



**MAX PLANCK INSTITUTE**  
FOR SOCIAL ANTHROPOLOGY

# Je suis Aristote (reflections on tragedy and farce in Greece)

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## **Inaugurating the REALEURASIA pantheon**

No, not really, I am not Aristotle, and my French is not much better than my Greek. I have merely borrowed an idiom that became known world-wide following violent events in France in January 2015. My cause is different. This blog is about Eurasia, past and present, with a bias to emphasizing commonalities. It is all too easy to recognize differences across this landmass. Between England and Japan, Latvia and Lithuania, Oxford and Cambridge, whatever the focus, differences are easy enough to spot. The premise of this blog is that it makes no sense to elevate differences between Europe and Asia into a continental divide. Because the effects of “continentalist” mental-mapping are pervasive, it is worth taking the trouble to point out similarities between Europe and several macro-regions of Asia. These *longue durée* commonalities provide a foundation for positing the unity of the landmass. The REALEURASIA project aims to contribute to this goal in a modest way through a set of field studies designed to investigate the behaviour of households and small (family) businesses, from the theoretical perspective of a historically informed economic anthropology.

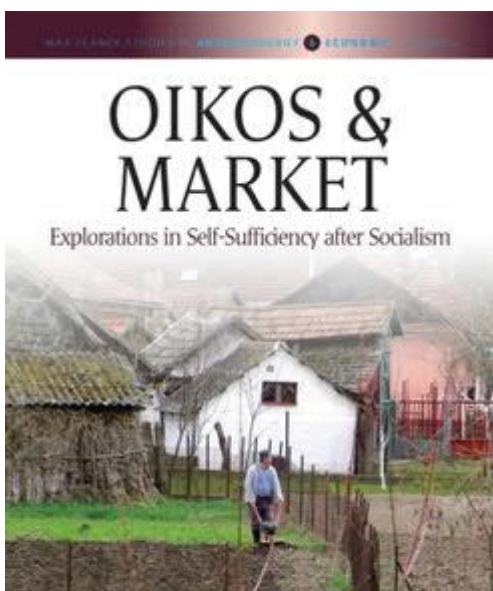
Given this objective, what makes it timely in spring 2015, when the visit of a new Prime Minister in Athens to a long-serving Chancellor in Berlin makes for front page headlines, to empathize with a celebrated philosopher of Ancient Greece? First, it does no harm to remind ourselves that many of the frames and concepts we take for granted in the contemporary world have their origins here. The continental divide to which we are still in thrall was constructed by those Greeks, and their word *oikos* is the root of our “economy”, even though the meaning has changed radically. A second urgent reason for invoking Aristotle today is to view the economic and political crisis of the present Greek state from his perspective. I see Aristotle as one of the first of a distinguished lineage of key Eurasian thinkers who understand that community (*koinonia*) is the foundation of human flourishing, and that the so-called free

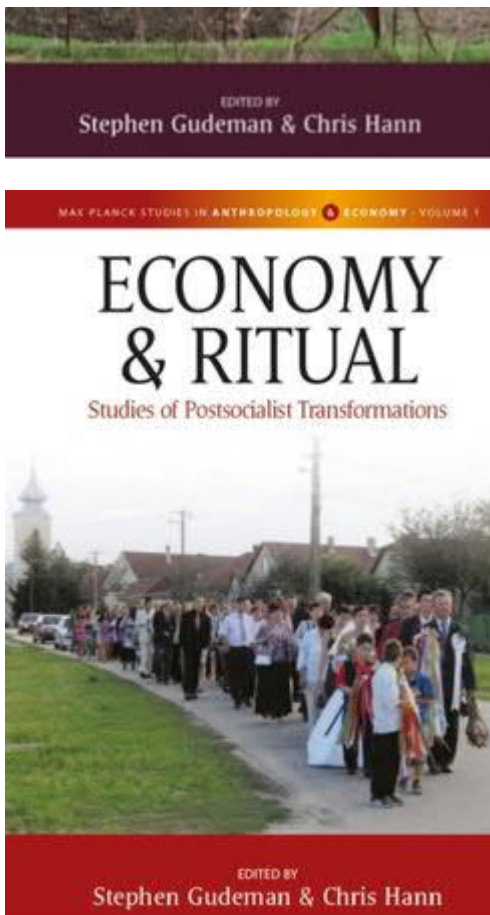
market is its greatest threat. His insights are acutely relevant today: to Greek society, to the Eurozone and Europe (not at all the same thing), to Eurasia, and to humanity.

## **Aristotle of Stageira**

Aristotle (384 – 322 BCE) was a pupil of Plato and a teacher of Alexander the Great, whose armies created a large Eurasian polity which extended from Europe to the macro-regions of Central and South Asia. The Aristotelian heritage is commonly ascribed to “the West” but it is equally important in, and respected by, Islam. His teachings on the economy comprise only a small proportion of the texts which have survived. This is because economy and economics did not exist empirically or theoretically in his philosophy.

