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THE ORIGINAL AFFLUENT SOCIETY AND THE CULTURE OF SCARCITY

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ABSTRACT

Marshall Sahlins's "The Original Affluent Society" challenged the assumption that all of human history has witnessed a struggle between needs and insufficient means to satisfy them, arguing that hunter-gatherer societies demonstrate instead a "Zen road to affluence" produced by limited needs relatively easily satisfied. I argue that this formulation can help to deflate the claim, often being made around the time Sahlins wrote his essay, that capitalism has produced the means to overcome scarcity, which was seen by some as an ideological construct. Instead, through an account of the writings of Adam Smith and David Hume, I show the dynamic role that the production of new needs plays in constituting a culture of scarcity that cannot be so easily dispatched.

Keywords: Needs, Scarcity, Social Emulation, Marshall Sahlins, Karl Polanyi, C.B. Macpherson, Adam Smith, David Hume.
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Prologue

In his forward to the most recent edition of Marshall Sahlins's *Stone Age Economics*, David Graeber writes of the volume's first chapter, "The Original Affluent Society", "that one essay has probably had more impact on the popular imagination than any single work of anthropology before or since… It's an essay that has genuinely changed the course of human history – if only, mainly, so far, history that has already taken place" (Graeber 2017: xii). This comment, while perhaps a bit hyperbolic, seems both on the mark and off at the same time, since the true import of the essay,

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I argue, has seldom been fully grasped, both in terms of "history that has already taken place" and the prospects for a radical rethinking of the present and future.

Sahlins's formulation is elegantly simple, with his depiction of hunter-gatherer societies challenging the assumption that "the human condition is an ordained tragedy, with man the prisoner at hard labor of a perpetual disparity between his unlimited wants and his insufficient means" [Sahlins 2017 (1972): 1-2]. On this assumption, the only possible understanding of 'affluence' is a hopeful projection that the production of the means of satisfaction of wants can somehow outrun those wants. But once the "ordained tragedy" is no longer assumed, there is another possibility. "There is… a Zen road to affluence", Sahlins writes, "departing from premises somewhat different from our own: that human material wants are finite and few, and technical means unchanging but on the whole adequate. Adopting the Zen strategy a people can enjoy an unparalleled material plenty – with a low standard of living" [Sahlins 2017 (1972): 2]. The formulation is simple because it merely reverses the terms of the so-called scarcity postulate at the heart of marginal utility economics: the issue is not a scarcity of means to satisfy an array of desires, but rather of a multitude of desires that render finitude as insufficiency and effectively create scarcity. "Modern capitalist societies, however richly endowed, dedicate themselves to the proposition of scarcity. Inadequacy of economic means is the first principle of the world's wealthiest peoples". Even more pointedly, "The market-industrial system institutes scarcity, in a manner completely unparalleled and to a degree nowhere else approximated. Where production and distribution are arranged through the behavior of prices, and all livelihoods depend on getting and spending, insufficiency of material means becomes the explicit, calculable starting point of all economic activity" [Sahlins 2017 (1972): 4]. It is from this vantage point that hunter-gatherer societies are a priori viewed as trapped in a life of struggle against scarcity, their technological means hopelessly inadequate for anything other than the constant challenge of feeding themselves. But seen from the point of view of the 'primitive,' the scene is rather different. "That sentence of 'life at hard labor'", Sahlins proclaims, "was passed uniquely upon us. Scarcity is the judgment decreed by our economy – so also the axiom of our Economics: the application of scarce means against alternative ends to derive the most satisfaction possible under the circumstances" [Sahlins 2017 (1972): 4-5]. It is in this historically viewed sense that Sahlins can declare "the bourgeois ideology of scarcity" [Sahlins 2017 (1972): 97, n. 22]. The final sentence of "The Original Affluent Society" aptly sums up the main finding of Sahlins's essay that I wish to emphasize: "it was not until culture neared the height of its material achievements that it erected a shrine to the Unattainable: Infinite Needs" [Sahlins 2017 (1972): 37].

