

Davis Bourne

Golden

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Section 6

### Aristotle's Just Theory on the Exclusive Right to Property

One of the most rudimentary debates concerning civilization is that of the ownership of property. A majority of political disagreement is in essence whether property should be owned by the collective or by the individual. Property is so crucial to human interaction because all human rights and freedoms are indirectly interconnected to the right of exclusive ownership of property.<sup>1</sup> It is crucial to any treatise on political structures that a stance on property is both enumerated and properly argued for. Despite being mentored by Plato, the creator of the idea of a utopian society, which borders on a commune in *The Republic*, Aristotle writes in his treatise on the ethical basis for a polis and the just constitution his case for all property rights to be exclusive to individuals. Aristotle argues adamantly that a system of individual property rights is the only arrangement of ownership viable enough to run his ideal polis. While he spends most of his efforts justifying the property of women and slaves, his idea of personal ownership of one's self and his faculties and domains that remains, even today, valid.

Before Aristotle even begins to argue for the merits of property rights, he adopts a methodology through which he arrives, axiomatically, at an argument for private property. Referred to as the Eudaimonistic justification<sup>2</sup> (from the Greek word which means happiness, *eudaimonia*), Aristotle argues that all human actions are means to some desired end. He begins the *Rhetoric*, *Nicomachean Ethics*, and the *Politics* with this idea of means and ends. Aristotle says in *Nicomachean Ethics*, "since all knowledge and every intention desire some good... most

people are almost agreed as to its name; for both ordinary and cultivated people call it ‘happiness’ and both regard living well and *acting* well as being the same as being happy.”<sup>3</sup>

Aristotle posits that every action is only implemented to achieve the end of happiness. Much the same, Austrian economist Ludwig von Mises uses this method heretofore called praxeology, or the study of human action. He uses this methodology to found axioms upon which laws and theories can be formed through synthetic *a priori*. It can be summed up as such: “the concept of action... involves a subject and an object. Action means: I do something with something in order to reach certain goals.”<sup>4</sup> Mises argues for a similar methodology as the Eudaimonistic principle when dealing with the term happiness, “there is...no valid objection to a usage that defines human action as striving for happiness.”<sup>5</sup> Mises argues that all action is only performed if and only if it will yield a psychic profit to the actor.<sup>6</sup> In other words, it is only implemented if it will benefit the actor in some way. This idea of psychic profit directly parallels the axioms upon which Aristotle bases his avocation for private property later in *Politics*. Originally, Aristotle contended that the idea of wealth is a part of happiness.<sup>7</sup> Fred Miller points out that the *Rhetoric* was written early, relatively speaking, in Aristotle’s writings and he changes several stances upon writing *Nicomachean Ethics* and *Politics*.<sup>8</sup> Indeed, the implication here is that action, according to his premature Eudaimonistic principle, partially aims at wealth. Aristotle completely avoids this verbiage in his ethical works and, instead, treats wealth as a part of the so called external goods: “happiness appears also to require external goods...for it is impossible or not easy to act nobly if one is not furnished with external goods.”<sup>9</sup> Put praxeologically, wealth is a means as opposed to an end. Later, Aristotle backs up his correction of the *Rhetoric* of the importance of material goods in achieving a virtuous happiness, “the life which is best for men, both separately, as in individuals, and in the mass, as states, is the life which has virtue

sufficiently supported by material resources to facilitate participation in the actions that virtue calls for.”<sup>10</sup> Now arises the question of how these material resources, which by definition are scarce, must be spread throughout the polis. The solution comes down to either a collective state controlling them or each individual possessing them writ large. After all, he claims that it is the case with not only the individual but also in the mass that material resources sufficiently “facilitate participations in actions that virtue calls for.”<sup>11</sup>

