

THE BUSINESS OF BUSINESS

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The main difficulty with the philosophical and moral discussion of matters in Economics lies in the lack of proper definition of the terms in which the discussion needs to take place. For practically all the relevant terms, and especially those which are more fundamental, are taken from human life in general. These need to be contracted to the context of socio-economic activity until one reaches the strictest application of the terms in question. Only then can one make a judgment about the precise nature and morality or otherwise of the activity being considered.

Without this it is easy for the most pernicious of exploitative practices and the greatest of injustices to be covered up and even presented as being “good for the Economy”. For, by talking in generalities, the economic activities that involve such exploitation and injustice are able to be defended as simply examples of what are basically good features of human behaviour.

Nowhere is this problem more in evidence than in the discussion of BUSINESS. Even in the economic context its meaning can be as broad or as narrow as one likes thus making it difficult to follow any discussion in which the word is used.

Let us then try to determine the various ways in which it can be used. For there is a sense in which it is used quite specifically about which both Aristotle and St. Thomas had some quite important and most relevant things to say in their ethical and political writings.

Its most general meaning, indeed, is taken from the adjective “busy”, whose meaning hardly needs to be defined, so basic is it to our understanding. It signifies activity as opposed to inactivity. Indeed, its Latin equivalent *negotium* signifies this sense by negating its opposite *otium*, inactivity or ease.

Even at this most general level, however, it is to be noted that being busy is not necessarily a good thing. For, philosophically and finally considered, ease or rest is not primarily a state of inactivity but a higher state of being.¹ Relatively to this human life, however, being busy or active is preferable to being inactive or idle. Within this perspective, then, that of the active life, business, i.e. being busy in the abstract, connotes something generally good.

This general sense as we shall see carries over into the economic order where it can be further narrowed down. However, we should not forget that the most general notion of business (*negotium*) has an application wherever there is any occasion of human activity serving some purpose or end, whether it is practical or purely intellectual.

St. Thomas himself uses the terms *negotium*, *negotatio* and their related forms in ways that range from the most general to the most specialized and by following his usage of the word we can obtain the precise definition of business that we are seeking.

Firstly, he applies the noun *negotium* (business, or more elementally busyness) and the verb *negotiat* (to busy oneself with, or to be occupied with) to the very activity of the mind concerned with reasoning on matters theoretical or practical; “speculative reason occupies itself [*negotiat*] with the necessary ... practical reason with the contingent ...”;² “from the essence of things apprehended the intellect is busy [*negotiat*] with reasoning and enquiring in diverse ways”.³

The usage of this term in the most general sense is to be found when St. Thomas is discussing not only the natural sciences but also sacred theology so that he refers both to “the business of science”⁴ and to “the whole business of theology” [*totius theologici negotii*].⁵

So there is no limit to the generality in which the term may be used. It is able to be applied wherever there is any human activity involved. However, it is more specially applied to the discussion of practical human affairs. In the religious context, when these affairs are contrasted with attention to the divine, they are qualified generally as mundane or secular [*negotiorum saecularium; a mundanis negotiis*].⁷

Indeed, the word “business” which as we have seen has been contracted to refer more specially to practical matters is again further contracted to be associated more particularly with secular or worldly affairs rather than religious or other worldly. But a further process of specification or narrowing has to be noted.

With regard to secular human affairs the word “business” can be used in a relatively general sense covering both the business of caring for the common good or general utility of the community and also the management of concerns regarding proper goods or particular utilities pursued by individuals. Thus St. Thomas, in speaking of military affairs, makes the point that other kinds of business [*negotia*] in society are ordered to their own particular goods, but military business [*negotium*] is ordered to the safety the whole common good.⁸

The virtue relevant to the ordering of our activities, so far as they impinge upon our ultimate (moral) good, is prudence. So, all human activity or business needs to be exercised with prudence. But when our concerns descend to the achievement of more particular ends or utilities, which are of themselves indifferent to the ultimate end or common good, prudence has to be supplemented by art. Morality and prudence come into play only according to the good or bad use of such art. The moral person, however, can be quite inexpert in such arts.⁹

It is with the contraction of the notion of business to the exercise of the various arts whereby we make a living that we come to the notion that is most closely associated with the economic concept of business. For we pass over from the one necessary business of living (well) to the multifarious businesses of making (good) things, i.e. making a (good) living, according to the various talents and tastes of people. Here we are close to the usage of the term “business” that is most familiar. Thus we talk of the businesses of shoemaking and farming where the economic context comes clearly into evidence.¹⁰

