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ESSAYS  
IN HONOUR OF PROFESSOR  
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## ECONOMIC IDEAS OF ANCIENT GREEK SOPHISTS AND ORATORS\*\*

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### INTRODUCTION

The majority of the historians of economics engaged with Greek antiquity, analyzed mainly the economic views of so-called Socratic philosophers. However in Athens in the 5th century B.C. quite another stream of ethical and philosophical ideas by eminent philosophers circulated: those of the sophists. These philosophers developed some interesting ideas relating to economic subjects and, especially, established rhetorics; namely, the power of speech used for the purpose of persuasion and defense in matters of justice.

By the term «sophists» Socratic philosophers, particularly Xenophon, in his *Memorabilia* (I, 6, 13), Plato in his *Sophists* (231d-e) and *Protagoras* (320b, 371b), characterized those, who by receiving fees taught the rich young Athenians «virtue» and politics. Xenophon, Plato, and in a lesser degree Aristotle, opposed sophists, whom they considered, showed a negative attitude in their teachings. However, nonetheless it must be admitted the sophists advanced a social movement in Athens characterized as the «Greek enlightenment» (Kyrkos, 1992, p. 52). Despite the fact of Socratic philosophers' hostility toward sophists' arguments and ethical ideas, sophists' undoubtedly proved themselves to be influential in the development of ethical and political ideas in Greek antiquity.

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We have chosen to analyze the economic ideas of two categories of thinkers that is sophists and orators, not only because they are not so well known to the historian of economics, but also, because their ideas are actually interrelated; most orators who were pupils of sophists used not only sophistic techniques in language and speech but also adopted some of their ideas<sup>1</sup>. Further, we intend to differentiate between them: to show which ideas were widespread in ancient Greece, and which were original or different from those developed by Socratic philosophers.

Thus, firstly in the following pages, we shall analyze the ideas of sophists and orators in regard to the economic motive and behavior of individuals; then, secondly, their attitude towards the production side of economics. In the third and fourth sections, their arguments toward the profit seeking enterprises and the accumulation and use of wealth will be respectively evaluated.

## I. ECONOMIC MOTIVES AND BEHAVIOR

The philosopher Protagoras was a noticeable sophist who developed the idea of relativism, namely the evaluation of all matters in terms of an individual's preference. His argument that «man is the measure of all things» (see Plato, *Cratylus*, 386a), raised considerable doubt as to the objectiveness of things; it also established subjectivity as a question to be considered not only in appraising but also in criticizing the behavior of individuals.

Protagoras, in following his teacher Democritus (Karayiannis, 1988, p.379), supported the view that the behavior of individuals is influenced by feelings of either happiness or pain. Individuals endeavor to avoid pain and to maximize happiness (Plato, *Protagoras*, 354c) - an idea developed centuries later in the Benthamite philosophy<sup>2</sup>. Protagoras defines happiness and pain in terms of their intensity (ibid. 356a-c). Lowry (1981, p.816), points out that Protagoras developed the following elements of hedonic calculus: «(1) forgoing present pleasures to avoid greater future pains; (2) accepting present pains to enjoy greater future pleasures; (3) forgoing present small pleasures for greater future pleasures; and (4) accepting small present pains to avoid greater future pains». Such principles regarding the relativity of happiness and pain among different individuals, is also put-forward in the work of anonymous sophist *Dissoi Logoi*. In this treatise (about 400 B.C.) the anonymous sophist developed the argument that some economic causes produce differing results on people: in some pain while in

others happiness (*Dissoi Logoi*, quoted in Skouteropoulos, 1991, p. 576).

The establishment and healthy functioning of a city -i.e. well being- according to Protagoras, was based upon *dike* (justice) and *aidos* (respect for others). By applying these two aspects of behavior, as Lowry (1987, p. 170) comments, «the decision-making process as a means of achieving political stability has parallels with our modern legal concept of due process of law in that it sets up the procedure or process itself as the measure of justice».

Man must pursue virtue and justice; this was the crucial point of Socratic teachings (see Houmanidis, 1993, p. 11-2). However, sophists and some of their pupils differed; they considered that materialistic pursuits of man were also useful for a city. On this respect, the orators Isocrates and Demosthenes recognized that the profit motive conducted by fair methods was a social acceptable pursuit, because such activity increased the economic strength of a city (Karayiannis, 1992, pp. 70-1).

