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## **Agamemnon's Cluelessness: Economic rationality and the alternatives.**

Chapter 7 of *The Greeks and the Rational* (provisional title)

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*NOTE: This chapter remains incomplete. it lacks an introduction and conclusion; section 7.7 remains to be written; endnotes are only briefly sketched; the Works Cited is yet to come.*

**ABSTRACT: To come**

**Introduction: To come.<sup>1</sup>**

### **7.1 At home with the money-makers**

In the opening scene of book 1 of Plato's *Republic*, persuaded by Polemarchus and Adeimantus, Socrates and Glaucon choose to retrace their steps back down into Piraeus, rather than continuing on the road up to the main city of Athens. When they arrive at the home of the wealthy metic, Cephalus, it is the elderly master of the house himself with whom Socrates begins the dialogue. The opening move is Socrates' expressed wish to learn from very old people. He notes that since they have, "traveled along a road, as it were, which we too perhaps will have to travel, I think we should find out from them what kind of a road it is: is it rough and difficult, or easy and passable?"<sup>2</sup> For Cephalus the old-age road seems relatively easy. To judge by the first scenes of the dialogue, he spends his days at home, surrounded by friends and family, and performing religious rituals. The question of whether it is Cephalus' character or his wealth that have smoothed his road leads Cephalus' to claim that wealth is merely a useful instrument that enables an equitable person (*epieikēs*), like himself, to be honest in all matters (329e-330a).

Socrates then asks his host if he had inherited most (*ta pleiō*) of his wealth or made it himself.<sup>3</sup> Cephalus takes the question to be how much (*poia*) he himself had made.<sup>4</sup> Notably, while avoiding mention of actual figures, both Socrates and Cephalus talk easily in terms of quantities: they both assume that wealth can be measured, presumably by reference to a monetary standard (talents of silver or *drachmai*).<sup>5</sup> Cephalus' answer comes in the form of Cephalus' capsule history of his family's fortunes: Cephalus himself is, he says, "middling" (*mesos tis*) as an expert money-maker (*chrēmatistēs*).<sup>6</sup> At one end of the spectrum is his grandfather, Cephalus I, who inherited from his own father about what Cephalus II now possesses and multiplied it many times over. At the other end is Cephalus' father, Lysianas, who lost all the gains made by Cephalus I and then some, passing on to his son less than Cephalus II now possessed (and thus less than Cephalus I had started with). Cephalus concludes: "For my part I am content if I pass on to heirs not less (*mē ellatō*) but a

little more (*brachei... pleiô*) than I inherited" (330b).<sup>7</sup> Thus we learn two things: the family had long been wealthy and Cephalus, like his grandfather, successfully increased the family fortune. So, although Cephalus' answer does not specify what portion of his current wealth was inherited or made, the answer to Socrates' query is, in general terms, "both": Cephalus had inherited a reduced fortune and increased it to its present size through his own efforts.

But "some inherited and some made" is not the conclusion Socrates draws. He speaks as if Cephalus had confirmed his assumption that his host's fortune was inherited. Cephalus appears to him to lack the excessive passion (*sphodra agapan*) for money typical of those who have made it themselves.<sup>8</sup> The contrast is to the psychology associated with money making: "those who have made money take it seriously, as their own creation" (*hôs ergon heautôn*), as well as valuing its use, "as other people do." Socrates' comparison set for those who treat their self-made money as their own creation is poets and their poems, parents and their offspring. Money-makers (as opposed to wealth inheritors) are, Socrates states, difficult to spend time with (*chalepoi... sungenesthai*) because they can praise only wealth (*ploutos* 330c).<sup>9</sup> Here Socrates seems to be a spokesman for an aristocratic attitude that regards money-making (as opposed to wealth itself), as vulgar and corrupting. Yet, it is obvious from Cephalus' short family history that each head of his family was a more or less expert *chrêmatistês*. Cephalus himself, while less expert than his grandfather, had "created," not just inherited, at least some of his current wealth, and is quietly proud of having done so.

Socrates' scorn blocks any further discussion of the creative process of money-making. Rather than correcting Socrates' false (because incomplete) characterization of the source of his current wealth, Cephalus answers Socrates' new query concerning the greatest benefit he had gained from the possession of wealth. He does so by returning to the issue of honesty: Possessing wealth allows one to avoid doing injustices (*adikêmata*). The wealthy man is in a position to tell the truth and to pay what he owes to other people and to the gods. The importance of being in a position to do what is right by the gods is underlined by the dramatic setting: Cephalus both enters and leaves the dialogue as a performer of religious ritual (328c, 331d). The greatest benefit Cephalus has gained is evidently lack of fear of punishment in the afterlife for any unjust acts he might have committed while he was still alive.

All of this anticipates salient features of the Gyges' story in *Republic* book 2 (ch. 1). Adeimantus' long addendum to Glaucon's challenge emphasizes that Gyges' unjustly acquired wealth would enable him to do whatever was necessary to please the gods, thus avoiding any shadow of fear for his own afterlife. The implied comparison of putatively honest Cephalus and rationally unjust Gyges, each insulated by wealth from concern about his future welfare, sets up the question of whether wealth can ever be had without some taint of injustice in its acquisition: How, we might ask, did Cephalus II's great-grandfather come by the fortune (equal to that of Cephalus II) that Cephalus I inherited and subsequently increased several times over? Was Cephalus I, the exemplary *chrêmatistês*,

also an honest man? Has Cephalus II, who inherited a reduced fortune, always been able to avoid doing injustice? If so, why is he so intensely concerned late in life with performing the right sacrifices?

The Cephalus-Socrates dialogue concludes with Socrates' refutation of Cephalus' implied definition of justice as "paying what is owed." Socrates raises the case of the man who borrows a knife from another who then goes mad. Returning the knife, with which the madman will presumptively harm himself or others, is, under the circumstances, wrong. At this point, Cephalus takes his leave, passing his interlocutor's role on to his son, Polemarchus. As Cephalus' eldest son and "heir in all things," and as a metic in Athens descended from a long line of *chrēmatistai*, Polemarchus presumably is, or is expected to become, a *chrēmatistēs*. The question might be asked: Where on the "Cephalus I to Lysianas" money-making expertise scale does he stand? Polemarchus' name (War-leader), along with his employment of military metaphors,<sup>10</sup> seem to align him with the model timocrat and honor-lover, Glaucon. It is not immediately evident from what follows in the dialogue that Polemarchus has any very deep mastery of the "creative" money-making that built and rebuilt his family's fortune. This has some implications for the fate of the "justice as fair contracts" premise originally proposed by the modestly self-described "middling-expert" money-maker, Cephalus.

As the dialogue with Polemarchus begins, Socrates presses the "madman's knife" issue by reference to lending money: "If two people are friends, and one gives back money deposited (*parakatathemenōi*) with him to the other when the exchange is going to cause harm, the one returning the money is not giving the other what is owed to him"<sup>11</sup> – that is, he is repaying benefit with harm. A more expert Polemarchus might have answered this point by noting that a contract – even the implied contract in a friendly, interest-free, *eranos* loan – ought to specify the relevant terms of repayment: a complete borrowed-money contract would preclude untimely, because harmful, return.<sup>12</sup> This would, in turn, require that Socrates come up with some other scenario to demonstrate that fair contractual agreements are an inappropriate basis for justice. As it is, Socrates leads Polemarchus to the peculiar conclusion that justice must be, according to Polemarchus' lights, useful only when its object, in this case money, is in a condition of uselessness: "So what about justice, now? For what need, or for producing what, would you say it was useful in peacetime?" "It is useful in connection with business contracts (*ta sumbolaia*), Socrates." "By business contracts do you mean partnerships (*koinônêmata*), or something else?" "Yes, I mean partnerships."<sup>13</sup>

Since, by reference to playing a board game, it is evidently the skilled expert, rather than the just man, is the more valuable partner in an enterprise, Polemarchus struggles to explain when the just man is the more useful partner. Socrates presses the point: "So what then is the occasion for the joint use of silver or gold when the just man is a more useful partner than others?" "When it is to be put on deposit (*parakatatheshai*) and kept safe, Socrates."<sup>14</sup> Socrates now closes the trap: "In fact, you mean, when we have no need to use

it at all, but to put it by (*keisthai*)?" "Exactly." "So, when money is useless, that's when justice is useful in relation to it?"<sup>15</sup> Polemarchus is stumped.

But what, hypothetically, might an expert *chrēmatistēs* like Cephalus I have said at this point? Arguably, were Cephalus I the interlocutor, the dialogue would never have got to this point, because Cephalus I certainly did not multiply his fortune many times over by "depositing" his money in an inert account with someone else. His creative approach to money-making presumably meant that if and when he deposited money with another, he expected a return of principal plus interest (*tokos*: see below 7.7). The person to whom the loan was made, in order to produce the expected interest, would also have had to put it to work.<sup>16</sup>

The usefulness of justice, in this hypothetical case, lay in the intention and practice of fulfilling presumptively fair contracts voluntarily entered into by more or less skillful money-makers. Of course, Socrates might not have found Cephalus I a worthy interlocutor. Although he inherited a fortune, Cephalus I certainly falls into the category of a creative money-maker and so presumably, by Socratic specification, someone hard to be with and capable only of praising wealth.<sup>17</sup> In any event, the replacement of the at-least-moderately expert money-maker Cephalus II with honor-loving Polemarchus in the dialogue, along with Socrates' openly expressed scorn for those engaged in creative money-making, has had the effect of foreclosing what might have seemed to be a productive approach to the topic at hand.

The foreclosure of the topic of justice as fair contracts was, I would suggest, not accidental. It blocks the path of defining justice as *epieikeia* (equity, decency) – the cardinal virtue that, as we have seen, Cephalus claims for himself. We cannot ask Cephalus how an *epieikēs* would answer the puzzle of the madman's knife. But we can, speculatively, supply an answer by reference to Aristotle's discussion of *epieikeia* in *Nicomachean Ethics* (5.10). Aristotle defines *epieikeia* as a special kind of justice and the *epieikēs* as, "he is one who by choice and in practice does what is equitable, and who is not a stickler for the letter of the law, but is content to receive a lesser share although he has the law on his side."<sup>18</sup> The point of *epieikeia*, for Aristotle, is to correct errors in the administration of justice that arise from the strict application of general rules – rules that by the very nature of generality cannot attend to particulars. Socrates took "pay what is owed" as a strict general rule and used the madman's knife as a counter-example to eliminate that rule as a candidate definition of justice. Had Cephalus continued as Socrates' interlocutor, he might perhaps have referred to the ways in which *epieikeia* was practiced in the community of those engaged in commercial exchange (cf. Aristotle *NE* 5.5). He might have explained that traders govern fair relations among themselves by a set of extra-legal norms enforced through reputation effects.<sup>19</sup> An *epieikēs*, interpreting that community's understanding of the "pay your debts" rule in light of the relevant particulars, would withhold the borrowed knife from the madman and could expect to be praised, not blamed, for having done so. The knife's owner, if also an *epieikēs* in the same community, would, *ex ante*, accept the fairness

of receiving a “lesser share” in the case of his own subsequent loss of sanity. If this speculation is on the right track, Socrates’ expressed scorn for money-making, and Cephalus’ untimely exit from the dialogue, has shut a window onto the economic rationality that was a background condition of the world Socrates, Plato, and Aristotle inhabited.

Instead of a continued exploration of fair contracts, the discussion between Socrates and Polemarchus now takes a decisive turn. Beginning with Socrates’ familiar military and medical analogies – the good general is expert at stealing the enemy’s plans; the doctor is capable of making people ill – Socrates concludes,

So, for whatever someone is a skillful guardian (*deinos phulax*), he will also be a skillful thief?” “I suppose so.” “If then the just person is good at guarding money, he will also be good at stealing it.” “That’s the way the argument seems to be pointing.” “Then it appears that the just man is unveiled as some kind of thief, and you’re likely to have learned that from Homer. For I tell you he’s fond of Autolycus, Odysseus’ maternal grandfather, and says that ‘he excelled all men in thieving and perjury.’”<sup>20</sup>

Once again there is a strong foreshadowing of Book II: The dangerous Guardians who would, were they not properly educated, seize the property of the defenseless producers; Gyges the bodyguard who murders a king and steals his kingdom; but also, and most saliently, the ostensibly just man who is in fact (given the opportunity) motivated exactly as is the completely unjust man (chs. 1, 2). That foreshadowing casts the profession of life-long honesty by moderately-expert creative money-maker, Cephalus II, into doubt. It is facilitated, I have suggested, by Polemarchus’ limited expertise in the productive use of money in voluntary contracts. And even if Polemarchus does know more about money-making and *epieikeia* than he lets on, Socrates’s *chrēmatistēs*-shaming has precluded further discussion of such “vulgar” considerations among the company gathered in Cephalus’ house.

As a result – although the gathering is in a house that active money-making built, and in Piraeus, the port town where trade and commerce were especially prevalent occupations, in the polis of Athens, the thriving center of an Aegean network of production ad exchange – Socrates takes us back to the economy of theft exemplified by the behavior of characters in Homeric texts. I will suggest, below, that this move was predicated neither on an implicit recognition of the violence-backed resource extraction of Athens’ imperial hegemony (ch. 6), nor on Plato’s own aristocratic disdain for money-making (no matter how disdainful he might in fact have been). Much less is it evidence for a timeless “ancient economy” in which Homeric values and practices can be extrapolated to the classical era. Rather it was a self-consciously authorial strategy: a move in Plato’s (and a broader Socratic) critique of economic rationality as a morally dangerous form of instrumental rationality when it is divorced from rationally chosen, truly virtuous, ends. But before considering the critique, I propose to accept Plato’s implicit invitation to jump back to the

age of Homer, to a world where wealth-getting was unabashedly about taking what one was strong enough to seize and to hold.

