Surplus and Default in Xenophon’s Business Economics

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Abstract  Surplus and default are both as old as Man himself. Yet the first work which studies the phenomenon of deficit in a scientific way is Xenophon’s Oeconomicus (fourth century B.C.). Conversing with Critobulus, Socrates not only develops a technical nomenclature to denote defaults and losses, but also reveals what to do for transforming them into profits.

Keywords  Socrates, Xenophon, Default, Business Economics

1. Introduction: Surplus and Default at the Origin of Business Economics

«Ma cos’è questa crisi? (=Butwhat’sthiscrisis?)»
[Rodolfo Tonino “De Angelis”, 1933].

It has already been sustained that «accounting would have been impossible without some surplus to take into account».1 This is the reason why accountancy originated in Mesopotamia as soon as ancient Mesopotamian peoples – because of soil fertility – got some surplus to accumulate.

We have already maintained that accounting is «a mental form a priori of human intellect».2 As such, it cannot only reckon profits, but also losses. Modern accountants say that balance may be either «positive» or «negative», registering either a surplus or a default.

Therefore, it happens that – in times of crisis – a clever accountant must register losses more often than profits. Most people think business economics to be useless in times of crisis, when surpluses and profits lack. The contrary is true: during economic depressions, the science of accountancy is even more useful, since it prevents temporary losses from becoming permanent defaults.3

2. Xenophon: The First Nomenclature of Business Economics and Accountancy

1Cfr. Paganelli 2012 [11], 1227-1228.
2Paganelli 2012 [11], 1227. For further information, we must quote Id. 1992 [9]: perhaps, repeating what we wrote (more than twenty years ago) isn’t necessary.
3 See the late Osvaldo Paganelli’s doctoral dissertation (1953/54 [12]).

«Xenophon […] too often irritates the reader by incessant repetition of the same pattern of sentence, of the same formula, and even of the same word. […] It is strange that he constantly uses the same word over and over again in the compass of a few lines. A translator is often compelled to have recourse to synonyms».4

We shan’t subscribe to such a severe judgement. Repetitions in Xenophon’s Oeconomicus – and especially in the first part of it (chap. I-VI), the so-called Critobulus’ Dialogue – denote the effort of creating the nomenclature of business economics and accountancy ex nihilo. Elsewhere, we sought to classify the fundamental entries of Xenophon’s lessicocontabile (= accountants’ lexicon)5 in Greek. Here we are doing the same in English.

Business economics: ΕΠΙΣΤΗΜΗ ΤΗΣ ΟΙΚΟΝΟΜΙΑΣ epistēmē tēs oikonomias (Oec. I 1 B, VI 4, etc.; Liddell, Scott 1996 [3], 660, 1204; Montanari 2004 [7], 819, 1448). No doubt, ΟΙΚΟΝΟΜΙΑ oikonomia is a most polysemous term. However, when Socrates speaks of ΕΠΙΣΤΗΜΗΤΗΣ ΟΙΚΟΝΟΜΙΑΣ epistēmē tēs oikonomias, he surely hints at the «science of the ΟΙΚΟΣ oikos». Yet ΟΙΚΟΝΟΜΙΑ oikonomia – in Socrates’ opinion – isn’t a sort of «domestic science» (as some annotators maintain). On the contrary, Socrates’ ΟΙΚΟΝΟΜΙΑ oikonomia deals with the nature and function of the ΟΙΚΟΣ oikos (the latter being the cell of economic organization). Socrates’ innovative change is just considering the ΟΙΚΟΣ oikos not merely as a «(family) house», but rather as a prototype of «(family) business» (see enterprise or concern). Only the ΟΙΚΟΣ oikos as a business company – we shall note – can be the object of a science which may be compared with medicine: namely, an ΕΠΙΣΤΗΜΗΕΠΙΣΤΗΜΗ including a general theory (that’s what we call «business economics») and an applied science (that’s what we call «accountancy»). It is to be noted, then, that Socrates’ ΟΙΚΟΝΟΜΙΑ oikonomia doesn’t correspond exactly to modern «economics» as being the science of money. Indeed, today’s financial economics is the equivalent of ΧΡΗΜΑΤΙΣΤΙΚΗΧΡΗΜΑΤΙΣΤΙΚΗ of the ancient Greeks (literally: the «science of ΧΡΗΜΑΤΑ = capitals»). On the other side, ΟΙΚΟΝΟΜΙΑ oikonomia of the ancient Greeks is closely linked to the notion of ΟΙΚΟΣ oikos as a «(family) business»; therefore, it appears to be the equivalent of today’s «business economics».