## II. LABOR, PRODUCTION AND ENTERPRISES

Socratic philosophers and sophists fundamentally differ about the purpose of education. Protagoras, gave lessons to rich young Athenians who paid very high fees. He taught that a useful knowledge is the efficient management of a household (*oikos*) (Plato, *Protagoras*, 318d). It was a widely held view in the ancient Greek world that statesmen must prove to be capable in household management as well as another affairs of course (see Herodotus, *The Histories*, 29; Xenophon, *Memorabilia*, III,4,12). Socratic philosophers, on the other hand, stressed virtue as the prime aim of education of citizens.

Protagoras, examining the relationship between labor and productivity argued that there exists a positive relationship between the two- an argument also put forward by Democritus (Karayiannis, 1988, p.385). According to Protagoras (see Stobaius, *Anthology*, III,29,80), a profession that was pursued without much practical experience resulted in low productivity, and vice versa. Isocrates (*Antidosis*, 187, 208-9), a pupil of Protagoras, not only asserted that labor productivity is proportionally increased by constant practical experience but furthermore, every individual ought to choose an employment to which he has a more natural inclination.

The sophist Prodikus, a distinguished pupil of Protagoras, contemplating the origins of civilization and influenced by his teacher's



«agnostic» attitude toward the subject of gods<sup>3</sup>, concluded that men baptized gods all the necessary things for living (as agriculture, etc.) and those who invented some artificial arts (as Hephaestus)<sup>4</sup>.

In regard to the labor issue, sophists was not so absolute toward the proper employment of the free citizens as was Plato. Plato, as we know, distinguished between honorable and dishonorable labor (see Karayiannis, 1990, pp. 24-5). On the other hand, Protagoras, declared that labor itself is a necessary element towards attaining merit. Isocrates also, in his *Areopagiticus* (24) praised the industry of old Athenians. And Pericles, another of Protagoras pupils, in his famous funeral speech emphasized that the labor of free citizens must be regarded as a honorable activity (Thucydides, *The History of the Peloponnesian War*, Book B, 40). The sophist Critias analyzing the argument of Hesiod (*Works and Days*, 20-5) toward labor, stressed that employments producing useful goods are not dishonorable (Plato, *Charmides*, 163b-d). Also, the sophist Hippias, taught that work done in order to be self-supporting is not dishonorable but, on the contrary, is an example of real skill (Plato, *Lesser Hippias*, 368b-e). In the *Anonymous Iamblichus*<sup>5</sup>, another treatise by an anonymous sophist, the writer observed that men established cities because they were unable to be wholly self-supporting and because man, furthermore, is a social animal (quoted in Skouteropoulos, 1991, p. 560) - views developed relatively by Plato (*Republic*, 369b-c) and Aristotle (*Politics*, 1253a).

In regard to the difference between free men and slaves, sophists reveal a real progressive attitude. The sophist Antiphon for instance, argued that since for all human beings the same necessary natural actions occur alike, it follows that all men, noble and villain, Greeks and barbarians, must be in basic elements the same<sup>6</sup>. Alkidamas, a pupil of the sophist Gorgias (about 360 BC), taught, as Aristotle mentions, (**Art of Rhetoric**, 1373b, 18), that equality ought to exist amongst free men and slaves.

With regards to the way free citizens engaged in wholesale trade, the attitude of orators was not greatly different from that of the Socratics: namely, both considered to be a beneficial employment for the citizens and the city. Firm justification of wholesale trade comes from Isocrates, who attributes the causes of trade to the various surpluses produced in different countries. As Isocrates put it:

«Again, since the different populations did not in any case possess a country that was self-sufficing, each lacking in some things and producing others in excess of their needs, and since

they were greatly at a loss where they should dispose of their surplus and whence they should import what they lacked, in these difficulties also our city came to the rescue; for she established the Piraeus as a market in the center of Hellas - a market of such abundance that the articles which it is difficult to get, one here, one there, from the rest of the world, all these it is easy to procure from Athens» (*Panegyricus*, 42).

