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Ethics and Economics in Socrates and Xenophon* 

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ABSTRACT 

This extends an earlier paper on Greek ethics and economic (Alvey 2010). In recent years Amartya Sen developed the Capability approach to economics. This approach draws from Aristotle, Adam Smith, Karl Marx, and other sources. Much work has been done by Sen’s associates, especially Martha Nussbaum, to build up the classical Greek origins of the approach. Despite the obvious linkages of Aristotle to other Socratics, little work has been done on the classical Greeks outside of Aristotle. In this paper I propose to extend the existing work to show the ethical elements in the political economy of two of the other classical Greek philosophers: Socrates (469-399 BC) and Xenophon (434-355 BC). Socrates was the teacher of Xenophon and Plato (427-347 BC) who, in turn, was the teacher of Aristotle (384-322 BC). He appears to have had a number of strands to his thought. One strand was taken up by Plato in his early writings (in later years Plato is said to have diverged considerably from these views) and another strand was developed by Xenophon. For Socrates, eudaimonia (human flourishing) was the goal, rather than great accumulation of material goods. At times, Socrates appears to claim that possession of intellectual and moral virtue is sufficient for eudaimonia. This was stressed by Plato in his early writings. Actually, this was only one aspect of Socrates’s argument. Another aspect of his thought emerged from time to time where he conceded that some material wealth is needed. This aspect was developed by Xenophon (and also in Plato’s later dialogues). In Xenophon we see the development of the ethical approach to household management (oikonomia or oikonomikē), or microeconomics, within the context of the Greek city (polis). Further, Xenophon briefly sketches several elements of the Capability approach. Some macroeconomic issues are dealt with in an appendix.

Keywords: ethics and economics; Socraties; Xenophon; household management

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1. INTRODUCTION

This paper extends an earlier paper on Greek ethics and economics (Alvey 2010). It has two main goals. First, it serves as an introduction to the Socratic School (Socrates [469-399 BC], Xenophon [434-355 BC], Plato [427-347 BC], and Aristotle [384-322 BC]) and the ways in which its members contribute to the linkage between ethics and economics. We will keep in mind how the Socratics are treated by those who have presented a grand narrative of economics and ethics: Amartya Sen and various others (Sen 1987). It is generally agreed that there was an ethical tradition in economics in ancient times but at some point after the Middle Ages economics broke from ethics. Second, we will also try to indicate some similarities and contrasts between the ancient Greeks and later schools of economic thought, especially Sen’s Capabilities school. Sen’s capabilities work has stressed human capabilities as the appropriate framework within which to discuss human rights. Similarly, capability achievements rather than the production of commodities should be the appropriate metric for the standard of living. Having developed this framework, Sen has identified various impediments to capability achievement, including poverty and gender inequality (especially female nutrition).1 This framework will help to focus our discussion of ethical issues.

Before commencing the paper proper, some background on two ancient Greek institutions is required: the household (οίκος; plural οἰκοί) and the city (πόλις; plural πόλεις). The οἰκοί were ‘highly self-sufficient’ (αὐτάρκης) units, which included a farm; they required ‘minimal market activity’ as a supplement, although dependence on markets increased over time (Lowry 1987, p. 61; Booth 1993, p. 34). Household management (οἰκονομικὴ or οἰκονομία)2 in the οίκος is a larger undertaking than it is in the modern, nuclear family (constituting perhaps four people). It is a community (κοινonia)3 and managing it is more like managing a small village;4 it is also more diverse, as it includes ruling over family members (parents and two to three surviving children, and perhaps one or more grandparent) and, in many cases, it includes management of servants, such as a steward (ἐπιτρόπος),5 a housekeeper, waiting maids, farm workers (or field hands), and (other) slaves6 (Xenophon Oec 1970; Patterson 1998, p. 43; Pomeroy 2002, pp. 38-40, 42, 45-7, 56, 74-5).

1 There is a huge literature on these topics. The reader should commence by reading Sen 1987. On female nutrition, see Sen 1990; Sen 1992b; Sen [1999] 2000, pp. 89, 104-7.

2 Οἰκονομία is sometimes used in a broader sense and is rendered as ‘management’.

3 Κοινονία also means partnership. On the οίκος as a community, see Booth 1993, pp. 35-8.

4 The management of such a community might be compared to managing an estate at various times in history. Thus, Xenophon’s Oeconomicus, which was dedicated to this theme, had wide appeal for many centuries. It continued to have appeal in the eighteenth century to British aristocrats, who had to manage a large estate.

5 This term can be translated as foreman or supervisor (Pomeroy 1994, pp. 316-7).

6 Several words (including δοῦλος, θεραπόν, and οἰκετής) can be rendered as slave. Kitto suggests that there was roughly one slave for two free Athenians for domestic service and the same number for production ([1951] 1957, pp. 131-2; see Amemiya 2004, p. 59). He concludes that slaves were ‘not the basis of economic life’ of the Greeks (Kitto [1951] 1957, p. 32 c.f. Amemiya 2004, p. 59). This understates the dependence on slavery in Sparta, where the slaves outnumbered the free; indeed the slave proportion of the population grew over time (see Cartledge 2001, pp. 150-1).

7 The following abbreviation conventions have been adopted: Aristotle Athenian Constitution = Ath Con; Aristotle Nicomachean Ethics = NE; Plato Euthydemus = Euthyd; Plato Phaedrus = Phaedr; Plato Protagoras = Protag; Plato Republic = Rep; Plato Statesman = States; Thucydides History of the Peloponnesian War = History; Xenophon Constitution of the Lacedaemontians = Con Lac; Xenophon Cyropaedia = Cyro; Xenophon Memorabilia = Mem; Xenophon Oeconomicus = Oec; Xenophon Ways and Means = Ways. Citations from classical sources follow the standard conventions.
The oikos was the primitive form of ancient Greek society. Gradually various oikoi joined together to form larger units (villages) and the final form of the larger unit in Greece was the polis, which emerged around 700 BC.\(^8\) Sparta, Athens, and Crete were three of the leading examples of Greek poleis.\(^9\) The polis typically included a city (asty) and a surrounding territory (chora). By modern standards the population was very small. Kitto says that only three poleis--Syracuse, Acragas, and Athens-- had more than 20,000 citizens (politai) ([1951] 1957, p. 66).\(^10\)

The structure of the paper is as follows. The second section provides a brief introduction to the Socratic school and to Socrates in particular. The third section discusses Xenophon. Some macroeconomic issues are dealt with in an appendix.

### 2. AN INTRODUCTION TO THE SOCRATIC SCHOOL

The Socratic School (Socrates, Xenophon,\(^11\) Plato, and Aristotle) arose in opposition to the Sophists (many of whom adopted a type of proto-mercantilist political economy).\(^12\) Socrates was opposed to writing philosophic works, at least after his ‘philosophic turn’ (see below) and certainly wrote nothing that has down to us (see Plato *Phaedr* 274c-275d; 1998, pp. 85-6; Nussbaum [1986] 2001, p. 125). Fortunately, two of his followers, Plato and Xenophon, wrote extensively, including reporting on the way of life (and the death) of Socrates. This section briefly discusses Socrates. The next section deals with one of his followers, Xenophon.

Socrates achieved fame during his lifetime and was a model for his followers; his philosophic way of life was regarded by some of them as the best way of life.\(^13\) Yet it was only after a period as a natural scientist that Socrates adopted the way of life which inspired his followers.\(^14\) Socrates’s fundamental change or ‘philosophic turn’ led to his interest in human things; thereafter he devoted ‘himself entirely to the study of ethical questions.’\(^15\) Even in the second phase of his life, however, knowledge (epistēmē) was the key and one of Socrates’s most important doctrines was that virtue (aretē) is knowledge (Xenophon *Mem* III.9.5; see

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\(^8\) The process of political unification was called sin-oikismos (anglicized as synoecism); it is translated as ‘having the oikoi together’ (Pomeroy et al. 1999, pp. 84-5). Larger units than the polis, such as the Egyptian and Persian empires and the Macedonian people, existed but such political arrangements were rejected by the Greeks (see Irwin 1999, p. 174 note on ‘people’).

