
The Price of Truth was originally published in French in 2002 and was awarded the Grand Prize for Philosophy by the Académie Française and the Prize for Philosophy by the French Academy of Moral and Political Sciences. The author, Marcel Hénaff, is a philosopher and anthropologist of political institutions based at the University of California, San Diego. At the most fundamental level, the book deals with the foundation of the social and political bond, presenting a theoretical analysis based on a critical review of various anthropological fieldwork studies and discussion of historical and philosophical texts. Although the book is not written with economists as an audience in mind, heterodox economists, especially those practicing social and institutional economics, would find a wealth of ideas and points of departure for new inquiry that can enhance their research projects. Furthermore, those interested in the nature and origins of money would benefit greatly from reading the book.

The starting point of the analysis—the commercial value of knowledge—initiates discussion about the very idea of trade, legitimacy of profit, the role of money, the power of markets, and what Alperowitz and Daly (2008) call “unjust deserts” and Thorstein Veblen (1919) calls “free income,” the preoccupation with justifying individual rewards and downplaying the social and cumulative nature of knowledge. The “price of truth” is used as a double entendre, designating the honesty or courage to proclaim truth (e.g. in research) and not to lie about reality; and assigning a literal price to truth (e.g. to scientific results). The analysis evolves into discussion of two completely different relations: ceremonial gift exchange and trade and “ceremonial (symbolic) money” and “commercial money”.

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Starting with ancient philosophical thought and legal practice in Greece, Henaff traces the transformation of the merchant from a suspicious to a legitimate figure. In chapter 1, the author explains that in Plato the philosopher and the merchant are rival figures. Particularly the Sophists are represented in a derogatory manner by Plato for seeking remuneration in exchange for their teaching—and are called “merchants of words.” Sophists such as Protagoras offered training in the art of public argument, and sought recognition as experts in a technical art that warranted fees for their lessons in the same manner that technical arts, i.e. building, required training and involved payment for the shared trade secrets. That is, philosophy is offered as an operational knowledge—a technical mastery of means to influence others—hence power. The association between money, knowledge, and power is what connects Sophists to the figure of the merchant.

The discussion is in light of what Henaff calls an ancient conflict, the competition of money as a language with the language of truth. The Sophists had turned into merchants of knowledge, presenting themselves as experts, yet also aspired to be regarded as masters of wisdom. Social economists would be able to make connections to contemporary questions including the role of money in higher education and research (p. 102). Is not Sophistry being encouraged in today’s “entrepreneurial vision” of our universities?

Chapter 2 discusses the figure of the merchant in Western Tradition stressing that the suspicion regarding merchants was shared by most civilizations. Particularly in Greece, explains Henaff, the status of commerce was related to citizenship—seen as dispensable when conducted by foreigners—and necessary when conducted by the city. Commerce was seen as separate from the public/political sphere, in pursuit of gain, and disgraceful when undertaken by noncitizens, especially since mostly
undertaken by foreigners and emancipated slaves (pp. 67-8). With the rise of demarcated specialized occupations, the exchange of goods becomes separated from collective (political) life. The economy emerges as an autonomous private sphere. The reason for this autonomy is the exclusion of merchant activities from “public life”, which is grounded in the merchants’ deligitimization. Commercial and financial activities were seen as nonindigenous element disturbing a natural order, bringing greed, venality, deceit, and betrayal. The art of making a profit was viewed as an abuse of good faith, eventually ruining the community, since social bond is not an objective of profit-making. Not seen as a legitimate activity, commerce was thus excluded and achieved a subordinate status. Such a customary separation had provided the basis of Western Society until economic activity became to dominate the sphere of public life (p. 75).