Sahlins's essay was first published, in French, in 1968, and it is helpful to place it in the social, political, and economic contexts of the period. Once we do, Sahlins's formulation can be seen as perhaps more radical than even he realized. What it implicitly did was demolish the widely shared assumption of scarcity as a timeless feature by which human existence had been measured, at least up to the present. That is, not that periods of scarcity in relation to some particular material thing were not recurrent – there had always been crop failures, or droughts, or over-hunting a particular species or area, etc. – but rather that scarcity, *per se*, was the defining experience of human life (Xenos 1989: 1-3). In the 1960s and early 1970s, this assumption was often framed by critics of capitalism who argued that it made it possible to imagine a post-scarcity future through the technological processes it had urged into being but for one reason or other had failed to realize. For example, Andre Gorz, in a text cited in "The Original Affluent Society", had argued that capitalism "is incapable of putting an end to the rule of scarcity. Even when the technical conditions for the elimination of scarcity have been virtually established, as is the case in the United States" [Gorz 1973 (1967): 78]. The reason for this inability lies not in the productive capacity of the system, but rather in its internal logic. In Gorz's version of the argument,

> capitalist economy has shown itself to be incapable of realizing its own potentialities. This is because use value, free time, the unfolding of human faculties, creation, the meaning of life and the richness of human relationships – all these are extra-economic riches and values. It is because the development and realizations of these riches can be achieved only by the subordination of economics to ethics, and therefore calls for the overthrow of the primacy of economic considerations, the subversion of basic approaches, and the creation of a new economy and a new form of state [Gorz 1973 (1967): 79].

Although Gorz was in part channeling Herbert Marcuse's writings from the same period, the argument was not exactly new. In the nineteenth century, Karl Marx had envisioned a future, made possible by capitalism itself, of (at least relative) abundance. John Maynard Keynes, hardly an economic radical, had in 1930 similarly predicted that capitalism, as the highest form of economic rationality, would produce the conditions for its own demise. In doing so, he fully displayed the assumptions Sahlins undermined a few decades later but which continued to hold sway when "The Original Affluent Society" appeared:

> I draw the conclusion that, assuming no important wars and no important increase in population, the economic problem may be solved, or be at least within sight of solution, within a hundred years. This means that the economic problem is not – if we look into the future – the permanent problem of the human race.

> Why, you may ask, is this so startling? It is startling because – if instead of looking into the future, we look into the past – we find that the economic problem, the struggle for subsistence, always has been hitherto the primary, most pressing problem of the human race – not only of the human race, but of the whole of the biological kingdom from the beginnings of life in its most primitive forms.
>
> Thus we have been expressly evolved by nature – with all our impulses and deepest instincts – for the purpose of solving the economic problem. If the economic problem is solved, mankind will be deprived of its traditional purpose [Keynes 1963: 365-366].

In Sahlins's terms, Keynes and others making similar arguments were taking the status quo of markets and scarcity pricing and projecting them backwards into all of human history. But they were also theorizing a radical historical break that could result from those same factors. Importantly, that break was often envisioned in moral terms. In what follows, I will try to show that the question of scarcity as a moral or ideological problem is inadequate and that Sahlins's essay can help us to see that, despite his own characterization of scarcity as "bourgeois ideology".

1. C.B. Macpherson on scarcity as a value judgement in liberal democracy

The only scholar working in the field of political theory around the same time as Sahlins's "The Original Affluent Society" who took an historical approach to contextualize – albeit in very different way – the universal validity of the scarcity postulate was the Canadian, C.B. Macpherson. He did so as part of an argument about the moral threat liberal democratic regimes faced as communist and developing Third World countries began to catch up to them economically. In an essay published in 1967 and reprinted as the first chapter of *Democratic Theory: Essays in Retrieval*, Macpherson laid down what he saw as the two claims justifying liberal democracies: "the claim to maximize individual utilities, and the claim to maximize individual powers" (Macpherson 1973: 4). The first claim presumes an individual of unlimited appetites and desires while the second presumes an individual as actor, for whom acting is an end in itself. In this essay and elsewhere, Macpherson aimed to show that these two claims are in contradiction with each other and that the opportunity was present to transcend the contradiction in a politically advantageous way. As we shall see, scarcity figures prominently in Macpherson's account.

