercised as much. Too many have turned to "return evil for evil." Moreover, the abandonment of graciousness and the flight into selfishness also find expression in foreign policy. Especially since the collapse of the Soviet Union and the transformation of the world from bipolar to unipolar, the Western powers, led by the U.S., engage in one military adventure after another, either through proxies or directly.

Certainly, one conclusion emerges from all this, namely, that state-managed or state-regulated economies are better contexts for the promotion of the human good than anarchic unregulated ones. What is striking about Figure 3, is that social welfare was over 30% in Russia under the USSR: it was in the same range or higher in other East European COMECON countries.[27] What that means is that there was greater reciprocity, and, yes, kindness, for the lower classes in Eastern Europe then, than there is throughout the advanced sector today. Iran and few other countries hang on, as the only venues of increasing reciprocity and, yes, grace in the world today.[28]

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[26]   Cf. T. Piketty and E. Saez (2003) "Income inequality in the United States, 1913-1998," Quarterly journal of economics, vol. 118, no 1, p. 1-39. at Fig. 1, and T. Piketty and E. Saez (2013) "Top incomes and the Great Recession," IMF economic review, vol.61, n.1, p.456-478.

[27]   Documented in Gallagher (forthcoming) "An Aristotelian Social Welfare Function."

[28]   Thailand and Ecuador in recent years also exhibit a positive slope to their graphs of $\frac{Q_5}{Q_1}$ (Gallagher, unpublished results).

Fig. 1. Socrates' sculpture of the Graces from the Acropolis (courtesy Acropolis Museum). The Graces are: <u>Aglaea</u> ("beauty"), <u>Euphrosyne</u> ("good cheer"), and <u>Thalia</u> ("plenty").

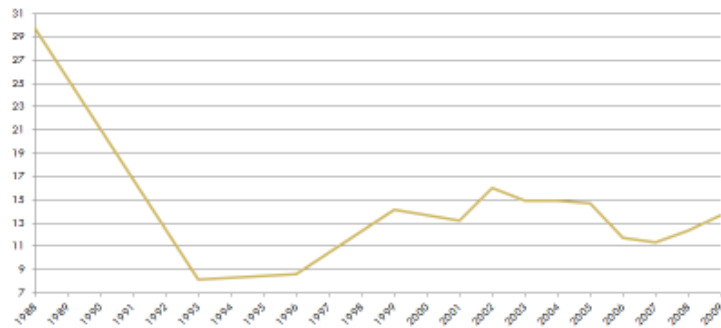Reciprocal Social Welfare—U.S.A.— steadily on decline since 1976

U.S.A Q_5/Q_1
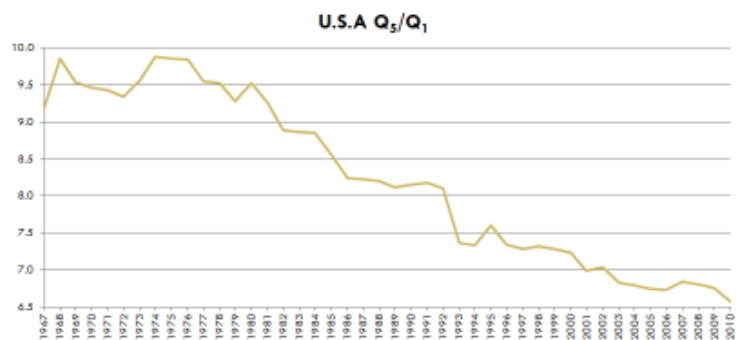
☐ Figure 2. Ratio of income share of lowest quintile of population to that of highest. Figures on abscissa in percentages.

Reciprocal Social Welfare—Russia—the great catastrophe—still twice as high as US

Figure 3. Ratio of income share of lowest quintile of population to that of highest. Figures on abscissa in percentages.
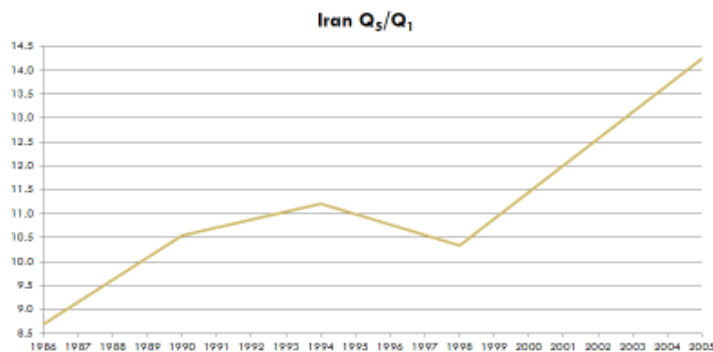
Reciprocal Social Welfare—Iran

Iran Q_5/Q_1

Figure 4. Ratio of income share of lowest quintile of population to that of highest. Figures on abscissa in percentages.