Commerce Is Beautiful

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> In Soviet times, all this was a chaotic mess. In contrast, you'd fly over Western Europe and see miles of perfectly cultivated land. . . . Now Georgia is the same. It's beautiful to look at. That's the aesthetic look of the free market.
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> —Georgia prime minister Mikheil Saakashvili, qtd. in Melik Kaylan, "Georgia on His Mind" (2007)

In 1975, a biology professor named Herbert Boyer received an unsolicited phone call from a venture capitalist named Robert Swanson. In conjunction with another biologist, Stanley Cohen, Boyer had already figured out a way to alter the DNA in bacterial cells, potentially turning each cell into a biochemical factory. Swanson alerted Boyer to a possibility that Boyer had not appreciated—the idea that such modified bacteria might be used to produce medicines profitably. In 1976, the two men formed the Genentech Corporation. Soon afterward, the firm's employees figured out how to bioengineer such hormones as human insulin, which was a significant improvement over its animal-derived predecessors. By the mid-1980s, this product and human growth hormone had become commercially feasible to market to patients, a pair of important medical breakthroughs.

Men such as Boyer and to some extent Swanson benefit from a heroic narrative commonly attached to scientific achievement, but significantly less so to entrepreneurial achievement. Scientists who accomplish great things are among the world's

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The Independent Review, v. XIII, n. 1, Summer 2008, ISSN 1086–1653, Copyright © 2008, pp. 41–56.

most respected individuals in cultures all over the world. Admiration for the creative entrepreneur is not unknown, although it is far from universal because the extent to which entrepreneurship is seen in the culture as a socially useful activity differs from country to country (Thomas and Mueller 2000). The ordinary act of buying and selling, however, in contrast to entrepreneurial genius, is seldom seen as an especially ennobling human activity.

This view is a mistake. That ventures such as Genentech are risky and that they change what is possible for humanity are well-known facts. What is seldom appreciated is that successfully reconciling the interests of and coordinating scientists, financiers, doctors, patients, and other parties are complex and subtle human achievements. They resemble other acts of creation and coordination that we admire as the highest forms of such achievement—for example, the writing or performance of great music and the creation of great paintings. The highest praise for such works of art is that they are beautiful, and I argue here that commerce, too, should be seen as an act of human creativity and expression, rather than a purely utilitarian act. Like other artistic work that is created, displayed, performed, and enjoyed, commerce can be done well or badly. When it is done successfully, the complexity, coordination, and order present within it are quite simply as beautiful as other more traditional artistic activities. Wal-Mart's ability to meet a desperate human need in the wake of a powerful hurricane is not simply an act to be praised for its practical virtues, but to be admired for the difficulty and subtlety of anticipating what people are likely to need and making sure it is there when they need it, even though the firm has at its disposal only the power to persuade in the marketplace. Wal-Mart's achievements in such circumstances are not simply profoundly useful; they are sublime, too.

Understanding commerce as more than an act of efficiency or of self-interest and as potentially beautiful is not only plausible according to many of the traditional understandings of beauty, but suggests that we see producers' role in society in a new, more favorable light. To make the case for the beauty of commerce, I invoke two philosophical conceptions of beauty and demonstrate why commerce clearly qualifies as an aesthetic achievement in both of them. I then take up one objection from the theory of beauty that potentially disqualifies commerce as beautiful. I finally consider the implications if commerce is seen as expressive and potentially beautiful, rather than as merely efficient.

Beauty as an Ideal—Classical Notions of Beauty

Historically, commerce has not been seen as beautiful and has frequently been depicted in literature and philosophy as occupying the lower rungs of the ladder of human achievement, a necessary evil at best. In *The Republic,* Plato describes the erosion of the ideal aristocracy as beginning with discord between those who love culture and the other higher things in life, on one hand, and the naturally lower classes drawn to "money-making and the acquisition of land and houses and silver and gold,"