Before we elaborate on this, however, we should note the close connection there is between prudence and art, especially where the management and ordering of other people is concerned. The business of political leaders (including military) involves moral prudence insofar as the common good is directly concerned but declines to art in regard to the manifold concerns that are subordinated to this end. Hence St. Thomas talks both of military prudence and the arts of war.¹¹

A similar situation applies in regard to the management of the social economy. The overall supervision of the economic welfare of the community is a matter for political prudence and is a moral responsibility of governments, who must ensure that everything is ordered to the common good of all. That most definitely pertains to the “business” of government. However, the satisfaction of the manifold concerns of

individuals and groups within the community are matters for their own skill and art, though none should act contrary to the common good.¹²

Hence the economy is a complex order requiring the exercise of politico-economic prudence and a number of subordinate arts of managing people, in both the political and economic contexts, as well as a multitude of arts of production and exchange. It is to be remembered, however, that leaving each individual and organization to manage its own affairs as freely as possible is part of the common good. The proper exercise of political prudence is in no way inimical to the true freedom to produce and exchange that belongs to individuals. The business of politics is not only to promote solidarity, but also to help the members of the community retain their independence (in accordance with the principle of subsidiarity).

In contracting the notion of business, then, to all these various arts of production and exchange, to the multifarious ways in which people make a living, we have come down to the properly economic context of the notion of business. Though the economic context ought not to be divorced from its material base the notion of production should not be taken too narrowly here. There is virtually no limit to human ingenuity in this regard.

The notion of business thus is contracted further from that of living well to the business of making a good living. Insofar as this involves

dealing with other people one has to be careful not to treat others as mere means to one's ends. Unfortunately, this happens too often, as people tend to focus more on the success of their art at the expense of their obligations in prudence.

There is, however, a further step that can be made in the contraction of the notion of business. In the developed society, all economic activity is ordered to exchange or the market. Hence part of the art of making a living involves making a good exchange or sale and purchase. Thereby one satisfies one's natural needs and rational wants in a social way. In a well-ordered society there is no great art involved in this; the necessary transactions are made naturally provided one observes justice in one's dealings with others.¹³

Hence, we have the notion of business limited to that activity, whether of production of goods or provision of services, as ordered to the satisfaction of the needs of others through exchange. The notion of business thus takes on a social dimension. A person exercising the art or crafts of producing shoes or farming simply to satisfy his own needs or that of his family, is not engaged in business in this precise sense. In the social context one in business makes one's living by selling what one produces and buying what one needs.

But in the processes of exchanges there arises scope for the exercise of a new and special art which we may call the art of making

money. That is a most special kind of business that is focused exclusively on the processes of buying and selling rather than producing or engaging in some particular art or craft. Doing business in this sense means making profitable exchanges, by buying things already made or provided by others and selling them at a higher price. St. Thomas, indeed, reserves the use of the term *negotatio* without qualification for this artificial mode of exchange.¹⁴ But here we have obviously a most specialized sense of “business”. It is precisely from here that we get the expression “business is business”; for *per se* no other consideration except the making of money is to be taken into account in assessing the purpose of the activity, least of all any moral consideration.

So we have arrived at the notion of business in its most narrowly contracted and specialized sense. It is a notion that requires careful and close examination as regards its moral implications. Fortunately, St. Thomas has done this in a masterly and comprehensive way,¹⁵ though what he has said on the matter seems to have been lost upon modern thinkers on such matters, including theologians. Though an activity of the most narrow and derivative kind, like a parasite it has the capacity to become all pervasive in any particular economy. This proclivity was pointed up long ago by Aristotle.¹⁶

It is, unfortunately, the notion of business that has come to dominate our thinking in Economics. Indeed the whole science of modern

economics may be seen as an effort to make some scientific sense of “the business economy” in this derived sense, i.e. of a society where the particular arts of making a living are completely subordinated to this seemingly general art of making money.

Already in Aristotle’s time the idea of business as the activity exclusively occupied with “making money” was felt to be somehow disreputable. The picture Aristotle paints of this kind of business is one of people subjecting all to the acquisition of money. Prompted by the profits to be made through the use of money in this way, they not only enslave themselves to a false god, but also they pervert their own good qualities and arts, and generally have a deleterious effect upon the society in which they live and do business.