In the substantive sense, of course, like every other human society, Hellenic Greece did have an economy. Material and immaterial needs were met in a particular environment through particular institutions and practices. Aristotle’s perspective was that of an aristocrat, whose own household or oikos was very different from that of a nuclear family. He extolled the democratic equality of the urban polis, but the society was in fact profoundly hierarchical and slaves were not citizens at all. The well-managed oikos was the most basic form of community. Its principle of self-sufficiency (autarkeia) could be extended outwards to include other such social groups. More specifically, Aristotle denied that the pursuit of profit (money-making) was the motivation of substantive economic behaviour. His central concept is philia, usually translated as (brotherly) love or friendship, but covering even wider semantic fields. Philia refers to regard for others, the antithesis of egoistic utility maximization, though some contemporary economists seek by sleight of hand to reconcile the two. In the literature of recent centuries the relevant terms include sympathy, empathy, reciprocity, mutuality and solidarity (Gudeman and Hann 2015).





For over a century, beginning with the Methodenstreit in late nineteenth century Germany, the ancient world has been at the centre of theoretical debate in economic anthropology and economic history (Hann and Hart 2011). For “modernists”, the theory of Western neoclassical economics is perfectly applicable to Ancient Greece, since human motivations are the same everywhere and moreover money, markets and trade are evidently of great importance in the material provisioning of the Greek polis. For others, sometimes labelled unhelpfully as “primitivists”, things are not so simple. They argue that commercial practices are weakly developed and that therefore different theoretical approaches are necessary. It is easy to see how this camp could draw inspiration from the ideas of Aristotle. More recently, David Graeber (2011) has analysed the present turmoil in Greece as a crisis of the Eurasian redistributive empire in the framework of an original long-term historical theory of debt, money and violence.

Aristotle knew very well that the principle of autarkia was insufficient. He observed many kinds of exchanges, and put forward a rudimentary theory of value to explain the ratios at which goods changed hands. His theory of the just price was not based on supply and demand but on considerations of need, labour and philia, which dictated that each member of society should receive the portion he was due (women, like slaves, do not figure in this theorizing). The economics of Aristotle thus has a different foundation from the classical political economy of the mature Adam Smith, not to speak of mainstream economics today, which brackets out social and political dimensions in order to affirm its status as a positivist science. For

economic anthropologists, aiming to understand the position of the economy in society, Aristotle's denial of a universalist scarcity postulate has long been an inspiration. Karl Polanyi approved of the way his writings constantly mix the positive (Polanyi 1957). According to Polanyi, Aristotle's analysis reflects the major changes taking place in Greece at the time. Price-forming markets were gaining in importance, and the economy in our modern sense was coming into view for the first time. Hence Polanyi salutes Aristotle as the observant philosopher who codified the principles of the earlier state of affairs, in which economic matters as such remained invisible because they were thoroughly embedded in other dimensions of human existence. Of course for the modern economists, in downplaying impersonal exchange and invoking *philia* as the ultimate basis of the human economy, both Aristotle and Polanyi are guilty of naïve wishful thinking.

### **A Greek drama and a suggestion for its resolution**

Greece joined the European Union (then known as the European Economic Community) in 1981 after a fast-track admissions process. This was shaped by various factors. In the short-term, there was a strong wish to consolidate parliamentary democracy following the recent military junta (1967 – 1974). There was also the desire in Brussels to appropriate the long-term cultural capital of Hellenistic Greece for legitimation purposes, as the supra-national alliance sought to transcend the economic factors which had dominated its existence hitherto. This capital, including Aristotle himself, still weighs heavily in the deliberations of 2015. When politicians debate the possibility of "Grexit", i.e. a Greek withdrawal from the Eurozone, which it joined in 2001, the symbolic stakes are higher than if, say, Slovakia were to decide it was in that state's interests to pull out.

The current drama began with the global financial crisis of 2008, which led rapidly to major problems within the Eurozone. It had been obvious to experts from the beginning that a currency union which is not regulated by a strong political centre entails risks, which in democratic countries are exacerbated by the strategies of political parties anxious to hold on to power. In the case of Greece, other local factors – attributed by some observers much too crudely to the country's Ottoman-Turkish heritage – accentuated the problems. When the crisis broke, Greek indebtedness, above all to banks in Germany and France, was a massive problem. It had to be addressed through further loans, because there was a fear that if Greece were to default and leave the Eurozone, other countries would be promptly targeted by the financial markets. The result was a policy of austerity involving sweeping cuts in public spending. This did little to ameliorate the indebtedness, but led to great suffering in many sections of Greek society and resentment towards the "troika" of foreign institutions enforcing

the unpopular policies. This led in turn to the election of a Syriza-dominated government in January 2015, which is currently trying to square the circle in complicated and confusing negotiation processes not only with Brussels but also with Frankfurt and Berlin, the real centres of financial and political power respectively. It is generally recognized these days that the German Chancellor speaks for Europe, a Europe which abrogates to itself the moral high ground not only in disciplining feckless Greeks economically but also in managing the long-running political contretemps with Vladimir Putin's Russia.