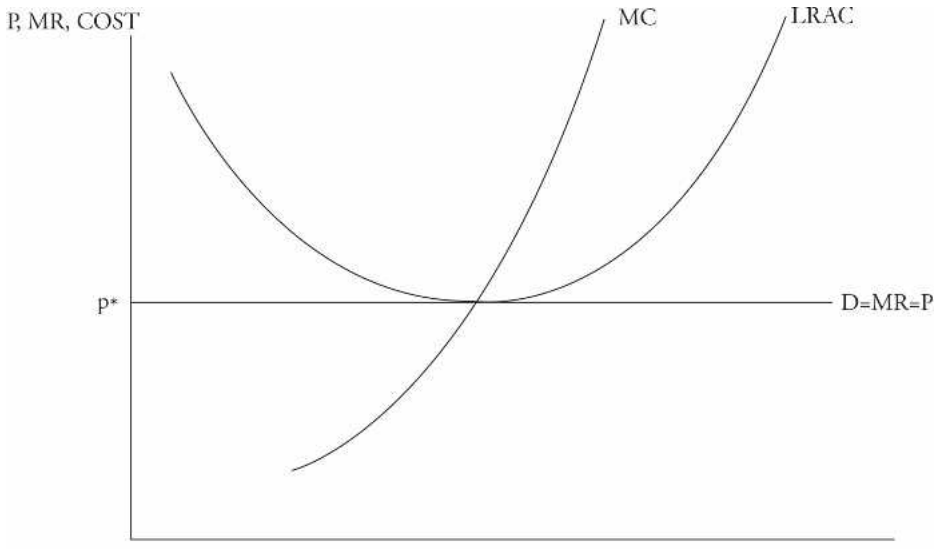
on the other (547b, Plato 2005, 291). This stage of government, the timocracy, is the beginning of the decay of the good society and the first step on the slide toward tyranny. Indeed, part of what makes Plato's good society good is its reliance on commonly owned property in lieu of individual property rights. In the timocracy, the extension of private property and the conversion of the higher class's servants from friends into slaves go hand in hand as the republic erodes. Love of money crowds out love of virtue, so timocracy becomes oligarchy and ultimately despotism.

Plato also created the notion of perfect forms, the true knowledge and artistic beauty toward which humans, particularly philosophers, should strive. In his famous Parable of the Cave in *The Republic,* there is a hierarchy of perception from the least (shadows on the wall) to the most accurate and thorough. As Socrates says in Plato's allegory, "in the world of knowledge the idea of the good is the limit of what can be seen, and it can barely be seen; but, when seen, we cannot help concluding that it is in every case the source of all that is right and beautiful, in the visible world giving birth to its light and its master, and in the intelligible world, as master, providing truth and mind" (517b, Plato 2005, 254). It is the philosopher's goal, through study and introspection, to see the world as it truly is rather than as it is perceived on the surface. This concept of objective forms, which the great majority of humans who are not philosophers may only approximate through their senses, is key to Plato's theory of beauty. Beauty in this conception is not only unknowable to most, but is an ideal form, and the job of artists in their work is to approximate it as closely as possible. In particular, perfect beauty is characterized by such features as proportion, symmetry, and harmony.

Two features of beauty can thus be derived from the Platonic conception. First, beauty is objective rather than a concept dependent on a particular observer's sentiments about or judgment of a creative work (an idea that would be disputed much later). Second, beauty is perfection toward which artists, poets, and so on must strive in their creative activity. This notion of beauty was dominant for centuries after classical Greece. In the early centuries of the Christian era, much of the beauty-as-perfection idea came to be theological, with beauty something to strive for so as to approximate the divine and to please God, who was perfect beauty and in whose creation beauty could be glimpsed. Although the source of beauty was now explicitly divine, the notion of a pure, perfect, aesthetic unity remained in church scholars' thinking about beauty. For St. Augustine, beauty consisted of number, form, unity, and order, and was an innate characteristic of an object, with the observer's pleasure deriving from beauty's existence in the object. Beauty was Godly perfection, just as it had been perfection without monotheism in Greece. In the Renaissance, the scholar of poetry Viperano extended this argument to written creation when he argued that the beautiful poem was perfect and the perfect poem beautiful (Tatarkiewicz 1972).

Neoclassical economic theory provides a similar conception of commerce. Figure 1 is the familiar depiction of long-run equilibrium in the model of perfect competition. Although the idea of perfect competition was probably introduced by Antoine

Figure 1
The Beautiful Equilibrium



Source: Robinson 1933.

Note: P=price; MR=marginal revenue; MC=marginal cost; D=demand; LRAC= long-run average cost.