St. Thomas goes so far as to say that this mode of business “considered according to itself, has a certain turpitude, insofar as there is not within its notion any reference to a fitting or necessary end.” St. Thomas, quoting Scripture, would even exclude the second kind of exchange from clerics, inter alia, “*propter frequentia negotiatorum vitia, quia ‘difficiliter exiit negotiator a peccatis labiorum’*, ut dicitur Eccli. 26, [28]” (my trans. “*on account of the frequent vices of dealers, because ‘the dealer escapes with difficulty from sins of the lips’*”). To highlight the essential difference between these two kinds of exchange, St. Thomas

goes on to say that there is nothing against clerics engaging in the first kind of exchange. “Licet tamen clericis uti prima commutationis specie...”.¹⁷ (my trans. “it is lawful nevertheless for clerics to use the first species of exchange ...”).

This adverse judgment about this second kind of commercial business was not because it involved one in secular affairs rather than religious. Such an explanation for St. Thomas’s strictures can be seen to be quite false from what has been said above. It belies such a confusion of mind that it is hard to dissociate it from crass anti-religious prejudice.

Nor is this derived mode of exchange criticised because thereby one is immersed in merely economic concerns about material things, how one should eat, drink, and even be merry, etc. Though moderation is demanded of all in this regard, and even severity on occasion recommended, to curb one’s inordinate desires for material things, nowhere does St. Thomas or any theologian endorsed by the Church describe the satisfaction of one’s desires for material things as such as affected by baseness.

Nor even is it said of commercial business as such, i.e. selling and buying goods as a means of making a living. For as Aristotle pointed out there are two kinds of exchange or commercial activity. And it is only in

regard to the second and derived kind that St. Thomas, following Aristotle, makes his adverse judgment.

It is only because today we fail to see the distinct character of this special kind of business to which both Aristotle and St. Thomas are referring that many think they both are railing against “retail trade” or commerce as such. This confusion is compounded by the fact that we even tend to think of commerce as such in terms of this derived and money driven sense, as if the only reason why anyone would go into business would be to make money.

Nonetheless, the association of the word “business” with this secondary and derived commercial activity is only one reason why business has in a certain respect a bad name. In the precise sense referred to it has had a bad name from the beginning of civilization, as evident in Aristotle’s and St. Thomas’s criticism of it. But in modern times it has acquired an additional opprobrium for reasons that apply particularly to the kind of economy we have inherited, which goes by the name of Capitalism.¹⁸

I mean to leave the discussion of this modern meaning of business that tends to identify the businessman with the capitalist to a later article. It can be noted here though that it derives from an opposition between the business person as employer and the ordinary non-business person as an employee.

It may have been noted that in the treatment so far no reference has been made to this relationship of employer/employee or master/servant. In the above discussion of the meaning of business it may be assumed that we are talking about independent contractors or the self-employed. The relationship of employment, or the modern notion of Labour, introduces another consideration into the discussion.

ENDNOTES

¹ We have here a particular case of a word that signifies something that stands in the middle of two states, one below and one above the level of ordinary human life. Movement, for instance is a sign of activity and life. What is immobile therefore is generally taken for what is inactive and lifeless. But when we need to refer to something above the world of physical mobile things, as in talking of the spiritual and the divine, we are constrained to contrast it with the moveable and changeable. We thus describe God's existence and activity in terms of immobility, not meaning to signify something inactive but rather super-active. So the rest and peace belonging to eternal life is not a lack of activity but the perfection of same. Similarly in the practical order, as in economic matters, we find that price and value are the central notions, but something that is priceless and invaluable is not thereby reckoned as cheap and valueless. Business, therefore, is to be considered good relatively to the lack of it that signifies inactivity or idleness, but it is inferior to the absence of it that signifies the perfection of peace and tranquility. In the natural and rational order of things, we are busy in order to be at ease. The modern worship of business and efficiency, treating these things as economic ends or good in themselves, is but another example of taking notions that have a good sense in the right context but are then used absolutely to cover up a situation that is in fact unjust and exploitative.