\(^9\) Actually, not all poleis were located in Greece. Carthage was a highly regarded polis in northern Africa.

\(^10\) The number of citizens, of course, was only a fraction of the total population. In the *Memorabilia* Xenophon’s Socrates says that there are ‘more than ten thousand households’ (*Mem* III.6.14; 1994a, p. 89).

\(^11\) Baeck denies that Xenophon is a Socratic (1994, p. 42).

\(^12\) See Gordon 1975, p. 17. The mercantilists emerged towards the end of the Middle Ages.

\(^13\) Xenophon seems to have admired Socrates without accepting that the way of life that was best for him personally was philosophy and so spent a large proportion of his life as a professional soldier (Bruell 1987, p. 91).

\(^14\) See Xenophon *Oec* XI.3; 1970, p. 47. This early period of Socrates’s life was satirized by Aristophanes (1984). See also Strauss 1966; Strauss 1970, pp. 164, 196.

IV.6.6-7; 1994a, pp. 94-5, see p. 141). Nevertheless, Socrates remained interested in both the moral and the intellectual virtues. Noble management of an oikos or a polis requires a mix of both types of virtue (Xenophon Mem I.1.7, IV.1.2; 1994a, pp.2, 109; see Bruell 1994, p. xviii).

In this second phase of his life (his self-proclaimed ‘second sailing’), Socrates adopted a new methodology: dialogue, or dialectics, or ‘philosophical conversations about what people think about the world.’ The conclusion that can be drawn is that, for Socrates, the study of politics, ethics, and economics requires a fundamentally different methodology to that used in the natural sciences. This view-- of the dichotomy between the methodology of the humanities and the social sciences-- was challenged by Thomas Hobbes in the seventeenth century, and overturned entirely by the end of World War II.

The modern economist (following Robbins 1932) claims that economic science adopts the same methodology as the natural sciences (applied mathematics) but deploys this in a subject area that is immediately relevant to human beings: the reconciliation of scarce (material) means with unlimited (material) wants. Socrates would not have seen the relevance of modern economics for his own life. His life, he said, was eudaimon (often translated as happy) despite apparent material poverty; Socrates rationally limited his material desires (Xenophon Mem I.2.1, 14; I.3.5; I.5.6; 1994a, pp. 6, 8, 19, 27; Oec II.2; 1970, pp. 8-9, 47; see Bruell 1994, p. xv). While eudaimonia can be render as happiness, the modern utilitarian overtones have to be removed. According to Socrates, among the good things in life (that constituted the eudaimon life) was freedom and virtue; addiction to pleasure was a sort of enslavement that ruled out virtuous action in many cases (and led to ignoble actions in other cases). Eudaimonia requires rational restraint of pleasure-seeking activity; the incontinent are no different from ‘ignorant beasts,’ which simply act on immediate impulse or pleasure (Mem IV.5.11; 1994a, p. 138). Hereafter, I will use either ‘human flourishing’ as the translation for eudaimonia or use the Greek term itself.

As the usual temptations to vice (e.g. love of pleasures derived from the body or wealth) have been displaced, the philosophic types, such as Socrates, would be moral in the ordinary sense

16 One corollary of this doctrine is that vice is ignorance; another is that one no willingly acts viciously or shamefully (Xenophon Mem IV.6.6; 1994a, p. 141; Plato Protag 345d-e; 2004a, p. 46; see Bartlett 2004, pp. 78-9).
18 At times he seems to advocate something like asceticism (Xenophon Mem I.6.10; 1994a, p. 29; see also Nussbaum 1986] 2001, p. xiii). In the section of the Oeconomicus mentioned in the text, Socrates says that his companion, Critoboulos, has one hundred times his wealth but needs still three times more because of his spending habits, including liturgical obligations (Xenophon Oec II.4-6; 1970, p. 9). Socrates held that other things (philosophy) gave greater pleasure than the pleasures of most people (i.e. those derived from the stomach, sleep, and sex) (Xenophon Mem I.6.8; 1994a, p. p. 28).
19 Eudaimonia is translated into English in various ways. Bury translates this as ‘well-being’; Pangle translates it as ‘happiness’ (Plato Laws 631b; 1926, Vol. 1, p. 25; Plato 1980, p. 10). Amemiya (2004, p. 64; see Amemiya 2007, p. xii) objects to ‘happiness’ as the translation because of its utilitarian connotations. He suggests ‘an ideal, worthwhile life’ as more suitable, particularly because it refers to an individual’s ‘whole life’.
20 Xenophon Mem I.1.16; I.2.2-3, 6, 23; I.4.11; I.5.5. II.1.1-7, 22-34; II.6.1; IV.5.2-7; 10; 1994a, pp. 4-6, 9, 20, 27, 33-5, 39-42, 52-3, 136-8. Incontinence also fails to deliver pleasure worth recalling. Incontinence means that one cannot endure hardship or waiting; only by waiting can you enjoy real pleasure. (Xenophon Mem IV.5.9; 1994a, p. 138).
Socrates claimed that he was just (Xenophon Mem IV.4.10-1; IV.8.4, 10; 1994a, pp. 130-1, 148-9). The way of life of the philosopher aimed at unlimited acquisition of knowledge, and was supported by a minimum of material goods (Xenophon Mem I.6.10; 1994a, p. 29; Strauss 1970, p. 97). As Barry Gordon says, the most fundamental decisions concern the selection of ends not means (1975, p. 39). Socrates apparently was prepared to modify the desired ends for non-philosophers, because Xenophon shows at least two occasions (see the discussion below) when the former taught the art of household management (including farming) to non-philosophers. According to Petrochilos, Socrates taught his followers the moral virtues; his aim was to lead his ‘disciples to a life of kalokagathia’ (literally a life of nobility and goodness), by showing them how to become a kaloskagathos, a noble and good man or what I will call a gentleman (2002, p. 604; see Xenophon Mem I.2.48; I.6.14; IV.7.1; IV.8.11; 1994a, pp. 14, 30, 145, 150). Certainly there is evidence of Socrates doing so in some cases (see discussion in the next section below), but his higher task was inspiring some to become philosophers. The ways of life of a philosopher and a kaloskagathos are quite different (see Ambler 1996, pp. 115, 120-1, 124). The former is primarily discussed by Plato. The latter is primarily discussed by Xenophon but Plato also provides some insights. A careful study of the works of the various Socratics is required to determine how far Socrates modified the ends of philosophers for non-philosophers.

Socrates’s two most famous followers warrant discussion: Xenophon and Plato. The former is discussed in the next section. The latter is the focus of projected work. Xenophon and Plato (at least in his later works) assumed that eudaimonia required more material goods than Socrates indicated that he required for himself.

Finally, it is worth mentioning that, in the Hellenistic period (323-146 BC) of Europe (and its surrounds), various schools adopted Socrates and his life of material poverty as an inspiration. For example, those associated with the Academy (founded by Plato), the Stoics, and some others, saw themselves as ‘Socratic’ (Long 2006, pp. 419-22). The Stoics were especially influenced by Socrates’s view of the self-sufficient life of the philosopher and his indifference to wealth in the Euthydemus (Plato Euthyd 280b-281e [1924] 1937, pp. 409-15; Long 1996, pp. 23-32; Striker 1996, pp. 316-24; Long 2006, p. 422).

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21 There is a sense in which pleasure remains the goal, however. For Socrates, the most pleasurable activity was philosophy (Mem I.6.8; 1994a, pp. 28-9). His life was, therefore, the most pleasurable.
22 See Xenophon Oec throughout 1970 throughout; Mem II.7-8; 1994a, pp. 61-6; Strauss 1970, pp. 87, 89, 190-1, 209; Booth 1993, pp. 49, 92.
23 See Xenophon Oec throughout; 1970 throughout; Xenophon Mem throughout; 1994a, throughout; Strauss 1970, p. 128; Petrochilos 2002, pp. 604, 607, and throughout. The terms kaloskagathos and kalokagathia are discussed further below.
24 Long says the Hellenistic period was from 322 to 31 BC (2006, p. 418).
3. XENOPHON

Xenophon was a soldier, historian, biographer, and philosopher. For centuries Xenophon was highly regarded but a sharp downgrade of his work occurred in the eighteenth century (Strauss 1970, p. 83). Although Xenophon’s work continues to be evaluated as vastly inferior to that of Plato’s (Marchant [1925] 1968, p. xvi; Cartledge 1981; Nussbaum [1986] 2001, p. 453 n. 3; Lowry 1987, p. 46), a more favourable assessment has begun to emerge in recent years.