Cournot in *Researches into Mathematical Principles of the Theory of Wealth* in 1838 (1963) and refined by Alfred Marshall in *Principles of Economics* in 1920, the figure itself was created by Joan Robinson in *The Economics of Imperfect Competition* (1933), with the assistance of analysis by Roy Harrod (1930, 1931). It is a representation of perfection—of the one outcome for which the price asked for and received by sellers is equivalent to both their average and marginal cost. The first equality leads to the elimination of profits, and the second maximizes social welfare. These features are both objective and, in the classical sense, a perfect form. Perfectly competitive equilibrium is also a Platonic ideal in the sense that it is the only stable outcome—that is, the only outcome for which neither buyers nor sellers have an incentive to change their behavior. Market participants collectively cannot do any better than to achieve the outcome depicted in figure 1, and competition ensures that they do achieve it. The ends desired by all of society's members, in conflict because of scarcity, are in fact reconciled as harmoniously as they can be. That the equilibrium is achieved without direction from on high arguably makes it even more beautiful, as if musicians operating without a conductor were to generate spontaneously a new symphony together on stage. Within the realm of trading—of people's advancing their interests through peaceful, tacitly coordinated cooperation with others via the price system—perfectly competitive equilibrium is the highest achievement. It is, in other words, beautiful.

Moreover, the perfectly competitive equilibrium is in fact like the classical notion

of beauty, a pure ideal that is to be striven for but never achieved. In *Principles,* Marshall acknowledges this reality on several occasions. Life is too chaotic, for example, to be described completely by a model of perfect competition: "But we cannot foresee the future perfectly. The unexpected may happen; and the existing tendencies may be modified before they have had time to accomplish what appears now to be their full and complete work. The fact that the general conditions of life are not stationary is the source of many of the difficulties that are met with in applying economic doctrines to practical problems" (1920, 647).

Furthermore, the competitive model, like any model, is not an exact reproduction of the modeled thing, a literal description of the world, but merely a way to think productively about the thing:

> The theory of stable equilibrium of normal demand and supply helps indeed to give definiteness to our ideas; and in its elementary stages it does not diverge from the actual facts of life, so far as to prevent its giving a fairly trustworthy picture of the chief methods of action of the strongest and most persistent group of economic forces. But when pushed to its more remote and intricate logical consequences, it slips away from the conditions of real life. In fact we are here verging on the high theme of economic progress; and here therefore it is especially needful to remember that economic problems are imperfectly presented when they are treated as problems of statical equilibrium, and not of organic growth. For though the statical treatment alone can give us definiteness and precision of thought, and is therefore a necessary introduction to a more philosophic treatment of society as an organism; it is yet only an introduction. (Marshall 1920, 461)

In *Principles* and in many an economics classroom, some markets closely approximate perfect competition—Marshall himself mentions securities markets—and some markets do not. None is perfectly equivalent to the model, and yet the closer we get to this outcome, the better we have done, not just with respect to social welfare, but with respect to objective beauty. Restrictions of competition—of free commerce—push us farther from this objective ideal of perfectly competitive equilibrium and thus frustrate aesthetic achievement in its commercial manifestation. Imperfect competition is not just an economic failure, but an aesthetic one.

Other classical notions are also suggestive of commerce as a beautiful activity. Aristotle, in chapter 8 of the *Poetics* (1994) writes that the essence of well-crafted tragedy and poetry is the formal relationship between the mandatory components of the properly written work, which together take a unified form. If any of his postulated critical pieces is absent, the story or poem fails to cohere. In ideal commerce, similarly, every buyer must be matched with a seller in order to maximize gains from trade. Each participant in a commercial transaction chain, which of course may include many intermediaries, is necessary to complete the chain successfully. In both literature and

commerce, a whole is greater than the sum of the parts—the harmony and balance of a properly constructed work of literature in one case, the sum of consumer and producer surplus in the other. In *De musica,* St. Augustine (see Knight 1979) emphasizes the role of postulated numerical relations within a composition as a root of musical pleasure, and there is a close correspondence here with the relative prices that equilibrate a standard Walrasian system, making the quantity desired exactly equal to the quantity offered.

And so now on several dimensions we have a straightforward correspondence between beauty—something formed with an eye toward perfection, though never quite achieving it—and commerce, converging toward the socially optimal outcome. Even if the actual equilibrium does not perfectly mimic the competitive one for the usual reasons of economic frictions, the collective efforts of buyers and sellers competing against one another are very suggestive of artists—either as individuals or as a group, each playing his own indispensable role in the orchestra or the cast, and thus moving as close as possible to the Platonic or divine ideal. Indeed, the failure to achieve the perfectly competitive equilibrium shares much with humans' failure to achieve the truly beautiful as classical theorists of beauty saw it: it is the result of the inability to maneuver around transaction costs in the former or flawed human perception (as in Plato's cave) or original sin in the latter case.