As to how this contradiction manifested itself to mid-nineteenth-century liberals, who were facing growing pressure from movements for a more democratic franchise, Macpherson asserts that "it seemed urgent to moralize the society before the mass took control… A newly moralized, liberal-democratic society could claim, as a market society, to maximize individuals' chosen utilities, and, as a free society, to maximize their powers. Neither claim has stood up very well" (Macpherson 1973: 6). The reason it has not is inherent in the market system that underpins it, since "the liberal-democratic society is a capitalist market society, and… the latter by its very nature compels a continual net transfer of part of the power of some men to others, thus diminishing rather than maximizing the equal individual freedom to use and develop one's natural capacities which is claimed" (Macpherson 1973: 10). The society so described, then, undermines its moral foundation by depriving some people of the instruments necessary to maximize their individual power through the normal working of the market. Unequal distribution of power is inherent in a market and deemed justified when the market operates 'freely,' but the outcome cannot be justified morally, as the liberal-democratic schema demands.

In asking how it happened that the transfer of powers effected by markets came to be seen as necessary and, in utilitarian terms alone, justified, Macpherson detects two underlying 'value judgments':

> One… is the preference for individual freedom of choice of work and reward rather than authoritative allocation of work and reward: without this value judgement men would be content with a hierarchical customary society. The other value judgement is the elevation to the position of one of the highest values, if not the highest value – as one of the chief purposes, if not the chief purpose, of man – an endless increase in productivity, or, which comes to the same thing, an endless battle against scarcity. Without this value judgement men would be content with a less strenuous society, and one with more moderate incentives (Macpherson 1973: 17).

It is the second of these judgements that concerns us. While locating its implicit origin in the seventeenth-century writings of John Locke, Macpherson notes that it became more prominent in the eighteenth and nineteenth centuries, pointing as an example to David Hume's *Treatise of Human Nature*. "What was new in this value judgement was the assumption of the rationality of unlimited desire", Macpherson claims. "There had always been scarcity: men had always had to struggle with Nature to get a living. What was new was the assumption that the scarcity against which man was pitted was scarcity in relation to unlimited desire, which was itself rational and natural" (Macpherson 1973: 17). Previously, moral and political philosophers had recognized "a strain of unlimited desire" in human beings, "but most of them had deplored it as avarice and had believed that it could, and urged that it should, be fought down. What was new, from the seventeenth century onwards, was the prevalence of the assumption that unlimited desire was rational and morally acceptable. When this assumption is made, the real task of man becomes the overcoming of scarcity in relation to infinite desire" (Macpherson 1973: 17-18). It was this justification of unlimited desire that Macpherson argues gave individuals the incentive to "call forth the effort required in the unending battle against scarcity" (Macpherson 1973: 18).

The now morally justified assumption of the individual's infinite desire served the purpose of a capitalist market society by incentivizing increased productivity and legitimating the unequal distribution of property. "The assumption of the rationality of infinite desire may be said both to have produced the capitalist market society and to have been produced by that society", Macpherson claims. However, "the point of drawing attention to the assumption of scarcity in relation to infinite desire, or of the rationality of unlimited desire, is that this assumption is in the twentieth century beginning to appear not to be permanently valid. It is beginning to appear that this assumption will not be needed to make a free society operate, and even that it will have to be dropped to allow our society to operate" (Macpherson 1973: 19). The notion that "scarcity in relation to infinite desire" is both generated by and generative of capitalist market society is important for Macpherson's argument because if it is an ideological construction that served a social and political purpose, it can just as easily be jettisoned when the purpose is no longer viable. And it is no longer viable, in his interpretation, because the very technological success of that market society makes it unnecessary. In his 1965 Massey Lectures on the Canadian Broadcasting Company, Macpherson explained,

> we don't need this dominant concept of scarcity any longer. We don't need any longer the morality which gives pride of place to the motive of acquisition. We don't need any longer the incentive of unlimited freedom of acquisition. In at least the most advanced capitalist countries, we produce already more commodities and more new capital than we know what to do with. And in the very near future our problem will be not to get people to work but to find something for them to do, not to make the most efficient use of scarce means but to start repairing the scarcity of the human values that have been submerged in the struggle against material scarcity (Macpherson 1966: 63).