## 7.2 Agamemnon's cluelessness

Homer's *Iliad* is deeply concerned with the driving force of human emotion, most obviously manifest in the rage (*mēnis*) of Achilles, and with the ways that human plans are overthrown by divine forces beyond anyone's control. Yet Homeric epic is also concerned with reasoning about choices over possible outcomes and with more and less rational exchanges of goods and services. In the opening scene of book 1 of the *Iliad*, the priest of Apollo, Khryses, enters the Achaean camp. He offers a rich ransom for the return of his daughter, Khryseis, who is a captive in the possession of the expedition's paramount leader, Agamemnon. Khryses accepts without complaint the background conditions of his world: His daughter was stolen from him, seized by force in an Achaean raid on his town of Khryse. Because the Achaeans were stronger than the residents of Khryse, they were able to take the girl Khryseis along with other booty (*Iliad* 1.xx). Because Khryses now wants his daughter back and cannot recover her by force, he offers to buy her back with money (or its equivalent).

Khryses' offer is presented as a fair one: The Achaean army, here acting as a coherent and articulate collective, urges Agamemnon to accept the ransom (*Iliad* 1.xx). He refuses to do so, with consequences that prove to be bad for himself and worse for the many warriors who, in the course of the epic, become the human dog-food, a fate called out in the epic's grim opening lines. Those deaths are, the poet tells us, the result of Zeus' plan (*boulē*: *Iliad* 1.xx). And yet the god's plan is not yet operative at the beginning of the action, when Khryses offers ransom. Before Achilles has reason for anger, before Zeus's plan is set in motion by Thetis' successful supplication, there is an implicit counterfactual in which Agamemnon did the right thing, which is, Homer's readers may realize, the rational thing (in a cost-benefit sense): taking the rich ransom and handing back the girl. Of course, had he done so, Achilles would have had no motive for anger, and, consequentially, there would be no epic to be sung about it.

In the event, Agamemnon rejected the offer, sending the priest off with insults and the threat of violence (*Iliad* 1.xx). The denouement comes quickly: Khryses prays to Apollo, reminding the god of the worthy sacrifices he has burned for him. Apollo responds accordingly, sending a plague upon the Achaean camp (*Iliad* 1.xx). The source of the plague is discovered after Achilles has promised to protect the seer Kalchas from Agamemnon's wrath. To placate the god, Agamemnon agrees to send Khryse back to her father along with a great deal of booty (*Iliad* 1.xx). At this point in the story, Agamemnon has lost a lot, in terms of goods (the girl, the promised ransom, the extra booty) and prestige. Rather than accepting the situation, he employs a threat of force, in the form of the numerous armed men in his large personal retinue, to take Briseis, Achilles' prize-captive, as his own (*Iliad* 1.xx).

Achilles, having suffered the loss of Briseis, and having withdrawn from the campaign, follows the pattern established by Khryses: He makes an appeal to a friendly divine agent, in this case his mother, for help in rectifying the harm he has suffered. Thetis calls in a favor from Zeus, who, although “all powerful,” seems to be as tightly bound by the rules of reciprocity as any other agent in the epic. Despite his expressed reluctance (the cost he will incur in the form of his wife’s anger), Zeus agrees to turn the tide of battle against the Achaeans so as to punish Agamemnon. His plan is that the Achaeans will only regain the upper hand against the Trojans after Achilles has returned to the battle (*Iliad* xx). After much carnage, Zeus’ plan leads to the expected outcome: In Book 19, Agamemnon finds himself in exactly the situation he had been in with Khryses – begging an individual he has wronged to accept the return of a girl he has stolen along with lots of added booty.

It is obvious in retrospect that Agamemnon has made a very bad choice in taking Briseis by force from Achilles. How to account for it? Agamemnon’s own explanation is the jumping off point of E.R. Dodds’s classic work, *The Greeks and the Irrational* (1951). As Dodds (1951: xx) notes, Agamemnon claims, and Achilles agrees, that Agamemnon’s fateful choice had been motivated, not by his own desires, but by *atē* – a sort of divine madness. According to Dodds’ line of argument, building on the earlier work on Bruno Snell, Agamemnon’s action was imagined by the poet and Greek readers of the *Iliad* as having been determined by a force outside of himself.<sup>21</sup> Indeed, for Dodds, Snell, and their followers, neither Agamemnon, nor any other Homeric hero was an integrated, deliberative, choice-making self in the first place. Agamemnon’s behavior, then, was strictly “irrational” in that it did not (indeed could not) arise as a result of Agamemnon’s own coherent process of reasoning, choosing, and acting. And thus, in the scene of attempted reconciliation with Achilles, Agamemnon could plausibly disown his behavior as having a motivation that was in no sense his own.

As noted in the Introduction to this book, Dodds’ work on Greek irrationality has been hugely influential, and rightly so. But his strong claims about the non-integration of self in Homer and archaic Greek literature have been effectively challenged, notably by Bernard Williams.<sup>22</sup> In light of the implied counterfactual alluded to above, in which Agamemnon, like the Achaean army, recognizes that Khryses’ offer was a fair one, and that refusing it risked very bad consequences, it seems reasonable to ask whether there is another explanation for Agamemnon’s apparent irrationality. As it turns out, there is an “emic” explanation, offered by Achilles in *Iliad* book 1, at the point at which he conceded that Agamemnon’s superior military force enables the King to take Briseis whenever he pleases. Achilles’ explanation does not directly contradict Agamemnon’s book 19 ascription of his motivation to *atē*, but it does pointedly contrast Agamemnon’s behavior to that of a competent decision-maker, faced with a salient choice in a high-stakes situation.

In critically describing Agamemnon’s proposed plan of seizing Briseis, Achilles says this: “Truly he rages with baneful mind, and knows not at all to look both backwards and forwards in time (*hama prossô kai opissô*), so that his Achaeans might wage war in safety

beside their ships.”<sup>23</sup> The phrase *hama prossô kai opissô* is a standard Homeric formula, appearing two other times in the *Iliad* and once in the *Odyssey*. It emphatically does *not* refer to an oracular or mantic capacity to see into the future. Rather, the agents who are said to have this capacity are older men, who are in a position of having to assess a high-stakes situation, forming a judgment, and offering advice about the best, although not the most obvious or most popular, course of action. That advice would, in each case, avoid catastrophic outcomes – were it followed.<sup>24</sup> Without pressing the point too far, it would appear that the wise agents called out in the formula, those who know “how to look both backwards and forwards,” are those who are capable of (1) assessing the likely behaviors of other relevant agents, based on their desires and capabilities, (2) determining the set of possible outcomes, and (3) thereby choosing the best, because the least likely to be severely harmful, outcome and specifying the course of action leading to it. In brief, the wise agent seems to be the one who is competent at the process of rational choice assumed in what I have been calling a Greek Folk Theory of practical reasoning.

Achilles’ point in the relevant passage is that Agamemnon, raging with baneful mind, lacks that sort of wisdom and therefore is shown up to be a poor leader: He puts his own army in danger. The danger for the army that arises from Agamemnon’s ignorance will play out in the course of events precipitated by Achilles’ withdrawal from battle, his entreaty to Thetis, and the plan of Zeus that follows. Yet, we might ask, could a counterfactually wise Agamemnon really have foreseen all that? One reason to think that the answer is yes, is that the course of events that will follow from the taking of Briseis (provoke another’s entreaty to a friendly god, suffer accordingly) and the outcome (return the girl with additional goods, after many have died unnecessarily and the expedition to Troy has been put at risk) exactly follows the scenario that has just been played out between Agamemnon and Khryses. What Achilles seems to be saying here is that a wiser leader, having just experienced that sequence of events, would recognize the pattern, and would not repeat it.

Although it would be wildly anachronistic to claim that the *hama prossô kai opissô* formula refers to looking up and down an extensive-form game tree, putting Agamemnon’s choice into extensive game form clearly illustrates the similarity between the Agamemnon-Khryses and Agamemnon-Achilles scenarios. It demonstrates, why an Agamemnon able to look backwards and forwards should have returned Khryseis when Khryses offered full ransom, and why he should not have sought to replace the loss of Khryseis by taking Briseis from Achilles.

[Figure 7.1a and 7.2b about here]

At the root of each of the two simple “two-players plus gods” games, Agamemnon chooses to keep/seize Khryseis/Briseis or to return/not take the girl. If he chooses return/not take, the game ends with a modest (ordinal) payoff of 2 to Agamemnon (he gets the ransom, avoids trouble); Khryses/Achilles get their most preferred outcome and thus a

high payoff of 4. If Agamemnon chooses not return/take, then Khryses/Achilles chooses to seek or not to seek a god's help. If Khryses/Achilles does not seek help, Agamemnon gets a relatively high payoff of 3, while Khryses/Achilles is left with a low payoff of 1. If Khryses/Achilles chooses to seek the god's help, the god determines whether to honor the prior relationship, to respect reciprocity, and thus to offer help, or to ignore the relationship and to violate reciprocity by not helping. Not helping gives Agamemnon his highest payoff of 4 – he adds the humiliation of his opponent to the material advantage of keeping or taking the girl. Conversely, it gives Khryses/Achilles his lowest payoff of 0. We do not list a payoff for the gods, putting them in the “nature” or “lottery” role of a standard game: the assumption of this game is that the likelihood that the god will help is high, given the nature of the prior relationship (priest, son) and the involvement of Homeric gods in relationships of reciprocity. If the gods help, then Agamemnon chooses either to return the girl, along with many other “gifts,” or to not return the girl. Returning the girl and the gifts is a good outcome for Khryses/Achilles with a payoff of 3. This is second only to not having suffered the loss in the first place. It is a poor outcome for Agamemnon, with payoff of 1. Yet not returning the girl and offering gifts leads to the Achaeans losing the war, which is Agamemnon’s worst outcome: payoff of 0. The payoff for Khryses/Achilles in this case is the moderate 2: the loss of the girl is to some extent made up for by the crushing defeat of their opponent, Agamemnon.

Agamemnon’s choice should have been simple in the first, Khryses, game and seems painfully obvious once that game had been played and he was faced with the option to play what amounts to an identical game with Achilles. Employing the standard method of backwards induction, we can see, once the irrelevant alternatives (outcomes that will not be chosen due to low payoffs) have been pruned away from the decision tree, that Agamemnon is left with a choice between not taking the girl (payoff 2, his third-best outcome) and returning the girl along with other treasure (payoff 1, his next-to-worst outcome). The ordinal rankings used here do not express the cardinal value of each outcome, but clearly Agamemnon has lost a lot by making the wrong choice. It is, therefore, clear that had a formally rational Agamemnon done the math, as it were, he would not have kept Khryseis or taken Briseis. Agamemnon himself would have been better off and, per Achilles’ comment, the army would have remained safe, or at any rate safer, by the ships.

And so, to return to the question posed above: why did Agamemnon choose to take the path that led to the worse outcome for himself and his army? While we cannot dismiss out of hand, as Achilles himself does not, the explanation that “the decision was not Agamemnon’s but that of *atê*.” Yet Achilles’ comment about “looking backwards and forward,” when read against the three other instances of the Homeric formula, suggests that, were Agamemnon a wiser elder, he would have quieted his “raging mind” and made the better choice. And if that counterfactual is possible within the frame of the epic, then we need to revise Dodds’ idea of the Homeric heros as inherently lacking in a coherent self, and thus incapable of making rational judgments. That is to say, the motivation and choice

processes of at least some Homeric figures (wise elders, at least) seem potentially to fit within the frame of the folk theory of instrumental rationality discussed in the first chapters of this book.

In this light, Agamemnon's actual choice appears less the product of a non-integrated self, than it is a case of cluelessness. Michael Chwe, in his delightful book, *Jane Austen: Game Theorist*, introduces the category of "cluelessness" for literary characters who, in contrast to other characters, are inept at strategic reasoning: They lack consistent preferences and beliefs and are incapable of assessing other's motives. They are incapable of realistic probability estimates.<sup>25</sup> They are, therefore, not rational agents in the decision-theoretic sense in which I have been using the term. But by the same token, the clueless choice-makers need not be supposed to lack an integrated self. Clueless people make choices that they suppose are in their own best interests. They consistently fail in that enterprise because they are bad at it. Given this context, rationality is revealed to be a kind of expertise, rather than a natural property of all agents, always.

Cluelessness, as lack of expertise in choosing among options, need not be a rare condition. Among other Homeric heroes, Achilles himself seems a prime candidate for cluelessness – had he been able to reason “backwards and forwards” he might, for example, have recognized that his withdrawal from the fight had a substantial chance of leading to the terrible outcome, for himself among others, of the death of Patroclus. Examples of clueless Homeric heroes could presumably be multiplied, and they could be contrasted with choices made by those individuals whose grasp of strategic reasoning seems much more secure – for example “wily Odysseus” and the elders who are explicitly described as knowing to look backwards and forwards.

The question remains, at what point does the prevalence of cluelessness obviate strategic rationality? The chance that a clueless agent will be a player in a given game can be factored into the probability estimates of a rational player. But when the level of cluelessness in the population is very high, strategic reasoning will cease to be of much value. One way in which the world of Plato differed from the world of Homer might be in a reduced level of cluelessness. And one reason for that reduction might be the kind of self-consciousness about what I am calling the folk theory, associated with the Sophists but probably not actually invented by them. The Socratic project exemplified by, for example, Plato's *Republic* or Aristotle's *Politics* was, in these terms, intended as a third way: an escape from both irrational ignorance and rational instrumentalism lacking rationally chosen ends.