It might be argued that in this sense any modeled equilibrium is beautiful, whether it is perfectly competitive and welfare maximizing or not. The old economic adage has it that "all models are wrong, but some of them are useful." In other words, any model is an abstract representation of a more complex reality, with some details unavoidably missing, but it may still be useful for understanding that reality. So any model might serve as an ideal form toward which imperfect humans reach. But it is really only the perfectly competitive model—or even more its multigood extension, the Arrow-Debreu general-equilibrium model—that achieves classical notions of beauty. Just as beauty creators strive toward divine perfection or the Platonic objective forms, commerce in a general-equilibrium setting without market failures moves toward the maximization of human possibilities. A model characterizing the result of, say, trading under imperfect information or strategic behavior under oligopoly (each of which clearly leads to a second-best outcome relative to the outcome if information or entry costs were zero, respectively) is an attempt to describe a flawed reality, not to depict an idealized state. Only truly free commerce, involving the uncoordinated actions of huge multitudes achieving a greater social good despite not having that intention, most closely approximates the striving of artists to imitate the perfect form. In this interpretation, the freer the commerce, the more beautiful it is.

Beauty as Fitness

Beginning in the seventeenth century, the classical notion of beauty began to be displaced. Beauty would ultimately come to be seen not as an intrinsic, objective

property of the observed object, which might or might not be discernible to the observer (depending on whether he had the training to recognize it), but a concordance with the observer's own perhaps arbitrary sense of what is beautiful. At various times, this sense was regarded as an intrinsic one that all people possess by their very nature, though no more objective for that reason. At other times, it was seen as differing from one person to another. Baruch Spinoza, in a 1674 letter to Hugo Boxel on the somewhat removed question of the existence of ghosts, took the first approach, but unequivocally separated the human perception of the beautiful from any of an object's intrinsic qualities:

> Beauty, Esteemed Sir, is less a quality of the object studied, than the effect arising in the man studying that object. Were our vision of greater or lesser range than is in fact the case, or were our constitution of as different order, things which now seem to us beautiful, would seem ugly, and ugly things beautiful. Certain objects are beautiful, seen from afar, but disgusting seen from near at hand. If one, therefore, considers things in themselves, that is to say, in relation to God, they are neither beautiful nor ugly. (qtd. in Tatarkiewicz 2006, 369)

Beauty is thus not an ideal that can be deduced, but is rooted in human cognition and judgment. That which strikes us as beautiful because of our sensory and intellectual capabilities *is* beautiful. John Locke took this approach and extended it by arguing for subjective notions of beauty that differed from one person to another. In *An Essay Concerning Human Understanding*, he noted that beauty is characterized by "a certain combination of Colour and Figure, causing Delight to the Beholder" ([1690] 1959, 216). David Hume took an intermediate position, arguing in *Of the Standard of Taste* ([1757] 1994) that although one cannot argue for a completely subjective characterization of beauty, it is nonetheless unavoidable that people of high taste will differ somewhat in their sense of what is truly beautiful.

Subsequent work attempted to marry the older objective notions of the beautiful with the new thinking that rooted it in the observer's perceptions, and this work is critical in establishing a second conception of commerce as a potentially beautiful activity. Francis Hutcheson's 1725 work *Inquiry into the Original of Our Ideas of Beauty and Virtue* did not accept Locke's purely subjective conception of the beautiful, but ruled out "any quality supposed to be in the object which should of itself be beautiful, without relation to the mind which perceives it" (1971, 14). And as in Spinoza, the beautiful is not an objective universal, but depends on the human conception of objects that appeal to our sense of beauty and objects that do not.

At roughly the same time, Anthony Ashley Cooper, the earl of Shaftesbury, defined beauty as, in a sense, context dependent. Older considerations such as proportion still mattered, but had to be defined relative to surroundings. In *Characteristicks of Men, Manners, Opinions, Times, Etc.*, he explicitly invokes the word *utility*

in arguing for beauty as essentially goodness of fit with the surrounding environment from the point of view of human perception:

> The same features which make deformity create incommodiousness and disease. And the same shapes and proportions which make beauty afford advantage by adapting to activity and use. Even in the imitative or designing arts the truth or beauty of every figure or statue is measured from the perfection of Nature in her just adapting of every limb and proportion to the activity, strength, dexterity, life and vigor of the particular species or animal designed. Thus beauty and truth are plainly joined with the notion of utility and convenience, even in the apprehension of every ingenious artist, the architect, the statuary or the painter. (Shaftesbury 1900, 267)