This comment is a variant on Keynes's essay "Economic Possibilities for Our Grandchildren", and indeed, in his lectures Macpherson quotes Keynes directly, compressing the last few pages of Keynes's essay:

> When the accumulation of wealth is no longer of high social importance, there will be great changes in the code of morals. We shall be able to rid ourselves of many of the pseudo-moral principles which have hag-ridden us for two hundred years, by which we have exalted some of the most distasteful of human

qualities into the position of the highest virtues. We shall be able to afford to dare to assess the money-motive at is true value… All kinds of social customs and economic practices, affecting the distribution of wealth and economic rewards and penalties, which we now maintain at all costs, however distasteful and unjust they may be in themselves, because they are tremendously useful in promoting the accumulation of capital, we shall then be free, at last, to discard… We shall once more value ends above means and prefer the good to the useful… But [he added] beware! The time for all this is not yet. For at least another hundred years we must pretend to ourselves and to everyone that fair is foul and foul is fair; for foul is useful and fair is not. Avarice and usury and precaution must be our gods for a little longer still. For only they can lead us out of the tunnel of economic necessity into daylight (Macpherson 1966: 63; Keynes 1963: 369-372).

To which Macpherson adds, "Keynes gave it a hundred years from 1930. But the pace of change has quickened so much since he wrote, that we may judge the time to discard the morality of scarcity has already arrived" (Macpherson 1963: 63).

Writing as he did during the apex of the Cold War, an additional factor for Macpherson was the challenge posed by what he called "the underdeveloped" countries and communist countries, which "have undergone the conquest of material scarcity by methods other than the acquisitive, individual power-seeking, methods of the market societies" (Macpherson 1963: 64). This, combined with the global power of the "communist countries" (one assumes he means the Soviet bloc countries), shows, first, that it is possible to increase productive capacity without the unequal distribution of property, and second, that it is the political freedoms of the liberal democracies that can carry the day. Therefore, he concluded in an essay published in 1973,

the difficulty to be overcome within the advanced liberal democracies is not primarily material but ideological. For though our liberal-democratic justifying theory does contain (and does require) the assumption that man is essentially an enjoyer and exerter of his human capacities, it also still contains (but does not now require) the opposite assumption, inherited from classical liberal individualism, that man is essentially an infinite consumer. It is only on the latter assumption that scarcity is permanent. Yet now, since the emergence of modern technology, we should be able to see that scarcity, whatever it was for many millennia, is not an invariable natural phenomenon but a human construction. We do not yet sufficiently see this… [T]he most advanced problem now is not to redistribute scarcity but to see through it: to see that it is not an invariable natural phenomenon but a variable cultural one. Scarcity of the means of life, then, is a socially variable impediment (Macpherson: 1973: 63).

A contradiction in Macpherson's analysis shows itself here, since he at once recognizes that scarcity is not historically universal but also promotes Keynes's aspiration that it can and will be rendered obsolete. Keynes's prognostication is based on the assumption that 'the economic problem' that had preoccupied 'the whole of the biological kingdom' could be overcome. In embracing Keynes, Macpherson undermines his own claim that scarcity is a 'variable cultural' phenomenon.

This contradiction, however, was not shared by more analytically inclined political philosophers for whom the universality of scarcity continued to provide a theoretical foundation. The most prominent of these, John Rawls, published *A Theory of Justice* in 1971 and it quickly became one of the most influential texts in Anglo-American liberal political philosophy. The theory of justice it constructs is firmly based in marginal utility economics, as evidenced in Rawls's basic assumptions regarding resources and choice:

> For simplicity I often stress the condition of moderate scarcity (among the objective circumstances), and that of mutual disinterest, or individuals taking no interest in one another's interests (among the subjective circumstances). Thus, one can say, in brief, that the circumstances of justice obtain whenever mutually disinterested persons put forward conflicting claims to the division of social advantages under conditions of moderate scarcity. Unless these circumstances existed there would be no occasion for the virtue of justice, just as in the absence of threats of injury to life and limb there would be not occasion for physical courage (Rawls 1971: 128).