Aristotle is an overwhelming proponent for private property, though he does justify its confiscation by the state later in *Politics*. Despite this small incongruity, he makes the case that private property is the best form of ownership. In discussing prehistoric derivations of modern economic thought, Justin Ptak shows that Aristotle’s basis for private property is broken down into five distinct categories.<sup>12</sup> First, Aristotle contends that “private property is more productive and leads to progress.”<sup>13</sup> In describing the alternative to exclusive ownership and distribution he says, “a different system will run more smoothly, i.e. if the land is worked by others, because, if they themselves work for their own benefit, there will be greater ill-feeling about ownership.”<sup>14</sup> In short, a farmer would not farm unless he knew he would indeed reap the benefits from the labor he applies to farming. In this, he and Mises agree in the idea of working for one’s own benefit. If a group of farmers only worked for a neighbor’s benefit there would be much frustration. Nothing would be accomplished if a farmer were not allowed to reap his own benefits and efforts. As Matt Summers contests:

The idea of fractional responsibility is also contingent upon the people not losing their sense of personal responsibility entirely. If a person truly believes that *he* is not the owner, but that it is the collective *they* who are the owners, he may not even acknowledge

his own personal share. Ultimately, no individual will hold himself accountable for more than his share, which he regards as zero or 1/10,000th of the total property.<sup>15</sup>

Similar to this idea is Ptak's second category.<sup>16</sup> Aristotle, after showing the inefficiencies in communal ownership and operation, maintains that communal ownership yields conflict. This makes sense; in the most common arguments against collectives, it is said "there will inevitably be ill-feeling between those who get a good income without doing much work and those who work harder but get no corresponding extra benefit."<sup>17</sup> If it is true that human action is only toward an end that produces benefit then it is evident that no human would put will into an effort that will inexorably lead to the same benefit as an idle worker. From this, Aristotle says that private ownership is the only form of ownership in which there will be little to no conflict.

Ptak's third category introduces a rather contentious idea. Aristotle argues, "Private property is intrinsic to man's nature. The love of self, money and property is tied to natural love of exclusive ownership."<sup>18</sup> As Aristotle puts it, "every man has affection for himself: nature meant this to be so."<sup>19</sup> This is manifest in the axiomatic assertions of a follower of Mises, Hans-Hermann Hoppe. He posits that self-ownership and thus private property are axiomatic and, in fact, are evident in the very act of argumentation. Hoppe uses argumentation logic to prove that self-ownership is a presupposition of argumentation.<sup>20</sup> His logic is as follows: upon there being only two states of living: free and self-owned or coerced and enslaved, owned by another, the very act of arguing implies that one's own thoughts are being stated which implies in turn that he is in control. It would not be the case that an enslaved person would argue without being an owner of his own actions. Thus the very act of arguing implies self-ownership. Hoppe shows how this pertains to the establishment of the system of private property:

It should be noted that if no one had the right to acquire and control anything except his own body (a rule that would pass the formal universalization test), then we would all cease to exist, and the problem of the justification of normative statements simply would not exist. The existence of this problem is only possible because we are alive, and our existence is due to the fact that we do not, indeed cannot, accept a norm outlawing property in other scarce goods next to and in addition to that of one's physical body.

Hence, the right to acquire such goods must be assumed to exist.<sup>21</sup>

Despite the fact that Aristotle does not use argumentation logic to prove his point, and the fact that he sparsely proves it at all, he simply contends the idea that man naturally appeals to private, exclusive property. This thesis does not mean a violation of the means to a virtuous ideal self. Instead, this natural property is simply the state of existence. A human is born with natural property and it is by this existence that Aristotle argues for a learned virtuous existence. Notwithstanding Aristotle's method, using argumentation logic, private property outside of the self is a derivative of self-ownership. As Hoppe concludes, it would be impossible for civilization to exist outside of the continuation of private property. Consequently, the idea that private property is intrinsic to humanity hints at but also confirms that humanity would simply be extinct without private property. By the truths of argumentation logic and of axioms derived from praxeology, man has the ability to own property exclusively.