The discussion about locating a pivotal moment of deviance from what Aristotle calls “the natural order” and thus a beginning of a “perverted” use of money will be of particular interest to social economists. Chrematistics, the art of acquisition, occurs when the sphere of money becomes autonomous and wealth becomes “denatured” (pp. 84-85). The meaning of “natural” here entails a vision of wealth as an instrument useful for life. Attitudes that would turn wealth into an end, and a part of an autonomous sphere are described as unnatural since only life, defined as “action,” has its own end within itself. “Production,” on the other hand, does not have its own end but gives rise to an external result. While thought is action and has an end in itself; production has an external result (e.g. a house). Wealth becoming an end in itself is then deemed as unnatural because production, as defined above, is divided between an act and a product. Wealth that is detached from property (defined as the means of subsistence) loses its natural character as it is no longer associated with an action (p.
This argument ties into the discussion of the place of merchants, since such use of wealth excludes oneself from political order and could provide the basis of contemporary thinking about distribution and public welfare.

Social economists interested in evaluation of the justice of institutions and interpretations of Aristotelian moral theory would enjoy reading chapter 3. In Aristotle, *Chrematistics* involves wealth separated from the actions of the head of household, and is thus the opposite of the “domestic economy” (*oikonomia*); and the meaning of *oikonomia* can be found only within *politeia* (public life). The state is prior to the household and individual; the whole is necessary prior to the part to have any meaning. A social economist could revisit this discussion in light of contemporary notions of public sphere. *Chrematistics* is acquisition that developed outside of the locus of *oikos* and that has left the circle of reciprocity (defined as useful exchange associated with complimentary tasks). In these analyses, when money becomes an object in and of itself and speculation takes place, the relationship between citizens is destroyed breaking the political bond.

The most egregious expression of this activity for Aristotle is lending with interest. Aristotelian analysis undergirds viewing interest as unnatural, developed later by the Scholastics (p. 86). The discussion leaves the reader thinking about the heart of our contemporary economic problems and financialization of our lives. Aristotle's argument for the “monstrous fertility of interest” has two main aspects: the life-generating ability and time. First, the ability to generate is the essence of living beings, and not of products. A product that “generates” something usurps a function that it cannot have. Second, lending with interest assigns price to time. Accumulation of interest can go on indefinitely; profit subjects time to its laws (p. 91). Later on in the book, Henaff makes a similar distinction between debt of reciprocity and debt of
investment. One is part of ceremonial gift exchange and requires balance and settling of all symbolic “accounts”; and the other is about endlessly producing, looking forward expecting a reward, rather than looking backward in order to reciprocate (p. 237). At one level the task is to identify the border between necessary and speculative economic activities and, at another level, to demarcate between commercial and gift relations.

The explication of Aristotle’s treatment of time and generative ability leads to a discussion about Aristotelian motifs in conceptualizing usury in medieval western theology, including Ambrose of Milan, Basil the Great, Gregory of Nyssa, Guilaume of Auxerre, and Thomas de Chobham (pp. 93-97). In western medieval theology, especially, time is a gift (an expression of a relationship rather than a usable good) given only by God graciously and equally to all. Lending with interest then is keeping that gift—capturing time—to gain profit and thus is “… amounting to breaking the cosmic and social chain of reciprocity and turning a relationship of interdependence and recognition into one of domination and exploitation” (p. 96). Henaff emphasizes the originality of treating usury as a break in the chain of gift-giving rather than directly as an offense against God. The author also explains the differences between Aristotle’s critique of speculative profit and the denunciation of by Christian theology, while noting their complementarity. He argues that the origins of “our modernity” can be found in the opposites of these two refusals. First, Aristotle’s perceived threat of disintegration of the city is reversed by political economy through the conceptualization of “market mechanisms” as emancipatory movement. “This endless movement, this flight into the limitless, is precisely what capitalism presupposes and confronts without seeing in it an abyss or leap into indeterminacy. On the contrary, it is understood as promise of the new and certainty of progress” (p. 98). Second, the
emergence of “instrumentalized time of interest” and the dictum—time is money—is a departure from the gift view of time and represents dissolution of the western theological arguments against usury (the process described also by Weber).