Rawls acknowledges that these foundational conditions are largely those established by David Hume in *A Treatise of Human Nature* (Rawls 1971: 126 n. 3; 127). There, Hume writes: "Here then is a proposition, which, I think, may be regarded as certain, *that 'tis only from the selfishness and confin'd generosity of men, along with the scanty provision nature has made for his wants, that justice derives its origin*" [Hume 1978 (1739): 495]. However, in linking the premise of universal scarcity to Hume (and, by extension, the Scottish Enlightenment), Rawls inadvertently helps us to see the limitations of Macpherson's argument that that premise is purely ideological, rather than cultural or sociological, in its origins (Xenos 1987).

2. Karl Polanyi on Aristotle and embedded economies

But before turning to the Scottish writers, it will be instructive to consider the work of Karl Polanyi, one of Marshall Sahlins's teachers. The influence of Polanyi on *Stone Age Economics* is primarily evident in what

Sahlins saw as his contribution to the then "current anthropological controversy between 'formalist' and 'substantivist' practices of economic theory" [Sahlins 2017 (1972): xxvii]. In that context, in a moment of self-criticism, Sahlins noted in his book's introduction that,

> "The Original Affluent Society" does not challenge the common understanding of 'economy' as a relation between means and ends; it only denies that hunters find any great disparity between the two. The following chapters, however, would definitively abandon this entrepreneurial and individualist conception of the economic object. "Economy" becomes a category of culture rather than behavior, in a class with politics or religion rather than rationality or prudence: not the need-serving activities of individuals, but the material life process of society [Sahlins 2017 (1972): xxviii].

Perhaps for that reason, while Polanyi's essay, "The Economy as Instituted Process" (Polanyi 1957b) is among his writings referenced in *Stone Age Economics*, "Aristotle Discovers the Economy", which was published in the same collection, is not. But Polanyi's Aristotle essay complements the understanding of scarcity in "The Original Affluent Society" in important respects. Polanyi noted, for example, that Aristotle, in the *Politics* and *Ethics*, assumes that the human being is self-sufficient by nature and that "the human economy did not, therefore, stem from the boundlessness of man's wants and needs, or, as it is phrased today, from the fact of scarcity" (Polanyi 1957a: 66). And Polanyi very clearly connects Aristotle's assumption to the "material life process" of his society.

The distinction between formalist and substantivist understandings of economic history is presented by Polanyi as one between a "disembedded" and an "embedded" relation of the economy to society. It is a distinction with which he begins his essay on Aristotle and is taken over from his book published over a decade earlier, *The Great Transformation*, the principal concern of which was to highlight the historical, and historically catastrophic, 'invention' of the self-regulating market in nineteenth-century Europe [Polanyi 2001 (1944): 3]. Prior to that, "the elements of the economy [were] embedded in noneconomic institutions, the economic process itself being instituted through kinship, marriage, age-groups, secret societies, totemic associations, and public solemnities. The term 'economic life' would here have no obvious meaning" (Polanyi 1957a: 70). Despite the longer historical reach of Polanyi's characterization, there is an obvious sympathy with Sahlins's depiction of hunter-gatherer societies. However, Polanyi also stresses that, "Only the concept of the economy, not the economy itself, is in abeyance, of course. Nature and society abound in locational and appropriational movements that form the body of man's livelihood" (Polanyi 1957a: 71). The notion of 'the economy' here is not the means/ends relation Sahlins attributes to his usage in his essay, but this may be a case of a distinction without a difference. The hunter-gatherers he depicts do not, after all, seem to think in terms of means and ends precisely because they do not "find any great disparity between the two".