4Marchant 1923 [5], xxvii.
5Paganelli 1991 [8]; cfr.Gabrovec Mei 1990 [2].
economics and accountancy». Now, whether ΟΙΚΟΝΟΜΙΟΙΚΟΝΟΜΙΑ includes in itself ΧΡΗΜΑΤΙΣΤΙΚΟΧΧΡΗΜΑΤΙΣΤΙΚΟ (as Socrates maintains at the end of chap. II), or «financial economics» includes in itself «business economics and accountancy», it’s a problem much debated by ancient and modern economists.

**Business management:** ΟΙΚΟΝΟΜΙΟΙΚΟΝΟΜΙΑ (Oec. I 1 ff.; Liddell, Scott 1996 [3], 1204; Montanari 2004 [7], 1448). Socrates defines ΟΙΚΟΝΟΜΙΟΙΚΟΝΟΜΙΑ not only as the «science of the ΟΙΚΟΖΟΙΚΟΣ» (see business economics), but also as the «ΤΕΧΝΗΤΕΧΝΗ» = art and technique of managing an ΟΙΚΟΖΟΙΚΟΣ: that’s what we call «management». Of course the act of ΟΙΚΟΝΟΜΕΙΟΙΚΟΝΟΜΕΙΝ, etymologically deriving from ΟΙΚΟΝΕΜΕΙΟΙΚΟΝΟΜΕΙΝ (see to manage administer), isn’t the very same as «domestic science», namely housekeeping: on the contrary, it’s closely linked with the notion of ΟΙΚΟΖΟΙΚΟΣ as a«(family) business». No doubt ΟΙΚΟΝΟΜΙΟΙΚΟΝΟΜΙΑ – in Socrates’ opinion – isn’t an idle debateon the basic elements of economic theory, but rather a practice. Socrates doesn’t accept the distinction (so widespread today) between «business economists» and «business managers or businessmen». According to his ethical intellectualism, the knowledge of business economics is a necessary and sufficient condition to know how to manage a business; and, conversely, the one who doesn’t know how to manage an enterprise, proves beyond all doubts that he doesn’t know the «science of (business) enterprise».

**Capital(s):** ΧΡΗΜΑΤ(Α)ΧΧΡΗΜΑ (ta) (Oec. I 1 ff.; Liddell, Scott 1996 [3], 2004-2005; Montanari 2004 [7], 2371). Of course, ΧΡΗΜΑΧΧΡΗΜΑ can’t mean «industrial capital», which didn’t exist before the Industrial Revolution: it must surely mean «financial capital». In this Dialogue on business management, the notion of ΧΡΗΜΑΧΧΡΗΜΑ is strictly related to one’s capability of «managing» it (= ΧΡΗΣΩΚΧΧΡΗΣΤΑΙ, from the same root). Socrates theorizes that not every ΚΤΗΜΑΧΧΡΗΜΑ («possession») is a ΧΡΗΜΑΧΧΡΗΜΑ: only what can be managed is a «capital». Conversely, a ΚΤΗΜΑΧΧΡΗΜΑ – if one doesn’t know how to manage it – is possibly a «possession», but surely not a «capital». It follows that «capital» is an absolute value, whereas «possession» is a relative one: evidently, ΧΡΗΣΩΑΚΧΧΡΗΣΤΑΙ (see to manage or use) and ΧΡΗΜΑΤΑΧΧΧΡΗΣΤΑΙ («capitals») are etymologically linked in Socrates’ economic theories. No doubt, linking together the ideas of «capital» and «management» is an innovative change – and it seems to occur in Critobulus’ Dialogue for the very first time. Business economists’ are used to assuming that the origins of the sciences of accounting are to be found at the origins of capitalism: in their view, the first appearance of «industrial capital» would have given rise to early accountancy. On the contrary, we could assert that business accounting originates from the first appearance of «financial capital». If so, the first treatise on accountancy would surely be this Dialogue.

**Capital owner or possessor:** ΧΡΗΜΑΤΙΣΤΗΚΧΧΡΗΜΑΤΙΣΤΕΣ (Oec. II 18; Liddell, Scott 1996 [3], 2005; Montanari 2004 [7], 2372). If ΧΡΗΜΑΤΑΧΧΡΗΣΤΑΙ are «capitals», ΧΡΗΜΑΤΙΣΤΗΚΧΧΡΗΜΑΤΙΣΤΕΣ has to be the «capital owner» – not the «capitalist», since modern capitalism didn’t exist yet in fourth-century Athens (that is why Critobulus could never become a skilled «capitalist»). Evidently, ancient ΧΡΗΜΑΧΧΡΗΣΤΑ was only «financial capital», not «industrial» one: it follows that the science called ΧΡΗΜΑΤΙΣΤΙΚΟΧΧΡΗΜΑΤΙΣΤΙΚΟ corresponds to modern «financial economics» (see capitals), while ΟΙΚΟΝΟΜΙΟΙΚΟΝΟΜΙΑ is rather similar to our «science of management» (see business economics). Both seem to be closely linked in Socrates’ opinion: thus Critobulus – becoming a good ΟΙΚΟΝΟΜΟΣΙΟΙΚΟΝΟΜΟΣ (see manager) – shall become a skilful ΧΡΗΜΑΤΙΣΤΗΚΧΧΡΗΜΑΤΙΣΤΕΣ at the same time.