As throughout the history of the Common Market since the 1950s, in the present crisis economic criteria are imposed without regard to political and social factors. It was entirely predictable that Germany, with its high levels of export-oriented productivity, would profit from the Euro, and that southern European countries would be forced to go into debt to maintain living standards (Salais 2013). When the outcome is policies of austerity policed by non-elected bankers and technocrats, democratic political legitimation is the chief casualty. This is why critics such as Wolfgang Streeck call for a return to national currencies, to allow structurally weaker states to devalue as the only way to stay in the game (Streeck 2014). Robert Salais prefers a solution whereby the country which profits from the common currency is compelled to invest some of its vast surpluses in the weaker states to restore balance. Whereas for the German sociologist the only credible focus of collective solidarity remains the nation-state, for the French economist Europe is the frame within which redistribution should now proceed. Note that Salais and Streeck are in agreement that the ideal of Europe as a democratic and free moral entity has been sullied by neoliberal financial interests, exemplified by the Euro itself. Between the lines of their social-scientific analyses, it is not difficult to detect echoes of Aristotle's normative concerns.

For the economic anthropologist it is no less instructive to note how this crisis plays out in discourses and popular imaginaires in the countries concerned. Whereas most Greeks feel hard done by and humiliated in their everyday existence, most Germans, encouraged by great majority of their leaders and their media, feel that they are the hard-working suckers picking up the bills which ought to be paid by the Greeks themselves. There is recognition that is unfair that the bills are currently being paid primarily by the weakest sections of Greek society, rather than by the elites responsible for the indebtedness. But it is commonly pointed out that average living standards and pension entitlements remain higher in Greece than in numerous other members of the EU, and even other members of the Eurozone. Under these circumstances, Greek ministers' pleas for European solidarity to ease the Greek debt are rejected on both moral as well as political-economic grounds. There is Angst in some quarters when Greek leaders suggest that Germany has not yet paid Greece adequate compensation

for the damage done to infrastructure, as well human atrocities, during the Second World War. But most Germans classify this argument as one more devious evasion of contractual and moral responsibilities. A small minority – associated mainly with the party Die Linke – takes the view that blame should be assigned primarily to international financial capital. Even here, I have not come across much support for David Graeber’s radical anarchist arguments for the cancellation of all debt. On the whole, the understanding of both elites and general public in Germany has not changed much over the last five years (cf. Graeber 2011). It can be summed up in this way: “Greece needs to get its own oikos in order, we shall continue to help generously on the basis of solidarity within our new common European oikos, but the aim must be to instruct the Greeks how to help themselves: our philia has its limits!”

At the time of writing, just before Prime Minister Tsipras’s first visit to Chancellor Merkel, it remains difficult to predict the outcome of this drama. Each new summit meeting promises a result, but somehow catharsis is always delayed and instead we experience only increasingly farcical and highly mediatised political machinations. If Germans cannot agree to balance their surpluses by investing in Greece, as proposed by Robert Salais, and if they continue to deny any further legal responsibility to pay up for atrocities committed during the Second World War, I see one alternative solution. The Chancellor and the Bundesbank claim to represent Europe and European solidarity. Having ruled out political negotiations to cancel debt, perhaps they could classify the transfers necessary to allow that poor country to muddle through as royalty payments for Germany’s continued exploitation of the brand “Europe”, to which the Greeks have contributed rather more than just the name. Would this be Philia or Schein-Philia? Aristotle would surely turn in his grave, and my own sympathies should be clear from the title of this posting. This branding of Europe would be an extreme, transparent demonstration of the commodity logic to which he was resolutely opposed. But perhaps the transfers from Germany could be rationalised as giving to the Greeks their due share?

## **Conclusion**

Undoubtedly, Aristotle did not do justice to the ancient economy in which he lived in the fourth century BCE. His vantage point, that of an aristocratic estate-owner, caused him to critique and perhaps misrecognize changes that were taking place. If he overlooked the economy in our contemporary sense, this was because in his age it was still embedded in society and could find no place in his normative vision. We can amend his view to include what he left out and recognize the necessity for market exchange - but only in a tangled mix with the principles of redistribution, reciprocity and householding, all of which depend on Aristotelian philia. These non-market forms of integration were identified as such by Karl Polanyi, who drew much

inspiration for his economic anthropology from Aristotle. With his theories of the substantively embedded economy, Polanyi too has a place in my pantheon of Eurasian thinkers (to be elaborated in a later posting).

Aristotle's emphasis on self-sufficiency may seem antiquated but it is in fact highly relevant because the logic of the oikos can be applied at multiple levels. Some Europeans would argue that solidarity at the level of the Nationalökonomie has served their human economies rather well in recent centuries. But it is obvious that those days are long gone, for Germany as for Greece. Idealistic invocations of Europe as the new focus of cultural identity and social solidarity have been overwhelmingly hypocritical, since the policies to which Greek society has been subjected in recent years are driven by the financial interests of institutions and have nothing to do with the mutuality of European citizens. Rather than give credence to the brand Europe as it is currently marketed, we would do better to rediscover the commonalities of Eurasia and of humanity.

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