In an important sense, both Sahlins and Polanyi can be said to implicitly contradict their own comments on the economy in 'primitive' societies (from a contemporary economic perspective, it should be understood, all ancient societies are also primitive). In a posthumously published book entitled *The Livelihood of Man*, Polanyi succinctly laid out what he termed the formal and substantive definitions of the term economic:

> The first meaning, the formal, springs from the logical character of the means – ends relationship, as in *economizing* or *economical*; from this meaning springs the scarcity definition of *economic*. The second, the substantive meaning, points to the elemental fact that human beings, like all other living things, cannot exist for any length of time without a physical environment that sustains them; this is the origin of the substantive definition of *economic*. The two meanings, the formal and the substantive, have nothing in common (Polanyi 1977: 19).

Where the formal meaning of economic does not exist, which is to say where the notion of scarcity does not exist, there can only be the substantive meaning of economy. Polanyi is at some pains to show that Carl Menger, whose 1871 *Principles of Economics* is the locus classicus of the marginal utility theory that enshrined the scarcity principle, was aware that the formal definition of economics was only strictly applicable to market societies, an acknowledgment Menger incorporated into subsequent editions of his book, but the success of Menger's conceptualization for the development of price theory trumped that insight and only the first edition became standard. Consequently, the scarcity postulate was applied to economies *tout court*. The limitations of this postulate are as evident in Polanyi's account of Aristotle as they are in "The Original Affluent Society". And while Polanyi is still partially prisoner of this formulation by his focus on Aristotle's attitude to markets and prices, he also provides another way to think about scarcity that will be useful when turning to the modern period.

When Polanyi begins his interpretation of Aristotle's writings, he notes that in Aristotle's ranking of the moral goods (*agathos*) of life, honor and prestige, which occupy the first rank, are also the rarest of goods. "This is indeed a surprising context in which to encounter that feature of goods which modern theory has come to regard as the criterion of the 'economic,' namely, scarcity". Polanyi continues:

> For the discerning mind when considering those prizes of life must be struck by the utterly different source of their 'scarcity' from that which the economist

would make us expect. With him scarcity reflects either the niggardliness of nature or the burden of the labor that production entails. But the highest honors and the rarest distinctions are few for neither of those reasons. They are scarce for the obvious reason that there is no standing room at the top of the pyramid. The fewness of the *Agatha* is inherent in rank, immunity and treasure: they would not be what they are if they were attainable to many. Hence the absence in early society of the 'economic connotation' of scarcity, whether or not utilitarian goods sometimes also happen to be scarce. For the rarest prizes are not of this order. Scarcity derives here from the noneconomic order of things (Polanyi 1957a: 78).

Aristotle's natural grounding proceeds through three levels of presumed self-sufficiency: the individual, the household (*oikos*), and the city (*polis*). The quantum and type of need may be different in the three levels, but each one has set limits. The concept underlying this schema is presented by Aristotle in his remarks in the *Politics* on the form of acquiring property appropriate for an individual or

useful to household or state as associations [*koinonia*]. And it looks as if wealth in the true sense consists of property such as this. For the amount of property of this kind which would give self-sufficiency for a good life is not limitless, although Solon in one of his poems said, 'No bound is set on riches for men.' But there *is* a limit, as in the other skills; for none of them have any tools which are unlimited in size or number, and wealth is a collection of tools for use in the administration of a household or a state (Aristotle 1992: 79).

The key for Polanyi is Aristotle's contention that "the household is the smallest, the polis is the largest unit of consumption: in either case that which is 'necessary' is set by the standards of the community. Hence the notion of the intrinsically limited amount of the necessaries" (Polanyi 1957a: 78). *Koinonia* is imperfectly translated by 'community' since it applies, as Polanyi suggests, to different levels of things held in common (thus the best English translation of the term in relation to the *polis* might be 'commonwealth' – the antithesis of *koinonia* is *idios*, which pertains to what we would call private and from which we derive the English word 'idiot'). Polanyi emphasizes that the imperative of community in this sense is for reciprocity founded on *philia*, often translated as 'love' or 'friendship' but understood here as 'good will.' Anything that endangers reciprocity is a falling away from the good will underpinning the community, though reciprocity does not necessarily imply, or require, equality in material goods or social status (other than that of citizen, that is).