A brief preliminary word is required on Xenophon’s oeuvre. While Socrates was the man whom he admired the most, only a small portion of Xenophon’s oeuvre is designated as being ‘Socratic’ i.e. the Memorabilia, the Oeconomicus, the Symposium, and the Apology of Socrates (Bruell 1987, p. 90; Strauss 1970, pp. 84-6, 88). Some of Xenophon’s works are dialogues, such as the Oeconomicus. Securing a valid interpretation of his thought, especially in this dialogue form, is difficult and many differing interpretations have been offered (Strauss 1970 c.f. Foucault [1984] 1992, pp. 152-65).

Schumpeter pointedly refuses to comment on Xenophon, as if his work is devoid of economics (1954, p. 54). Lowry takes the opposing view, citing works including the Oeconomicus (Lowry 1987, pp. 45-81 especially p. 56). We will follow Lowry’s lead in this respect, not only because of the Oeconomicus but because of what we find in other Xenophontic works. In what follows we will present various aspects of Xenophon’s work that fit under the ethics and economics rubric. We will discuss these themes within the context of each Xenophontic work (Oeconomicus, Memorabilia, Constitution on the Lacedaemonians, Cyropaedia, and Hiero), starting with the Oeconomicus, but supplementing these comments with cross-references to other works. Xenophon’s Ways and Means is discussed in the appendix.

-- Oeconomicus

In recent times, with a few exceptions, Xenophon’s Oeconomicus has been virtually forgotten. Nevertheless, it was included in an important collection of Greek economics works (Laistner 1923, pp. 28-40). It is important to realize, however, that in this dialogue much of the ancient Greek view of household management is portrayed. The desire for wealth plays a significant part in this account but the model of human behaviour is far from the model of homo economicus developed by J. S. Mill some two thousand years later (Xenophon Oec 1970; Mill [1836] 1967; see Ambler 1996, pp. 105-10; Strauss 1970).

Early in the Oeconomicus the distinction is made between the ‘household manager’ (oikonomos) and the good or ‘skilled household manager’ (oikonomikos) (Xenophon Oec I.2,

25 While Socrates did serve in the military (for a brief period), he showed his preference for the arts of peace over the arts of war; Socrates was a man of peace (Mem IV.41; 1994a, p. 129; Strauss 1970, p. 89).
27 See the discussion in the Appendix on the Ways and Means.
28 This title is sometimes translated as Economics and sometimes as Economist (French 1991, p. 26; Gordon 1975, p. 39).
29 Nevertheless, it was included in an important collection of Greek economics works (Laistner 1923, pp. 28-40).
30 J.S. Mill’s homo economicus presents an abstract model of human motivation: motivation is limited to the desire for wealth. This was a deliberate simplification by Mill for illustrative purposes. On the general topic, see also Sen 1977.
We learn most about the oikonomikos through Socrates’s recollection of an earlier 31 conversation with Ischomachus, a perfect gentleman (kaloskagathos). Like other Greek gentlemen, he also owns and operates an estate (farm). It is in the Oeconomicus that the conversation with Ischomachus is reported. In the conversation, Socrates learnt (important parts of) oikonomikē technē and, by retelling that conversation 32 to a small group of associates, he is effectively teaching the art to them and especially to his young, financially troubled, companion, Kritoboulos. Ischomachus has been described as ‘a model economist’ (Strauss 1970, p. 148; see p. 161; Booth 1993, pp. 49, 92). According to Ischomachus, there are various tasks 33 and skills of the oikonomikos. 34 The first duty of the oikonomikos, and indirectly the goal of the oikos community (koinōnia) as a whole, is the increase of the household’s wealth (chrēmata), or, strictly speaking, its ‘nonfortuitous’ increase. 35 Knowledge and a certain type of excellence (aretē) are required to achieve a ‘nonfortuitous’ increase in the value of the oikos. Some degree of virtue (aretē) is also required because it must be within what the ‘law praises’ (Xenophon Oec VII.16; 1970, p. 31; Ambler 1996, p. 125). The root cause of oikoi having to acquire at all, however, is need (chreia). 36

The second duty of the oikonomikos is the good use of what has been acquired. If Socrates’s doctrine is that virtue is knowledge, the critical knowledge that is required-- which is arguably more important than acquisition and possession of property-- is the knowledge of ‘how to use money’ (and property) well (Xenophon Oec I.14; 1996, p. 41 emphasis added; Strauss 1970, pp. 95-6, 104). 37 Socrates refers to the ‘instrument--wealth’ (organa chrēmata) (Xenophon Oec II.13; 1996, p. 46; Booth 1994, p. 662). Using well what has been acquired-- employing the ‘instrument’ of wealth well-- is another task of the oikonomikos. Ischomachus uses the instrument ‘to honor the gods magnificently, to aid friends when they need something, and to see that the city is never unadorned through lack of wealth’ (Xenophon Oec XI.9; 1996, p. 75). He uses his wealth in what Socrates calls ‘noble’ ways; what is more, Ischomachus feels pleasure by doing so (Xenophon Oec XI.10; 1996, p. 75). The pleasure

31 Ambler suggests that the conversation with Ischomachus was ‘years before’ the conversation with Kritoboulos (1996, p. 112).
32 Here Socrates shows something like a photographic memory. See also the opening of the Republic where he announces that he is going to retell his earlier conversation (that conversation with Thrasymachus, Glaucon, and others, is the book-length dialogue called the Republic) (Plato Rep 327a; [1968] 1991, p. 3).
33 Ergon can be translated as task or work.
34 Some of these tasks will be mentioned in the text. Other duties include: 1) minimizing cost, while retaining strict functionality of housing and furniture; 2) minimizing the number of servants, while striving to achieve functional purposes; 3) the raising of horses for profit; 4) the training and good management of one’s wife; and 5) the educating and managing of stewards and farm workers. Regarding the final point, knowledge of various things (reaping, threshing, winnowing, and planting of various trees) must be acquired.
35 Xenophon Oec I.4, 16; II.1, 18; VII.15-6, 43; XI.8; 1970, pp. 4, 6-8, 12, 31, 36, 48; Strauss 1970, p. 179; see pp. 93, 106, 112-3, 121, 126, 134, 141, 151, 162, 202-3. This art of increasing one’s household wealth is called ‘the economic art’ by Strauss (1970, p. 102; see also p. 209).
36 Need is discussed at some length by Aristotle.
37 Usefulness in turn determines whether property is true wealth (Xenophon Oec IX-XIV; 1970, pp. 40-58). Lowry claims that Xenophon’s focus ‘on usefulness as the criterion for exchange value’ aligns ‘with Aristotle’s theory of the natural limit on acquisition’ (1987, p. 78; see also p. 80).
that he feels is not the motivation for his actions but a by-product of an upbringing in kalokagathia which shaped his desire to perform such noble actions (the life of ta kala embodies a commitment to performing noble actions).38

Ischomachus’s statement quoted above suggests three things. First, he not only spends on sacred activities according to the liturgical requirements39 but probably exceeds them. Second, in his relations with friends (including his own family)40 he demonstrates the virtue of liberality. Third, his sense of social responsibility makes him spend even more money on the city. This suggests that he is a great public benefactor. He is a magnificent or magnanimous person. These two virtues— the virtue of liberality and its grander version, megaloprepeia—are addressed at some length by Aristotle (NE IV.1-2; Aristotle [1925] 1980, pp. 79-89). The use of wealth within the oikos also requires considerations of virtue and this is implied by Ischomachus.

Ischomachus’s sense of duty in acting nobly is clear. It is supported by his upbringing. Pleasure, he says, accompanies these noble actions. Is it simply pleasurable? Is it done simply for its own sake? Throughout the report of the conversation we learn of Ischomachus’s religiosity (see Ambler 1996, pp. 117, 119, 122-3). This seems to be essential to kalokagathia. We will return to this point shortly.

