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# THE INHERENT APPROACH OF CERTAIN ECONOMIC CONCEPTS IN ‘SUMMA THEOLOGIAE’

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## **Abstract**

Certain economic concepts discussed in *Summa Theologiae*, are inherently analysed in the debate related to virtues and vices, in a theory of the individual’s moral faith. We could thus argue that Thomas Aquinas was not directly concerned with the analysis of economic mechanisms, nor with the research of prosperity means of nations and peoples, but attempted to find out what was ethically correct, the economic thinking being subordinated to morality. Starting from Aristotle, Thomas Aquinas made a distinction between ‘*Artes possessivae vel aquisitionis*’ - consumable goods producing activities and ‘*Artes pecuniariae*’ - those being exclusively profit-seeking. Aristotle was condemning ‘the pure chrematistics’; Thomas Aquinas (in the Middle Ages) – at the confrontation between scholastics and early capitalism ideas - he preferred the ‘*possessivae*’ arts instead of ‘*lucrativae*’ arts, without the latter being absolutely sentenced. Essentially, we note that, in *Summa Theologiae*, the economic issues, on which we stop briefly in the present study, were treated from the viewpoint of morality (virtue and justice).

*Keywords:* private property, price, labour, salary, profits, rent, money, loan with interest

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## **1. Introductory considerations**

The revival of economic growth, manifested in the thirteenth century, which some historians said it was one of the major construction phases of European history, but also the rediscovery influence of the ancient Greek thinkers’ works, led to the resumption of efforts to study the activities of economic and processes [1]. The most important thinker of this start was Thomas Aquinas (1225-1274, canonized 1323), which sought to achieve a synthesis of Aristotelianism and Christian thought, between rationalism and faith, seeking to give a rationalistic form to Catholic philosophy [2]. Seen as the “pinnacle of European medieval creativity” [3], Thomas Aquinas expressed, in his most known work, *Summa Theologiae* (1266–1273) [4], the ideal of his time. The society is treated as an organic system in which each individual naturally exercises his ‘function’. Status distinctions are caused by differences in

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functions. There is a certain ‘distributive justice’, according to which each social class and status are designated certain abiding rights and obligations that should always remain unchanged.

## **2. Economic categories addressed by Thomas Aquinas**

From the perspective pursued by us, we find that economic problems have been treated from the morality viewpoint [5], to which it was subordinated, in fact, the whole thinking. In his vast work, he was not directly concerned with the analysis of economic mechanisms, nor with the research of prosperity means of nations and peoples, but attempted to find out what was right. Thomas Aquinas’ thought force was noticed since he was 20, by Albertus Magnus, Bishop of Regensburg, papal legate and preacher, which observed “the universalistic opening which he promised to give to the sacred science ...” [3, p. 194]. Thus, if we refer to *Summa Theologiae*, we find out that economic issues are addressed as virtues and vices, in a theory of moral individual’s faith. Taking the ethics of Aristotle, Thomas Aquinas distinguishes between a distributive justice and a commutative justice [6]. The first is the virtue of the chief distributing goods among his subordinates; the second belongs to the individual and consists in his ability to adapt to changes. The commutative justice is to ensure a true equivalence between mutual benefits. The distributive justice requires the allocation of assets in fractions which are proportional to the importance of ranks and states that every individual possesses [7]. Thomas Aquinas was also the first theorist of the right to resistance against an unjust ruler and thereby founded, at least indirectly, the doctrine of sovereignty of the people. The essential elements of the economic philosophy of Thomas Aquinas arise when considering the violations of justice; there are three situations that collide with it, respectively in case of theft, commercial fraud and loan with interest. Overall, the thomist doctrine had an undeniable grandeur and magnificence, in pursuit of achieving the Christian ideal in a society that wanted to revive the economic activity, after many centuries of decadence. In essence, the thomist doctrine intended to rehabilitate work [8], to prevent traders from abusing the scarcity of goods and to prevent the consequences of scarcity of capitals.

### **2.1. The property service**

According to Thomas Aquinas, the private property was not imposed by natural law, but was consistent with it. He also noted that the legal status of property should not make it an absolute right, as in the case of Roman citizens’ property, since the property must be considered as an endorser which ensures the maintenance of appropriated goods and makes them available to others. Property shouldn’t be ‘jus utendi, fruendi et abutendi’ but ‘potestas procurandi et disposandi’ [6]. Unlike early Christianity [9], when wealth was convicted, Aquinas believed that wealth didn’t contain anything reprehensible in it, and every man must be wealthy according to the situation he holds in society, with

the hierarchy held. He strengthens the divine character of the property, and the stratification of society into classes, groups and states is based on division of labour in physical labour, considered to be inferior, and intellectual work, which is noble. It should be noted that, referring to private property, he picks some of Aristotle's arguments: "Everyone pays more attention to his goods in private ownership", "There is a greater order in the administration of goods when the care for each thing is assigned to a person" or "Peace among men is best guaranteed if everyone is satisfied with what belongs to him" [6]. Actually, many Aristotelian ideas will be transfigured in this complex process of assimilation, which meant a re-concentration of the ideational force towards Christian thought [9, p. 31]. The study of private property was not an analysis of its contents, nor of the benefits it can bring, but rather an expose on what property should be.