### 7.3 Socratic philosophy and “the ancient economy”

The previous section's digression into Homeric epic was intended to make two points. The first is that Homeric choice-making in the context of exchanges of goods could be clueless and thereby instrumentally irrational, as in the case of Agamemnon. But Homeric choices about exchange could also be imagined by as instrumentally rational in

the sense of attending appropriately to the relevant conditions and players, as in the case of “counterfactual Agamemnon” who had the capacity to look backwards and forwards and who recognized (sooner rather than later) that his own vital interests extended to the safety of his army.

The second point is that much of the business of exchange in the (fictive but not merely imaginary) world described by Homer, whether rational or otherwise, was predicated on violent expropriation of the goods of the weak by the strong. It was thus very much the kind of instrumental rationality advocated by Plato’s Thrasymachus (chapter 1), and the opposite of what Cephalus describes as the ideal behavior of the successful *chrēmatistēs* who is also an *epieikēs*. There is no hint that that Cephalus II, or his immediate ancestors, were Homeric-style raiders, or pirates, or otherwise gained (or lost) their wealth through the employment or threat of violence. Instead, Socrates’ comparison cases for creative money-making, poetry and biological procreation, point to an essentially peaceful productive enterprise that, even when it involved competition or even deception, was predicated on an assumption among practitioners of the potential for mutual benefit.<sup>26</sup>

Besides violent expropriation, the primary mode of exchange in Homeric epic is the reciprocal giving and receiving of gifts among peers. Homeric gift exchange could be essentially rational, in that what is given and taken is understood by both parties as comparable in value. In this case the gain arising from an exchange was not, at least not in the first instance, in the material welfare of those involved in the exchange, but in the establishment, affirmation, or enhancement of a social relationship.<sup>27</sup> Alternatively, as in the Glaukos-Diomedes exchange of ordinary bronze armor for super-valuable gold armor (*Iliad* 6.234), gift-exchange could involve an element of apparent cluelessness.<sup>28</sup> In any event, the “reciprocal gifts” mode of exchange is likewise very different from whatever practices of moneymaking (whether production of goods for sale, or trade and commerce) that had allowed Cephalus I to multiply his family fortune several times over and then enabled Cephalus II to restore the family fortune after the losses incurred by Lysanias.

I suggested, above, that Plato self-consciously foreclosed further discussion of rational economic behavior, whether production or exchange, centered on voluntary contracts and motivated by the goal of “creatively” increasing the wealth or material welfare of those involved. That foreclosure was, I believe, motivated by Plato’s recognition of the prevalence of economically rational behavior among his contemporaries – that is, their habit of making choices and performing actions aimed at maximizing expected value, with value being denominated in money and the primary mechanism being the fair contract. These can be summed up in the practices that Aristotle, in his discussion of corrective justice in *Nicomachean Ethics*, lists under the rubric of voluntary (*hekousia*) transactions: selling, buying, lending, pledging, renting, depositing, and hiring out. Aristotle contrasts those forms of voluntary transaction with involuntary transactions, involving deception or the use of force: features highlighted in Plato’s Socrates’ reference to Homer’ Autolycus, above.<sup>29</sup> As we have seen, some forms of voluntary transaction were known to

Homer. Aristotle certainly recognized the persistence of deceptive and violent involuntary transactions in his own day. The difference is that, for Aristotle, involuntary transactions involved wrong-doing and required corrective justice, whereas in Homer, such transactions were a primary and descriptively legitimate basis of exchange. All of this suggests that the “world of Plato and Aristotle” was, in relevant economic particulars, quite different from “the world of Homer.”

Yet according to the still-influential work of M.I Finley, and that of his followers, the violence and gift-exchange economy that characterized what Finley (1965) famously called “the world of Odysseus” was not meaningfully different from the economy of the classical era. If Finley’s position were correct, it would have profound consequences for our conception of Greek economic rationality. Exchanges of goods predicated on violence and gift exchange can, per above, manifest a kind of instrumental rationality. But it is not the sort of mutual-profit-driven, “creative money-making” rationality required to sustain a vibrant and growing market-based economy. The conclusion of the Finley-school argument is, in simplest terms, that because a market-based economy could not have existed in ancient Greece, given the absence of the right kind of economic reasoning, it did not exist.

Advocates of the “Finley school” of ancient economic behavior support their line of argument by reference to the sort of sentiments expressed by Plato’s Socrates (above), when he queried Cephalus on the sources of the elderly metic’s wealth. Since money-making was treated with scorn by spokesmen for aristocratic culture, so the argument goes, and since aristocratic culture defined the aspirations of most if not all Greeks, the conditions of Greek (and for that matter, Roman) society were inherently hostile to the emergence of the kind of economic thought and practice – prominently including instrumental rationality in matters of production and exchange – that could have produced efficient markets and long-term economic growth. This general approach sees little role in “the ancient economy” (Finley 1975) for profit-seeking, capital investment, or technological innovation. The Finley school approach is variously described as “substantivism” (by its advocates) or “primitivism” (by its critics) and is contrasted by its proponents to “modernizing,” “capitalistic,” or “neo-liberal” approaches to ancient economic history.<sup>30</sup>

Finley’s line of argument on the ancient economy has been undermined in recent years, by a body of revisionist scholarship. That work concludes, first, that there was in fact sustained and substantial growth in the Greek economy between the ages of Homer and of Plato and Aristotle. Next, economic growth was driven by (1) efficient methods of production, predicated on relative advantage and aimed at increasing the quantity as well as the quality of goods produced, and (2) by market exchanges based on voluntary contracts. Moreover, the rational Greek state (notably, but not exclusively Athens) was increasingly cognizant – through its legislative, judicial, and administrative functions (ch. 5) – of the social (and taxable) value of providing rules and infrastructure aimed at facilitating the profitable production and exchange of goods. Those revisionist conclusions are based on detailed studies grounded in various forms of evidence – some of it literary but much of it

epigraphic, numismatic, and archaeological – for individual and state-level involvement in economic activities – production, consumption, and exchange of goods – in Greek antiquity.<sup>31</sup>

If the “substantial growth” conclusion is correct, as I suppose it to be, it appears that in practice, at least, Greeks were quite capable of the kind of reasoning necessary to build and sustain a growing economy. That is to say, ancient Greeks, as individuals and collectives, frequently employed economic rationality, i.e. rationally instrumental reasoning in economic contexts. It is nonetheless undeniable that there is a body of classical literature that exemplifies the scorn for money-making that was emphasized by the Finley school. Those expressions of scorn underpin the theory of an essentially timeless and changeless ancient economy predicated on violent extraction and gift exchange. The many surviving works of classical-era Socratics – Plato, Xenophon, and Aristotle – figure prominently in that ancient body of evidence. While scorn for trade and commerce can indeed be found outside the philosophical corpus, absent the works of the Socratic philosophers, our sense of what “Greek literature” has to say about economic activity would be very different.<sup>32</sup>

The question then arises: What is the relationship between Socratic philosophy and the actual thought processes and practices expressed in the economic activities of Greeks who did not leave philosophical texts to posterity? There are several possibilities:

The first possibility involves a causal argument: Philosophical literature was the primary source of everyday thought and practice on economic matters. This seems to me so unlikely as not to merit much further discussion.<sup>33</sup> That rejection requires some qualifications. There is certainly no reason to believe that Greek philosophers were without social influence. Nor, *a fortiori*, is there reason to believe that they lacked any interest in influencing the societies in which they lived.<sup>34</sup> Indeed, I will argue, below, that Plato and Aristotle hoped to turn their readers (and presumably their students) away from what they saw as a corrupting attachment to instrumentalism. But that is very different from claiming that the Greeks organized their businesses of production, consumption, and exchange on the basis of philosophical recommendations.

A second possibility centers on faithful representation: The economic attitudes expressed in Socratic texts are reasonably accurate reflections of the background thought and practice of the Greek society in which those works were produced. If that were the case, we could make positive claims about the relevant Greek social attitudes, for example “money-making was generally scorned,” based on comments in the relevant texts: “Plato’s Socrates scorned money making.” If we were to go so far as to assume that the faithful representation of prevalent social attitudes by surviving Greek philosophical literature was comprehensive, we would feel justified in taking the silence of our surviving literary record as reliable evidence of absence. Thus, for example, the fact that Aristotle did not produce a (genuine) work on “economics” to match his detailed treatments of, say, politics, ethics, or rhetoric, would allow us to assume that there was no systematic Greek thought on

economic matters. The reliance on a faithful representation assumption, and even on “comprehensive representation,” is characteristic of those who have embraced Finely’s substantivist/primitivist conclusions.<sup>35</sup>

There is good reason to think that in some texts, e.g. in the empirical parts of Aristotle’s *Politics*, a classical Greek philosopher was indeed concerned with explicating the actual thought and/or practice of a reasonably broad cross section of his contemporary society: Aristotle’s “endoxic” method of establishing valid premises in areas of inquiry (like political science) that cannot be advanced syllogistically, draws on the opinions (*endoxa*) held by “most respectable people.”<sup>36</sup> Nonetheless, it is, I think, invalid to assume that in most, or even many cases, an attitude expressed in a Greek philosophical text is, or was meant by its author to be, an accurate representation of ordinary background social assumptions. The classical philosophy relevant to our inquiry is explicitly evaluative and normative rather than merely transparently descriptive. Evaluative texts critically examine existing states of affairs; normative texts express what their author supposes ought to be the case, rather than what is typically the case. Evaluative and normative texts thus engage with background beliefs and behaviors, but they do not, and do not purport to, represent them in any straightforward way. The relative uselessness of philosophical texts for establishing the attitudes of ordinary Greeks has long been recognized by historians of ancient values and ideologies. Kenneth Dover’s *Greek Popular Morality* (xx), for example, abjured the use of philosophical texts in favor of comedy and oratory.

My own earlier work rejected the hypothesis that philosophical texts were representational in the sense sketched above. In *Mass and Elite in Democratic Athens* (1989), which was aimed at reconstructing the popular ideologies that underpinned Athenian democratic discourse and practice, I followed Dover in focusing primarily on Athenian oratory and, to a lesser extent, comedy. In *Political Dissent in Classical Athens* (1998) I argued that much of what Plato and Aristotle had to say about democracy should be understood as evaluative criticism of democratic thought and practice, aimed, at least in part, at establishing a normative basis for more choice-worthy forms of social order. Moreover, I argued that philosophical criticism of democracy ought to be read in the context of a long and engaged debate among Athenian citizens, intellectuals, and writers of texts about the problems of democracy. And finally, I suggested that classical Greek texts critical of democracy were motivated, not by Athenian democracy’s evident failure, but rather by its apparent success, when compared to other real-world forms of government known to their authors.

In a similar fashion, I would suggest a third way of relating the texts of the philosophers to the thought and practice of their contemporaries concerning economic production, consumption, and exchange – to money-making and the employment of instrumental rationality in the creation and accumulation of wealth. Per above, this third way assumes that the approach of the Socratic philosophers to economic rationality was fundamentally critical and normative. As with the case of democracy, I suppose that

philosophical criticism was motivated by the evident (and to the critics' minds, problematic) effectiveness of the relevant practices: Rational economic behavior by money-makers in the Greek world in fact often (although certainly not always: cf. Lysianas) achieved the ends desired by and aimed at by its practitioners. Those ends were pursued through deliberation, choices based on ranked preferences over available outcomes, and actions following on the choices in pursuit of maximizing value denominated in monetary terms.

In the briefest and bluntest terms, then, I suppose that the Socratic philosophers were acute observers of the behavior of economically rational agents, operating within the rules and norms established by instrumentally rational city-states, in the wider context of a rational inter-state order. Of course, per the previous chapters, that blunt characterization requires very considerable qualification: Neither individual nor collective agents ever acted in the perfectly rational way attributed to the model choice-makers of formal decision and game theories. But enough Greeks (like Cephalus I and II) and enough Greek states (like Athens) were close enough to the being reasonably expert at instrumental reasoning as applied to economic activity to provoke from the philosophers what I will suggest was a profound, and historically influential critique.

#### **7.4 Xenophon, *Memorabilia*, *Oikonomikos*, *Poroi***

Reading Socratic philosophy as a normative critique of economic rationality will be more convincing if it can be shown that Plato, Xenophon, and Aristotle not only inhabited a society in which rational economic choices were centrally important in the production, consumption, and exchange of goods and services, but that they were well aware of those economic processes. The framework for that demonstration has been established in the earlier chapters: I have sought to show that Plato, Xenophon, and Aristotle (among others) were in fact highly aware of and deeply involved with explaining the workings of instrumental rationality in various contexts, from base-line human motivation, to the hypothetical origins of social order, to the constitutional organization of the state and the inter-state order. If the line of argument developed in those earlier chapters goes through, there would seem to be, *prima facie*, reason to suppose that the Socratics would also have been aware of economic rationality, provided that it was in fact a prevalent mode of thought and practice among their contemporaries.

While it is certainly true that there is no systematic treatment of economic theory and practice, comparable, say to Adam Smith's *Wealth of Nations* (1776) in the surviving literature from Greek antiquity, there is, by the same token, ample evidence for sophisticated understanding of relevant economic concepts among the Socratics. I offer a partial survey of passages in the Catalogue (to come). Much fuller treatments of the topic of classical Greek economic thought, and of the economic thought of (especially) Aristotle, are now available.<sup>37</sup> Here I point to a few highlights. The general point is that seemingly off-hand, but astute and well-informed, comments about economic activity in our surviving

philosophical texts would have been impossible in the absence of a deeper and more comprehensive understanding of economic behavior.

