

Retrospectives

What Did the Ancient Greeks Mean by *Oikonomia*?

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This feature addresses the history of economic terms and ideas. The hope is to deepen the workaday dialogue of economists, while perhaps also casting new light on ongoing questions. If you have suggestions for future topics or authors, please write to Joseph Persky of the University of Illinois at Chicago at jpersky@uic.edu.

Introduction

Nearly every economist has at some point in the standard coursework been exposed to a brief explanation that the origin of the word “economy” can be traced back to the Greek word *oikonomia* (οἰκονομία), which in turn is composed of two words: *oikos*, which is usually translated as “household”; and *nemein*, which is best translated as “management and dispensation.” Thus, the cursory story usually goes, the term *oikonomia* referred to “household management” and while this was in some loose way linked to the idea of budgeting, it has little or no relevance to contemporary economics.

This article introduces in more detail what the ancient Greek philosophers meant by “*oikonomia*.” It begins with a short history of the word. It then explores some of the key elements of *oikonomia*, while offering some comparisons and contrasts with modern economic thought. For example, both Ancient Greek *oikonomia* and contemporary economics study human behavior as a

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relationship between ends and means which have alternative uses. However, while both approaches hold that the rationality of any economic action is dependent on the frugal use of means, contemporary economics is largely neutral between ends, while in ancient economic theory, an action is considered economically rational only when taken towards a praiseworthy end. Moreover, the ancient philosophers had a distinct view of what constituted such an end—specifically, acting as a philosopher or as an active participant in the life of the city-state.

In this way, the most striking difference between ancient *oikonomia* and contemporary economics is their relationship to ethics. Contemporary economics is “fundamentally distinct from ethics” (Robbins 1935, p. 135), and its theory “is in principle independent of any particular ethical position” (Friedman 1953, p. 4). In addition, contemporary economists typically hold that the natural situation for humans is to live in a world in which means are scarce. On the contrary, the ancient Greek writers on *oikonomia* believed that humans live in a world of natural abundance that is sufficient for what people need for subsistence. From their perspective, the main task of economic rationality is to advance the good life as they understood it, which means support for philosophy, for involvement in public life, and also for not giving in to what they viewed as the unnatural urge to pursue economic goals or luxuries for their own sake. The *oikonomia* literature was rooted in the society of its time. It focused on well-to-do, land-owning male citizens, and it included an unthinking acceptance of slavery as well as archaic and demeaning attitudes toward women. However, the discussions in the *oikonomia* literature concerning how to manage slaves offer some embryonic examples of discussions about how to provide incentives for labor; while the figure of the matron, more than any other figure in the ancient Greek *oikonomia* literature, shares traits with the modern *homo economicus*. That *oikonomia* is so rooted in ethical judgments raises questions about whether or in what ways modern economics should be linked to a more explicit consideration of what constitutes a good life.

History of the Word “*Oikonomia*”

In ancient Greece, the “*oikos*” in *oikonomia* referred to a household not just in the sense of a family consumption unit, but more in the sense of an estate. An *oikos* was also a manufacturing unit that supplied many of its own needs and, in many cases, included slaves along with the nuclear family. Although *oikos* management was thoroughly dealt with in texts from the Archaic period (approximately the 8th to 6th centuries BCE), the word “*oikonomia*” hardly appears in these texts. For example, Hesiod’s *Work and Days* (circa 700 BCE) is dedicated to the management of the *oikos* and is full of advice about agricultural production, however, in this 800-line didactic poem, the term “*oikonomia*” does not arise. It seems as if the tacit assumption in writings during this time was that all of life that mattered took place within the bounds of one’s *oikos*. Thus, it was not necessary to offer a separate discussion of economic matters under the subject matter of *oikonomia*, nor was it

necessary to distinguish between the economic and the political sphere. One exception is the earliest appearance of the root word for “oikonomia,” which is found in a poem by Phocilides (6th century BCE) that reflects the misogynic spirit of texts from this age. The poet classifies women by comparing them to different kinds of animals and advises his friends to marry a “bee-like” wife, because she is a “good oikonomos who knows how to work.” “Oikonomos” is usually translated as “steward.”