² Cf. *Summa Theologiae* I-II, q. 94 a. 4 co: "Aliter tamen circa hoc se habet ratio speculativa, et aliter ratio practica. Quia enim ratio speculativa praecipue **negotiatur** circa necessaria, quae impossibile est aliter se habere, absque aliquo defectu invenitur veritas in conclusionibus propriis, sicut et in principiis communibus. Sed ratio practica **negotiatur** circa contingentia, in quibus sunt operationes humanae, et ideo,

etsi in communibus sit aliqua necessitas, quanto magis ad propria descenditur, tanto magis invenitur defectus”. (my trans. “Regarding this however theoretical reason is had in another way to practical. For, because theoretical reason is especially occupied with necessities, in which it is impossible for things to be otherwise, truth is to be found without any defect in proper conclusions as in common principles. But practical reason concerns itself with contingencies, amongst which are human operations, and so, although there is in regard to common matters some necessity, so much the more one descends to proper concerns so much the more deficiency is found.”)

³ Cf. De veritate, q. 1 a. 12 co: “Sed ulterius intellectus ex essentiis rerum apprehensis diversimode **negotiatur** ratiocinando et inquirendo”.

⁴ cf. Sentencia De sensu, tract. 2 l. 5 n. 11. “Deinde cum dicit unde citissime manifestat praemissum modum per duo signa. Quorum primum ponit dicens, quod, quia ex priori motu propter consuetudinem venit in sequentem vel inquirendo vel non inquirendo, inde est quod citissime et optime fiunt reminiscentiae, quando incipit aliquis meditari a principio totius **negotii**, quia secundum ordinem quo res sunt sibiinvicem consecutae, secundum hunc ordinem facti sunt motus eorum in anima: sicut quando quaerimus aliquem versum, prius incipimus a capite”. (The quotations in this note and in the following notes 5-9 are not thought necessary to translate. The particular words that are relevant to the point made in the article have simply been highlighted).

⁵ Cf. Summa Theologiae III, pr. “Quia salvator noster dominus Iesus Christus, teste Angelo, populum suum salvum faciens a peccatis eorum, viam veritatis nobis in seipso demonstravit, per quam ad beatitudinem immortalis vitae resurgendo pervenire possimus, necesse est ut, ad consummationem totius theologici **negotii**, post

considerationem ultimi finis humanae vitae et virtutum ac vitiorum, de ipso omnium salvatore ac beneficiis eius humano generi praestitis nostra consideratio subsequatur.”

⁶ cf. Summa Theologiae II-II, q. 184 a. 3 co. “Quae omnia, sicut et praecepta, ordinantur ad caritatem, sed aliter et aliter. Nam praecepta alia ordinantur ad removendum ea quae sunt caritati contraria, cum quibus scilicet caritas esse non potest, consilia autem ordinantur ad removendum impedimenta actus caritatis, quae tamen caritati non contrariantur, sicut est matrimonium, occupatio **negotiorum saecularium**, et alia huiusmodi”.

⁷ Cf. also Summa Theologiae II-II, q. 81 a. 1 ad 5. “Ad quintum dicendum quod quamvis religiosi dici possint communiter omnes qui Deum colunt, specialiter tamen religiosi dicuntur qui totam vitam suam divino cultui dedicant, a **mundanis negotiis** se abstrahentes. Sicut etiam contemplativi dicuntur non qui contemplantur, sed qui contemplationi totam vitam suam deputant”.

⁸ Cf. Summa Theologiae II-II, q. 50 a. 4 ad 2. “Ad secundum dicendum quod alia **negotia** quae sunt in civitate ordinantur ad aliquas particulares utilitates, sed militare **negotium** ordinatur ad tuitionem totius boni communis.”

⁹ Summa Theologiae II-II, q. 51 a. 1 ad 3. “Requiritur enim ad bene consiliandum non solum adinventio vel excogitatio eorum quae sunt opportuna ad finem, sed etiam aliae circumstantiae, scilicet tempus congruum, ut nec nimis tardus nec nimis velox sit in consiliis; et modus consiliandi, ut scilicet sit firmus in suo consilio; et aliae huiusmodi debitae circumstantiae, quae peccator peccando non observat. Quilibet autem virtuosus est bene consiliativus in his quae ordinantur ad finem virtutis, licet forte in aliquibus particularibus **negotiis** non sit bene consiliativus, puta in mercationibus vel in rebus bellicis vel in aliquo huiusmodi.”

¹⁰ The notion of business so far discussed has not brought in the modern usage of the word which seems to oppose it to labour. See discussion at end of article.

¹¹ Ibidem.

¹² All arts are of course also subject to prudence and the moral law. In the political and managerial contexts it is sometimes difficult to discern the difference between art and prudence.