In this conception, a painting that is beautiful in one location might not be so if located elsewhere. As to the source of this "utility and convenience," arguments differ. Denis Diderot, in the entry on beauty in the *Encyclopedia* ([1751–52] n.d.), reverted to the idea that an objective notion of beauty is to be found in the relation among an object's parts. But the essential characteristics of the beautiful can be derived through reason, which is an unsurprising claim in an essay written at the height of the French Enlightenment. Other authors (for example, Fisher 1961) indicate that the sense of beauty springs from the observer's surrounding culture.[1] Hume in part detached beauty from an objective ideal when he argued that it is not intrinsic to an object, but arises simply from the sensations the object raises within us: beauty is found in the human reaction to the object rather than in the object itself. Further, he notes in *Of the Standard of Taste* that although humans may have an ability to appreciate the truly beautiful, it is a rare quality and requires years of training and practice. Elsewhere in that work, he also endorses a sort of pure subjectivism—what an economist might call the exogeneity (and the general moral equality) of preferences:

> Beauty is no quality in things themselves; It exists merely in the mind which contemplates them; and each mind perceives a different beauty. One person may even perceive deformity, where another is sensible of beauty; and every individual ought to acquiesce in his own sentiment, without pretending to regulate those of others. To seek beauty, or real deformity, is as fruitless an enquiry, as to pretend to ascertain the real sweet or real bitter. According to the disposition of the organs, the same object may be both sweet and bitter. ([1757] 1994, 80)

A new notion of beauty thus emerged collectively from Enlightenment thinking

1. In recent years, such culturally deterministic accounts of beauty have come under attack from evolutionary biologists, cultural anthropologists, and others who once again see universal patterns in what people from different cultures deem beautiful—not because of something as abstract as judgment, but merely because of the evolutionary development of the human brain. See Wilson 1998 for a summary and advocacy of this approach.

on both sides of the English Channel. No longer an objective form, it depends on individual assessment and on the extent to which a creation moves the observer. Although some eighteenth-century writers such as Diderot attempted to maintain contact with the older notion of objective beauty, by the nineteenth century this mission was doomed among philosophers of beauty. Yet the notions of harmony, goodness of fit, and outright "utility" are a very close fit for the modern economic notion of value, which is the source of consumer willingness to pay for a good. Consumer preferences are taken as given, and an economic system is judged by how well it satisfies conflicting preferences among different consumers. The only determinant of best fit or harmony is the value that individual buyers—analogous to the individual observers in the subjective conception of beauty—attach to resources when used in a particular way. Goods, in other words, do not have objective value. Market failures aside, a free economy promotes the best fit for scarce resources to be deployed among competing uses. The ability of a beautifully crafted object to elicit admiration or affection or delight in a person whose aesthetic tastes are well formed because of culture, reason, or mere human evolutionary inheritance is strikingly similar to the ability of a good to be chosen as the result of a competitive bidding for a consumer's resources to maximize his utility. Indeed, that the very word *utility* is both a cornerstone of the modern demand function and sometimes a characterization of the satisfaction derived by the individual from a beautiful object suggests that the merchant—especially the successful one—and the artist perform similar functions.

Kant's Challenge

A potentially fatal objection to any notion of commerce as beautiful arises in the work of Immanuel Kant. In a view that is still highly influential today (see, for example, Budd 2005), he argues in *Critique of Judgment* that to be truly beautiful an object must actually be devoid of utility to the person contemplating it; in other words, it must be free of what Kant and subsequent scholars term "interest" for the observer. He writes that beauty is "the form of the purposiveness of an object, so far as this is perceived in it *without any presentation of a purpose*" (1984, 118, emphasis in original). A visitor can find the Taj Mahal beautiful because it has no practical use for him, but those who work there (or the Mogul emperor who commanded its construction to serve his interest in constructing a memorial to his deceased wife) cannot. Such interest-afflicted judgments are inadequate to characterize an object as beautiful. Beauty requires that its mere representation, the notion in the mind of a palace or a string quartet, pleases the taste. Kant concludes that "[t]aste is the faculty of judging of an object or a method of representing it by an *entirely disinterested* satisfaction or purpose. The object of such satisfaction is called *beautiful*" (1984, 109, emphasis in original).[2]

2. The term *taste* here does not correspond to the economic notion of tastes, but to a higher facility to appreciate that which is beautiful, a facility that some call "good taste."

This view challenges my thesis because commerce is at its core the pursuit of mutual self-interest. Its participants expect to be better off, and so they cannot divorce themselves from interest in the Kantian sense. In fact, the intrinsically self-interested nature of commerce looms large at least subconsciously in many of the artistic criticisms of mass commerce and bourgeois norms leveled by the romantics in the arts and by Karl Marx in political economy in the mid–nineteenth century. These ideas still resonate in the artistic world today in the mind of every artist who views his mission as assaulting dreary "corporate" or middle-class uniformity, requiring him to engage in an art of rebellion. In modern aesthetic thought, commerce itself is often seen as stultifying and destructive of human creativity because it does nothing but create the merely utilitarian.