Polanyi's reading of Aristotle is aimed primarily at the issue of trade in the context of his understanding of self-sufficiency and reciprocity within communities. "Aristotle may be said to put down the erroneous conception of unlimited human wants and needs, or, of a general scarcity of goods, to two circumstances: first, the acquisition of foodstuffs through commercial traders, which introduces money-making into the quest for subsistence; second, a false notion of the good life as a utilitarian cumulation of physical pleasures", he writes (Polanyi 1957a: 83). These 'circumstances' are evidence of an institutional, rather than formal, understanding of the economy, a term with derives from *oikonomia*, or the art of managing the *oikos*. And it is this, Polanyi argues, that leads Aristotle to attempt to distinguish between 'natural' and 'unnatural' forms of wealth accumulation. Natural are those practices with maintain the relationships of reciprocity in household and city and unnatural are those that disturb that reciprocity by damaging the relationships through which household and city are sustained. In analyzing these respective practices, Aristotle had recourse to manipulating the language available to him and confounding translation into English by translators whose assumptions are based in the terms of modern economics. Aristotle invented a term *kapēlikē* to describe the sort of trade practiced by the retailers of food in the agora and, by extension, retail trade in general. The sellers of food were called *kapēloi*, often a term of disdain signifying a huckster, while the normal term for long-distance trade was *emporia*. By adding the suffix *-ikē*, meaning 'art of', and applying his new coinage to small and large-scale trade alike, Aristotle was signifying that he saw the art of both as pure hucksterism (Polanyi 1957a: 92). To this form he counterposed the 'appropriate' form, *chrēmatistikē*, which Polanyi claims "was deliberately employed by Aristotle in the literal sense of providing for the necessaries of life, instead of its usual meaning of 'money-making'" (Polanyi 1957a: 92), an interpretation supported by M.I. Finley, another of Sahlins's teachers (1974: 41). The point of such linguistic creativity, in Polanyi's view, was to establish forms of exchange that were based on reciprocity from those based on gain. The former would maintain the aim of community by sustaining both the ideal of self-sufficiency and of *philia*, while the latter undermined both. Exchange for gain would be 'unnatural' because fueling desire and destructive of 'fellow feeling' because gaining at others' expense (Polanyi 1957a: 90).

3. Emulation in the production and reproduction of scarcity: Smith and Hume

Aristotle's theory of justice, based on norms of reciprocity, was dominant in European thought until the seventeenth and eighteenth centuries, even if often honored in the breach. This confirms Macpherson's interpretation that something radically different replaced it. And he is right to argue that the struggle with infinite desire is that thing, but the logic underpinning that struggle is far more subtle than his ideological approach allows. Though Polanyi argued for the "disembeddedness" of the free market economy, the new scarcity postulate is actually an example of how capitalist markets have become embedded expressions of the social order they have spawned. This can be seen in the writings of Adam Smith and David Hume, in particular. They were among the Scottish Enlightenment figures who embraced a distinction between 'rude' and 'civil' societies (Xenos 1987: 227). A distinguishing feature of the latter was a continuous refinement of taste. Smith, for example, argued in his *Lectures on Jurisprudence* that, "The whole industry of human life is employed not in procuring the supply of our three humble necessities, food, cloaths, and lodging, but in procuring the conveniences of it according to the nicety and delicacey of our taste. To improve and multiply the materials which are the principal objects of our necessities, gives occasion to all variety of the arts" (Smith 1978: 488). The refinement of taste, however, is not self-generating. In an era of increased trade, it is dependent, on one level, on exposure to imported goods. Hume, implicitly recognizing the eighteenth-century's expansion of European-centered trade, noted that commerce provides the impetus toward that refinement, arguing that "this is perhaps the chief advantage which arises from a commerce with strangers. It rouses men from their indolence; and presenting the gayer and opulent part of the nation with objects of luxury, which they never before dreamed of, raises in them a desire of a more splendid way of life than what their ancestors enjoyed" (Hume 1970: 14). But once introduced, these new luxury objects become functional in a system of emulation. Smith, though in many ways personally adhering to a neo-Stoic moral code loosely deriving from Aristotle, recognized that the appearance of ease that accompanies a luxurious lifestyle can be a propellant of economic growth. From the point of view of sickness or old age, he thought, "power and riches appear then to be, what they are, enormous and operose machines contrived to produce a few trifling conveniences to the body… They keep off the summer shower, not the winter storm, but leave [their possessor] always as much, and sometimes more exposed than before, to anxiety, to fear, and to sorrow; to diseases, to danger and to death" (Smith 1976: 182-183). When seen however from the point of view of the "spectator", a hypothetical "other" embodying the cultural norms of society, a figure at the center of Smith's moral philosophy, the import is quite different. "The palaces, the gardens, the retinue of the great, are objects of which the obvious conveniencey strikes every body", he writes in *The Theory of Moral Sentiment*. "They do not require that their masters should point out to us wherein consists their utility. Of our own accord we readily enter into it, and by sympathy enjoy and thereby applaud the satisfaction which they are fitted to afford him" (Smith 1976: 182).