¹³ Cf. Summa Theologiae II-II, q. 77 a. 4 co. “Una quidem quasi naturalis et necessaria, per quam scilicet fit commutatio rei ad rem, vel rerum et denariorum, propter necessitatem vitae. Et talis commutatio non proprie pertinet ad **negotiatores**, sed magis ad oeconomicos vel politicos, qui habent providere vel domui vel civitati de rebus necessariis ad vitam”. (translation included below in note 17).

¹⁴ Cf. Summa Theologiae II-II, q. 77 a. 4 co. “Alia vero commutationis species est vel denariorum ad denarios, vel quarumcumque rerum ad denarios, non propter res necessarias vitae, sed propter lucrum quaerendum. Et haec quidem **negotiatio** proprie videtur ad **negotiatores** pertinere.” (see note 17 for translation).

¹⁵ The essentials of the question are dealt with in II-II, q.77. However, St. Thomas addresses the issues involved in many places throughout his works

¹⁶ Aristotle Politics, Book I, c. 9-10

¹⁷ It is not to be thought, however, that St. Thomas condemns it outright. We need to read the whole of his argument in II-II, 77, 4 c in order to fully appreciate his position. Firstly, he gives a full exposition of the two species of exchange: “Ut autem philosophus dicit, in I Polit., duplex est rerum commutatio. Una quidem quasi naturalis et necessaria, per quam scilicet fit commutatio rei ad rem, vel rerum et denariorum, propter necessitatem vitae. Et talis commutatio non proprie pertinet ad

negotiatores, sed magis ad oeconomicos vel politicos, qui habent providere vel domui vel civitati de rebus necessariis ad vitam. Alia vero commutationis species est vel denariorum ad denarios, vel quarumcumque rerum ad denarios, non propter res necessarias vitae, sed propter lucrum quaerendum. Et haec quidem negotiatio proprie videtur ad negotiatores pertinere. (my trans: “As the philosopher says in I Politics the exchange of things is twofold. One indeed is quasi natural and necessary, by which namely occurs exchange of thing for thing, or of things and money, on account of the necessities of life. And such exchange does not pertain to dealers but rather to householders or statesmen, who have to provide the necessities of life either for the home or the city. But the other species of exchange is either of money for money, or of whatsoever things for money, not on account of the necessities of life but for the sake of the profit sought. And indeed this business seems properly to belong to dealers.”)

St. Thomas then goes on to explain how the second derived mode of exchange is “rightly censured”: *Secundum philosophum autem, prima commutatio laudabilis est, quia deservit naturali necessitati. Secunda autem iuste vituperatur, quia, quantum est de se, deservit cupiditati lucri, quae terminum nescit sed in infinitum tendit. Et ideo negotiatio, secundum se considerata, quandam turpitudinem habet, in quantum non importat de sui ratione finem honestum vel necessarium. Lucrum tamen, quod est negotiationis finis, etsi in sui ratione non importet aliquid honestum vel necessarium, nihil tamen importat in sui ratione vitiosum vel virtuti contrarium. Unde nihil prohibet lucrum ordinari ad aliquem finem necessarium, vel etiam honestum. Et sic negotiatio licita reddetur. Sicut cum aliquis lucrum moderatum, quod negotiando quaerit, ordinat ad domus suae sustentationem, vel etiam ad subveniendum indigentibus, vel etiam*

cum aliquis negotiationi intendit propter publicam utilitatem, ne scilicet res necessariae ad vitam patriae desint, et lucrum expetit non quasi finem, sed quasi stipendium laboris. (my trans: “According to the philosopher, however, the first [kind of] exchange is praiseworthy, because it serves natural necessity. The second, however, is justly condemned, because, as regards itself it serves the desire for profit, which knows no limit but tends to infinity. And so dealing, considered according to itself, has a certain turpitude, insofar as there is not within its notion any reference to a fitting or necessary end. However, although profit, which is the end of dealing, does not contain in its notion any reference to a fitting or necessary end, nevertheless neither does it contain in its notion anything immoral or contrary to virtue. Hence nothing prevents profit from being ordered to some necessary or even fitting end; and thereby the dealing may be rendered licit; as when someone directs a moderate profit, which he pursues by dealing, to the sustenance of his home, or even to the succour of the poor or even when someone in dealing looks to the public welfare, so that the things necessary for one’s country be not lacking, and he seeks the profit not as an end but as a kind of payment for labour.”

¹⁸ Marxism gained most of its appeal from this more modern aversion to business, though Marx also made much use of Aristotle’s more fundamental criticism. But this will be taken up in a further article.