The requirement that the beautiful be devoid of interest, however, is for several reasons not fatal to my argument that commerce can be beautiful. The first reason is that although a participant in commerce cannot honestly find the act beautiful in the Kantian conception, an observer still can. If A trades with B, A and B are tainted by interest and so cannot deem this act to be beautiful, but C, contemplating it from afar, can still find it so. When oil is drilled in Texas or the North Sea and sold through a complex ballet of intermediaries to other companies that refine it into gasoline and distribute that product around the world, all in a manner so that gasoline does not build up unsold even while no customers willing to pay its market price find themselves unable to obtain it, one may admire these acts as a sublime, (often tacitly) coordinated human achievement even if one does not consume the gasoline. (This scenario presumes, of course, a market operating freely; the sight of drivers pulling up to gasoline pumps and quickly and easily acquiring fuel is beautiful, whereas the sight of drivers waiting in line for hours for gasoline in a country such as Nigeria now or the United States in the 1970s during the period of government price controls is aesthetically repugnant.)

In addition, artists themselves often pursue their self-interest in the course of creation, both to further their own artistic goals and to receive rents from the state. The same reasoning that argues that works that provide utility apart from the sheer pleasure of beauty cannot be beautiful themselves also suggests that no work *created* in an attempt to pursue one's own interest can be so characterized. If an object's usefulness to the observer negates the possibility of its beauty, why not the usefulness of the act of creation to the creator? Objects created in the self-interest of the artist—for compensation, for renown, or for the achievement of influence in the artistic world—are not divorced from interest, either. Artists who create work for the advancement of their own interest (including the pursuit of beauty itself), which is to say all artists, cannot in the Kantian formulation be said to have created a beautiful thing. Kantian reasoning implies that no author can ever be trying to create beauty because then his creativity is bound up in his interest. This view implies that if beauty exists, it arises merely by accident and unrelated to any intent of the creator, which is an absurd proposition.

This implication suggests that Kant's separation of beauty and interest is misplaced. That which generates utility for the observer or the creator is not precluded from being beautiful. If not, arguments for public policies favoring art production that are based on achievement of a more beautiful society or other higher goods beyond pedestrian self-interest, which artists and their advocates often use to justify such policies, straightforwardly fail; and they fail even more so given the frequency with which those who advocate such public subsidy are in actuality pursuing their own narrower interests. By the Kantian view, the lobbying that artists and art enthusiasts so frequently do for direct subsidy of artistic production, greater inclusion of artistic education in public schools, more extensive copyright protection, and so on taints all the artistic output resulting from such policies, thus invalidating their beauty. The emptiness of the separation of beauty and interest can also be seen in the pop-art movement and other attempts to marry unambiguously commercial advertising and beauty and artistic excellence, and in the artistic acclaim given to commercially or politically driven photography (for example, Dorothea Lange's famous depictions of migrants during the Great Depression, commissioned by the Roosevelt administration). Despite the clear interest that the creators (and, in Lange's case, politicians interested in expanding the New Deal) have in their creation, no one seriously contends that such works cannot be beautiful. That *someone* seeks or finds utility in a creation does not invalidate the possibility of its beauty, and the same is true for commerce.

Kant himself generates considerable support for the commerce-is-beautiful thesis in his notion of play, on which Virginia Postrel (2004) has recently elaborated. To Kant, the truly beautiful work of art springs from free-spirited human creativity, which requires that the work cannot be fit into an existing category of order. "Order" here refers to a categorization of objects and phenomena according to form, function, and so forth. The mind perceives a beautiful object as possessing an intrinsic order (what might once have been considered a Platonic ideal), but an order that cannot be concretely described by the existing categories. This notion of beauty as innovative and creative delight divorced from interest is Kant's notion of "play," which looms large in Schiller (1967) as well. The artist removes himself from the world and simply engages in playful creativity, and this engagement enables the creation of beauty. The creative imaginings and experiments that are walled off from purely self-interested pursuits allow the creation of the new forms and combinations of objects, colors, and so forth that are the source of beauty. Note the contrast between this view of beauty as creative variety and the classic theory of beauty with its objectively given, unchanging standards of the beautiful. In the former, beauty lies not so much in the outputs as in the mode of creation—the play of an imagination free to experiment and unfettered by interest.