But as the affairs of the city-state (the *polis*, hence politics) became more central in the lives of the gentry, the term “oikonomia” came into common use. This period is often called the “classical age” of ancient Greece starting around 500 BCE, which is the time of the rise of the Athenian democracy and Socratic philosophy. The word “oikonomia” was used in speeches before the members of the Athenian court: for example, Socrates (who was born around 470 BCE and took hemlock in 399 BCE) used the term at his trial when claiming that he neglected what most men care for, such as oikonomia (Plato’s “Apology”: 36b); and Lysias (born circa 459 BCE) recalls in his speech *On the Murder of Eratosthenes* (1.7) that the wife of Euphiletos was a clever and frugal oikonomos. The term “oikonomia” is also found in plays from that period, as in the tragedy *Electra* (190) by Sophocles (born circa 497 BCE) when Electra murmurs that she had to serve as an oikonomos of her father’s house after his murder as if she were a despised slave. Electra’s comment demonstrates in a backhanded way the improvement in material well-being that many Greek *oikoi*, or estates, experienced during those years, as well as the relative rise in the social status of certain female citizens who were able to dispense some of their duties to slaves.

During this time period around the fifth century BCE, as oikonomia was talked about in the political sphere and put on display in the theaters, it also became a subject of philosophical reflection. Antisthenes (born circa 445 BCE), a philosopher who was the founder of Cynicism and a companion of Socrates, composed the first of these treatises—at least according to Diogenes Laertius (6.16) writing in the third century CE—but that work did not survive. He was soon followed by Xenophon (born circa 430 BCE) and his book *Oikonomikos* (meaning “one who knows economics”), and a generation later by Aristotle (born circa 384 BCE), who wrote a book on oikonomia (Diogenes Laertius II: 12), of which only two fragments survived. Oikonomia literature was not limited to classical Greece. In the next 500 years of Greek-speaking antiquity—that is, from 332 BCE to roughly 200 CE—all major schools of Greek philosophical thought composed texts dedicated to household management (see references for sources on these authors). More specifically, students of Aristotle composed three texts on economics, which were ascribed to Aristotle himself (conventionally, we refer to these as written by Pseudo Aristotle). By the first century BCE, Philodemus of Gadara ascribed the first of these works to Theophrastus who replaced Aristotle as the head of the school.¹ A summary of Stoic and “Peripatetic” (meaning “Aristotelian”) economic thought by Arius Didymus was

¹ For a discussion of the influence of this first book (that is ascribed to Theophrastus) on economic thought and economic policy in the Middle Ages, Renaissance, and early modernity, see Baloglou (2009).

saved, as well as treatises dedicated to economics by members of the Pythagorean (Callicratidas),² Stoic (Hierocles), and Epicurean (Philodemus) schools.³

By and large, these texts were addressing male citizens who headed well-to-do households and adhered to the values of the landed gentry. This meant that, on top of uncritical acceptance of enslavement and the subjection of women already mentioned, a valorization of self-sufficiency of the household (autarky) and a degree of scorn about market trading infused these works (Leshem 2014a). Such antagonism to the marketplace reflected an opposition to the social classes who were selling goods and labor in the market. As a result, the *oikonomia* literature is dealing only with social and economic activities that took place in the household (and when doing so, it was typically prescriptive rather than descriptive). Although the share of typical economic activities happening within estates was much greater in the time of ancient Greece than it is today, this focus falls far short of covering the whole of the economy and society of ancient Greece.

Modern academics sometimes write about “economic imperialism,” by which they mean to praise or curse the incursions of economists into neighboring fields like history, psychology, political science, sociology, philosophy, and others. The ancient Greek world witnessed its own “economic imperialism” of terminology, as “*oikonomia*” became a loanword applying to nearly every sphere of life. As I describe in Leshem (2013b), whatever people did, wherever they turned, they were seen as economizing. Both bodily functions and ethical choices were conceived as “economized”—that is, seen as rationally managed; the term political economy appears in reference to Ptolemaic Egypt; and even the cosmos itself was conceived by the Stoic philosophers as rationally economized by Nature. “*Oikonomia*” was also used as a term denoting the rational management of resources in political theory, military strategy, law, finance, medicine, literary criticism, architecture, music, history, and rhetoric.⁴ It is uncertain what caused the rise in the popularity of the word “*oikonomia*” in the Hellenic and Roman Empires. Recounting other episodes of economic imperialism in the history of the west, I suggest in Leshem (2013b) that it was a byproduct of both the spirit of political expansion that was a hallmark of both Hellenistic and Roman Empires and of a contemporary ideology that sought to identify rational design in nature and culture.