Following Ischomachus, Socrates argues that the most ‘beneficial’ (surplus-producing or productive) art used in oikonomikē technē is farming and he exhorts Kritoboulos to learn what he (Socrates) will teach him and then practice it (and thus become an oikonomikos); farming seems to be the key to increasing one’s wealth (Xenophon Oec XV.3; 1970, p. 59; see pp. 17-25; Strauss 1970, pp. 99, 113-24, 191, 197).41 Furthermore, gentleman farming (rather than peasant or subsistence farming) is beneficial in a second sense, which is related to the use of wealth.

In addition to the three uses of wealth seen above, another important use of wealth is the creation of leisure (scholē) for the household head (the kurios)42 and to a lesser degree his family): ‘it seemed least of all to cause any lack of leisure for joining in the concerns of

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39 In Athens, and other poleis, it was established that the wealthy ought to share their success with all residents in order to be considered as good citizens (agathos politēs) (Petrochilos 2002, p. 606). The wealthiest citizens contributed leitourgia (normally transliterated as liturgies) to the polis in various circumstances: for the various sacred festivals and activities; and for military purposes as the need arose (Kitto [1951] 1957, pp. 73-4; Davies 1967; Finley [1953] 1983, p. 36; Pomeroy 1994, pp. 52, 225-8; Carmichael 1997). In addition, the wealthy frequently undertook expenditures for the city which went beyond what was expected in the form of liturgies.
40 At the time of the conversation between Socrates and Ischomachus, it is likely that the latter was recently married as he and his wife had no children (Strauss 1970, p. 134). This is important because we are, therefore, in the Oeconomicus missing an important aspect of the management of the oikos.
41 Toward the end of the Oeconomicus there is a discussion of buying land, improving it, selling it again, and repeating the process on many occasions (Oec XX.22-7; 1970, pp. 76-7). This type of speculative activity masquerading as farming, or pure money-making, is motivated by the love of gain (Strauss 1970, p. 200). It seems to be the transformation of economics (good household management) into chrematistics. Although the latter term has various meanings, it can be understood as the pursuit of unlimited increase of one’s wealth (Strauss 1970, p. 201). This activity is apparently tolerated by Socrates, at least in the case of those who use the wealth (i.e. spend) virtuously (Strauss 1970, pp. 202-4, 208). See also Plato 1987.
42 Each oikos was under the control of a patriarch or master (kurios oikodespotes).
friends and cities’ (Xenophon *Oec* VII.9; 1994b, p. 58; see Booth 1993, p. 42).\(^ {43} \) Only by the hierarchical arrangement within the *oikos* is the leisure for even one (or a few) member(s) possible (Booth 1993; see Alvey 2010). The good use of wealth is leisureed activities in the form of *ta kala*, the life of beautiful and noble actions, for example in politics (Booth 1993, p. 44). Only with sufficient accumulation of wealth does the good life (*pros to eu zên*) become a possible choice. Nevertheless, and strange to our ears, this choice requires freedom from economic activity.

There are many tasks involved in *oikonomikē technē*. Indeed, so many tasks and skills are involved in good household management that Xenophon suggests that it can be called a manifestation of the royal or ruling art (*basilikē technē*); the only difference between it and ruling, or managing, a city well is one of scale.\(^ {44} \)

As we have seen, one goal of the *oikos* community is the increase of its wealth. The way of doing so that Xenophon stresses throughout the *Oeconomicus* is good management of labour. While he has little interest in technology (except military technology), through the Ischomachus character in the dialogue we see Xenophon’s interest in managing and motivating various classes of humans in their work within the *oikos* with the goal of securing high and increasing labour productivity. Some of the means that Xenophon emphasizes include encouraging a sense of community, providing training, and rewarding productive (and punishing unproductive) behaviour.\(^ {45} \)

While retaining veto power and ultimate authority (including the use of brute force), Ischomachus is willing to provide considerable autonomy for his wife inside the house and his steward (*epitropos*) outside of the house.\(^ {46} \) Within a hierarchical structure, this decentralization is like a division of labour (see Booth 1993, p. 40). Actually, Xenophon carefully studies the division of labour and refers to it in various works (see below).

Xenophon does see advantages in specialization but he also sees significant disadvantages as well (especially in certain techniques or skills).\(^ {47} \) In the *Oeconomicus* Xenophon has a remarkable passage where he presents, in capsule form, the Socratic view of the banausic

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\(^ {43} \) This statement is somewhat misleading because in the dialogue the Ischomachus character stresses diligence and even the need for the master to set a good example of diligence (Xenophon *Oec* XII.18; see VII.1; XX.4-22; 1994b, p. 80; see also pp. 59, 96-8; Ambler 1996, pp. 116, 127).


\(^ {45} \) Xenophon *Oec* VII.41; IX.12; XII.4; XIV.10; XX.16; XXI.12-17; 1970, pp. 35, 43, 52-8, 75-6, 78-80; see Lowry 1987, pp. 45-81; Booth 1993, pp. 38-40, 85; Ambler 1996, pp. 116, 124, 127-8; Petrochilos 2002, p. 608. As Booth points out, Xenophon was aware of the problems of discipline, motivation and shirking of 1) the household head’s wife, 2) supervisors, and 3) slaves: ‘an ancient version of the principal-agent problem’ (1994, p. 659).

\(^ {46} \) See Strauss 1970, p. 139; Booth 1993, pp. 40, 85-6; Ambler 1996, p. 125. As Pomeroy points out, the *epitropos* could be a slave or free servant (1994, pp. 316-7). The use of force against a slave is obviously highly likely.

\(^ {47} \) Technique or skill are acceptable renderings of *technē*. Bloom defines *technē* as ‘art, … a skill or craft; not far from science; a discipline operating under clear principles which can be taught’ ([1968] 1991, p. 478). Nussbaum says that it is often translated as ‘craft’, ‘art’, or ‘science’ ([1986] 2001, p. 94; see pp. 95-8).
(vulgar) or mechanical arts (see Strauss 1970, p. 115). These arts require immobility indoors and, in some cases, the whole day is spent next to a fire; they ‘utterly ruin the bodies of those who work at them’ and also those who supervise them (Oec IV.2; 1970, p. 17).

Further, the softening of the body makes the soul (psychē) even ‘more diseased’ (Oec IV.2; 1970, p. 17). Because of their ‘[l]ack of leisure,’ the artisans (banausoi) cannot spare time to share ‘in the concerns of friends [i.e. fellow citizens] and the city’ (Oec IV.3; 1970, p. 17). This is the opposite of the earlier statement about the ‘leisured’ life of the gentleman farmer. Hence, the mechanical arts are supposed to make the artisans bad friends (citizens) and bad warriors; in cities esteemed for military prowess (such as Sparta), citizens are banned from practicing such arts (Oec IV.3; 1970, p. 17; see Plutarch 1988a, p. 37; Plutarch 1988b, pp. 121, 151). Various human capabilities are impaired. Such ethical concerns about the effects of the division of labour were taken up by other Socratics and subsequently by modern writers such as Adam Smith, Adam Ferguson, Karl Marx, and others.

Two final points discussed in the Oeconomicus should be mentioned, as they relate to the Capabilities approach. First, in this work (as well as in other works) Xenophon places stress on education. In the Oeconomicus he emphasizes the education of women in order for them to perform a range of managerial roles inside the house. While such a sexual division of roles may be regarded as outdated today, it represented ‘a systematic programme for the education of Athenian women’ and in the context of the limited attention given to female capabilities in Greek poleis, ‘Xenophon must be viewed as a radical thinker’ (Pomeroy 1994, p. 267; see Alvey 2010). Second, Xenophon said that, when women exercise their bodies, they ‘become healthier’ (Xenophon Oec XI.11; 1970, p. 46; see also Xenophon Con Lac V.8; [1925a] 1968, p. 157). In Pomeroy’s summary rephrasing of the passage, she says that women have a ‘better appetite’ and acquire a ‘vibrant complexion’ (2004, p. 205). We will return shortly to the important topic of female nutrition, which Sen has stressed.