In this view, art can progress as artists create new forms, just as scientific knowledge can progress as new hypotheses are proposed and tested. And artistic progress comes from experimentation, from taking the old forms and improving them or even

rebelling against them. Here the analogy to Schumpeterian creative destruction is obvious. An entrepreneur or firm clearly takes the existing economic order, or the old way of combining scarce resources to serve human needs, and alters it by rearranging these resources under the assumption that the new arrangement represents a social improvement, the test for which is whether the revenue garnered covers the opportunity cost of the recombined resources. Dynamic commerce, distinct from the movement toward static equilibrium in the Marshallian framework, is artistic progress. A new type of cellular phone is every bit as much the pursuit of beauty as artistic and literary innovation is. The phone is beautiful not only because it satisfies users better than its predecessors or even because the user finds the phone itself beautiful, but because of the economic creativity inherent in inventing and distributing it.

The entrepreneur is in many ways man at his most playful. The entrepreneur's mission resembles the artist's experimentation with new forms or media.[3] The entrepreneur must rearrange society's resources in a new way and is every bit as uncertain of the venture's payoff in the marketplace as the artist is of his artistic experiment's acceptance. In some commercial activities—high technology in particular—people routinely create new technologies as much for novelty's pure joy as for the commercial payoff. Even if we accept the debatable restriction that beauty cannot be motivated by interest, entrepreneurship in a market setting is playful experimentation in its purest form, with the market performing the same role that critics or audiences perform in the art world—determining whether the creation is a valuable addition to the stock of human culture. Commerce, especially innovative commerce driven by entrepreneurial ambition, is just as much play in the Kantian sense as a radical new jazz solo or a new style of painting is. There can be no Kantian argument for admiring, say, computerized art as beautiful that does not also encompass the creation and distribution throughout society of the computer equipment that makes it possible.

So What?

Assuming that commerce deserves a place next to literature and poetry, painting, music, and other more conventional forms of art as an arena for human expression and a potential source of beauty, what follows? The primary implication is that the commercial creator, the businessperson, deserves a place next to the artist both in the law and in human admiration.

A key role of the artist, the beauty entrepreneur, is to create a new combination of materials or forms of expression (words, musical notes, and so on) to appeal to human discernment and aesthetic sensibility. The commercial entrepreneur's role, as noted already, is to rearrange scarce resources in an attempt to create more value. Each type of entrepreneur is a creator who seeks to expand the limits of human

3. The late advertising executive William Bernbach was once quoted as saying that "[r]ules are what the artist breaks; the memorable never emerged from a formula" (qtd. in Frank 1997, 57).

possibilities, with respect to aesthetics in one case and with respect to human ends in the other. The commercial entrepreneur's role is thus as vital as the artist's in promoting human progress in the properly comprehensive sense of "progress," and the former's expressive activity deserves protection not only because it makes people better off materially, but because it improves their knowledge of themselves and increases their insights into human nature. Setting up a company such as Federal Express to move packages great distances efficiently and reliably in a very short time is an act not only of convenience, but also, from the point of view of humanity as a whole, of learning and self-discovery.

If the entrepreneur produces information in this way, his social function becomes more important than is generally thought even by those who understand the role of information in the traditional economic sense. Of course, an extensive body of work most prominently associated with Friedrich Hayek (1945) and the efficient stock-market hypothesis of Eugene Fama (1965) depicts commercial actors, buyers and sellers alike, as providers of information in their decisions. A choice to buy or sell (or, equally critically, not to buy or sell) reveals the trader's knowledge to the broader community. Restricting a trader's freedom to experiment is therefore objectionable for the same reasons that restrictions on art, science, and political argument are: because they use the state's power to suppress production of useful knowledge. Commercial restrictions, in other words, constitute censorship, and they are objectionable on two grounds. The first is strictly utilitarian: when the state deprives individuals of the information and knowledge a commercial experiment generates, they are likely to make worse decisions. Suppressing commercial experimentation is costly in the same way that squelching controversial art or literature is. The entrepreneur, like the writer, polemicist, or artist, is a messenger, and censorship of information does not generally enhance people's welfare.