² Several texts on the subject of *oikos* management are ascribed to female members of the Pythagorean school—Theano, Perictione I, Phytis, Myia, Aesara—but only fragments of these texts have been saved (Waithe 1987, pp. 61, 65, 72–73).

³ Beside the above-mentioned texts, Albert Augustus Trever (1916, pp. 128–29) refers to texts composed by Xenocrates, Theophrastus, Metrodorus of Lampsacus, and Dio Chrysostom that are only mentioned by other ancient writers, or of which only a few fragments survived. Another genre that can shed light on the study of *oikonomia* is “on marriage” (for discussion, see Natali 1995).

⁴ In the encyclopedic research of Reumann (1957) into the philological history of “*oikonomia*,” he grouped its uses into four categories: i) *oikonomia* as the management of the *oikos* (153–205); ii) *oikonomia* in the political sphere (206–305); iii) *oikonomia* in nearly every art and science where it usually means the rational use of the field resource (306–390); and iv) *oikonomia* of the cosmos (391–486).

Ends and Means

Lionel Robbins (1935, p. 16) offered a definition of economics familiar to modern economists: “Economics is the science which studies human behavior as a relationship between ends and scarce means which have alternative uses.” In contrast, Xenophon offers this definition in the earliest text of oikonomia that has survived, which was highly influential for several hundred years: “The name of a branch of theoretical knowledge, and this knowledge appeared to be that by which men can increase oikos, and an oikos appeared to be identical with the total of one’s property, and we said that property is that which is useful for life, and useful things turned out to be all those things that one knows how to use” (*Oeconomicus* [hereafter “Ec.”] 6:4). This definition obviously suffers in translation, but in Leshem (2013c), I address the task of explicating it in the context of the ancient literature on oikonomia. Robbins (1935, p. 24) states that “economics is entirely neutral between ends.” In contrast, ancient economics was deeply concerned with ends as such, and in the selection between possible ends. In addition, ancient economics was a science that studied human behavior as a relationship between ends and *abundant* means, which have alternative uses.

In the writings of the ancient Greeks, the life of the head of the household—the *oikodesptes* who was the addressee of these texts—was conducted in three dimensions: the spiritual realm of philosophy, the heroic realm of politics, and the economic realm. The role of the economic dimension was to secure the means necessary for existence and to generate a surplus that sustained the two other dimensions that were deemed worthy of man. This could be done in two ways: either by increasing production or by moderating consumption.

These two options for securing life’s necessities and generating surplus can also be derived from Xenophon’s discussion. Xenophon portrays philosophical and political ideal types for a good life (Ec. 2:10; 11:9–10; see also 1:4, 21:9). The first is Socrates, *the philosopher*, who knows “one particular way of making wealth: the generation of surplus” (Xenophon, Ec. 2:10). By moderating his needs, the philosopher can spend most of his time philosophizing (Ec. 2:4). The political ideal type is Socrates’ interlocutor, Ischomachos, who is praised as one of “those who are able not only to govern their own oikos but also to accumulate a surplus so that they can adorn the polis and support their friends well; such men must certainly be considered men of strength and abundance” (Xenophon, Ec. 11:9–10). Similarly, these two ideal types of economic behavior are summarized by the lesser-known Arius Didymus (in the 1st century BCE) in the following way: “[A]n oikos [deals] with necessities. These necessities are twofold, those for social life and those for a good life. For the oikonomikos needs first to have forethought about these things, either increasing his revenues through free means of procurement or by cutting down on expenses” (Stobaeus Anthologium II, 7:26).