### III. MARKET AND EXCHANGE

Private property in the Greek ancient world (except Sparta) was the basic institution on which all enterprises functioned. Isocrates and Demosthenes in their writings justified its usefulness. The former by arguing that owner proves it to be more productive (*Panegyricus*, 76), and the latter on the grounds that as an institution it reinforced the growth of Athens (*Philippics*, IV, 45). In parallel with the institution of private property, Athens established various laws safeguarding justice in matters of exchange and eliminating economic fraud.<sup>7</sup>

Regarding the functions of money and the market, in *Anonymous lamblichii* (quoted in Skouteropoulos, 1991, pp. 560, 564-5), developed the following interesting views: a) the use of money has been established by law - a view which developed later on by Aristotle (see Houmanidis, 1979, p. 31; Karayiannis, 1991, p. 311); b) the quantity of money in circulation is related to the volume of exchange; and c) when the law does not protect fair exchange, hoarding increases, whilst citizens decrease their productive contributions. The main point in this *lamblichii* argument is that dishonesty and «aischrokerdia» (profiteering) are detrimental in economic transactions. The same position condemning profiteering held by the comedian Aristophanes (*Plutus* 362-3), and other philosophers as Plato (Karayiannis, 1990, p. 27) and Aristotle (*Eudemian Ethics*, 1232a).

Evidently it was a common practice for some rich Athenians to quit actual business itself and to play the lofty role of capitalists: that is, to offer loans at high interest to wholesale traders. Evidence exists in orators literature concerning frauds to which such lenders of money were exposed; and which inform us of various laws established for their protection<sup>8</sup>. We can conclude therefore that money lenders activity was recognized by most orators as both useful for those who borrow and for the city itself. As Demosthenes argues:

«For the resources required by those who engage in trade come not from those who borrow, but from those who lend; and neither ship nor shipowner nor passenger can put to sea, if you take away the part contributed by those who lend. In the laws there are many excellent provisions for their protection. It is your duty to show that you aid the laws in righting abuses, and that you make no concession to wrongdoers, in order that you may derive the greatest possible benefit from your market. You will do so, if you protect those who risk their money, and do not allow them to be defrauded by monsters such as these» (Against Phormio, 51-2).

Furthermore, Isocrates (*Areopagiticus*, 34-5) advises fellow-citizen not to turn against the money-lending activity of the rich, because enterprise capital will thereby be diminished and production will also be decreased.

In regard to market structure, Athenians were opposed to private monopoly, especially in trading necessary goods, as we read from Lysias oration *Against the Grain-Dealers* (6-8, 12-5). Thus, not only the Socratic philosophers<sup>9</sup> but also the orators opposed unfair economic transactions as a source of wealth (see Isocrates, *To Nicocles*, 50).

#### IV. THE ACCUMULATION AND USE OF WEALTH

The orators approached of the accumulation of wealth through fair economic transactions (that is without fraud, etc). However, Isocrates (*Antidosis*, 146, 159-160), urged Athenians not to be hostile towards rich citizens. The purpose of wealth for orators was not only that it enables loans be given to businessmen but also in it being able to pay large part of public expenses (Isocrates, *On the Peace*, 128). But after the Peloponnesian war, the williness of the rich to undertake public expenses («leitourgies») was decreased. As a consequence, Isocrates, (*Areopagiticus*, 31-2) appealed to his rich fellow-citizens to return to pre-war behavior and to contribute to the economy of the city.

In regard to the measure of wealth, Prodikus (see pseudo-Plato, *Eryxias*, 397c-e), considered that it is related not to the amount of wealth but its proper use—a widespread idea in the ancient world, developed by Democritus (Karayiannis, 1988, p. 383) and the Socratic philosophers<sup>10</sup>. The orator Isocrates relatively, comments:

«Set not your heart on the excessive acquisition of goods, but on a moderate enjoyment of what you have. Despise those who strain after riches, but are not able to use what they have; they



are in like case with a man who, being but a wretched horse-man, gets him a fine mount. Try to make of money a thing to use as well as to possess; it is a thing of use to those who understand how to enjoy it, and a mere possession to those who are able only to acquire it» (To Demonicus, 27).

However, we lack documentation from the various fragments of sophists concerning their attitude toward the proper use of wealth. For Socratic philosophers<sup>11</sup> and some of the orators<sup>12</sup> wealth was to be spent: a) on necessary and not luxury goods; b) in offering help to poor fellow citizens; and c) on public expenses. In this way, Socratic philosophers and orators maintained that the misery of poor fellow citizens would be lessened and the state would be made more powerful.