The Oeconomicus gives us a good introduction to Xenophon’s view of household management. Ethics and economics are closely interwoven. Next, let us turn to the second most important source of Xenophon’s views on ethics and economics: the Memorabilia. The analogue to the good management of the oikos, the good management of the polis, is discussed in the Ways and Means. That work will be discussed in the appendix.

-- Memorabilia

The primary goal of the Memorabilia is to recount information about the life of Socrates. Many topics, however, are discussed along the way, including the gods, the nature of virtue

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48 Pomeroy renders banausos as craftsman (1994, p. 235). Technitēs can also be rendered as artisan (Lord 1984, p. 273). Demiourgos can be rendered as craftsman (Pangle 1980, p. 547).

49 Xenophon’s argument about the arts producing softness seems questionable in the case of smithing (Strauss 1970, p. 115).

50 Because their bodies are weaker and somewhat deformed, their martial capacities are diminished. (The great physical demands were well demonstrated in the recent movie called 300, which depicts the famous battle at Thermopylae in 480 BC.) This is compounded by the artisan’s own perception of this deficiency. The physical and mental factors tend to produce cowardice (see also Mem III.12.2; 1994a, p.105).


52 On the title of the Memorabilia, see Strauss 1970, p. 84.
(including the threats to it), gentlemanship, ruling, the military arts, friendship, the division of labour, and oikonomikē technē. This work shows us a deep understanding of ethics and economics within the ancient Greek context.

Following the Oeconomicus, within the Memorabilia we find another example of Socrates teaching the art of household management (Mem II.7-8; 1994a, pp. 61-6). As a result of civil and foreign wars, Aristarchus, a friend of Socrates, had opened his home to a large number of female relatives. In addition to this considerable, additional financial expenditure, the turbulent economic conditions had drastically reduced his revenue. Socrates advised his friend to overcome his resistance to putting free (non-slave) women to work in commercial activity (see Bruell 1994, pp. xvii-xviii). He praises work, and attentiveness to a task, as useful for life (Mem II.7.7-8; 1994a, p. 63). In this same conversation Socrates shows that considerable specialization of commercial production is compatible with oikonomikē technē (Mem II.7.6; 1994a, pp. 62-3). Specialization has several advantages, including speed of production (Mem II.7.10; 1994a, p. 64). Socrates recommends two things: first, that Aristarchus overcome his resistance to putting his female relatives to work; and second, that he then select a specialized revenue-generating activity that is not ‘shameful’ for them to do (Mem II.7.6-10; see also III.10.14-5; 1994a, pp. 62-4; see also p. 97). The advice was taken. Capital equipment was purchased and wool was bought for specialized production of woollen products. The result was a dramatic improvement in the oikos’s economic viability and concord (homonia) within its members.

Clearly, managing revenues and expenditures is a part of household management. Other components of the oikonomikē technē package include gentlemanship and friendship. These topics are discussed frequently in the Memorabilia but almost always in an integrated manner. Household management requires moderation, one of the moral foundations of gentlemanship. Without restraint on the desires for food, wine, sex, and sleep, one will ‘ruin not only one’s household but also both [one’s own] body and soul’; this is ‘the greatest mischief’ (Mem I.5.3; see I.5.1; 1994a, p. 27; see p. 26).

When Xenophon discusses ‘rational’ planning for old age—a topic that is frequently addressed in modern economics textbooks—he discusses not only ‘engineering’ calculations that are routinely discussed today (where the desirability of saving for old age is given) but also ethical matters (the frame of mind and habits needed for ‘engineering’ to make sense). In old age, expenditure on subsistence continues but no one will pay for the labour of the old (Mem II.8. 2; 1994a, p. 65). Saving for old age, therefore, is sensible. Various virtues associated with gentlemanship and oikonomikē technē are painful (in the short run) and require habituation. If one is habituated in youth to be lazy and spendthrift, one will find it hard to change later. Nevertheless, these habits are unsustainable in old age, when one cannot labour and generate income. The incontinent way of life in fact ensures a ‘miserable and labourious old age’ (Mem II.1.31; 1994a, p. 41). Planning for old age is required for all who are likely to live to old age; hence, it is necessary, when youthful, to practice foregoing current pleasure and enduring current pain (Mem II.1. 31; 1994a, p. 42). For Xenophon, the

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53 Threats to virtue included love affairs (especially with beautiful people) and the love of food and drink (Xenophon Mem I.2.22; I.3.5-15; 1994a, pp. 9, 19-21).

54 Homonia may be translated as ‘likemindedness’ or ‘unity’ (Bonnette 1994, p. 169 n. 42).
focus is on the moral habituation to moderation which occurs within the household; it is an essential element of gentlemanship and good household management. The modern economics textbooks focus on the ‘engineering’ of means and are silent on the importance of ethical habituation which relates to the end.

Wealth is important but more important is the knowledge or skill of household management. Socrates says that many things (including beauty, strength, wealth, and reputation) are actually ‘debatable goods’ (Mem IV.2.34; 1994a, p. 122). The rich person who lacks oikonomikē technē will soon be ruined. On the other hand, the one with little wealth but who has oikonomikē technē may have not only enough but be able to save from his/her income (Mem IV.2.38; 1994a, p. 123). While the poor were said to be grasping (stealing from others for their own subsistence) due to their poverty, actually those rich who lack oikonomikē technē are even more rapacious. The good household manager (the oikonomikos) without much wealth does not have to be unjust and is really better regarded as ‘rich’ than those commonly said to be wealthy (Mem IV.2.39; 1994a, p. 123).

Just as wealth without oikonomikē technē is of little use in the long run, wealth also must be supplemented by friendship (understood in a broad sense). Once again, we encounter a theme little discussed in (and actually at odds with) modern economics. The stingy money-maker ‘who is able to make wealth but desires a great deal of it … drives a hard bargain’; while pleased to receive wealth, he ‘does not wish to pay back’ (Mem II.6.3; 1994a, p. 53). This human type (the type assumed in modern economics textbooks) will be without friends. Socrates is reported as saying that it is better ‘to hold enough property while dwelling securely with many than to have risky possession of all the property of the citizens while living a solitary way of life’ (Mem II.3.2; 1994a, p. 46). The life of the miser is immoderate and troublesome because of the constant fear that others will take one’s wealth. One needs allies (a type of friendship) even to sustain one’s possessions. Oikonomikē technē includes a type of friendship. Acquiring and keeping friends requires reciprocating good deeds (a type of justice) (Mem II.2.2-3; II.3.12-13; 1994a, pp. 43, 48). Indeed, it may require initiating good deeds. (Recall from the Oeconomicus that Ischomachus aided his friends and city financially.) Generally speaking, these matters are not considered by modern economists, except those few interested in inequality or the foundations of the social contract.56

Socrates provides a second argument against the life of the miser. The miser, ‘because of his erotic57 desire for making wealth, provides himself with leisure for nothing other than what he can derive some gain from’ (Mem II.6.3; 1994a, p. 53). The miser has no leisure and is unable to develop his capabilities (including bodily and non-bodily capabilities); he or she is unable to develop the political and military capabilities of gentlemanship.58

Let us return to friendship. We have seen a little about what a friend is not. It remains to flesh out what a friend is. The friend is one who is ‘continent in the bodily pleasures … easy

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55 In a similar manner, the Stoics referred to ‘things indifferent’.
57 Elsewhere, he defines ‘erotic passion’ as ‘strong desire’ (Mem III.9.7; 1994a, p. 95).
58 Similar issues apply to the subsistence farmers, who lack leisure to develop their capabilities.
to live with and bargain with,’ rigorous in returning good deeds, and thus ‘profitable to those who deal with (chrēsthai) him’ (Mem II.6.3; 1994a, p. 53). The meaning of friendship in this context is quite wide (including certain market relationships) but does not extend to the anonymous market of modern societies. Those individuals ‘who are both noble and good’ do not acquire great property but are content with ‘moderate property’; they are so continent that, even though ‘hungry and thirsty,’ they ‘share their food and drink’ (Mem II.6.22; 1994a, p. 57). More broadly, they share their property; ‘they render their own goods the property of their friends and hold those of their friends to be their own’ (Mem II.6.23; 1994a, p. 57). While private property is sanctioned by Xenophon, common use of property is emphasized. *Oikonomikē technē* requires acquiring and keeping friends.