The backdrop to the Socratic engagement with economic activities (or lack thereof) includes not only the business of quotidian money-making but also the thought and practice of the Sophists and their own involvement in a market for technical knowledge. Plato's *Protagoras* provides the most obvious example: In the dialogue named for him the self-proclaimed Sophist proudly announces that he does charge a fee for his services. He is so confident that the value of his teaching will be recognized by his students that he offers them two payment options: either they pay his stated fee, or they go to a temple and swear an oath to the effect that *Protagoras'* teaching is worth some other, presumably lesser, amount (Plato *Protagoras* 328b-c). Socrates' rejoinder (*Protagoras* xx) is that in order for the contract to be genuinely fair and honest, the seller must have true knowledge of the likely effects of his product (in this case on the soul of the buyer) and the buyer must be genuinely able to assess the true value to himself of what he has bought.

The burden of Plato's *Protagoras* is to show that *Protagoras* lacks the relevant knowledge and thus is not an honest retailer. Given his own imperfect understanding of his wares, and his students' ignorance of their pernicious effects, sophistic education is shown to be at best a danger, rather than a benefit to the souls of those involved in it. Given the high epistemic bar of achieving the kind of comprehensive knowledge of true benefit Socrates alludes to, it may seem implausible that any real-world retailer or purchaser of educational, "soulcraft," services could meet his standard. Socrates of Plato's *Apology* (xx) sharply distinguishes himself from his contemporary intellectuals concerned with justice, politics, and related matters, by his pointed refusal to accept payment from would-be students: In the Socratic philosophical tradition (although not in the comic tradition) Socrates stands outside the commercial relationship of exchanging expert knowledge or know-how for money.<sup>38</sup>

David Blank (1985: 3: cited in Tell 2011 ch. 2 n. 1) notes that, "The testimonia referring to the fees, wealth, and mode of life of the sophists are tinged with both envy and disgust. They are extremely difficult to interpret, both in specific and in their general tendency."<sup>39</sup> One might add that the Socratic testimonia are also characterized by their pointed refusal to detail what exactly it is that the Sophists actually taught, other than rhetoric: The knowledge that Plato's *Protagoras* offers for sale is summed up by the sophist as follows: "That learning consists of good judgement (*eubouλia*) in his own affairs (*peri tōn oikeiōn*), showing how best to order his own household (*oikia*); and in the affairs of his polis, showing how he may be most effective (*dunatōtatos*) in public affairs both in speech and in action."<sup>40</sup>

We are offered no specifics about *Protagoras'* course in the development of deliberative judgment about private and public affairs. There is every reason to suppose that it would entail aspects of the "folk theory" of instrumental rationality. But there is little reason to suppose that it would have been the egoistic Thrasymachean version of

instrumentalism, predicated bluntly on the unique advantage of the strong and the use of strength to gain and hold power that will, in turn, be employed to satisfy the strongman's desires. It is at least plausible to suppose that Protagoras taught some of the theoretical elements that he supposed (rightly or otherwise) stood behind the kind of effective management of family wealth that was the forte of Cephalus I and in which Cephalus II was at least moderately skilled. That need not imply a practical course in how to be an effective *chrēmatistēs*. But it might well have concerned basic principles of instrumentally rational contracting.

Xenophon's Socrates of in book 1 of the *Memorabilia* shares, indeed intensifies, the scorn of Plato's Socrates for the activities of those who purport to sell wisdom: "We call those who sell their wisdom to anyone who wants it sophists, just as if they were prostitutes (*pornoi*: the comparison is to a man who sells the use of his beautiful body), whereas a man who befriends and teaches all the good he can to someone he knows to have a good natural disposition—he is considered to do what befits a good and noble citizen" (*kalos kagathos politēs*: 1.6.13). At *Memorabilia* 2.6, the scorn for the wisdom-seller seemingly extends to the entire class of those overly-involved in economic activities. In the midst of a discussion of those who are valuable or lack value as friends, Xenophon's Socrates rejects as worse even than the miser, the "one who is skilled at money-making and desires to make money and consequently drives a hard bargain, who likes to receive but is disinclined to repay."<sup>41</sup> And likewise "the man with such a passion for money-making that he has no time for anything but the selfish pursuit of gain,"<sup>42</sup> is rejected: "There is no profit in knowing him."<sup>43</sup> We will return to the notion of the profitability of friendship, below.

At *Memorabilia* 3.4, in a passage that in some ways recalls the curriculum offered by Plato's Protagoras', Xenophon's Socrates discusses generalship with the disgruntled Nicomachides, who has lost an election for the office of general (*stratēgos*) in favor of Antisthenes. The latter, Nicomachides complains, has no relevant military experience and, "understands nothing but money-making."<sup>44</sup> When Socrates points out that Antisthenes may well prove to be effective at logistics, Nicomachides responds, "merchants (*emporoi*) too are capable of making money, but that doesn't make them fit to command an army."<sup>45</sup> Socrates points out that Antisthenes has highly relevant skills: he knows how to identify and employ experts in various domains. Moreover, "whatever a man controls, if he knows what is needed and can provide it, he will be a good controller (*prostatēs*), whether he controls a chorus, an *oikos*, a polis, or an army."<sup>46</sup>

Nicomachides is surprised to hear Socrates say that "good *oikonomoi* would make good *stratēgoi*, but Socrates quickly establishes the points that both the *oikonomos* and the *stratēgos* are similar in that they must make those carrying out their orders obedient and willing (i.e. loyal agents of the principal); must reward and punish appropriately (provide proper incentives); must win the good will of subordinates, and attract allies and helpers; must be good guardians of possessions, careful and hard-working, capable of outdoing enemies; and must be cognizant that victory over opponents is most profitable (*lusitelēs*),

just as defeat is unprofitable (*alusitelēs*). And they must be willing to invest resources accordingly (3.4.7-11). Socrates concludes:

Do not look down on men engaged in economic activities (*oikonomikoi andres*), Nicomachides. For the management of private concerns differs only in scale from that of public affairs. In other respects, they are much alike, and particularly in this, that neither can be carried on without people, and the people employed in private and public transactions are the same. For those who take charge of public affairs employ just the same people when they attend to their own; and those who understand how to employ them are successful directors of public and private concerns, and those who do not, fail in both.<sup>47</sup>

We are never told what sort of money-making activities Antisthenes engaged in. Nicomachides' comment that "merchants too" (*kai gar hoi emporoi*) are competent money-makers might be taken to imply that Antisthenes is not an *emporos* – so how then does he make his money? Xenophon declines to say, and the refusal is, I think, a pointed one.

When Xenophon came to write his own text on the management of a private estate, the *Oikonomos*, there is no hint of engagement in the commercial activities typical of the *emporos*: rather the text concerns how to organize a gentleman's agricultural enterprise and how to train a young wife to be an effective partner in, for example, the day-to-day management of slaves. The stark absence of anything like what would today be regarded as "economic" reasoning in Xenophon's *Oikonomikos* has been taken as evidence of the absence of such thought in classical Greece. But Xenophon was clearly well aware of how competent *oikonomikoi andres* could, at least in principle, make the transition from efficiently managing their own affairs with an aim of increasing private wealth, and managing the affairs of the polis, aiming at enhancing the security and welfare of the community. If we accept that much of Xenophon's work, like Plato's, was intended as a critical intervention, aimed at quotidian Greek economic practices on the one hand, and the instrumentalist theories being propounded by the Sophists on the other, the "evidence of absence" argument loses force.<sup>48</sup>

Xenophon's own knowledge of the relevance of individual economic rationality for public finances is evident in the *Poroi*, a work in which Xenophon advocates for various ways in which the Athenian state could raise more money. His recommendations range from the use of state funds to purchase a large number of mining slaves – in a sort of wishful Athenian version of Spartan helotage – to seemingly more practical measures to encourage merchants to trade in Athenian markets rather than elsewhere (3.3-13). The goal is increasing "imports and exports, sales, rents, and customs" (Xenophon *Revenues* 3.5). The methods he recommends include rewarding officials responsible for regulating market activity, with the aim of ensuring quick and just settlements of commercial disputes; eliminating burdensome civic duties imposed on metics; and investment in economic infrastructure: hotels, mercantile halls, houses and shops in Piraeus and the central city. The capital for the necessary improvements could, he suggests, be raised by

loans to the state by private individuals. The latter will, he confidently asserts, recognize the low-risk nature of their investment, given the state's reputation for stability.

In the *Poroi*, Xenophon demonstrates a recognition of the choices being made by a highly mobile, profit-oriented population of persons engaged in commerce. He clearly understands the kind of cost-benefit reasoning employed by successful, creative money-makers: traders will flock to Athens, Xenophon claims, if and only if the legal environment is favorable (that is, locals will not use the courts to cheat foreigners), if they are not saddled with citizen-like military duties that get in the way of their money-making goals, and if the publicly-provided infrastructure is well suited to their needs.<sup>49</sup> There is no hint here of admiration for money-makers as such, no sense that Xenophon would disagree with Plato's Socrates of *Republic* book I that such people were "difficult to spend time with." But by the same token, it is clear that he understands the motivation of the relevant population as economic rationality, and he understands how a rational state, concerned with its finances, ought to respond to that motivation.

### 7.5 Plato: Back to the First Polis of *Republic* book 2

Given Socrates' expressed disinclination to spend time with money-makers in the introductory scene of the *Republic*, we might conclude that Plato had no very deep interest in or understanding of the economic processes that had created the material conditions of the world in which he lived. But a reconsideration of the "First Polis" in *Republic* book 2 suggests otherwise. The First Polis, an imaginary community that is described by Socrates as genuine and healthy (see below), establishes an economic foundation for Callipolis. As we have seen (ch. 2), the First Polis lacks luxuries, and thus has no need of luxury-goods industries, military-expert Guardians or political-expert Philosopher-Kings. But its very existence is predicated on the basic fact of human interdependence (369b-c), which implies the necessity of sharing or mutually beneficial exchange of surplus created through productive activity: "They [all humans in communities] each share things (*metadidōsi*) with each other, if there is something to share, or exchange them (*metalambanei*), believing that it is better for each of them in this way."<sup>50</sup> Thus, from the beginning, the motivation for both sharing and exchanging is the presence of surplus and a belief that doing so is advantageous to each party to the transaction.

Those engaged in these activities are, to begin with, a farmer, a house-builder, a weaver, and a shoemaker, and "anyone else to deal with our physical needs" (369d). Each will choose to specialize in one and only one activity. The "subsistence alternative," in which each individual (or, we might suppose, each family) provides all necessities for himself, is quickly rejected as hopelessly inefficient (369e-370a). Socrates sums up: "Indeed as a result of this [specialization of economic function] all these things [the necessities of life: food, housing, clothing] grow [*pleiō*] and become better [*kallion*] and easier [*rhaion*] when one man does one job according to his aptitudes and opportunities, and leaves everything else alone."<sup>51</sup> In this succinct statement, Plato's Socrates establishes

the “each to his own” doctrine that will eventually prove to be the principle of justice in Callipolis; this is an important result to which we will return in chapter 8. For our present purposes, the point is that it also captures the essence of an economy of increased consumption, based on specialized production and exchange of surplus generated by specialization. That surplus is, compared with the rejected subsistence alternative, produced with less effort. It is, consequently, greater in quantity (*pleiō*) as well as superior in quality (*kallion*).<sup>52</sup> While this is a long way from a modern, “Schumpeterian” (Schumpeter 1942) conception of a competitive market economy, it captures the basic “Smithian” (Smith 1776) idea of specialization and exchange predicated on an assumption of rationally cooperative (non-Thrasymachean) self-interest.

The possibility of an ancient Greek writer grasping Smithian economic principles was bluntly rejected by M.I. Finley:

The very few Ancient writers who mention division of labor at all do so in a context and from a point of view which are essentially different from Adam Smith’s. They were interested in the quality of manufacture, not in quantity or efficiency. Indeed, the very notion of “efficiency” is one of the best examples of a modern concept which, though taken as self-evident, turns out to be missing (in such contexts) throughout Antiquity.<sup>53</sup>

Finley’s claims here rest solidly on the fallacious (as I suppose it to be) assumption that Greek literature represents, in a more or less comprehensive way, the underlying social reality. Thus, (in)frequency of ancient references to division of labor is taken as indicative of its relative (un)importance. Moreover, when a conception is “missing” in ancient literature, the associated practices can safely be assumed to be absent in “Antiquity.”

The key take-away from the passages cited above is that Finley’s claim that quality, and not quantity or efficiency, is the sole concern of those ancient authors who do notice division of labor, is flatly contradicted by the *Republic*. Quality is indeed a concern for production in the First Polis (as it is in Smithian economics), but so too is quantity and efficiency. In Plato’s text, the three distinct elements of economic improvement – efficiency (ease with which goods are produced), quantity (amount of goods), and quality (excellence of goods) – are tightly linked in an analytically coherent package. If we reject the representational premise as an explanation for the relationship between philosophical texts and reality, in favor of the normative/evaluative premise I have argued for above, Plato’s description of the First Polis can be read as evidence both for his firm grasp on the basic economic processes operative in the classical Greek world, and for his critical stance toward those processes.

As the interlocutors of *Republic* book 2 continue their construction of the First Polis, the number of productive specialists increases, such that the First Polis is no longer a tiny state (*smikra polis*: 370d-e). In addition to local manufacture, imports will be essential (370e). Given that there cannot be imports without exports, the First Polis will need to attend to the wants of those from which it imports goods. This requires production aimed

explicitly at external markets and therefore knowledge of the consumption preferences of exchange partners. The First Polis will also need to include merchants and expert sailors to convey imports and exports (371a-b).