Consequently, the notion of the priceless is connected to the notion of the gift. In medieval thought, the problem is assigning price on time - a gift to everybody. This link is present also in Plato’s attack on the Sophists and in Aristotle’s explanation of the impossibility to financially remunerate philosophical teaching. Ceremonial gift exchange is identified when numerical measurement and value can only be set in a simulated and symbolic manner. Such relations of reciprocity, Henaff argues, remain part of our modern reality (p. 109). Are not the efforts of economists to impute market/monetary values on the priceless: knowledge, care, environment, and culture, a conceptual obfuscation of the gift in the social provisioning process?

The second part of The Price of Truth is concerned with the question of the gift, an altogether different relationship from the commercial one. Much of economics is guilty of conflating these types of relationships, leading to misconceptions (Bell and Henry 2001). In chapter 4, Henaff argues that “ceremonial gift exchange” is neither for profit, nor entirely a gesture of benevolent offering. He stresses that gift-giving involves an obligation to reciprocate. Yet this reciprocation does not entail an equal value exchange in the economic sense. Treating the gift-giving as an altruistic, charitable act means defining it as a unilateral phenomenon, which means ignoring the obligation that emerges when the gift is accepted, and consequently, the social character of the gift relation is obscured. Gift exchange (also referred to as a “sumptuary offering”) is not to be reduced to giving something to somebody for the purpose of consumption—an act that can describe a contractual relationship—rather it is giving of oneself: of honor, generosity, and glory (p. 396). The imperative to
reciprocate creates the social relationship. Human recognition of the other is at the center of ceremonial gift exchange. It is not the sharing of a good, amicable sociality, or an altruism that defines the gift. The gesture, which is always a public act, states recognition as fellow humans, acceptance as possible partners, and, once a relationship has been established, a wish to remain bonded in the future (p. 132). The emergence of conflict can also be traced to the ceremonial gift exchange relationship. For that reason Henaff describes this “reciprocal recognition” as a “free obligation” because it involves choice to engage or disengage. Here the author offers a detailed discussion of Mauss’s *The Gift* as well as other anthropologists’ contributions such as those by Boas, Malinowski, and Levi-Strauss. Referring to various ethnographic studies, Henaff argues that reciprocal recognition through gift is a specifically human and universal gesture and the only way to establish enduring social bonds. For that reason, the author insists it is inaccurate to speak of a “gift economy.”

Henaff discusses the exclusion of certain goods, symbols from gift giving (*sacra*). Like gift exchange, *sacra*, Henaff maintains, is a universal phenomenon. Those essential to the “inalienable possessions” cannot be given away as they are the emblem and the testimony to the group’s being and reinforce the social bond. Whereas reciprocal exchange is concerned with horizontal relationships among humans, *sacra* goods, including narratives, traditions, and memory reinforce the vertical relationship of the community with the deities. Henaff suggests that this vertical asymmetrical relationship is what has led to the emergence of the notion of debt, establishing the predominance of divine favor. The importance of the inalienable possessions is in confronting the permanence of the group through time. A social economist could find fruitful to look at the commoditization processes of life forms involving tribal
practices in light of the anthropological research on *sacra* and the author's point about permanence through time.

Henaff delves further into the ceremonial gift relation in chapter 5 by inquiring into the notion and forms of sacrifice, dedicating the discussion to non-Western experience and concepts. The author concludes that sacrifice is not a universal phenomenon. Referring to various ethnographic studies, he categorizes societies into sacrificial and non-sacrificial. In hunter-gatherer societies (for instance in Siberia), there is a notion of spirits but not of deities. The nature/culture relationship is based on equality and does not necessitate intermediation. Sacrifice is unnecessary since the divine world is embodied directly in the natural world. Domestication of plants and animals is a new relationship of living beings, one of domination of humans over the natural world and the formation of complex system of invisible beings and hierarchical order between humans and the divine. In agropastoral societies of horticulturists and herders who only hunt occasionally, the main resource is the domesticated animal. The herd ought to be passed on. Thus, inheritance and identity conferred by lineage become necessary, as well as the collaboration of the ancestors who assembled the herd. Such changes in technology of production represent a new ecology that necessitates a new “symbolic management of causality” (p. 187) -- a mechanism for taking charge in relations between visible and invisible world. Consequently, sacrificial procedures are performed to acknowledge the dependency on gods and to ensure the continuation of human power over the natural world. The sacrificial gift presupposes debt and inequality of partners. The spirits of gods are placed in symbolic position of domination; the relationship is no longer of partnership, but of mastery.