Clearly household management in the broad sense is a comprehensive art and part of a way of life. It is therefore understandable that Xenophon claims that ruling an *oikos* and ruling a *polis* are similar. Likewise, he points out that one of the preconditions for a flourishing city is also a precondition for a well-run household: concord. Only when the citizens are law abiding are cities ‘strongest and happiest’ i.e. able to achieve some degree of human flourishing (Mem IV.4.16; 1994a, p. 132). The flourishing household also needs some unifying glue. Concord, a sort of friendship, is needed for *oikoi* and *poleis*.

Before closing the discussion of the *Memorabilia*, let us turn to Xenophon’s treatment of the gods and their management (*oikonomia*) of the universe. Early in the work, Xenophon provides one of the first teleological arguments in history; by showing aspects of design in the human physical constitution, he supports the existence of the gods and of their benevolence towards human beings (Mem I.4.4-13; 1994a, pp. 22-4; see Strauss 1970, pp. 148-9; Hurlbutt 1985, pp. 8-10; Alvey 2003, 6-14). This is the argument to design (Hurlbutt 1985, p. 8). Later in the work, the design argument is extended and an anthropocentric teleology emerges (Mem IV.3; 1994a, pp. 124-8). This argument was used by Aristotle and extended by others soon afterwards, such as the Stoics (see Long 2006, p. 424). It has been revived in recent times under the label ‘Intelligent Design’ (Thaxton, Bradley and Olsen 1984; Davis and Kenyon 1993).

In the following chapter in the *Memorabilia*, Xenophon extends the argument yet again, developing what we now call natural law; this doctrine was central to the work of Thomas Aquinas and the later Scholastics (Lowry 1987, p. 76; Strauss 1939, p. 520). Various unwritten laws are common to all human societies (Mem IV.4.19-25; 1994a, pp. 133-5). It is said that such laws must have had a divine origin because it would not have been possible for people from all human societies 1) to attend a common assembly (*ekklēsia*), 2) to deliberate in a common language (no such language existed), and 3) to decide upon such laws (Mem IV.4.19; 1994a, p. 133). Unfortunately, Xenophon does not link clearly the

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59 Elsewhere Socrates suggests that the true friend is one who helps in the search for knowledge.

60 Acquiring much requires engaging in a type of ‘war’ (Mem II.6.22; 1994a, p. 57). There is a hint here that a zero-sum game applies (at least beyond a moderate wealth).

61 This meaning of *oikonomia* is found in the *Memorabilia* (Xenophon Mem IV.3.11-4; 1994a, p. 127; Strauss 1970, p. 113).

62 This view contradicts the neediness of the human condition that was briefly mentioned in the *Oeconomicus* section. Xenophon attributes the argument of divine benevolence to Socrates (c.f. Xenophon Mem IV.7.6-7; 1994a, p. 146). Others dispute that Socrates held such a view.
teleological/natural law argument to the management of a household or a city, but he had laid a foundation for this extension, and later thinkers, especially the Scholastics, were to develop this line of natural law thinking.

The Memorabilia helps to flesh out the picture of oikonomikē technē seen in the Oeconomicus. Despite a clear understanding of ‘engineering’ aspects of household management, Xenophon shows that the complete household manager (the oikonomikos) must go further. An ethical understanding is also needed; the oikonomikos must view his task as including gentlemanship and friendship. Piety, reinforced by natural law, may provide a support for gentlemanship and oikonomikē technē.

-- Constitution of the Lacedaemonians
In the Constitution of the Lacedaemonians (i.e. the Spartan Constitution), Xenophon praises several aspects of Spartan life, five of which should be mentioned. First, almost immediately after commencing the work, Xenophon turns to a detailed presentation of the Spartan practice of rearing young females. By doing so, according to Pomeroy, Xenophon ‘underlines his view of the importance of women in Spartan society’ (2002, p. 150). This is important because female capability achievement is integral to Sen’s Capability school.

Xenophon refers to the good nutrition of females in Sparta. Xenophon condemns the other Greek poleis for failing to do likewise (Con Lac I.3; [1925a] 1968, p. 137; see Pomeroy 2002, p. 150).

[O]ther people [those in cities other than Sparta] feed their young women, who are about to bear offspring, and are of a class regarded as well brought up, on the most moderate quantity of vegetable food possible, and on the least possible quantity of meat. (Xenophon Con Lac I.3; 1908, p. 205).

This extraordinary passage tells us that, for Xenophon, the women in Sparta are well fed but those in other poleis are not. Because Xenophon travelled widely and lived for long periods in both Athens and Sparta, his praise of Spartan practice may well have been based on the physical comparison between the Spartan and other Greek women (Pomeroy 2002, pp. 141, 150). Xenophon was one of the first to draw attention to female nutrition as a part of distributive justice. As Sen has made female nutrition a central element in his Capabilities philosophy, Xenophon’s work deserves renewed attention (but c.f. Aristotle 1991, p. 219).

Second, almost immediately after the statement about nutrition (quoted at length above), Xenophon discusses the confinement of women to weaving work in the house. ‘The rest of the Greeks expect their girls to imitate the sedentary life that is typical of handicraftsmen [see above on the banausoi]—to keep quiet and do wool work’ (Con Lac I.3; [1925a] 1968, p.

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63 It has also been suggested that, on several points, Xenophon was very critical of the Spartans and that his work on the Spartan constitution was actually a satire (Strauss 1939; Proietti 1987, p. xv).
64 It is unclear to me what role women play in Xenophon’s overall philosophy.
65 Pomeroy suggests that the female diet ‘was generous’ and that the Spartan women ‘must have been the healthiest of Greek women’ (2004, pp. 204, 211). She supports this view with an estimate of the calories that they consumed daily (2004, p. 204).
66 Immediately after this discussion of food, Xenophon refers to the consumption of undiluted wine by women, which is clearly intended as criticism of Spartan sexual mores (see Strauss 1939, pp. 504-5).
Lycurgus found this to be inappropriate for the health of women and their future children. He incorporated in his laws for Sparta provision for slave women to produce the necessary clothing for the numerous members of the oikos (Con Lac I.4; [1925a] 1968, p. 139). Thus the Spartan women were to be substantially (but not entirely) liberated from indoor duties and were consequently enabled to move about outdoors. This again is apparently endorsed by Xenophon. In Sen’s terminology, he approves of the increased capability for women to move.

Third, Xenophon turns to the physical training in Sparta. He says that Lycurgus ‘ordered the female sex to exercise no less than the male; moreover, he created competitions in racing and strength for women as for men, believing that healthier children will be born if both parents are strong’ (Con Lac I.4 in Pomeroy 2002, p. 33; see p. 13). While equal training for warfare was never realized in practice (Pomeroy 2002, p. 16), Spartan law pays considerable attention to female health. Lycurgus’s provisions were again tacitly endorsed by Xenophon. Recognition of the importance of this aspect of female health also accords with Sen’s Capability approach.

Fourth, Xenophon reinforces the emphasis on the good use of possessions (usufruct rights) seen earlier. Good usage would allow private property to be used by non-owners as well. For example, you might allow friends to use your own possessions on the understanding that they return them in good condition. Lycurgus was aware of the connection between common usage and friendship (philia). Hence, in his laws he promoted friendship in various ways, including providing for usufruct rights. These laws allowed 1) all Spartan fathers (who were also citizens) authority over all Spartan children, and 2) the common use by the citizens of each other’s servants, hounds, horses, and food (Xenophon Con Lac VI.4; [1925a] 1968, pp. 157-9). These practices are also apparently endorsed by Xenophon.

Fifth, Xenophon refers, apparently favourably, to Lycurgus’s law that citizens are to eat at public messes, in the open (Con Lac V.2-7; [1925a] 1968, pp. 153-7; c.f. Strauss 1939, pp. 514-5). The goal was to promote communal, rather than private, conversation and ties (see Pangle 1980). This was one means of elevating a narrow, self-interested perspective of the purely private life and of promoting, to some extent, the acquisition of public capabilities.