The interlocutors next return to the problem of sharing surplus production, which will, “obviously” (*délon*), be effected through buying and selling.<sup>54</sup> Thus the First Polis will require a market area (*agora*), “coinage as a token of exchange value,”<sup>55</sup> and full-time retail traders (*kapēloī*) to organize internal trade. In case we have forgotten Socrates’ scorn for money-makers, these retailers are disparagingly described as physically weak and rendered unfit for any other work by dint of sitting about the *agora*, swapping goods for money (371c-d). Finally, manual workers (*misthōtoī*), persons who sell their labor for wages, must be added to the population, although these persons (unlike the *emporoi* and *kapēloī*) are pointedly described as being unworthy of full membership in the community on the basis of their low intelligence.<sup>56</sup>

Socrates concludes his description of the First Polis with the lyrical account of the simple lives of its inhabitants, the passage that draws Glaucon’s indignant retort about a “city of pigs.” Glaucon’s retort, as we have seen (ch. 3), leads to the radical expansion of the imagined polis, due to the need for many more specialists in the domains of production and exchange of luxury goods, security, and ruling. The First Polis was described by Socrates as “genuine” (*alithēnē*) and healthy (*hugiēs*: 372e), presumably because its population was both moderate and effectively self-moderating: Once the First Polis had grown, through productive specialization and exchange, to the right size, it was capable of maintaining itself at a constant level. The moderation of desire for excess consumption is signaled by the eating of simple foods rather than fancy snacks (*opsa*), served on reeds or clean leaves rather than ceramic or silver plates, lying on the ground rather than on couches. Self-moderation is further exemplified by the capacity of the residents to voluntarily restrain their own biological reproduction (372a-c).

The First Polis lacks the special and (to Plato’s Greek readers) counter-intuitive features of Callipolis (equal standing of Guardian women, elimination of private property and nuclear families for Guardians, Philosopher-Kings). It also lacks some of the ordinary, but to Socrates’ taste, undesirable, because unnecessary, features of Athens and other Greek states. The First Polis is therefore well suited to offering Plato’s readers a concise course in fundamental economic processes. The principles on which the material needs of the residents of the First Polis are met are presented as universals. The economic processes that are adumbrated by Socrates, Glaucon, and Adiemantus are, therefore, foundational for *any* form of organized human community (or at least any polis): whether it is the genuine and healthy First Polis itself, expanded and “feverish” Callipolis, Socrates’ imperial Athens, the postwar Athens familiar to Plato’s first Greek readers, or some other real-world ancient state. As such, the First Polis is evidence for Plato’s understanding of the economic drivers of material welfare and potential growth, both at the micro-level of the needs and beliefs of choice-making agents seeking what they regard as their own advantage, and at the macro-

level of the processes by which those agents organize mutually beneficial and efficient means of production and distribution of goods and services. The result is that, in comparison a counterfactual inefficient and impoverished subsistence regime, more and better goods are made available for consumption.

At the same time, the First Polis is a critique of the tendency of an economy based on specialization of production and exchange to eventuate in unconstrained, unregulated, and therefore unhealthy growth. The potential for that sort of growth is inherent, first, in the motivation of action by “irrational” desires: preferences that were not consciously and reflectively chosen in light of true knowledge about human welfare. And, next, in the rational economic processes devised by instrumentally rational agents for fulfilling those desires. The First Polis is self-regulating because those imagined as its residents lack the common desires for luxury goods to which Glaucon’s “city of pigs” objection calls attention and they moderate their other human desires (e.g. for more children). Callipolis avoids the danger of unregulated growth, as we have seen, though the rule of the ethically, as well as instrumentally, rational Philosopher-Kings. Residents of other Greek poleis lacked both the self-moderation of the First Polis, and the leadership of philosophers whose rationality extended to the systematic preference for genuinely choice-worthy ends. And so, most real-world Greek individuals and all states in the age of Plato are revealed as in various ways radically imperfect. They were at once a reflection and the source of an ultimately destructive, unbounded economic rationality. That dangerous rationality was exacerbated by Sophistic learning and institutionalized in state-level rules and cultural norms.

## 7.6. Aristotle, *Politics*

In *Politics* books 1 and 2, Aristotle takes up the normative project of critically evaluating consumption, production, and exchange, but does so insisting on the necessity of taking humans as the partially self-interested creatures that we are (1263b1). Aristotle’s project is, moreover, consistently and explicitly engaged with observed practices in Greek society. In chapters 2-5 of book 2 of the *Politics*, Aristotle famously criticizes Plato’s account of the lives of Guardians in the *Republic* (and thus the entire project of the dialogue) as hopelessly unrealistic: The elimination of the nuclear family ignores human nature and fails in its aim of creating the conditions of happiness. Moreover, the extension of the public domain to encompass, and thereby eliminate, all private property not only makes a fundamental category error, by modeling the polis on an *oikos*, but it also invites a commons tragedy:

That which is common to the greatest number of owners receives the least attention; people care most for their private possessions, and for what they own in common less, or only so far as it falls to their own individual share; for in addition to the other reasons, they think less of it on the ground that someone else is thinking about it, just as in household management (*oiketikais diakoniais*) a large number of slaves sometimes give worse service than a smaller number.<sup>57</sup>

As we will see, however, for all his criticism of his predecessors, Aristotle is at one with Plato and other Socratics in conjoining a display of mastery of Greek economic practice with criticism of that practice.

Aristotle's hierarchical, naturalized ethical teleology saw "living well" (*eu zēn*), in other words *eudaimonia*, as the point of human existence. Other features of the phenomenal world (e.g. animals that could be domesticated or hunted), in common with other aspects of human existence (gaining and using the resources necessary to live), were subsidiary to ("for the sake of") that final, highest end. Living well was a demanding goal. Aristotle's works on ethics and politics seek to survey the difficult terrain and to map a road through it, one that would allow the student to arrive at the proper end. Book 1 of the *Politics* focuses, first, on antecedent material conditions necessary for at least some humans to live well, and, next, on the natural forms of authority necessary for establishing and maintaining those conditions. That is, for Aristotle, ethics and politics must take into account "merely living" (*zēn*) as the foundation for the end of living well (*eu zēn*) in a state of self-sufficiency (*autarkeia*). It must do so in a way that is fully cognizant of the kinds of expertise necessary for living, without losing sight of the ultimate goal of living well. The domain of expertise that is concerned with natural material conditions and forms of authority (especially master-slave) required by the end of self-sufficiency is designated *oikonomia*. But the definition of *oikonomia* and especially its relationship to money-making (*chrēmatistikē*) is, Aristotle says, contested (125ab14-16 and below).

Among the many goals of *Politics* book 1 is to put *chrēmatistikē* – as expert knowledge of a particular relationship among production (*poiēsis*), exchange (*allangē/metablētikē*), and consumption/possession (*ktēsis*), all characteristically involving coined money – into the normatively correct place in his naturalized hierarchy of value. The critical conclusion is that *chrēmatistikē* (or one specific type of *chrēmatistikē*) is a subordinate part of *oikonomia*. It is not "according to nature" (*kata phusin*) but rather a *technē* arising from practical experience (*empeiria*). It aims the possession and increase of wealth, at accumulation of money, as an end. That accumulation is by its internal logic unbounded and unconstrained, insofar as wealth denominated in monetary terms has no natural limit. *Chrēmatistikē* thus is a matter of maximizing a single resource (one thought to give access to all other resources), rather than optimizing or satisficing in respect to other values. It is at once contrary to the true end of human existence, a prevalent approach to the management of material goods, and (at least potentially) an essential instrument for both the *oikonomos* and the *politikos*. Among the delicate tasks of book 1 of the *Politics* is, then, to demonstrate that Aristotle knows enough about this dangerous and vulgar (*phortikon*) instrument to specify its proper uses, while avoiding appearing to honor it as a science worthy of a detailed treatment.

Much of *Politics* book 1.8-11 is devoted to sorting out the contested relationship between *chrēmatistikē* and *oikonomia*. The goal is, first, to elucidate the necessary and natural form of production, exchange and possession/consumption and, next, to

distinguish that necessary and natural form from its unnecessary and unnatural doppelganger. The confusion between the two types of economic activity arises because of their practical similarity and analytic proximity. The confusion arising from similarity and proximity is, I will suggest, a matter of intense moral concern for Aristotle: The right (necessary and natural) kind of economic rationality played an essential role in the achievement of *eudaimonia*. The wrong kind of economic rationality (aimed at unbounded accumulation) rendered its practitioners incapable of living well. Unfortunately, that wrong kind of economic reasoning was, Aristotle recognized, not only prevalent in his own society but hegemonic in its tendency to colonize other domains of human expertise and activity. This is part of the context for Aristotle's "best achievable" polis, described in *Politics* books 7 and 8. That "polis of our prayers" is characterized by norms and rules that sustain, for the citizens, the right kind of economic rationality and push back against the disruptive intrusion of the wrong kind.

Aristotle begins his discussion of economics by rejecting the claim of those who see the *oikonomos* as engaged in the just same activity, albeit on a smaller scale, as the *politikos* (1.1, 1252a11ff.). This seems to contradict the line of argument developed by Xenophon in *Memorabilia* book 3 (above). Aristotle emphasizes, at 1.3 (1253b 1-11) and throughout book 1, that *oikonomia* is primarily concerned with hierarchical relations of authority within the household. But he notes that some say that the greatest part of it is actually, "what is called *chrēmatistikē*" (1252b14). After (*inter alia*) establishing that production (*poiēsis*) is subordinate to use (*chrēsis*; because making is "for the sake of" using), and an extended discussion of the natural slave-master relationship, Aristotle returns at 1.8 (1256a1) to the examination, "by our usual methods," of matters concerning all forms of possession and *chrēmatistikē*. He rejects the notion that *oikonomia* and *chrēmatistikē* are the same thing, by pointing out that the latter concerns supply (*porisasthai*) the former usage (*chrēsasthai*) of necessary goods (1256a10-11). And yet, acquiring goods is an essential first step in using them, so some acquisitions – those arising from (e.g.) hunting, pastoralism, and farming, turn out to be natural and necessary. Such naturally acquired things make up "genuine wealth" (*alēthinōs ploutos*: 1256b30-31). This sort of wealth is aimed at self-sufficiency and the good life; it is not limitless (contra Solon). And so "it is clear that there is a natural expertise in acquisition/possession" (*ktētike*: 1256b38-39).

And yet there is another kind of *ktētike*: "that they particularly call, and rightly, *chrēmatistikē*, on account of which there is no limit (*peras*) of wealth or possession" (1.9.1256b40-1257a1). It is this limitless *chrēmatistikē* that is considered by many (*polloī*) to be same as *oikonomia* because of their proximity (*geitniasis*: 57a1-2). Although Aristotle concedes that the two are indeed "not far apart" (*porro*), he insists the many are wrong to identify the one with the other: *Oikonomia* is natural; *chrēmatistikē* is not. The latter arises only from experience (*empeiria*) and *technē* (1257a4-5). This seems to me to be a key moment in Aristotle's critical/descriptive account of economic relationships: the deceptive and dangerous proximity of natural, bounded, *oikonomia* to unnatural, unbounded

*chrēmatistikē* leads to their conflation and thereby lures people off the road to living well, into the morally dangerous terrain in which accumulation of wealth was unbounded and aimed at no end beyond itself.

Aristotle reiterates the main points: exchange itself (*metablētikē*) is not against nature, but arises necessarily, from the fact that human communities, beyond the level of the *oikos*, have a surplus or shortfall of certain material necessities due to the uneven distribution of natural resources (1256a14-30). *Chrēmatistikē* arose logically (*kata logon*) from those conditions (1256a30-31). As imports and exports of surplus increased (*epleonazon*), money, and then coinage came into being in order to facilitate the necessary exchanges. Then, with the increased money supply, the “other kind” of *chrēmatistikē* came about: retail exchange (*to kapelikon*: 1257b1-2),

which at first no doubt went on in a simple form, but later became more highly organized (*technichōteron*) as experience discovered the sources and methods of exchange that would cause most profit (*kerdos*). Hence arises the idea that *chrēmatistikē* deals especially with money, and that its function is to be able to discern from what source a large supply can be procured, as this art is supposed to be creative of wealth and riches.<sup>58</sup>

And thus, *chrēmatistikē* came to be associated with money, especially coined money (*nomisma*), “and to have as its function (*ergon*) the ability to discern (*dunasthai theōresai*) what will provide a given quantity (*plēthos*) of riches (*chrēmata*: 1257a5-7).

After noting that in certain ways coinage seems unnatural and useless, Aristotle returns to the original kind of *chrēmatistikē* that is natural, i.e. “limited” *oikonomia*, and its difference from *kapelikē-chrēmatistikē*. The latter is productive of riches only through exchange (1257b22), is unlimited, and has as its end “this sort of wealth and the possession (*ktēsis*) of riches” (1257b29-30). Thus, while in one way there is a necessary limit to wealth,

“yet looking to what actually happens, we observe that the opposite takes place; for all people engaged in wealth-getting try to increase their money to an unlimited amount. The reason of this is the close affinity (*sunengus*) of the two... So, some people suppose that this [increase of wealth] is the function (*ergon*) of *oikonomia*, and they proceed in this way believing that what is demanded is either to safeguard their property in the form of money or to increase it to an unlimited amount...<sup>59</sup>

Here again, and with specific reference to the difference between his own theory and the actual conditions of his time, Aristotle raises the issue of dangerous proximity – the definitional confusion that leads people off the road to *eudaimonia* into the morally corrupting practices of unconstrained increase in wealth for its own sake. The root cause is the confusion of mere life with living well: Having an unlimited desire (*epithumia*) for living, “they” also desire unlimited productivity (*poiētikon*: 1258a1-20).