Thus, the management of the oikos was guided by the ethical disposition that was deemed best-suited to facilitate the engagement of the head of the household in philosophy and politics. Economic theory distinguished between four different

possible ethical dispositions (corresponding to philosophical life, political life, luxurious life, and economic life). It discussed the surplus generated by the economy and the means suited to achieve what was deemed the best ethical disposition.

Abundance, Surplus, and Economic Rationality

The surplus generated by the *oikonomia* was destined to allow the head of the household to participate in politics and engage in philosophy. If he chose to follow the political ideal type instead of the philosophical one, it also enabled him to be benevolent towards his friends by allowing them leisure time that would enable them to participate in politics and engage in philosophy, as well as supporting the institutions and activities peculiar to the *polis*—that is, the city-state. This perspective is based on three key concepts: abundance, economic rationality, and surplus. *Abundance* is an attribute of nature, which is assumed to be able to meet everyone's needs and beyond—if *economized rationally*. *Surplus*, on the other hand, is the product of people's rational economization of nature's abundance that is not used for securing existence. Thus, the ancient philosophers thought of the *oikonomia* as a sphere in which man, confronting abundant means, must acquire an ethical disposition of economic rationality enabling him to meet his needs and generate surplus to be spent outside the boundaries of the economic sphere (that is, in philosophy and politics). It is useful to consider these three key closely interrelated components of *oikonomia*—abundance, economic rationality, and surplus—in more detail.

Abundance

Modern economists hold that means are scarce. However, the ancient Greeks saw nature as potentially capable of satisfying all of man's needs if economized rationally (for an example from Aristotle, see Polanyi 1968, pp. 98–9; in Epicurean and Cynic economics, see Tsouna 2007, pp. 178–80). Moreover, nature was assumed to provide for much more than man's needs, and thus a limit had to be placed on engagement in wealth generation that might otherwise lead men to lose sight of the good life. The need to set a limit to indulgence in wealth generation on the one hand, and the threat of submerging oneself in a luxurious life on the other, meant that nature was seen not just as possessing the means to sustain humanity *abundantly*, but also *excessively*.

Aristotle described how this abundance is economized by the political ideal type saying that “property, in the sense of a bare livelihood, seems to be given by nature herself to all . . . therefore nature makes nothing without purpose or in vain” (Pol. 1256b), and “one kind of art of supply therefore in the order of nature is a part of economics . . . [the] supply of those goods, capable of accumulation, which are necessary for life and useful for the community of *polis* or *oikos*” (Pol. 1256b). Moreover, Aristotle's assertion that nature can supply all of man's needs forms part of his analytic discussion of the science of wealth (referred to as “*chrematistics*”), in which he discerns between its natural and unnatural kind (for

discussion, see Leshem 2014a). The distinction, according to Aristotle, is that the natural kind is occupied with supplying people's needs, while the unnatural kind (which was presumed to derive from engaging in market trading) is concerned with generating excessive wealth.

Thus, an ancient Greek philosopher generated surplus by restraint in consumption. In her review of Philodemus' *Peri Oikonomia* from the 1st century BCE, Voula Tsouna (2007, p. 182; see also Asmis 2004, p. 145) describes how abundance is economized by the philosopher: "What makes it possible for the philosopher to feel and act in such a way [to be indifferent towards wealth] is, indeed, his confidence that Epicurus was right in saying that natural and necessary desires are easy to satisfy, and their fulfillment is all that the philosopher needs in order to pursue his way of life."

Those who followed the path of virtuous public life sought to generate surplus that could be distributed to the rest of the polis. For example, Bryson the Neo-Pythagorean (163–65) explained:⁵

[T]he one who conducts himself in this [rational] manner, the fruits and profits of it shall be used for his earnings and enough for the prosperity of his body and food for those in his household, and he should leave some on top of this to help his relatives and acquaintances . . . and a small measure of it to women and the poor people of his *polis* and he should save some so as to be helped in dire times and it is worthy of him not to ask for more than this, and if he asks more than this he is subjected to a bad thing.

Economic Rationality

From the perspective of the ancient Greek philosophers, the problem one is facing when economizing the needs of the oikos is *not* how to deal with the inevitable tradeoffs posed by scarce means. Rather, it is how to set a limit to engaging in economic matters, since nature possess excessive means that can supply all of people's natural needs *as well as* their unnatural desires. On the other hand, if economized rationally, nature can supply the needs of all the inhabitants of one's oikos or polis *and* free some of its members from engaging in economic matters to experience the good life, which is extra-economic.