Three criticisms of Sparta in Xenophon’s work, however, are also worth mentioning here. First, the Spartans saw war not peace as the end (telos) of human society. Xenophon saw war as the means to peace; peace, in turn, was viewed as only an intermediate step to the true ends. Second, Xenophon regarded the soul (psychē) as more important than the body, and the former needs letters, music, speech, and moral education generally (Con Lac X.1-7; [1925a] 1968, pp. 167-9; Strauss 1939, pp. 512, 517-8). Sparta emphasized only the body and physical exercise. Hence, Xenophon saw Sparta as defective in terms of what Sen calls capability achievements. Third, Xenophon points out that, in certain respects, there was a...
major gap between the intention of the lawgiver and the actual practice. For example, Lycurgus’s law banning gold from Sparta aimed at reducing the attachment to wealth (Con Lac VII.5-6; 1925a [1968], p. 161). Nevertheless, the fact that searches for gold were held, and severe punishments were instituted, suggests that the attachment to wealth remained (Con Lac VII.6; 1925a [1968], p. 161; Strauss 1939, pp. 515-6). In the absence of genuine moral education, shame and fear of detection ruled.

-- Cyropaedia and Hiero

In the Cyropaedia (or Education of Cyrus) Xenophon discusses the life of Cyrus, the highly successful ruler of the Persian empire. There are two points of interest for us. First, Xenophon tells a story from Cyrus’s youth, when the future ruler attended one of the Persian schools of justice (Xenophon Cyro I.3.16-7; 2001, p. 32). Cyrus’s teacher appointed the young Cyrus to judge certain controversies between other boys. One big boy owned a tunic that was too small for him and had taken an oversized one from a smaller boy; as compensation, the big boy gave the small boy his own discarded tunic. Xenophon’s Cyrus judged that these actions were ‘fitting,’ as both boys benefitted by the change, despite their violation of the laws of private property (and one aspect of justice) (Xenophon Cyro I.3.17; 2001, p. 32; Strauss 1970, p. 96). The young Cyrus, however, was then beaten by the teacher, because the former was asked to judge what is ‘just possession’ not what is ‘fitting’ (Cyro I.3.17; 2001, p. 32). Xenophon’s implicit teaching seems to be that ‘the just or legal is not simply the same as the good’ (Strauss 1970, p. 96). To this extent, Xenophon transcended the just; his ultimate standard was ‘the good’ (Strauss 1970, p. 97). While reliance on legal ownership may have to be accepted for practical purposes, the ultimate goal (the good) must be kept in mind at the same time. For Xenophon, protection of private property was not the good (unlike for some of those thinkers discussed by Plato and Aristotle, who proposed a social contract view of society); 71 thus, limitations may need to be placed on private ownership.

The second point of interest in the Cyropaedia is its detailed presentation of the division of labour (Xenophon Cyro VIII.2.5-6; 2001, pp. 241-2). Lowry discusses this presentation at length and concludes that it is the source of Adam Smith’s famous discussion in the Wealth of Nations (Lowry 1987, pp. 68-72). The significance of Xenophon’s discussion of the specialization of labour in the Cyropaedia for our immediate purposes, however, is that it shows a genuine understanding of the topic. It makes his critique of the division of labour in the Oeconomicus, seen earlier, all the more important.

Before concluding, let us turn to one other work, the Hiero. In this work the focus is a discussion between a tyrant of the same name and a poet, Simonides, who stands in for Xenophon himself (Marchant [1925] 1968, p. xvi). What is of primary interest to us in this work, however, is Xenophon’s views on agriculture. Consistent with the view developed in the Oeconomicus, farming is said to be the ‘most useful of all occupations’ (Hiero IX.7; 1925c [1968], p. 47). 72 Here Xenophon anticipates the key assumption that the Physiocrats were to adopt nearly two thousand years later. He does not leave the matter there. Xenophon


72 On the usefulness of herding animals, compare Xenophon Mem IV.3.10; 1994a, p. 126.
says that competition in agriculture ‘is conspicuous by its absence’ at that time in classical Greece but farming would make progress if some competition were introduced; Xenophon proposes that prizes be offered for good cultivation (*Hiero* IX.7; 1925c [1968], p. 49). He predicts that, if his advice is adopted, not only would ‘revenues’ rise with increased ‘industry’ but so would ‘sobriety’ (*Hiero* IX.8; 1925c [1968], p. 49). A type of virtue accompanies accumulation. This view of economics and ethics anticipates that developed by David Hume and Adam Smith.

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**Conclusion**

There are a number of strands to Xenophon’s work. First, his general orientation was consistent with the other Socratics. Nevertheless, it is reasonable to suggest that he developed a second branch which differed in important respects from Plato and Aristotle. Second, Xenophon’s willingness to adopt management and efficiency notions makes him attractive to modern economists. Third, his adoption of a proto-mercantilist approach (see the Appendix) alienates him from both modern economists and many of those who promote the ethical tradition of the Socratics.

For Xenophon, economics is just part of the social fabric. Wealth is an instrument which, depending on the context, has to serve the end of the *oikos* (or, as seen in the Appendix, the *polis*). Economics has to play a subordinate part and is regulated with a view to achieving the larger social goals, such as self-sufficiency (*autarkēs*), leisure (*scholē*), and human flourishing (*eudaimonia*) (Lowry 1987, p. 69). Especially with respect to the goal of leisure, where a zero-sum game seems to apply (leisure for some required servitude for others), is technology the answer that Xenophon overlooked? This seems to be what Booth suggests (1993, pp. 75, 92). It is clear that Xenophon underestimated the potentiality of technological advance regarding production. With regard to the life of *action* in politics, however, technology plays virtually no role.

At least in regard to his support for education, increased nutrition, and physical training of females (required for their health), and in his objection to their physical seclusion indoors (which hinders the ability to move), Xenophon fits with Sen’s focus on functioning achievements and freedoms. Indeed, if the most fundamental aspect of social achievement in the ethical approach to economics and ethics, and in the Capabilities approach, is the adequate provision of food and support for health for all, Xenophon deserves a place as one of the great founders. Similarly, the stress on redressing gender imbalances in the Capabilities approach is foreshadowed in Xenophon, even if a more complete analysis is provided by Plato.

As stated earlier, the legacy of Xenophon has been limited by the focus on Plato and by the general downgrading of the assessments of his work since the 1700s. One famous follower of Xenophon after the latter’s work began its descent in status was John Ruskin (1819-1900),

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73 In private correspondence Benjamin Wong pointed out that Xenophon’s awareness of, and interest in, military technology complicates any final assessment on this point.

74 Technology may affect the manner of child minding but not the number of human hours involved. Similarly, many household chores remain resistant to technological fixes.

75 Proietti says that Xenophon was not interested in the question of producing ‘big, strong children’ who will be ‘better soldiers’ (1987, pp. 47-9; see p. 54).
APPENDIX: XENOPHON’S WAYS AND MEANS

A brief word is also needed on the *Ways and Means* (Poroi),\(^{76}\) which is usually attributed to Xenophon (Xenophon *Ways* [1925b] 1968; Bruell 1987, p. 91; c.f. Gordon 1975, pp. 16-20). This work accepts the democratic political regime and many of its limitations. While it does not ignore the goals of the Athenian *polis*, it is primarily addressed to the *means* relevant to achieving these goals. The *Ways and Means* provides economic policy advice designed to assist Athens in overcoming the financial stress after the Social War (357-55 BC) and the consequent loss of her ‘empire’ (Lowry 1987, pp. 49, 63-4, 80).

Actually, the context of the work is the loss by Athens of *two* wars and *two* empires. In the lead up to the first war (the Peloponnesian War), Pericles (and his associates) sought *hēgemōn* status over other allied *poleis* (i.e. the first Athenian ‘empire’) partly for glory but especially for tribute payments (*phoros*) from them (i.e. the allies were really subordinates). The plan devised was for Athens to become a rentier city, extracting rent from its external allies and using this revenue for internal purposes. International relations was seen within a zero-sum game framework (*Mēm* III.6.7-8; 1994a, p. 87). In the second empire, while there were no tributes, there were periodic payments of a somewhat analogous nature (*syntaxeis*) by the allies to Athens.