Ominously, even those who do aim at living well seek bodily pleasures, which are available only through possessions. Thus, their concern is only with money-making

(*chrēmatismos*), and this is how the other (unnatural) form of *chrēmatistikē* has arisen.<sup>60</sup> This insight sets up a critical payoff:

For as their enjoyment is in excess, they seek expertise productive of enjoyable excess; and if they are unable to supply it by *chrēmatistikē*, they attempt this by some other means, employing each of the capacities (*dunameis*) in an unnatural way. For it belongs to courage not to produce *chrēmata*, but confidence; nor to generalship (*stratēgikē*) nor to medicine (*iatrikē*), but it belongs to the former to bring victory and to the latter to cause health. Yet these people make all these *chrēmatistikē*, as if this were the end, and that everything must march towards it.<sup>61</sup> Here, *chrēmatistikē* of the wrong, unnatural sort has become totalizing. Operationalized through the driving force of human desire, it colonizes and displaces other forms of worthy human endeavor – Aristotle recurs to the standard Socratic examples of medicine and generalship. What is left is the narrowly instrumental logic of unbounded growth and wealth as an end in itself. The similarity to 21<sup>st</sup> century critiques of “neo-liberal” economic rationality is striking.

After further rehearsing the now-familiar distinction between praiseworthy *oikonomia* and blameworthy *chrēmatistikē*, Aristotle notes that money-lending at interest (*obolostatikē*) is most reasonably hated because what it produces is from the operation of money (*nomisma*) itself and not the exchange of other goods. Interest (*tokos*) charged on a loan, he notes, actually just creates more (*poiei pleon*) money. In a passage reminiscent of Plato on the similarity of money-making to child bearing, Aristotle claims that just as *ta tiktomena* (offspring) are similar (*homoia*) to parents, “so too *tokos* is money born of money.”<sup>62</sup> So, he concludes, this part of *chrēmatistikē* is especially contrary to nature (1258b2-8).

Having completed the part of his economic discussion concerned with knowledge (*gnōsis*), Aristotle turns to matters concerned with practice (*chrēsis*), noting that experience in such things is actually necessary (1.11.1259a1). After a discussion of livestock and farming, the “most proper” (*oikeiotatē*) parts of *chrēmatistikē*, Aristotle turns to exchange, especially its major part: *emporia*. The relevant parts of *emporia* are, first, ship-provisioning, transport of goods, and marketing (*parastasis*) – these sub-parts, he says, differ from one another in that some are safer and others more remunerative.<sup>63</sup> Here there is a clear implication that, since risk is closely correlated with potential profit or loss, and profit is the goal of trade, the expert practice of trade requires careful estimation of relevant probabilities. The second primary part of *emporia* is money lending at interest (*tokismos*). The third is wage labor. Switching from description to criticism, Aristotle notes that, “detailed and exact discussion would be useful for the practical workings (*ergasiai*) but to spend too much time on such things is crude (*phortikon*).”<sup>64</sup> Here it is clear enough that there is no meaningful attempt at what I have been calling faithful representation. And yet, “it is also necessary to collect the scattered accounts of methods by which certain

practitioners of *chrēmatistikē* have been successful. All these methods are beneficial for those who honor *chrēmatistikē*.<sup>65</sup>

This observation leads to the story of Thales' demonstration of philosophical acumen in business. Having, by his astronomical methods, predicted a bumper olive crop, Thales leased in advance all the presses in Miletos and Chios. He was able to do so at a low rate, due to lack of competition for the leases in the winter, long before the harvest. When the bigger-than-usual crop duly came in, his monopoly allowed him to charge whatever he wished for pressing the oil (1259a5-14). Aristotle's final point is descriptive and political and it seems to soften his initial criticism of those who urge the identity of *oikonomia* and *politika*: It is useful for *politikoi* to be familiar with these things, for many poleis need expertise in business (*chrēmatismos*) and revenues, just as does an household, but even more so (*hōsper oikiai, mallon de*). Indeed, he notes, there are even some persons, among those concerned with politics, who are exclusively concerned with these (economic) matters (1259a33-36). Here, the previous worry about the hegemonic tendency of economic instrumentalism to intrude on other domains seems to be balanced against a recognition that financial expertise has indeed become an essential part of the organization of real-world poleis.

Aristotle's well-informed and sharply critical analysis of economic activity in book 1 of the Politics isolated *chrēmatistikē* (of the sort concerned with money) as a prevalent, but strictly unnecessary and unnatural subsidiary part of the natural and necessary domain of *oikonomia*. As such, *chrēmatistikē*, while potentially useful for householders and statesmen, given certain contingent circumstances of Aristotle's world, could be dismissed as vulgar and unworthy of detailed treatment. His conclusions on this score enabled Aristotle to account for the empirical fact of what we now call economic growth, evident in increased consumption, by attributing it to the unconstrained creative production and accumulation of wealth. Growth was made possible by the invention of a medium of exchange aimed at addressing the natural necessity of efficiently redistributing essential resources in a world of interdependent people and poleis whose natural end was *autarkeia*. But growth for its own sake was neither desirable nor worthy of closer attention in a body of work devoted to ethics and politics.

Among the results of Aristotle's quarantine of *chrēmatistikē* as an unnatural part of the natural whole of *oikonomia* is that those dedicated to *chrēmatistikē* appear to stand outside the natural authority relationships of the *oikos* and polis. As a result, those involved in the money-making need not be citizens, and indeed, need not be sharers in the polis or constituent "parts" of the polis proper. In the "polis of our prayers," all the vulgar aspects of production and exchange are to be handled by metics or foreigners, and their activities will be isolated in a commercial agora separate from the political agora.<sup>66</sup>

More surprisingly, perhaps, *chrēmatistikē* seems not to involve the slave-master relationship in any natural or necessary way. *Oikonomia* is, as Aristotle emphasizes throughout book 1, centrally concerned with expertise in ruling over and using the labor of

slaves (e.g. 1.7.1255b30). He notoriously spends a great deal of space arguing for the naturalness of slavery.<sup>67</sup> But insofar as *chrēmatistikē* stands outside the natural order of economic activity, it need (in theory) have nothing to do with ruling others. *Chrēmatistai* (like, for example, Cephalus and his relatives) may, like shoemakers and others engaged regularly in “banausic” activities, bring upon themselves a sort of self-enslavement through practice (1.13.1260b1 ff). If that is so, the relationship of a money-maker master to his slave would presumably be, like the barbarian *oikos*, lacking in any natural ruling element (1252b4 ff). Aristotle surely does not envisage money-making as a realm of freedom in a Hayekian sense (Hayek xx). But it is a realm in which the naturally constrained and constraining relations between free and slave are functionally irrelevant.

Aristotle's apparent bracketing of *chrēmatistikē* from natural authority relations in some ways tracks the earlier work of Xenophon in the *Oikonomikos* and *Poroi*: Xenophon, like Aristotle, saw *oikonomia* as the realm of naturalized authority relations in respect to appropriately bounded wealth-getting activity in an *oikos*. Like Aristotle, Xenophon put a great deal of emphasis on the proper management of household slaves. Consideration of how Aristotle brackets *chrēmatistikē* in the *Politics*, may help us to make more sense of the different approaches taken in various passages of Xenophon's *Poroi*: The sections advocating the purchase by the state of a large number of slaves to work in the silver mines extends the logic of the prosperous slave-owning *oikos* to the financially-strapped polis. Those sections are, therefore, based on the appropriate deployment of military forces to maintain a status-based social and economic order (*Poroi* xx). The sections advocating legal and infrastructural changes to increase the level of trading in Athenian markets, by contrast, concern what Aristotle called *chrēmatistikē*. Those sections are directly concerned with the material incentives of metics and foreign money-makers. They are, consequently, unconcerned with force or with slave-master relationships.

Aristotle's bracketing of *chrēmatistikē* was, moreover, realistic in that it tracked certain fourth-century BCE Athenian legal innovations according to which slaves involved in commercial activities were, in certain specified ways, treated on par with free persons, and metics and foreigners with citizens. In Athenian banking, in the commercial activities of the agora, in certain forms of legally binding contracts, the distinction between free and slave, foreigner and citizen, seems to have been elided in favor of what can plausibly be understood as economic efficiency and financial advantage.<sup>68</sup> On the one hand, public and private inattentiveness to the kinds of status distinctions that were, in some (although not all) other domains of Greek life, highly salient, surely led some Greeks with traditionally or philosophically aristocratic attitudes to (further) despise economic activity outside the circumscribed domains of *oikos* and *polis*.<sup>69</sup>

This brings us back to the distinction between representation of social reality and critique in Greek philosophical texts. And to M.I. Finley's view of Greek society as fundamentally predicated on fixed and formalized status roles, especially the free-slave and citizen-foreigner distinctions. For Finley and his followers, just as for Aristotle, Xenophon,

and traditional Greek aristocrats, although for very different reasons, the failure of the realm of *chrēmatistikē* to conform to norms of status distinction rendered it essentially superfluous. For Finley and his school, social status remained foundational; any activity that was *not* grounded in status, and in the power relations thought to inhere in status relations, was, consequently, unmoored and ephemeral. Economic activity aimed at increasing productivity, innovations aimed at increasing efficiency, and increased consumption – rather than securing the status of the relevant actors – were, thereby, rendered more or less invisible – and in any event, unworthy of detailed study. The result was, so I suppose, both a misunderstanding of the relevant texts and a misrepresentation of the underlying social reality.

### **7.7 Economics of friendship (to come).<sup>70</sup>**

Figure 7.1a. Agamemnon and Khryses

Notes: Ag = Agamemnon Khr = Khryses G = God (Apollo).  
Ordinal ranking

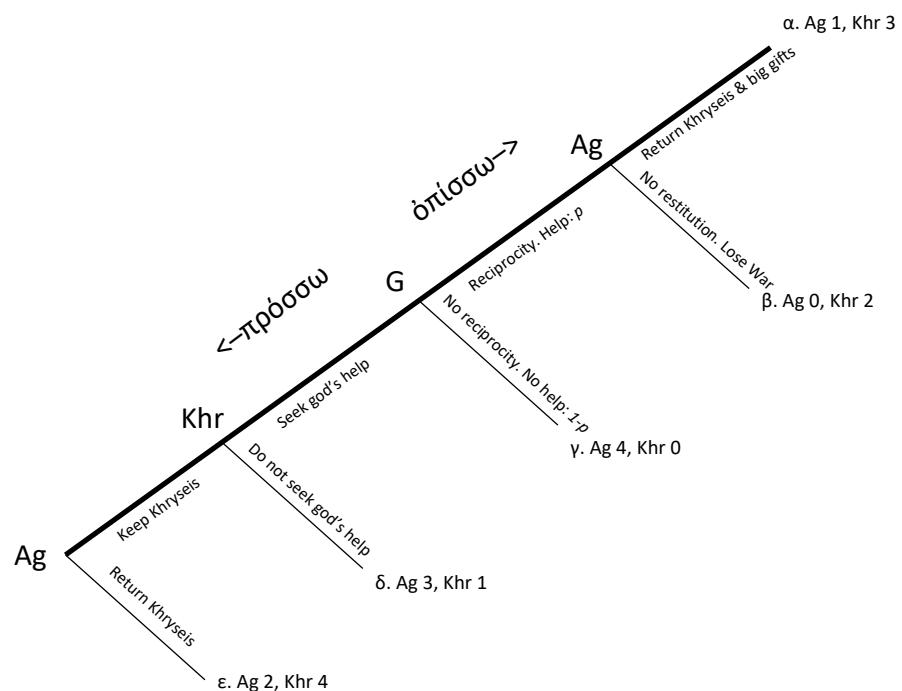
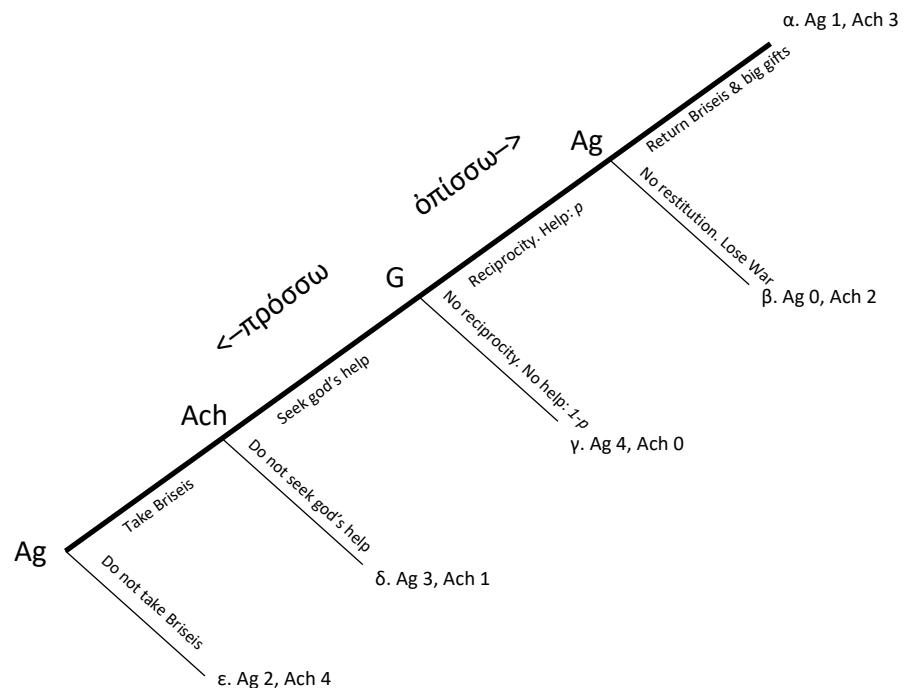


Figure 7.1b Agamemnon and Achilles

Notes: Ag = Agamemnon. Ach = Achilles. G = Gods (Apollo; Thetis & Zeus)  
 Ordinal ranking.