## **2.2. Price and profit**

The practice of commercial profit, the positive difference between the sale and purchase price is undoubtedly justified, because the seller needs to obtain the means of subsistence or to make acts of charity. Then, there must be a remuneration of the service provided by the vendor, it must pay the improvements brought to the goods sold, it must cover the difference of courses in time and space, as well as seller's hazards [1]. Although proponent of natural economy, Thomas Aquinas considered the exchange as being natural and necessary, buying and selling having advantages for both parties, "because one needs the work produced by the other, and vice versa" [7]. However, the trader didn't have to pursue an unlimited profit. This issue of 'fair profit' was linked to the 'fair price' [6]. Asserting that the fair price resulted from 'communis aestimatio', Thomas Aquinas could consider as unfair any price different from those generally considered as normal, but could not demonstrate that the price level at a time, was unjust, in the name of higher moral considerations about the intrinsic quality of goods. Actually, given the difficulty that the just price to be economically defined, the situation seems to not be answered properly and completely neither afterwards. As the fair price could not be made on the market, it had to be assured by the state through the so-called 'communis aestimatio', i.e. a series of rules designed to preserve the rank, privileges and benefits to participants in the exchange [7]. We note that the study on the fair price was impregnated with empirical precepts, without any connection with a theory of prices or markets.

## **2.3. Salary**

The author participated in the effort to rehabilitate work, disregarded by philosophers of ancient Greece – who considered it as inconsistent with the human dignity, and wished that the salary be enough to ensure a dignified life to the worker [6]. But its level would be established, as the fair price, through a

‘communis aestimatio’. It suggests that we should not accept that normal wages are necessarily fair and that unfair can only be abnormally low wages. The research conducted on the concept of ‘fair wage’ has not yet revealed any solid and safe constitutive criterion that can be theoretically valid. The failure is due to the fact that the author has followed the moral precepts [5, p. 216] and not the economic notions themselves. What he defined was the word ‘fair’ rather than the economic terms ‘price’, ‘salary’ and ‘profit’.

#### **2.4. Ground rent**

He considers the ground rent as absolutely necessary for land owners to be deprived of their daily care and able to handle time, according to their natural ‘function’, of spiritual life [1, 10]. In view of the morality that had to be appropriated according to a given state, Thomas Aquinas argued that “human society is a whole spiritual and sovereign world of values and goals, a moral organization based on the solidarity of its members, seeking the common good and the common happiness” [10, p. 21].

#### **2.5. Money**

In the nominalist theory of money, Thomas Aquinas considered that they are an instrument of the circulation of goods, but their value and purchasing power do not involve economic determination. He rather sees that money value is set arbitrarily, nominally, by the heads of state and Church.

#### **2.6. Capital and interest**

As far as the capital interest was concerned, Thomas Aquinas took over the canonical doctrine of the Catholic Church of condemning the loan with interest. This attitude is explained by the conditions of lending in his epoch [1]. They were consumer loans, provided without warranty of moneylenders and, therefore, with an extremely high rate. To combat these abuses, the Middle Ages had seen only one remedy: the complete prohibition of interest. Forbidden – at first – to all the clergymen, the loan with interest extended to the whole society – by the law of the Church – from the twelfth century. To defend the principles, Thomas Aquinas presented arguments as follows [6]: “Money does not produce offspring” (“Pecunia non parit pecuniam” - a principle taken from Aristotle) or “Mutuum date, nihil inde sperantes” (“You gave a loan, do not expect a gain!” - taken from the Church Fathers). The loan with interest is illegitimate, according to Thomas Aquinas, because it requires the debtor to pay two prices: one for property (restitution of amount borrowed), the other for the use of money (interest). We recall that the canonical doctrine of prohibition of interest, which has persisted until the eighteenth century, had ‘suffered’ because of arguments made by the Frenchman Claudius Salmasius, in his work of 1638 - *De usuris* [11].

#### **4. Conclusions**

Thomas Aquinas is an important representative of Western thought, his ideas continuing to exert a strong influence not only on the theologians, but also on contemporary writers and thinkers who come from different backgrounds and traditions. The economic conception of Thomas Aquinas reflects the feudal reality in terms of interests of secular and ecclesiastical nobility, responding to a certain extent the needs and aspirations of craftsmen and merchants who are on the rise in economic and social domains. The precepts contained in the homist doctrine allowed the commercial expansion and a clear accumulation of capital, trying to prevent some abuses, especially those which claimed to retain the acquired wealth. After a long period of decline in terms of interest in his work, then there was a greater appreciation of how Thomas Aquinas reconciled Philosophy with Theology, Theology with spirituality and revelation with ethics.

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