The second reason is that if commerce is the pursuit of beauty, entrepreneurs have the intrinsic right to experiment, to try new commercial forms, in precisely the same sense that artists have such a right. Each commercial act is an expression of human creativity. Some are more beautiful and some are less, but all may properly be tried. To many advocates of free expression, conventionally understood, state dictation of permissible artistic forms and content is philosophically offensive because it restrains human creativity. The argument for rejecting restrictions on commercial creativity and activity is the same. Similarly, *buyers* of the entrepreneurs' experiments have the same right to buy new economic "works" that readers and observers have to sample controversial literature or visual arts. Creativity in commerce derives from the same fundamental human impulse and hence merits the same protection as a fundamental human right that more conventionally understood forms of creativity receive. To limit an entrepreneur's ability in a highly uncertain environment to rely on labor paid less than a mandatory minimum wage, or to use complex systems of financing currently prohibited by the securities authorities, is to limit his creativity. Such limitations belong in the same category with limitations on the ability of writers to write,

publishers to publish, and readers to read such historically censorship-plagued works as James Joyce's *Ulysses* or Walt Whitman's *Leaves of Grass,* each of which violated traditional concepts of law and morality in precisely the same way as these commercial examples do now. Commercial freedom derives not simply from property rights and the goal of maximizing wealth (although they too are critical justifications), but from the right to self-expression.

The artist and the polemicist have an exalted place in the Western tradition, and much of this status derives from the value attached to their ability to challenge the existing order. Entrepreneurs in the argument developed here deserve the same status because they too are engaging in human expression. As with any form of expression, some attempts at entrepreneurship will be more compelling and aesthetically pleasing than others, but each deserves protection. A division between rights of expression, on the one hand, and property or economic rights, on the other, now exists in American law, with economic rights occupying a subordinate position. Sandefur (2002) and Gillman (1994) trace this distinction and the historical origins of the weakening of property or economic rights relative to such separate "civil liberties" as rights in criminal procedure and First Amendment expression rights. Siegan pessimistically claims that "legislatures have great difficulty in restraining freedom of speech or press, and almost none in curtailing freedom of enterprise" (1985, 287). The great respect lent in many political and legal circles to advocates of free expression such as Thomas Jefferson or Voltaire relative to the lukewarm attitude toward advocates of "mere" rights to property such as John Locke also speaks to this distinction. The latter rights, conspicuously unlike the former, are often not thought to involve transcendent universal truths. Seeing commerce as expressive and the most profitable commerce as the highest form of this expression provides an opportunity for reuniting these two strands of human freedom. The entrepreneur is fully as iconoclastic and hence deserving of our respect and legal protection as the speaker or publisher whose work surprises or shocks the society around him, and for the same reasons.

Conclusion

Other relations between artistic creation and beauty, on the one hand, and commercial creation, on the other, are easy to perceive. The ultimate judge of a creation's beauty is usually held to be either the trained art critic or the public at large. Consumers are similarly the only ultimate judge of a productive activity's value in an economically free society. Moreover, as Shaftesbury argued, another important benefit of beauty is its ability to promote social and sympathetic emotions, its appeal to the universal nature and common cause of humanity. The ability of free commerce to promote cooperation instead of conflict by giving people an incentive to work together for mutual advantage instead of engaging in political or violent conflict, documented in the context of free trade's ability to lower the propensity of nations to war with one another (Polachek 1999; Weede 2004; Dorussen 2006), is closely analo-

gous. Plato and his intellectual descendants were wrong. Commerce, like art, engages the highest parts of the human faculties and elevates our species.

Since the mid–nineteenth century, a significant body of opinion in the artistic world has held that art's goal is not beauty, but truth, or at least truth as the artist sees it. Literature, art, and music are sometimes meant to persuade, to propagandize, to radicalize. Taken to extremes, this view can become one of intentional nihilism, the destruction of standards of beauty for its own sake. Such nullification of the very idea of objective beauty, however, still suggests the virtues of unrestricted commerce as human expression because free commerce that enables the satisfaction of highly diverse consumer desires is the exact parallel to artistic freedom that satisfies competing conceptions of truth and artistic excellence, even if there is no objective anchor of beauty or value. A society with competing and even individual conceptions of beauty is one in which artistic freedom is imperative, and if commerce is a form of expression, its ability to satisfy consumers with diverse tastes performs exactly the same ethical function. In sum, government economic planning and restrictions on free markets are objectionable not merely because they destroy wealth and violate individual liberty, but also because they are ugly.

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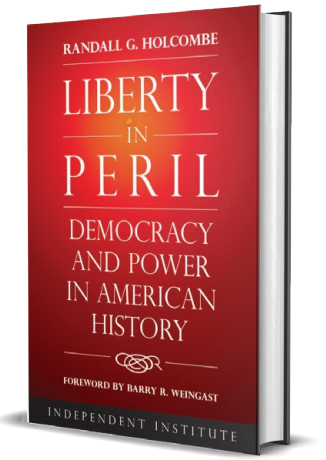

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