

Utopia from an Economist's Perspective

Samuel Bostaph¹

The bedrock of the theory of the market economy is the assumption of private property rights. Without the command and control of property assured to the individual by his or her property rights, there can be no regularity and stability in the exchange of things. Without regularity and stability in exchange, there will be no prices set in markets that reflect market conditions of demand and supply, themselves reflective of relative resource abundance. Without such market prices, there is no basis for rational individual planning in consumption or production activities.

The primary requirement for a completely planned socialist economy is the absence of private property rights. Property rights allow individual control and use of property—resources—that it is the purpose of planning to control and to use socially. Private property rights disrupt the planning process. Thomas More appears to recognize the signal importance of this requirement because he has Raphael Hythloday present the argument against private property at the end of Book 1 of *Utopia* (37-39)², just as he is about to describe the ideal state in Book 2. It is notable that Hythloday invokes the authority of Plato, while misrepresenting the argument found in *Republic*. Plato emphasizes justice as social order, and requires communal ownership only by the Guardians in order that their attention not be diverted from their main goal of fostering and maintaining order in the state; Hythloday argues injustice as inequality in possessions and justice as equal distribution, and recommends it for the whole population (103-06). He also states that it will result in abundance and happiness for all men, where Plato was neither concerned with the question of the quantity of goods in the ideal state nor with the personal happiness of its inhabitants.

In contrast, More's reply (38-39) faithfully renders two of Aristotle's arguments against communal property from Book 2 of *Politics*. Hythloday has no answer to

More's argument, but merely claims a special knowledge that communal property works in Utopia. It is difficult to avoid the conclusion that More deliberately has compromised the very foundation of the Utopian economy at the outset of its description with his refutation of Hythloday's argument in favor of communal property and against private property rights. More's later arguments in *A Dialogue of Comfort Against Tribulation*³ in favor of private property rights only add to the strength of this conclusion.

As Hythloday describes Utopia in Book 2, it is an elective authoritarian state, with an agricultural-based, planned economy. There is no private property and the citizenry are assigned positions in the workforce to suit the needs of production in the economic plan. Every citizen is trained as an agricultural worker, as well as in at least one non-agricultural craft or profession, which are limited to those deemed essential. Employment in either agriculture or crafts is completely according to the needs of the state. All citizens work in a strictly scheduled workday except for the intellectual class, membership in which depends upon performance. It is also that class from which the officials and rulers are chosen.

Meals are taken in common dining halls, the sick are cared for in public hospitals and infants and children up to the age of five are nursed and live in separate quarters. Given that slaves do all the heavy labor and least desirable work, and given the strict social hierarchy observed in the living and dining quarters and the severe restrictions on travel, the picture painted is one of a highly regimented society with its production, consumption and leisure activities meticulously planned. No basis for the planning is presented, other than the assertions of the narrator as to what is considered necessary and desirable. The method of planning goes unmentioned, but apparently is the fiat of the elected rulers of the General Council of the island and the senates of the cities.

Consumer goods are limited in variety and standardized in attributes and quality. They are available for distribution to the head of each household in each quarter of each city in "markets" where they are placed in storehouse buildings as they are produced. Distribution occurs when the head of each household takes what he requires from the city stores. This is no "market" in the economic sense of the term. There is no bargaining, no use of money, no price formation, no trading of one thing for another or of commodities for money. In fact, there are no "commodities" in the Utopian economy—"commodities" being defined in any economy as goods or services that are the subjects of exchange activities. There is no indication of how the requirements of a household are determined. Evenness in distribution of existing goods throughout the country is obtained by physical transfer of goods from regions where there is relatively more physical abundance to areas where there is less. In Hythloday's words, "...the whole island is like a single family" (59)—a view Aristotle criticizes in *Politics* 1261a1-20.

Yet, Hythloday is not ignorant of the existence of markets somewhere because he has the Utopians selling any island "surplus" to other countries "at a moderate price" and then spending the proceeds on import goods or using them to wage wars. The wars are either those of imperial expansion (54), retaliation for wrongs done to Utopians, liberation of oppressed people or to protect friendly nations from the

¹ Dr. Bostaph is Chair of the Economics Department at University of Dallas. This essay is part of a longer paper written for the Thomas More Studies Conference, November 3-5, 2005.

² All citations are from the Cambridge UP revised edition of *Utopia*, edited by George M. Logan and Robert M. Adams (2002).

³ See Book 2, chapter 17.

invasion of others (85-86). Although not used as money internally, precious metals are stored up and used in war to hire mercenaries and as a prize for the assassination of the leaders of their national opponents. The Utopians even claim reimbursement for these outlays from their defeated opponents.

Given that More has Hythloday argue (105) that the extremes of wealth and poverty exist in contemporary societies because of the existence of money, and that crime, strife and poverty would be eradicated in a moneyless society, it is passing strange that he admits the existence of crime⁴ in his ideal (moneyless) society and has Utopia use money as a tool of warfare. This internal contradiction in his argument only strengthens the view that More's *Utopia* is really an irony and that More was well aware of the indispensability of money in a complex society.

A family might not need money internally, but a complex society is far from one that can function as a family would. Obviously, the absence of internal prices makes the planning of production and consumption arbitrary. Hythlodeus gets around the question of consumption choices by positing a population of compliant subjects, devoid of any ambitions other than obedience, and he avoids the question of production planning by positing a ruling class whose employment and production decisions are apparently arbitrary. Yet the ruling class engages in market transactions external to the society and uses prices in external planning. And, the ruling class is well aware of the incentives that prices provide for performance as shown by their purchases of iron imports and in their willingness to pay for assassinations.

In Utopia, therefore, More reveals that he is not unaware of how markets actually function and of how men can interact in them to mutual benefit. But, his Utopians act differently in their dealings with one another than they do in dealing with mankind as a whole. The dour lives of the Utopians may be what More wants us to see as the fruit of a planned socialist society. History has proven More to be strikingly prescient, if irony was his intention in Utopia. The socialist paradises of the imagination found no reflection in the sordid reality of the various historical socialist planned economies of the past two centuries.

⁴ Criminals become slaves.