**Costs:** ΔΑΠΑΝΑΙΔΑΠΑΝΑΙ, see to expend = ΔΑΠΑΝΑΙΔΑΠΑΝΑΙ (Oec. III 15; Liddell, Scott 1996 [3], 369; Montanari 2004 [7], 492). In Socrates’ opinion, the balance of an ΟΙΚΟΖΟΙΚΟΣ is based upon economic equilibrium between ΠΡΟΣΟΛΟΠΡΟΣΟΔΟΙ (see revenues) and ΔΑΠΑΝΑΙΔΑΠΑΝΑΙ. In particular, Xenophon thinks that ΠΡΟΣΟΛΟΠΡΟΣΟΔΟΙ are within the man’s province, whereas ΔΑΠΑΝΑΙΔΑΠΑΝΑΙ concern the woman as «joint manageress» of the family business. No doubt, such a division of labour between male and female, husband and wife, would be outdated today – yet it wasn’t so in fourth-century Athens. But (what’s more surprising) Socrates sees to have already understood – twenty-four centuries ago – that economic equilibrium consists of a positive cost-revenue balance. In other words, ΠΡΟΣΟΛΟΠΡΟΣΟΔΟΙ must be higher than ΔΑΠΑΝΑΙΔΑΠΑΝΑΙ, so that the difference «revenues minus costs» may be a positive number (ΠΕΡΙΟΥΣΙΑΠΕΡΙΟΥΣΗ: see profit). As concerns that, Socrates is certainly ahead of his time. Now, we have no proof that Xenophon knew something like a «balance sheet» (today consisting in a «statement of assets and liabilities» and a «profit and loss account»). Actually, we know very little about Xenophon’s own bookkeeping techniques (it appears that he employs the term ΔΑΠΑΝΑΙΔΑΠΑΝΑΙ to denote also «expenditure», whilst modern accountancy is used to distinguishing between «costs» and «expenses»). However it might be, we must admit that the essential logic of balance was already clear to Socrates’ mind.

**(to) Decrease:** ΜΕΙΟΝΕΜΕΙΟ (Oec. III 15; Liddell, Scott 1996 [3], 1093; Montanari 2004 [7], 1318). In business economics, it’s the contrary of ΑΥΞΕΝΤΙΟ (see to expand). As the former means the «decreasing or diminishing» of an enterprise, the latter means its «increasing». In Socrates’ opinion, the «decrement» of a business is the result of mismanagement. That happens when the enterprise – instead of accumulating ΠΕΡΙΟΥΣΙΑΠΕΡΙΟΥΣΗ (see profit) – accumulates ΖΗΜΙΑΖΕΜΙΑ (see loss). In conclusion, such «decrement» proves to be due to lack of ΕΠΙΣΤΗΜΗΠΕΙΣΤΗΜΗ (see science) or ΕΠΙΜΕΛΕΙΑΠΕΙΜΕΛΕΙΑ (=attention).

**Enterprise or concern:** ΟΙΚΟΖΟΙΚΟΣ (Oec. I 2 ff.; Liddell, Scott 1996 [3], 1204-1205; Montanari 2004 [7], 1448). No doubt, the most important entry in Xenophon’s economic
nomenclature is this. Its original meaning was «house or family», including the «family estate and/or wealth». Yet, by way of catachresis (καταχρήσις katakhrēsis; Latin = abusus), Socrates employs this term to signify the «family business or enterprise». Notice that – as time went by – the word οικοσοικοι lost its affective implications, so as to mean only the «business company or concern or firm», as the basic cell of economic organization. As concerns that, some annotators haven’t understood such catachresis, and have supposed that οικοσοικοι merely means «family estate and/or wealth». But this supposition proves to be incorrect, for three reasons. Firstly, Socrates deems the οικοσοικοι to be, not a set of wealth, but a «growing» organism (see expansion), whose value is much greater than the sum of its parts. Secondly, Xenophon maintains that there are most valuable οικοτοικοι with little wealth (like Socrates’ family business) and less valuable οικοτοικοι with much more wealth (like old Crito’s and young Critobulus’ family business: see chap. II) – which is the best proof that an οικοσοικοι doesn’t identify itself with its wealth. Thirdly, the essence of Xenophon’s οικοσοικοι isn’t represented by its business wealth, but rather by its business management. Thus the predominance of managerial matters over financial matters is Socrates’ innovative change – and this anticipates the theories of modern business economists, in Europe and especially in the USA. However, the limit of Xenophon’s economic thought is that the author wouldn’t or couldn’t invent a series of neologisms in order to denote the realities (German = Realien) of business economics and accountancy: he limited himself to employing the compounds of οικοσοικοι, by way of catachresis (so did the historical Socrates, who was accustomed to discussing the realities of philosophy using terms of everyday speech). But such catachresis has caused many misunderstandings among today’s translators and annotators of Xenophon’s ΟΙΚΟΝΟΜΙΚΟΣΟικονομικος.