The fourth category of Aristotle's argument of private property almost hints at a deontological assertion.<sup>1</sup> Ptak recapitulates it as such, "Private Property has existed always and everywhere."<sup>22</sup> This is not only implied by Hoppe's presupposition of argumentation theory of self-ownership. Hoppe makes the case that civilization has only arisen by the mere existence of

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<sup>1</sup> That is to say, the idea that private property exists as a priori existence. It is necessary to the existence of humans, rather than contingent.

private property itself. F.A. Hayek asserts that private property existed before civilization and history itself; “There can be no question now that the recognition of property preceded the rise of even the most primitive of cultures, and that certainly all that we call civilization has grown up on the basis of that spontaneous order of actions which is made possible by the delimitation of protected domains of individuals or groups.”<sup>23</sup> Hayek attests that through the spontaneous order of individuals, as he refers to it, with property catallactically<sup>2</sup> interacting with others is the sole reason that civilization exists at all. The way by which Hayek arrives at this conclusion is through the negative proof that property, in the abstract, is the only process by which an individual can remain free to exercise his habits and faculties while at the same time refraining from conflict. Property, in other words, is the only system wherein “men can use their own knowledge in the pursuit of their own ends without colliding with each other only if clear boundaries can be drawn between their respective domains of free action” which “is the basis on which all known civilization has grown.”<sup>24</sup> By Aristotle’s methodological approach of praxeology, this makes the case that property is the only order that allows men to achieve their ends without conflicting with the ends of others. Since property is the only order that can achieve the harmony necessary for a civilization of radically distinct individuals to coexist, it must be true that property existed *ex ante* rather than *ex post*. Thus, civilization exists *because of* property. The very origins of civilization, trade, and communication all rest on the extant custom of property rights. *Ipsa facto* civilization implies that there must have been a system of private property. In fact, Hayek observes that this has been a common principle that only up until recently has been contested. Many constructivists now argue that property is a human creation

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<sup>2</sup> That is to say, the praxeological study of the economics of a market

spawned by the existence of civilization. On the contrary, property is of the natural order of humanity; it is a natural law.

The fifth and final category that Justin Ptak assigns to Aristotle's case for private property deals with philanthropy. Ptak: "Only private property allows for moral action; to practice virtues of benevolence and philanthropy."<sup>25</sup> This idea that private property is the only means to a more virtuous and benevolent society is rather consequentialist. It argues that only by the means of self-interestedness do individuals become more charitable. Aristotle does not solely make the case that private property gives room for *more* charity and philanthropy, to the contrary, he makes the case that no man would have the ability to practice philanthropy if he does not have exclusive control over his property. Aristotle points out that "The abolition of private property will mean that no man will be seen to be liberal and no man will ever do any act of liberality; for it is in the use of articles of property that liberality is practiced."<sup>26</sup> Thus it is intrinsic to the concept of philanthropy, or as Aristotle refers to it, liberality, that an individual has the choice of being charitable or being miserly. To the question of state confiscation to enforce mandatory liberality, Aristotle remains in the negative. Later in the *Politics*, Aristotle professes that the democracies will yield mob rule. He thus asserts that it is unjust for a simple majority to impose a statewide theft on the rich majority.<sup>27</sup> By virtue of the existence of a democracy, looting the minority directly correlates with the destruction of the state.<sup>28</sup> By consequence, therefore, of private property, individuals will lead virtuous lives of liberality and uphold the calling to eradicate poverty.

Aristotle's stance on property rights follows a highly logical formulation that remains valid even today amongst praxeological studies concerning property. A huge issue with his treatise is his pragmatism. While he makes the case very decisively that private property is the

best means to the end of an ideal state, he goes on to deride his own system by the existence of contradictory and highly consequential issues such as taxation. By his virtuous median, this is inconsistent. He argues for a system that reinforces his ideal of virtuous liberality, however only sentences later he makes the case for a system that rejects and violates the very same system allowing for his virtue of liberality. It is a blatant misallocation of thought to assume that Aristotle was invariably correct in every one of his views. Of course, this is obvious. Aristotle took many views that were later proven to be wrong. He argued that the concept of interest on money was 'unnatural' in *Politics*. This interpretation was not wholly original but rather was the widely accepted explanation for the ability of money to 'work.'<sup>29</sup> Thus it is understandable that Aristotle took many social phenomena, such as the existence of communal property, as correct solely due to their being practiced by an organized society. Therefore, Aristotle is, in these respects, incorrect.