In this way, what the ancient Greeks meant by rationality in economics clearly differs from the modern view. Modern economics "involves *inter alia* a firm rejection of the 'ethics-related' view" in the words of Amartya Sen (1987, p. 15). In contrast, the ancient Greeks held that the "economy is intelligible only as an ethical domain," which Booth (1993, p. 8) argued is "to be counted among the most significant of their contributions." As a result, the economic approach to human behavior of the ancient Greeks did not begin from an assumption that desires cannot be saturated

⁵ The original Greek text (dated to the 1st century CE) was lost. Its translation into Arabic (and later into Hebrew) was preserved. The translation of Bryson is mine, from the Hebrew version.

and therefore scarcity and tradeoffs are inevitable. Instead, they believed that an oikonomia of maximization of desire satisfaction was unethical, and despised those who acted that way. Xenophon (Ec. 1:22) vividly portrayed such people as

. . . slaves . . . ruled by extremely harsh masters. Some are ruled by gluttony, some by fornication, some by drunkenness, and some by foolish and expensive ambitions which rule cruelly over any men they get into their power, as long as they see that they are in their prime and able to work . . . mistresses such as I have described perpetually attack the bodies and souls and households all the time that they dominate them.

The ancient Greeks saw economic behavior as rational when it was frugal in its use of means towards what they deemed as worthwhile ends. In order to assure the achievement of economic rationality in the sense of the use of means towards praiseworthy ends they appointed the virtue of “soundness of mind” (*sophrosyne*) as the virtue in command of the economy. Aristotle (*Eth. Nic.* 1140b) said that this virtue is called “sophrosyne” because it keeps unharmed (*suzei*) economic rationality (*phronesis*). “Economizing with a sound mind” meant keeping the distinction between needs and desires intact and making sure that the two were incommensurable: needs are to be fully satisfied, while a limit must be set to the otherwise never-ending pursuit of desire gratification. Such an ethical oikonomia generates surplus, and the nature of the surplus generated serves as the ultimate test to the quality of oikonomia.

Moreover, in the literature concerning oikonomia, acquiring a rational disposition was seen as reflecting an ethical choice. This position is very different from contemporary economic theory, which presupposes every economic action as rational without moral qualification and assumes that people’s rational disposition can be inferred from their revealed preferences.

Surplus

Perrotta (2004, p. 9) uses the economic concept of surplus, defined as “wealth which exceeds a society’s normal consumption,” to distinguish between ancient and modern economics. He argues that in modernity the surplus is channeled back into the economic sphere of production, as part of the process of generating economic growth. In contrast, the ancient Greek philosophers distinguished between four uses of surplus (as discussed in Leshem 2013b). The first use of surplus was channeling it back to the economy. This choice was deemed slavish, as it entailed submerging oneself to never-ending economic activity. As such, it missed the end of economic rationality—which was meant to free the head of the household from economic occupations altogether. The latter three uses of surplus are found outside the economic domain and are labeled by Aristotle (*Nic. Eth.* 1095b) as political, philosophical, and luxurious forms of life. Although a few schools of thought (such as Cynics and Epicureans) disagreed with Aristotle’s assertion the good life could only be philosophical or political,

they all agreed that a luxurious life (as well as an unending focus on economic life) is a perversion of the good life.

In most texts, the surplus generated by rational economization of nature's abundance is to be spent beyond the boundaries of the economic sphere of needs satisfaction. At its basic level, the surplus is spent as leisure time (*scholē*) in which the philosopher surpasses the affairs of this world and ascends into the realm of thought while the citizen participates in politics. The citizen was also expected to use material surplus to demonstrate the virtue of benevolence towards his friends, allowing them leisure time that will enable them to participate in politics and engage in philosophy. Besides sharing the surplus with friends, he was also praised for using it to finance the political institutions.