(to) Expand: ΑΥΞΗΣΙΑ (ΑΥΞΗΣΙΑ) (Oec. I 4 B, etc.; Liddell, Scott 1996 [3], 277; Montanari 2004 [7], 378-379). It denotes the operation of «increasing and incrementing» a business. Such operation is the ultimate aim of business management. If, at the end of the accounting period, the οικοσοικοι (see enterprise or concern) has accumulated περιουσιαπεριουσία (see profit), it has «grown» (= ΟΙΚΟΣ ΗΥΞΗΜΕΝΟΣΟικοσώξεσμενος). This is a symptom that the ΟΙΚΟΝΟΜΟΣΟικονομος (see manager) has operated well – namely, with ΕΠΙΜΗΧΗΣΗΠιμεχης (attention) and ΕΠΙΣΤΗΜΗΠειστική (see science). The exact contrary of ΑΥΞΗΣΙΑ is ΜΕΙΩΤΙΣΗ (see to decrease).

Expansion: ΑΥΞΗΣΙΑΣΑΙΣΗΣ (Oec. V 1; Liddell, Scott 1996 [3], 277; Montanari 2004 [7], 378). It means the «business growth», being the good manager’s objective. Some annotators interpret ΑΥΞΗΣΙΑΣΑΙΣΗΣ as though it meant only an «increase or increment in wealth». But actually, the business company doesn’t identify itself with the business wealth. In fact – according to Socrates – the ΟΙΚΟΣΟΙΚΟΣ (see enterprise or concern) is a living organism, having in itself the potentiality of growth; on the contrary, ΠΛΑΥΤΟΣΠΛΟΥΤΟΣ («wealth») hasn’t such potentiality. Moreover, Socrates points out that even ΑΡΓΥΡΟΝΑΡΓΥΡΙΟΝ (see money) is no ΧΡΗΜΑΚΚΡΗΣΜΑ (see capitals) if one doesn’t know how to «manage» it (ΧΡΗΜΑΚΚΡΗΣΜΑ: I 14). This is a proof that to Socrates’ mind, managerial matters are much more important than financial matters, as for what concerns business life.

Gain: ΚΕΡΔΟΣΚΕΡΔΟΣ (Oec. III 8; Liddell, Scott 1996 [3], 942-943; Montanari 2004 [7], 1138-1139). Socrates counters ΚΕΡΔΟΣΚΕΡΔΟΣ with ΠΕΡΙΟΥΣΙΑΠΕΡΙΟΥΣΙΑ (see profit). The latter is the «net income» obtained by balancing costs and revenues in a skillful way. On the contrary, the former is the «gain or lucre» obtained by buying at a low price and reselling at a high price. Therefore, ΠΕΡΙΟΥΣΙΑΠΕΡΙΟΥΣΙΑ as such is the result of sound management and the characteristic feature of a good manager. On the contrary, ΚΕΡΔΟΣΚΕΡΔΟΣ is the result of retail trade and the characteristic feature of a ΚΑΠΙΛΑΡΟΚΕΡΝΕΛΟΣ (= «small retailer»). This is the reason why Socrates deems ΠΕΡΙΟΥΣΙΑΠΕΡΙΟΥΣΙΑ to be licit and lawful, whilst other Greek authors consider ΚΕΡΔΟΣΚΕΡΔΟΣ an illicit, unlawful «lucre».