All the while, his systematic case that a just society is one which is bound by the demarcation of protected property is that which remains valid. He takes the stance from a deontological standpoint as well as a consequentialist perspective that justify property as the only viable option to maintain his virtuous median. Aristotle treats this idea in some ways cursorily and only spends a small portion of only one book defending private property, however, the implications of his assertions far outreach his seemingly insignificant treatment of the subject. With his ideals came the foundation of many free civilizations for the sole reason of their adherence to the principles set forth in the *Politics*. As he argues quickly and succinctly, there are only paltry justifications in the negative and he proves it is difficult to make the case for communal property.

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- <sup>1</sup> Murray N. Rothbard, *Man, Economy, and State with Power and Market*, 2<sup>nd</sup> ed. (Auburn, Alabama: Ludwig von Mises Institute, 2009), 1337.
- <sup>2</sup> Fred D. Miller, Jr., *Nature, Justice, and Rights in Aristotle's Politics* (Oxford: Carendon, 1995), 313.
- <sup>3</sup> Aristotle, *Nichomachean Ethics*, trans. Hippocrates G. Apostle (Grinnell, Iowa: The Peripatetic Press, 1984), 3.
- <sup>4</sup> "An Interview with Hans-Hermann Hoppe," *The Austrian Economics Newsletter* 18, no. 1 (1998).
- <sup>5</sup> Ludwig von Mises, *Human Action: A Treatise on Economics* (Auburn, Alabama: Ludwig von Mises Institute, 1998), 11.
- <sup>6</sup> *Ibid.*, 14.
- <sup>7</sup> Miller, *Nature*, 314.
- <sup>8</sup> *Ibid.*, 314.
- <sup>9</sup> Aristotle, *Nichomachean Ethics*, 12.
- <sup>10</sup> Aristotle, *Politics*, trans. T.A. Sinclair (London: Penguin Books, 1981), 393.
- <sup>11</sup> *Ibid.*, 393.
- <sup>12</sup> Justin Ptak, *The Prehistory of Modern Economic Thought: The Aristotle in Austrian Theory* (Providence, Rhode Island: Institute for Business Cycle Research, 2003).
- <sup>13</sup> *Ibid.*
- <sup>14</sup> Aristotle, *Politics* 114.
- <sup>15</sup> Matt Summers, "Aristotle's Legacy: The Reality and Ethics of Communal Property" (Auburn, Alabama: Ludwig von Mises Institute, 2009).
- <sup>16</sup> Ptak, *Prehistory*.
- <sup>17</sup> Aristotle, *Politics*, 114.
- <sup>18</sup> Ptak, *Prehistory*.
- <sup>19</sup> Aristotle, *Politics*, 115.
- <sup>20</sup> Hans-Hermann Hoppe, *The Economics and Ethics of Private Property*, 2<sup>nd</sup> ed. (Auburn, Alabama: Ludwig von Mises Institute, 2006), 13.
- <sup>21</sup> *Ibid.*, 336.
- <sup>22</sup> Ptak, *Prehistory*.
- <sup>23</sup> Friedrich A. Hayek, *Law, Legislation, and Liberty*, Volume I. (Chicago: University of Chicago Press, 1973), 108.
- <sup>24</sup> *Ibid.*, 107.
- <sup>25</sup> Ptak, *Prehistory*.
- <sup>26</sup> Aristotle, *Politics*, 115.
- <sup>27</sup> *Ibid.*, 366.
- <sup>28</sup> *Ibid.*, 200.
- <sup>29</sup> Ludwig von Mises, *The Theory of Money & Credit*, trans. J. E. Batson (Auburn, Alabama: Ludwig von Mises Institute, 2009).