The Ancient Economics of Human Resources and Property

It was customary to divide the practical discussion of oikonomia, which advised the head of the household how to manage his estate, into four branches: slaves and servants; the wife or matron; children; and property (for examples from various schools, see Leshem 2014b; Natali 1995). Of these four branches, wrote Aristotle: "It is clear then that oikonomia takes more interest in the human members of the oikos than in its inanimate property, and in the excellence of these than in that of its property, which we call riches, and more in that of its free members than in that of slaves" (Pol. 1259b). Or as in the first book of economics: "Of property, the first and most necessary part is that which is best and chiefest; and this is man" (Pseudo Aristotle, Econ. I: 1344a).

The classical oikos was perceived as a partnership between the matron and the master (Xenophon, Ec. 7:12), which "aims not merely at existence, but at a happy existence" (Pseudo Aristotle, Econ. I: 1343b). Of all the actors in ancient economics, the matron demonstrates perhaps the greatest resemblance to contemporary *homo economicus*; unlike the slave, she was a freeborn, and unlike the master, she spent the bulk of her time in the economic domain as she was excluded from the public sphere of politics and was also barred from engaging in philosophy by most schools of thought. As a result, no limit was set on her pursuit of happiness through wealth generation, which took place in the economic sphere. The main difference between the ancient matron and the contemporary *homo economicus* is that the matron was expected to govern the interior of the oikos by demonstrating the virtue of soundness of mind, in which she was seen as either superior to the master (Phyntis: 27) or at least capable of excelling just as much (Xenophon Ec. 7:42). In contrast, the wants of modern contemporary economic man are assumed to know no saturation. As I describe in Leshem (2014b), the matron's pursuit of wealth did not stand in contrast to the master's attempts to set a limit to such an engagement. Rather, the economic harmony between the sexes was conceived as a result of the singular position that the matron occupied in the oikos and the mode by which she demonstrated the virtue of economic soundness of mind. The matron,

as the one entrusted with the economy of preservation, use, and consumption, contributes to wealth generation by efficient inventory management, by rational use of durable goods, and by temperate consumption. Doing all these, she contributed to the generation of extra-economic surplus for her master. As Xenophon's model citizen, Ischomachos, "mansplained" to his young wife: "[M]y bringing in supplies would appear . . . ridiculous if there were not someone to look after what has been brought in. Don't you see how people pity those who draw water in a leaky jar, as the saying goes, because they seem to labor in vain?" (Xenophon Ec. 7:40). Xenophon is pointing out that rational preservation, use, and consumption by the matron can free the master to engage in leisurely occupations such as politics and philosophy.

The ancient Greek philosophers mention children mostly in passing and pay very little attention to economy of the children. When they do discuss the subject, it is usually as part of the husband-wife relationship, as the outcome and purpose of this relationship, and as the ones who will also take care of the parents as they get older.

With the exception of Aristotle, all of the authors dedicate their treatises exclusively to what Aristotle called to the "science of using slaves" (*Politics* 1255b) without expressing any moral qualms about the practice of slavery.⁶ The discussion was then divided into three subfields: classification, management, and supervision of slaves. Slaves were classified by Xenophon (Ec. 12–15, 21), Aristotle (Pol. 1255b), and Pseudo Aristotle (Econ. 1: 1344a) into managerial and manual labor. Slaves were managed only for the benefit of their master. Slaves lacked any legal protection, but the ethical disposition of soundness of mind was supposed to stop the master from overusing the slaves and instead cause the master to find a balance between justness and utility.

These texts offer some embryonic discussions of how to set incentives for labor in the context of what we would now call a principal-agent problem. The authors suggest various ways of managing slaves by setting up complex schemes of positive and negative incentives that are meant to make the slaves act in a way that will best serve both their interest and the interest of their master. The incentives recommended were mostly material incentives, and a preference for positive over negative incentives can be easily detected. Theano, for example, justified this preference in her letter to Kallisto on the grounds that "the greatest thing . . . is good will on the slaves' part. For this will is not bought with their bodies." In setting his scheme of incentives for slaves, Xenophon's Ischomachos set negative incentives for conduct he deemed unworthy and positive incentives for conduct he deemed worthy (Ec. 14: 3–6).