In a social order that, in late eighteenth-century Britain, was becoming increasingly focused less on the utility of things than on their perceived luxury, emulation began to be central to a new order. In that sense, luxury became functional. While acknowledging that the trappings of luxury do not bring true happiness, the perception of luxury, "strike[s] the imagination as something grand and beautiful and noble, of which the attainment is well worth all the toil and anxiety we are apt to bestow upon it. And it is well that nature imposes upon us in this manner. It is this deception which rouses and keeps in continual motion the industry of mankind" (Smith 1976: 183). The utility of the deception rests on the preeminence of visual display:

> Nature has wisely judged that the distinction of ranks, the peace and order of society, would rest more securely upon the plain and palpable differences of birth and fortune, than upon the invisible and uncertain differences of wisdom and virtue. The undistinguishing eye of the great mob of mankind can well enough perceive the former: it is with difficulty that the nice discernment of the wise and virtuous can sometimes distinguish the latter (Smith 1976: 226).

Thus the 'rare' attributes of honor and prestige Polanyi discerned in Aristotle's writings are transformed by integration with a market mentality. Still available only to the few, but now marked by external trappings, they are mobilized to incite the desire to obtain them and thus to "[keep] in continual motion the industry of mankind". And the reason the motion is continual is because of the escalator labeled 'refinement'. There will always be a new entrant in the category of luxury goods; another, finer version of the ones already existing.

Thus, Hume and Smith established the dynamic of a never-ending experience of scarcity not as an ideological adjunct to economic growth that can be discarded in the present or future, but rather as an integral part of what we know as capitalism. The competitive consumption Thorstein Veblen described over a century ago in *The Theory of the Leisure Class* succinctly describes the dynamic that produces the experience of perpetual scarcity:

> So soon as the possession of property becomes the basis of popular esteem… it becomes also a requisite to that complacency which we call self-respect. In any community where goods are held in severalty it is necessary, in order to his own piece of mind, that an individual should possess as large a portion of goods as others with whom he is accustomed to class himself; and it is extremely gratifying to possess something more than others. But as fast as a person makes new acquisitions, and becomes accustomed to the resulting new standard of wealth, the new standard forthwith ceases to afford appreciably greater satisfaction than the earlier

> standard did. The tendency in any case is constantly to make the present pecuniary standard the point of departure for a fresh increase of wealth; and this in turn gives rise to a new standard of sufficiency and a new pecuniary classification of one's self compared with one's neighbors [Veblen 1979 (1899): 31].

Smith's emphasis on the visual display of wealth is particularly insightful in terms of updating Veblen's description for the age of social media, which can only accelerate the opportunities for invidious personal comparison and the presentation of new objects of desire and does so on a global scale.

In this context, Marshall Sahlins's declaration that "it was not until culture neared the height of its material achievements that it erected a shrine to the Unattainable: *Infinite Needs*" [Sahlins 2017 (1972): 37] proves to be more apposite than the claim that perpetual scarcity is an ideology that has served its purpose or otherwise become obsolete and can be detached from the material effects of 'the economy'. The scarcity that is generated by infinite needs is itself a material effect of a culture: a culture of scarcity.

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