The attitude of earlier sophists in regard to the unlimited accumulation of wealth was similar to that of the Socratic philosophers. Gorgias, in this work *In defense of Palamides* (quoted in Skouteropoulos, 1991, p.239), declares that virtue is more important than wealth, and that the sole motive of acquiring wealth will result in injustice and ethical corruption. This argument was supported later by Gorgias pupil, Isocrates (*Panegyricus*, 76). As is well known, this argument has been also stressed by other eminent philosophers as Plato (see Karayiannis, 1992, p.27) and Aristotle (*The Art of Rhetoric*, 1390b, 35-40).

However, some other sophists justified the accumulation of wealth as a personal aspect of man. For example, the sophist Antiphon (see Xenophon, *Memorabilia*, I, 6, 2-5) considered that through wealth the freedom of citizens and the utility derived by its consumption, is increased. Socrates, on the contrary, denies this proposition holding that without such wealth motive, man experiences greater freedom. Moreover, in **Anonymous Iamblichus** (Skouteropoulos, 1991, p. 557) the motive of accumulation of wealth was justified on the following grounds: a) man has a strong feeling of self-interest;<sup>13</sup> b) accumulation of wealth is a defense against the misfortunes of life; and c) by the accumulation of wealth man enjoys luxury and commands political and economic power.

On the other hand, a majority of Greek philosophers and orators opposed the avaricious behavior of men and the idle hoarding of money<sup>14</sup>. Also, as we learn from Demosthenes (*Against Phormio*, 8-9, 42; *Against Nausimachus*, 25-6) the common feeling of Athenians was opposed to the idle consumers whilst they esteemed those rich who used their money in enterprises.



## CONCLUSION

Having at our disposal but a few fragments from sophist literature, it is rather very difficult to wholly appraise their contribution to economic subjects. However, as we have seen, some of their opinions are similar to the widespread views and ideas of other philosophers. For instance, their opposition to the accumulation of wealth by unfair economic actions, etc. More realistic were the opinions expressed by sophists and orators on economic subjects; such as concerning the labor of free citizens, the role of capitalists, the justification of the accumulation of wealth, etc. Therefore, although we regard philosophizing as the main spiritual activity of the ancient Greeks, some of them such as sophists and orators did offer realistic advice concerning the attainment through economic activity of an enjoyable life for people and for adding to the economic growth of the city-state.

## NOTES

1. The sophist Gorgias introduced rhetorics to Athens (Kyrkos, 1992, p. 56).
2. This argument advanced also later on by Aristippus and the Cyrenaics (see Drakopoulos, 1991, pp. 10-2).
3. For the «agnostic» attitude of Protagoras toward gods, see Plato, (*Protagoras*, 320c-323a).
4. It is mentioned in the work of Filodimus, *On godliness* (quoted in Skouteropoulos, 1991, p. 323).
5. This treatise was written at the end of 5th and the beginning of 4th century B.C. by a follower of Protagoras (Kyrkos, 1992, p. 209).
6. See Guthrie, (1971, p. 193); Skouteropoulos, (1991, p. 455); Kyrkos, (1992, pp. 273-4). The sophist Lycophron- a pupil of Gorgias- developed the protectionistic theory of the State and emphasized its role on the protection of welfare of poor and weak citizens (see Mazaraki-Christodoulidi, 1984, pp. 197-204).
7. See for instance, Hyperides, *Against Demosthenes*, VI, 13, VII, 15; Demosthenes, *Against Phormio*, 50, *Against Apaturius*, 1.
8. See e.g. Hyperides, *Against Demosthenes*, XVII; Demosthenes, *Against Apaturius*, 4.
9. For Plato's attitude against unfair transactions see Karayiannis, (1990, pp. 34-5).
10. See, Plato *Euthydemus*, 279a-281b, Aristotle, *The Art of Rhetoric*, 1361a, 22-4.
11. See Xenophon, *Memorabilia*, XI, 9-11; Plato, *Republic*, 369d; Aristotle *Art of Rhetoric*, 1381a, 20-5, 1385a, 15-20, *Eudemian Ethics*, 1231a-1231b.
12. See Isocrates *To Demonicus*, 28; Lysias, *In Behalf of Aristophanes money*, 10; Demosthenes, *Against Meidias*, 213.
13. Socrates recognize the existence of the motive of self interest as a driving force of men's actions (see Xenophon, *Memorabilia*, III, 9, 4).
14. For example, the sophist Antiphon (Stobaius, *Anthology*, III, 10, 39, III, 16, 30); Xenophon (*Cyropaedia*, 3, III, 3, 8, III, 44); Aeschines, (*Against Timarchus*, 30, 42); Isocrates (*Areopagiticus*, 4-5).

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