⁶ It should be noted that Aristotle had no disagreement with or critique of slave labor. However, his purpose in his discussion of slavery was the different one of trying to distinguish between slave by nature and a free man, and between human and nonhuman capital.

Supervision by masters over slaves was also deemed necessary because, as argued by Xenophon, “the master eye produces beautiful and good work” (Ec. 12:20). Pseudo Aristotle (Econ. I: 1345a) describes these in the following manner:

The master and matron should, therefore, give personal supervision, each to his or her special department of the oikonomia. In small oikonomiai, an occasional inspection will suffice; in ones managed through stewards, inspections must be frequent. For in stewardship as in other matters there can be no good copy without a good example; and if the master and matron do not attend diligently [to their oikonomia], their deputies will certainly not do so.

As a result of the emphasis of the ancient Greeks on human resources, the economy of property is barely discussed. Most of their discussion aims over and again at defining the proper limit to the production and accumulation of wealth, either for the political or the philosophical ideal type. The discussion of methods of production, distribution, and accumulation, once the proper limit has been set, is rather dull. In general, it does not go beyond prosaic advice such as “the oikonomos must . . . have the faculty of acquiring, and . . . that of preserving what he has acquired; otherwise there is no more benefit in acquiring than in baling with a colander, or in the proverbial wine-jar with a hole in the bottom” (Pseudo-Aristotle, Econ. I: 1344b). Philodemus of Gadara, the only author who dedicates his book solely to property oikonomia, essentially focuses on offering a critique of the commonly held view that one should maintain a fixed level of expenditure and spread one’s investment in order to minimize risk. Instead, he argues for more flexibility in asset management on the philosopher’s behalf (Philodemus 2012: 30–32).

Oikonomia, Ethics, and Modern Economics

Of course, pointing out that ancient oikonomia is intertwined with ethical judgments gives no assurance that ancient economics stands on higher moral grounds than the modern study of economics, which largely dissociated itself from ethical considerations. The surplus of ancient “ethical” oikonomia was generated by slave labor and the denial of citizen rights to women. It was the abuse of slaves alongside the continuous subjection of female citizens that enabled “all people rich enough to be able to avoid personal trouble [to] have a steward who takes this office, while they themselves engage in politics or philosophy” (Aristotle, Pol. 1255b). At the same time, the culpability of the ancient oikonomia need not imply the desirability of an approach to economics that is built on a separation from ethics. Surely, we can think of ways to engage in ethical economics without slavery or the denying of human and civil rights.

One recent attempt to rejoin economics and ethics is Amartya Sen’s “capability approach.” As Sen (1993) notes, his approach has links to Aristotle’s understanding of human flourishing. Sen’s approach argues for assessing the performance of the

economy based on people's "capability" to attend to "functionings." The former includes both life necessities such as access to food and shelter, as well as access to functionings necessary for what the ancient Greek philosophers deemed as prerequisites for a good life, such as access to literacy and participation in democracy. The functionings sought after are not solely based on people's subjective assessments of their own situation as with approaches based on ordinal utility or, more recently, happiness indices. This is because people who face lives of deprivation, sickness, and limited opportunities may not be able to know or to enunciate what they are capable of, or what they should want. Sen's approach is also different from indices that measure the overall performance of the economy in terms of aggregate GDP. Sen's approach is not indifferent to how income is distributed among the members of society or the extent to which people have basic human and civil rights. Much like the ancient Greek philosophers, Sen's vision of capabilities is not neutral between ends. Sen abstains from enunciating a precise and explicit definition of what functionings should count as necessary for a good life, in part because he is taking into account the extent to which perceptions of this may vary across countries with different income levels and cultural traditions.

Of course, one can also suggest a variety of other ethical underpinnings for a modern economics. But many of these approaches would argue that the ends of economic analysis should be open to an ethical discussion and that economic rationality should be defined in terms of how best to approach the goals that emerge from an ethical framework. Indeed, as many parts of the world attain an ever-higher state of economic progress, an ethical framework might call into question the pursuit of economic goals as an end in and for themselves. At least in this sense, the ancient ethical *oikonomia*—stripped of the abusive qualities characteristic of its time—may serve as a source of inspiration for seeking to mix the practicalities of economic life with an articulated ethics of human purpose.

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