## Notes ch. 7. (still only vestigial)

<sup>1</sup> the rational individual in the rational polis in a wider world of rational poleis – a world not just of war and rent-seeking, but of economic growth driven by increased production and exchange, leading to growth in consumption: many more Greeks living at a relatively higher level of material welfare. The critical question is whether more consumption, far above subsistence, is actually better for the consumers – or is growth in material welfare, beyond a level of subsistence and the production of leisure making possible politics and philosophy, inherently corrupting?

One key point will be to show that economic rationality is not (anyway not entirely) an invisible driver arising from some material substrate (e.g. climate change in a positive direction) but rather arises from the choices of individuals participating in a background culture of instrumental rationality and is understood as such. Of course, something like economic rationality may arise independently of any sort of folk theory of rational choice (trade is very early – contracts in Mesopotamia, long distance trade in China etc.). But in Greece the rationality of economy is integrated with rational decision making by states and btw states – or at least it is in some instances (Athens and encouragement of trade via law, suppression of piracy as self-conscious policy to promote trade etc.). Not “following the flag” but arising from and sustained by the background assumptions of a rational approach to choice and action. Thus connects to the Boix v. Acemoglu and Robinson etc. arguments – can’t prove by Greece that political rationality (or democracy) always leads the way, but it seems to do in the Greek world.]

<sup>2</sup> χαίρω γε διαλεγόμενος ετοῖς σφόδρα πρεσβύταις· δοκεῖ γάρ μοι χρῆναι παρ' αὐτῶν πυνθάνεσθαι, ὡσπερ τινὰ δόδὸν προεληλυθότων ἦν καὶ ήμᾶς ἵσως δεήσει πορεύεσθαι, ποίᾳ τίς ἔστιν, τραχεῖα καὶ χαλεπή, ἢ ῥᾳδία καὶ εὔπορος. 328e

<sup>3</sup> ὃν κέκτησαι τὰ πλείω παρέλαβες ἢ ἐπεκτήσω; 330a.

<sup>4</sup> Ποῖ ἐπεκτησάμην, ἔφη, ὁ Σώκρατες; 330b

<sup>5</sup> Wealth is anything whose worth is measured in money: χρήματα δὲ λέγομεν πάντα ὅσων ἡ ἀξία νομίσματι μετρεῖται: Aristotle *NE* 1119b26-27

<sup>6</sup> μέσος τις γέγονα χρηματιστής τοῦ τε πάππου καὶ τοῦ πατρός 330b

<sup>7</sup> ἐγὼ δὲ ἀγαπῶ ἔὰν μὴ ἐλάττω καταλίπω τούτοισιν, ἀλλὰ βραχεῖ γέ τινι πλείω ἢ παρέλαβον.

<sup>8</sup> μοι ἔδοξας οὐ σφόδρα ἀγαπᾶν τὰ χρήματα, τοῦτο δὲ ποιοῦσιν ὡς τὸ πολὺ οὖ ἀν μὴ αὐτοὶ κτήσωνται· οἱ δὲ κτησάμενοι διπλῇ ἢ οἱ ἄλλοι ἀσπάζονται αὐτά. 330b-c

<sup>9</sup> ὡσπερ γάρ οἱ ποιηταὶ τὰ αὐτῶν ποιήματα καὶ οἱ πατέρες τοὺς παῖδας ἀγαπῶσιν, ταύτῃ τε δὴ καὶ οἱ χρηματισάμενοι τὰ χρήματα σπουδάζουσιν ὡς ἔργον ἐαυτῶν, | καὶ κατὰ τὴν χρείαν ἥπερ οἱ ἄλλοι χαλεποὶ οὖν καὶ συγγενέσθαι εἰσίν, ούδὲν ἐθέλοντες ἐπαινεῖν ἀλλ’ ἢ τὸν πλοῦτον. 330c. Cf a direct citation in Aristotle, *NE* 1120b11-14: “Men who have

inherited a fortune are reputed to be more generous than those who have made one, since they have never known what it is to want; moreover everybody is specially fond of a thing that is his own creation: parents and poets show this.” ἐλευθεριώτεροι δὲ εἶναι δοκοῦσιν οἱ μὴ κτησάμενοι ἀλλὰ παραλαβόντες τὴν ούσιαν· ἄπειροι τε γὰρ τῆς ἐνδείας, καὶ πάντες ἀγαπῶσι μᾶλλον τὰ αὐτῶν ἔργα, ὡσπερ οἱ γονεῖς καὶ οἱ ποιηταί. Note the particular scorn for “creation” of wealth leads to accumulation for its own rather than wealth for use – but note S spends a lot of time with very rich people – the houses of *Gorgias*, *Protagoras* are big enough for large gatherings; *Symposium* etc – Soc himself “poor” but moves through a world of private and public wealth].

<sup>10</sup> 335e Ἐγὼ γοῦν, ἔφη, ἔτοιμός είμι κοινωνεῖν τῆς μάχης.

<sup>11</sup> ὅτι οὐ τὰ ὄφειλόμενα ἀποδίδωσιν ὃς ἂν τῷ χρυσίον ἀποδῷ παρακαταθεμένῳ, οὐτέ περ ἡ ἀπόδοσις καὶ η λῆψις βλαβερὰ γίγνηται, φίλοι δὲ ὡσιν ὅ τε ἀπολαμβάνων καὶ ὁ ἀποδιδούς—οὐχ οὕτω λέγειν φήσ τὸν Σιμωνίδην; 332a-b

<sup>12</sup> *Eranos* loans: Millet 1991.

<sup>13</sup> Τί δὲ δή; τὴν δικαιοσύνην πρὸς τίνος χρείαν ἡ κτῆσιν ἐν εἰρήνῃ φαίης ἀν χρήσιμον εῖναι; Πρὸς τὰ συμβόλαια, ὡΣώκρατες. Συμβόλαια δὲ λέγεις κοινωνήματα ἡ τι ἄλλο; Κοινωνήματα δῆτα. 333a-b

<sup>14</sup> “Οταν οῦν τί δέη ἀργυρίῳ ἡ χρυσίῳ κοινῇ χρῆσθαι, ο δίκαιος χρησιμώτερος τῶν ἄλλων; “Οταν παρακαταθέσθαι καὶ σῶν εῖναι, ὡΣώκρατες. 33cc

<sup>15</sup> Ούκοῦν λέγεις ὅταν μηδὲν δέη αὐτῷ χρῆσθαι ἀλλὰ κεῖσθαι; |Πάνυ γε. “Οταν ἄρα ἄχρηστον ἡ ἀργύριον, τότε χρήσιμος ἐπ’ αὐτῷ ἡ δικαιοσύνη; 333c

<sup>16</sup> Cf. Cohen 1992 et al. on banks.

<sup>17</sup> In drawing the contrast between inherited and “made” money Socrates presumably does not mean that the money-maker began life in absolute penury, with nothing. That specification would seem likely to reduce the set of money-makers to near zero, and thus make it harder for Socrates to have (or for Plato’s audience to find plausible) the experience of their boasting.

<sup>18</sup> φανερὸν δ’ ἐκ τούτου καὶ οἱ ἐπιεικῆς τίς ἔστιν· ο γὰρ τῶν τοιούτων προαιρετικὸς καὶ πρακτικός, καὶ ο μὴ ἀκριβοδίκαιος ἐπὶ τὸ χεῖρον, ἀλλ’ ἐλαττωτικὸς καίπερ ἔχων τὸν νόμον βοηθόν, ἐπιεικής ἔστι, καὶ η ἔξις αὐτῇ ἐπιείκεια, δικαιοσύνη τις οὖσα καὶ οὐχ ἐτέρα τις ἔξις. 1137b34 -1138a3

<sup>19</sup> Compare Weingast on Law Merchant: he *lex mercantalis* of medieval Italian traders , managing enforcement through reputation

<sup>20</sup> “Οτου τις ἄρα δεινὸς φύλαξ, τούτου καὶ φώρ δεινός. ”Εοικεν. Εἴ ἄρα ο δίκαιος ἀργύριον δεινὸς φυλάττειν, καὶ κλέπτειν δεινός. Ός γοῦν ο λόγος, ἔφη, σημαίνει. |Κλέπτης ἄρα τις ο

δίκαιος, ώς ἔοικεν, ἀναπέφανται, καὶ κινδυνεύεις παρ' Ὁμήρου μεμαθηκέναι αὐτό· καὶ γὰρ ἐκεῖνος τὸν τοῦ Ὀδυσσέως πρὸς μητρὸς πάππον βαύτόλυκον ἀγαπᾷ τε καὶ φησιν αὐτὸν πάντας ἀνθρώπους κεκάσθαι κλεπτοσύνη θ' ὅρκω τε.

<sup>21</sup> Snell Discovery of the Mind and earlier publications leading to it.

<sup>22</sup> Williams 1993 etc.

<sup>23</sup> οὐ γὰρ ὅ γέρων μετέχειν ἄμα πρόσσω καὶ ὀπίσσω, /  
ὅππως οἱ παρὰ νησὶ σόοι μαχέοιντο Ἀχαιοί. *Iliad* 1.343-344

<sup>24</sup> *Iliad* 3.109-110: “but in whatsoever an old man takes part, he looks both before and after, that the issue may be far the best for either side” (οἷς δ’ ὁ γέρων μετέχειν ἄμα πρόσσω καὶ ὀπίσσω / λεύσσει, ὅπως ὅχ’ ἄριστα μετ’ ἀμφοτέροισι γένηται). *Iliad* 18.249-250: “Then among them wise Polydamas was first to speak, [urging retreat before Achilles reappears on the field] the son of Panthous; for he alone looked at once before and after.” (τοῖσι δὲ Πουλυδάμας πεπνυμένος ἥρχ’ ἀγορεύειν/Πανθοΐδης: ὁ γὰρ οὗτος ὅρα πρόσσω καὶ ὀπίσσω). *Odyssey* 18. 451-453: “Then among them spoke the old lord Halitherses, son of Mastor, for he alone saw before and after: he with good intent addressed their assembly” [urging the relatives of dead Suitors against seeking revenge]. (τοῖσι δὲ καὶ μετέειπε γέρων ἥρως Ἀλιθέρσης/ Μαστορίδης: ὁ γὰρ οὗτος ὅρα πρόσσω καὶ ὀπίσσω / ὁ σφιν ἐϋφρονέων ἀγορήσατο). The last case concludes as follows (*Odyssey* 18.464-65): “So he spoke, but they sprang up with loud cries, more than half of them, but the rest remained together in their seats; for his speech was not to their mind, but they hearkened to Eumeus, and quickly thereafter they rushed for their arms.” Here, as in the Khryses scene in *Iliad* 1, the majority fails to determine the course of action and disaster follows.

<sup>25</sup> Chwe 2013. Chwe borrows the term “clueless” from the title of the wildly successful 1995 Hollywood teen film of that title, itself loosely based on Jane Austen’s 1815 novel, *Emma*. He notes that standard approaches to game theory fail to account for the presence of clueless agents. He argues that “cluelessness” should be considered Austen’s original contribution to game theory.

<sup>26</sup> The (in principle) mutual benefit of parents and children is self-explanatory; cf. the peaceful and seemingly mutual beneficial exchange of women with anticipation of childbirth in the weddings in *Iliad* book 18: “the city at peace. In poetry the mutual benefit might be thought of as the fame of the poets and the pleasure of their audiences.

<sup>27</sup> Gift exchange literature: Mauss, Finley, et al.

<sup>28</sup> In a line reminiscent of Agamemnon’s attributing his error to *atē*, the poet opines that Zeus stole away Glaukos’ wits. Aristotle (*NE* 1136b1), by contrast, takes this as an example of a voluntary exchange of goods not predicated on their equal (monetary) value. For discussion see Traill (1989).

<sup>29</sup> Deception:: theft, adultery, drugging, pimping, slave-deception, murder by treachery, false witness. Force: imprisonment, murder, plunder, mutilation, slander, insult. τούτου δὲ μέρη δύο· τῶν γὰρ συναλλαγμάτων τὰ μὲν ἐκούσια ἔστι τὰ δ' ἀκούσια, ἐκούσια μὲν τὰ τοιάδε οἷον πρᾶσις, ὡνή, δανεισμός, ἔγγυη, χρῆσις, παρακαταθήκη, μίσθωσις (ἐκούσια δὲ λέγεται,<sup>5</sup> ὅτι ἡ ἀρχὴ τῶν συναλλαγμάτων τούτων ἐκούσιος), τῶν δ' ἀκούσιων τὰ μὲν λαθραῖα, οἷον κλοπή, μοιχεία, φαρμακεία, προαγωγεία, δουλαπατία, δολοφονία, ψευδομαρτυρία, τὰ δὲ βίαια, οἷον αἰκία, δεσμός, θάνατος, ἀρπαγή, πήρωσις, κακηγορία, προπηλακισμός. (NE 1131a1-9).

<sup>30</sup> Finley School major works and recent critical studies of “Finley School” – Morris 1999; Scheidel, Morris, and Saller 2007 (Introduction), Harris, Lewis, and Wolmer 2015 (Introduction), Dan Tompkins on Finley’s intellectual background and his oeuvre.