It is interesting that the world of debt emerges as gods become invisible, and no longer speaking through the moving figures of animals, but through those of a
sedentary pantheon. Debt emerges of the notion of excess. Humans have received the mastery of domestic animals and cultivated plants, which they ought to restitute and secure for the future. Within such relations, debt is expressed by sacrifice. Like gift exchange, debt is a social and cosmic obligation, a manifestation of a state of imbalance and disorder (social, individual, or natural) to be corrected. The major function of sacrifice is to return to the gods what was taken from them, and to preserve the separation and communication between the two worlds. Within the examined agropastoral societies Henaff finds that sacrifice is an expression of “debt as dependence”, a cosmic debt of life (p. 226). Ceremony preserves life at its dual level: as a biological fact, life remains outside human power, hence the need for sacrifice; as a social existence, life can only be real if it is constantly shared and mutually valued, hence the emergence of debt among people when there is a breech in the integrity of social life.

Even though sacrifice emerges with the ascent of technical mastery, it disappears in sedentary agricultural societies. The explanation offered by Henaff is that the technical field becomes autonomous. Technical means are applied to ensuring the nature/culture regulation. Consequently, ceremonial gift-exchange becomes obsolete. The emergence of a religion of compassion and an ethic of relationships represents the internalization of the gift relation. In chapter 7, Henaff discusses “the paradox of grace.” Truth originates from a generous gift that cannot be reciprocated, thus the recipient is left to express gratitude through faith. The gift relation is internalized and Weber’s “disenchanted world” of interest and market place emerges. Henaff provides a critical and interesting overview of Weber’s *The Protestant Ethic and the Spirit of Capitalism*, drawing parallels between Weber’s notion of the disappearance of “the religious ethic of brotherliness” and the ceremonial gift exchange relationship.
Henaff explores if debt as a part of the ceremonial gift relation disappears along with ceremonial rituals. Did it completely shift in the realm of commerce with the domination of sedentary societies? If so, the Sophists prevail over Socrates’ divine wisdom. Could we impute commercial value and thus define gift relations in terms of quantifiable debt? The author argues that ritual gift exchange takes on less socially visible forms. The realm of gift exchange has not been eliminated by modern monetary relations; it remains fundamental together with the requirement for recognition.

The book argues convincingly in Part 3 that commercial relations are not a continuation of ceremonial gift exchange and distinguishes between “ceremonial money” (referring to a ritual form of accounting not based on assigning financial costs) and “commercial money”, arguing that the term money can be used with rigor only in situations of commercial exchange. In both cases there are numerical operations however one is concerned with establishing and maintaining social bond, and the other with obtaining goods. Ceremonial money is the creating of units of reciprocal offering, a quantified gift exchange. Commercial money entails self-interested exchange. The central point of distinction between the two is the agents’ purpose: to recognize and honor the other party or to sell and buy a good without the personal bond entering into play.

Most importantly, in my view, Marcell Henaff stresses how misleading it is to assume that ceremonial exchange could shed light on the nature of commercial exchange and modern money. He states: “The fact that so many of the best economists and historians of the economy have confused the two (as shown by their attempts at establishing the genealogy of modern money) says a lot about the power of prejudice” (p. 312). Perhaps that eagerness to establish a logical and chronological continuity between the distinct worlds of gift and trade in articulating the nature and function of
modern money is at the answer to Henaff’s question: “Why are we no longer surprised that the Sophists charged money for their teaching?” (p. 314)

References


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