At the opening of the *Ways and Means*, Xenophon reports on how ‘the leading men’ (*prostatai*) of Athens justify their injustice towards the Athenian allies (Xenophon *Ways* I.1 [1925b] 1968, p. 193). Xenophon probably refers to the political leaders of the second empire, but the same logic applies to Pericles and those around him during the first empire. The politicians claimed that their injustice to the allies was needed because of the ‘poverty of the [Athenian] masses’\(^{77}\) (Xenophon *Ways* I.1 [1925b] 1968, p. 193).\(^{78}\) In other words, the politicians (and their associates) declared that they sought *hēgemōn* status over other *poleis* not so much for glory as a means of securing a practical instrument to serve a good domestic cause: the alleviation of the poverty of the Athenian lower classes.

Unfortunately for these Athenian politicians, during the first empire the game was not limited to Athens and her allies in the Delian League. Other political powers could enter the game, following which, in the expanded game, new payoffs applied. It was the Athenian extraction of heavy rent that seems to have been the proximate cause of the various rebellions which ultimately led to 1) the collapse of the League, 2) the cries for Sparta to intervene against Athenian oppression, and 3) the opening of the fateful Peloponnesian War (Thucydides *History* I.99; [1954] 1972, p. 93; see Booth 1993, p. 64; Ambler 1996, 126). Not only did the Athenians lose the war but their democracy was overturned. While the extraction of wealth does not seem to have been so onerous or so critical in the loss of the second empire, Athens’s desire to retain control over her allies and *syntaxeis* played a significant role. It is

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\(^{76}\) On the title, see Jansen 2007, pp. 24-7. Like the *Oeconomicus*, this work was included in a collection of Greek economics works (Laistner 1923, pp. 10-27). Jansen (2007) provides a detailed discussion of the work but I discovered this work too late to affect the substance of this paper.

\(^{77}\) The term *plēthos* can also be translated as ‘multitude’ (Jansen 2007, p. 118 n. 9).

\(^{78}\) One purpose of the work was to show democratic Athens how to become more just without overthrowing the regime (Strauss 1963 [1991], pp. 31-2).
with this background in mind that we can approach the *Ways and Means*, which is set in the months immediately after the end of the Social War, shortly before Xenophon’s own death.\(^79\)

At the opening of the work, Xenophon makes it clear that the very problem that worried Athenian politicians-- the poverty of their citizens and especially an adequate food supply--started him thinking about the city’s food (*trophē*) supply (Xenophon *Ways* I.1 [1925b] 1968, p. 193; see also *Mem* III.6.13; 1994a, p. 88). Xenophon quickly realized that self-sufficiency in food would be desirable but, given Athens’s high dependence on food imports,\(^80\) it was unlikely to be achieved. Securing an adequate food supply is the first goal that he sets for Athens. As the work progresses, however, the goal expands to become a comfortable life for all Athenian citizens. This is needed to preserve the democracy and to enhance human capabilities. The revised goal of the economy is to secure one of the preconditions of the good life for democratic Athenians: sufficient revenue for the Athenian *polis* so that ‘every Athenian’ citizen could be paid\(^81\) by the *polis* for his ‘maintenance’ and ‘comfort’ and thus have leisure, presumably in order to participate in democratic politics (namely the onerous deliberative and judicial duties).\(^82\)

The second ‘goal’ that Xenophon discusses is peace. He does not argue for it as an end but as a means. Strictly speaking, therefore, it is an intermediate goal. Xenophon thinks that war leads neither to revenue gains nor to *eudaimonia* (*Ways* III.8; IV.2; V.10-12; [1925b] 1968, pp. 201, 225, 229). Furthermore, it is a great burden on the rich (*Ways* VI.1; [1925b] 1968, p. 231). According to Polanyi, Xenophon’s originality was to claim that ‘wealth, power, and security can be the product of peace’ (1977, p. 196; see Dillery 1993; c.f. *Mem* III.6.7-8; 1994a, p. 87).\(^83\)

Despite the evidence from two failed ‘international’ alliances in the past, Xenophon argues for securing peace and security through continued Athenian hegemony over other *poleis*. Even more strange is that he accepts the logic of the Athenian politicians who viewed *hegemôn* status as a means of securing rent. The acquisition of this rent is part of the package of financing proposals that Xenophon develops in the work. The *Ways and Means* therefore operates within severe engineering constraints.

Various revenue-raising policies (including a type of income tax, the use of state socialism, greater exploitation of mines, and the exploitation of non-citizens)\(^84\) for the democracy are suggested by Xenophon. Booth and Finley focus on some of these policies and call the envisaged new Athens a ‘rentier city’; the *polis* takes the place of the *kurios* as the agency

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\(^79\) Marchant suggests that the *Ways and Means* was written in 355 BC ([1925] 1968, p. xxv). See also Dillery 1993, p. 10; Baeck 1994, p. 58.

\(^80\) Athens was not self-sufficient in foodstuffs. Indeed, more than half of the Athenian food supply in the fifth and fourth centuries was imported (Laistner 1923, p. xxiv).

\(^81\) Booth makes the argument that it is ‘a civic salary (*misthos*)’ for undertaking the duties of ‘full-time citizenry’ (1993, p. 62; see p. 89). The citizen became ‘a sort of poor rentier’ (Booth 1993, p. 63).

\(^82\) Xenophon *Ways* IV.33, 52; VI.1; [1925b] 1968, pp. 217, 225, 231; see Aristotle *Ath Con* XXIV.3; [1935] 1952, p. 75; Booth 1993, pp. 61-2. Xenophon’s new model city is a densely ‘populated city’ with many foreigners and slaves (*Ways* IV.50; [1925b] 1968, p. 223). In the context of a large city, this small citizenry would be an elite (somewhat like the Spartans were in their *polis*).

\(^83\) In peace, Athens could be the hub for educators and philosophers (Dillery 1993, p. 5).

\(^84\) According to Booth, the city would draw ‘its revenues from tribute, liturgies and confiscations’ (1993, p. 64).
receiving a rent from the labour of others (Booth 1993, p. 60; see pp. 56, 62, 74; Finley [1953] 1983, p. 190). Xenophon seeks to secure a high level of rent for Athens but with a different mix of revenue from the past i.e. with less tribute from its allies but more revenue from leasing of city-owned slaves and ships, and so on.\textsuperscript{85} He seems to want to reduce Athens’s injustice toward other poleis, even if this meant increasing other forms of its injustice.

The \textit{Ways and Means} is perhaps the only work on what we call public finance or macroeconomics for one and half thousand years (Gordon 1975, p. 17; see pp. 18-20; \textit{Mem} III.6.4-6; 1994a, p. 87; Lowry 1987, p. 80).\textsuperscript{86} It is surprisingly modern. Xenophon shows an awareness of diminishing returns, efficiency, the link between changes in supply and demand and changes in price, the link between of profitability and rates of investment, and the interdependency of markets that is equivalent to general equilibrium theorizing (Xenophon \textit{Ways} IV.5-6, 10 [1925b] 1968; pp. 207, 209; see Booth 1993, p. 61). Unlike Xenophon’s other works, in which we have found many ethical threads, in this work what Sen calls ‘engineering’ is the more dominant. Nevertheless, ethical goals motivate the whole discussion, as seen in his argument for an adequate food supply and leisure for all Athenian citizens (or where he implicitly makes a case for political participation of all citizens). The goals of the ‘rentier’ economy were higher than the proto-mercantilism of some of the Sophists (such as Thrasymachus), because Xenophon was more interested in the use of the revenue than its acquisition. Even though the goals may not have been carefully considered by commentators, the work was highly regarded through until the middle of the 1700s. It was subsequently discredited, along with mercantilism, following the rise of British political economy (see Lowry 1987, p. 49).

\textsuperscript{85} He also discussed increased development of the silver mines (\textit{Ways} IV.1-32; [1925b] 1968, pp. 199, 205-15).

\textsuperscript{86} This has been called a proto-mercantilist treatise by some commentators (Gordon 1975, p. 18). Not surprisingly, therefore, a leading mercantilist, Sir James Steuart, rated this work very highly.
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