<sup>31</sup> Morris, Harris et al., Bresson, Ober, other.

<sup>32</sup> Greek literature outside of philosophy on scorn for economic activity.

<sup>33</sup> Nietzsche, Adkins, Popper et al.

<sup>34</sup> Allen 2010 (*Why Plato Wrote*) et al.

<sup>35</sup> The use of literary evidence of philosophers as representing Greek reality: Grewel is esp good example.

<sup>36</sup> Aristotle endoxic method: xx.

<sup>37</sup> Literature on ancient Greek economic thought: xx.

<sup>38</sup> For detailed discussions of the classical sources on the Sophists teaching for money, see Blank 1985; Tell 2011. Tell argues, against Blank, that there is little evidence, outside the Platonic tradition and those (like Isocrates) in critical engagement with that tradition or (like Philostratus) dependent on it for popular concern about sophists (at least in the Platonic sense) teaching for pay.

<sup>39</sup> Cf. Tell ch. 2 introduction: “why is money so important as a distinguishing trait? In this chapter I will argue that it is not a descriptive term reflecting historical realities—that the sophists were the first to charge money for wisdom—but rather that the close association of the sophists with money is redolent of disparagement and bias, a fact that scholars have perhaps not paid sufficient attention to.”

<sup>40</sup> τὸ δὲ μάθημά ἔστιν εύβουλία περὶ τῶν οἰκείων, ὅπως ἀν ἄριστα τὴν αὐτοῦ οἰκίαν διοικοῦ, καὶ περὶ τῶν τῆς πόλεως, ὅπως τὰ τῆς πόλεως δυνατώτατος ἀν εἴη καὶ πράττειν καὶ λέγειν. Plato, *Protagoras* 318e-319a.

<sup>41</sup> Τί γάρ; ὅστις χρηματίζεσθαι μὲν δύναται, πολλῶν δὲ χρημάτων ἐπιθυμεῖ καὶ διὰ τοῦτο δυσσύμβολός ἔστι καὶ λαμβάνων μὲν ἥδεται, ἀποδιδόναι δὲ μὴ βούλεται

<sup>42</sup> Άφεκτέον καὶ τούτου, ως ἐμοὶ δοκεῖ· ἀνωφελῆς γὰρ ἀν εἴη τῷ χρωμένῳ.

<sup>43</sup> ὅστις διὰ τὸν ἔρωτα τοῦ χρηματίζεσθαι μηδὲ πρὸς ἐν ἄλλῳ σχολὴν ποιεῖται ἢ ὡπόθεν αὐτὸς κερδανεῖ

<sup>44</sup> ἐπιστάμενόν τε ἄλλο οὐδὲν ἢ χρήματα συλλέγειν. 3.4.1

<sup>45</sup> Καὶ γὰρ οἱ ἔμποροι, ἔφη ὁ Νικομαχίδης, χρήματα συλλέγειν ἱκανοί εἰσιν· ἀλλ' οὐχ ἔνεκα τούτου καὶ στρατηγεῖν δύναιντ' ἄν. 3.4.2

<sup>46</sup> ως ὅτου ἂν τις προστατεύῃ, ἐὰν γιγνώσκῃ τε ὃν δεῖ καὶ ταῦτα πορίζεσθαι δύνηται, ἀγαθὸς ἀν εἴη προστάτης, εἴτε χοροῦ εἴτε οἴκου εἴτε πόλεως εἴτε στρατεύματος προστατεύοι. 3.4.6. Loeb.

<sup>47</sup> μὴ καταφρόνει, ἔφη, ὁ Νικομαχίδης, τῶν οἰκονομικῶν ἀνδρῶν: ἡ γὰρ τῶν ἴδιων ἐπιμέλεια πλήθει μόνον διαφέρει τῆς τῶν κοινῶν, τὰ δὲ ἄλλα παραπλήσια ἔχει, τὸ δὲ μέγιστον, ὅτι οὕτε ἄνευ ἀνθρώπων οὐδετέρα γίγνεται οὕτε δι' ἄλλων μὲν ἀνθρώπων τὰ ἴδια πράττεται, δι' ἄλλων δὲ τὰ κοινά. οὐ γὰρ ἄλλοις τισὶν ἀνθρώποις οἱ τῶν κοινῶν ἐπιμελόμενοι χρῶνται ἡ οἶσπερ τὰ ἴδια οἰκονομοῦντες: οἷς οἱ ἐπιστάμενοι χρῆσθαι καὶ τὰ ἴδια καὶ τὰ κοινὰ καλῶς πράττουσιν, οἱ δὲ μὴ ἐπιστάμενοι ἀμφοτέρωθι πλημμελοῦσι. 3.4.12

<sup>48</sup> Plato's *Oikonomos*, literature and e.g. Grewel on it as a representation of Greek attitudes.

<sup>49</sup> Xenophon, *Poroi*: xx

<sup>50</sup> Μεταδίδωσι δὴ ἄλλος ἄλλῳ, εἴ τι μεταδίδωσιν, ἡ μεταλαμβάνει, οἱόμενος αὐτῷ ἄμεινον εἶναι (369c)

<sup>51</sup> Ἐκ δὴ τούτων πλείω τε ἔκαστα γίγνεται καὶ κάλλιον καὶ ἥπαν, ὅταν εἴς ἐν κατὰ φύσιν καὶ ἐν καιρῷ, σχολὴν τῶν ἄλλων ἄγων, πράττῃ (370c).

<sup>52</sup> The key term, *pleiō* is also used by Cephalus (330b, above), in reference to the difference between what he inherited and what (through his own money-making acumen) he will leave to his heirs. Thus, it is, in the context of discussions of wealth in the *Republic*, connected to "creative," wealth-growing processes. The term recurs in a particularly important passage, in which the "Gyges model" is definitively refuted: "In what way, then, Glaucon, and on what principle, shall we say that it profits a man to be unjust or licentious or do any shameful thing that will make him a worse man, but otherwise will bring him more wealth or power?" πῇ δὴ οὖν φήσομεν, ὁ Γλαύκων, καὶ κατὰ τίνα λόγον λυσιτελεῖν ἀδικεῖν, ἡ ἀκολασταίνειν ἡ τι αἰσχρὸν ποιεῖν, ἐξ ὃν πονηρότερος μὲν ἔσται, πλείω δὲ χρήματα ἡ ἄλλην τινὰ δύναμιν κεκτήσεται; (9.591a)

<sup>53</sup> Finley 1963: 29-30, The specific target is Gomme 1937, a paper critical of the conclusions of Johannes Hasebroek on that lack of Greek state involvement in trade. As Finley (*ibid.*) notes, Hasebroek was (like Finley himself) influenced by Max Weber. My thanks to Dan Tompkins for drawing my attention to this passage.

<sup>54</sup> Δῆλον δή, ἢ δ' ὅς, ὅτι πωλοῦντες καὶ ώνούμενοι 371b.

<sup>55</sup> νόμισμα σύμβολον τῆς ἀλλαγῆς ἐνεκα 371b

<sup>56</sup> τῆς διανοίας μὴ πάνυ ἀξιοκοινώνητοι ὥσιν 371e

<sup>57</sup> ἥκιστα γὰρ ἐπιμελείας τυγχάνει τὸ πλείστων κοινόν· τῶν γὰρ ἰδίων μάλιστα φροντίζουσιν, τῶν δὲ κοινῶν ἡττον, ἢ ὅσον ἐκάστῳ ἐπιβάλλει· πρὸς γὰρ τοῖς ἄλλοις ὡς ἔτέρου φροντίζοντος ὀλιγωροῦσι μᾶλλον, ὥσπερ ἐν ταῖς οἰκετικαῖς διακονίαις οἱ πολλοὶ θεράποντες ἐνίοτε χεῖρον ὑπηρετοῦσι τῶν ἐλαττόνων. Bovens 2015: discusses this passage and others. Also Ostrom cites it as model public resource dilemma.

<sup>58</sup> τὸ μὲν πρῶτον ἀπλῶς ἵσως γινόμενον, εἶτα δι' ἐμπειρίας ἥδη τεχνικώτερον, πόθεν καὶ πῶς μεταβαλλόμενον πλεῖστον ποιήσει κέρδος. διὸ δοκεῖ ἡ χρηματιστικὴ μάλιστα περὶ τὸ νόμισμα εἶναι, καὶ ἔργον αὐτῆς τὸ δύνασθαι θεωρῆσαι πόθεν ἔσται πλῆθος, ποιητικὴ γὰρ εἶναι πλούτου καὶ χρημάτων

1257b2-5

<sup>59</sup> ἐπὶ δὲ τῶν γινομένων ὀρῶμεν<sup>4</sup> συμβαῖνον τούναντίον· πάντες γὰρ εἴς ἄπειρον αὔξουσιν οἱ χρηματιζόμενοι τὸ νόμισμα. αἴτιον δὲ τὸ σύνεγγυς αὐτῶν... ··· ὥστε δοκεῖ τισὶ τοῦτ' εἶναι τῆς οἰκονομικῆς ἔργον, καὶ διατελοῦσιν ἢ σώζειν οἰόμενοι δεῖν ἢ αὔξειν τὴν τοῦ νομίσματος ούσίαν είς ἄπειρον.

<sup>60</sup> ὕστερον ἔπει τοῦτ' ἐν τῇ κτήσει φαίνεται ὑπάρχειν, πᾶσα ἡ διατριβὴ περὶ τὸν χρηματισμόν ἔστι καὶ τὸ ἔτερον εἴδος τῆς χρηματιστικῆς διὰ τοῦτ' ἐλήλυθεν. 1258a 406.

<sup>61</sup> ἐν ὑπερβολῇ γὰρ οὕσης τῆς ἀπολαύσεως, τὴν τῆς ἀπολαυστικῆς ὑπερβολῆς ποιητικὴν ζητοῦσιν· κανὸν μὴ διὰ τῆς χρηματιστικῆς δύνωνται πορίζειν, δι' ἄλλης αἰτίας τοῦτο πειρῶνται, ἐκάστῃ χρώμενοι τῶν δυνάμεων οὐ κατὰ φύσιν. ἀνδρείας γὰρ οὐ χρήματα ποιεῖν ἔστιν ἀλλὰ θάρσος, οὐδὲ στρατηγικῆς καὶ ίατρικῆς, ἀλλὰ τῆς μὲν νίκην τῆς δ' ὑγίειαν. οἱ δὲ πάσας ποιοῦσι χρηματιστικάς, ως οὗτο τέλος ὅν, πρὸς δὲ τὸ τέλος ἄπαντα δέον ἀπαντᾶν. 1258a6-14.

<sup>62</sup> ὁ δὲ τόκος γίνεται νόμισμα ἐκ νομίσματος 6-7

<sup>63</sup> διαφέρει δὲ τούτων ἔτερα ἐτέρων τῷ τὰ μὲν ἀσφαλέστερα εἶναι τὰ δὲ πλείω πορίζειν τὴν ἐπικαρπίαν 1259a23-25

<sup>64</sup> χρήσιμον μὲν πρὸς τὰς ἔργασίας, φορτικὸν δὲ τὸ ἐνδιατρίβειν 34-35

<sup>65</sup> ἔτι δὲ καὶ τὰ λεγόμενα σποράδην δι' ὃν ἐπιτευχήκασιν ἔνιοι χρηματιζόμενοι δεῖ συλλέγειν· πάντα γὰρ ὡφέλιμα ταῦτ' ἔστι τοῖς τιμῶσι τὴν χρηματιστικὴν 1259a3-5

<sup>66</sup> Aristotle's polis of our prayers xx.

<sup>67</sup> Aristotle on natural slavery: Schofield xx.

<sup>68</sup> Athenian institutional innovations: Carugati 2019.

<sup>69</sup> Complexity of status: Kamen 2013.

<sup>70</sup> Segue is the corruption of interpersonal relations by “economic” rationality.

And esp. the kind of econ rationality that was associated with Sophists

Cf. Amadae and fears of effects of teaching PD

Conclusions: philia, Allen on civic friendship, Hoekstra, Grewel, etc. – Ar’s NE on philia as counterpoint to dangers of instrumentalism overwhelming both ethics and politics.

Philia as the basis of the polis in Aristotle Pol book 2 and elsewhere. Central theme in Greek lit since Homer (Achilles and Patroklos) and source of lots of contemporary work.

Philia is the other side of instrumentalism – no PD dilemma if the players are true friends because no separation of interests: friend in Ar’s sense of “another self”

So then, who can be a friend?

Master slave (Ar Pol bk 1 on this)

Husband wife (Xen Oik on this)

Plato intro Republic: Soc with chematistes? Who has indeed made some of his own money?

Xen’s Antisthenes on the econ of friendship

Which raises the issue: does the economic rationality, its characteristic mode of reasoning, its practices destroy the possibility of true friendship – is instrumentalism a kind of universal solvent of all other, and better, more robustly cooperative and humanly satisfying relationships?

This is fear in modernity of course – instrumentalism as learned behavior: Amadae et al.

Or as the potentiation of a natural instinct to affection for self which then becomes the kind of raging egoism of Thrasymachus, Polos et al?

Symposium as a kind of safe space – where competition is rampant, but instrumentalism is forbidden?

Conclusion is return to the representational v critical – the mistake of Finley-ites again to think that the Greek world was the realm of either friendship/friendly competition (btw status peers) or hierarchical authority (outside peerage) – desperately holding at bay the commercial relations, impersonal equality of standing in face of money, contract.

Whereas in fact, Greek world was one in which the instrumentalism of economic realm indeed did just what (or something like) it does in modernity and for same reasons: drives unconstrained growth and threatens all other relationships by its hegemonic tendency.