House: ΟΙΚΙΑΩΙΚΙΑ or ΟΙΚΗΣΙΩΙΚΗΣΗΣ (Oec. I 5, IV 6; Liddell, Scott 1996 [3], 1203; Montanari 2004 [7], 1447). These two synonyms mustn’t be confused with ΟΙΚΟΣΟΙΚΟΣ (see enterprise or concern). As a matter of fact, ΟΙΚΙΑΩΙΚΙΑ and ΟΙΚΗΣΙΩΙΚΗΣΗΣ mean the «house» (Latin = domus) and also the «household». Thus comparing the notions of ΟΙΚΟΣΟΙΚΟΣ and ΟΙΚΙΑΩΙΚΙΑ, Socrates is obliged to underline a considerable difference between the two. Actually, ΟΙΚΙΑΩΙΚΙΑ is nothing but the «family house». As to ΟΙΚΟΣΟΙΚΟΣ, it’s something including the «family house» – yet something whose limits are far beyond the bounds of the «family house». Some annotators identify the ΟΙΚΟΣΟΙΚΟΣ with the «family estate», which may extend even to different city-states. However, elsewhere Socrates points out that the ΟΙΚΟΣΟΙΚΟΣ has also in itself the capacity of «growing» (see to expand). That is why we have considered it as denoting not merely a sort of «estate», but the earliest form.
of «business enterprise», being the smallest cell of economic organization. So in the history of Greek language, the word ΟΙΚΟΣ (formerly concerning a «family» – tends to signify a «family business», and finally a «business company» tout court, like in Modern Greek.

(to) Know: ΕΠΙΣΤΗΜΟΝΕΙΣΤΑΜΑΤΑΙ (Oec. I 8-17; Liddell, Scott 1996 [3], 658-659; Montanari 2004 [7], 818-819). This is one of the keywords in the Dialogue. Firstly, it means the «knowledge of an ΕΠΙΣΤΗΜΗΝΕΙΣΤΗΜΟΝΕΙΣΤΑΜΑΤΑ (see science), and secondly the «skill in a ΤΕΧΝΗΝΕΙΣΤΗΜΟΝΕΙΣΤΑΜΑΤΑ (see technics or technique). The high frequency of this verb gives an intellectualistic tone to Xenophon’s Oeconomicus – and indeed, Socrates’ ethical intellectualism is witnessed also by Plato and other philosophers. Conversing with Critobulus, Socrates maintains that «knowing the science of business management» is necessary and sufficient condition for managing a business well. That is why the good ΟΙΚΟΝΟΜΟΣ ΟΙΚΟΝΟΜΟΝ (see manager, in this Dialogue, is so often called ΕΠΙΣΤΗΜΟΝΕΙΣΤΑΜΑΣ or ΕΠΙΣΤΗΜΟΝΕΙΣΤΗΜΟΝΕΙΣΤΑΜΑΤΑ (see scientist).

Loss: ΖΗΜΙΑΣΜΟΙ (Oec. I 7 B, 9, II 18, etc.; Liddell, Scott 1996 [3], 755; Montanari 2004 [7], 918). It’s the exact contrary of ΠΕΡΙΟΥΣΙΑ ΠΕΡΙΟΥΣΙΟΙ (see profit). As the latter is the positive result of business management, the former is the negative difference obtained subtracting ΔΑΠΑΝΑΙΔΑΠΑΝΑΙ (see costs) from ΠΡΟΣΟΛΟΠΡΟΣΟΛΟΙ (see revenues). Therefore, as ΠΕΡΙΟΥΣΙΑ ΠΕΡΙΟΥΣΙΟΙ is the characteristics of a good ΟΙΚΟΝΟΜΟΣ ΟΙΚΟΝΟΜΟΝ (see manager), ΖΗΜΙΑΣΜΟΙ is the typical feature of a bad ΟΙΚΟΝΟΜΟΣ ΟΙΚΟΝΟΜΟΝ – that is to say, a real vice to Socrates’ mind, in so far as it derives from an excess of «costs» and a lack of «revenue».

(to make a) Loss: ΖΗΜΙΑΣΜΟΙ (Oec. I 8 B-9, etc.; Liddell, Scott 1996 [3], 755-756; Montanari 2004 [7], 918). Etymologically, it derives from ΖΗΜΙΑΣΜΟΙ (see loss), being the typical symptom of mismanagement and maladministration. Socrates maintains that, when ΚΘΗΜΑΤΑ ΚΘΗΜΑΤΑ (possessions) are managed «so as to make a loss» (= ΩΣ ΤΕΚΝΗΜΟΝΕΥΣΗΣ ΠΕΡΙΟΥΣΙΑΣ: I 8), they don’t even deserve the very name of ΧΡΗΜΑΤΑ ΚΘΗΜΑΤΑ (see capitals).

(to Manage or administer: ΑΛΛΟΙΚΕΣ ΔΙΟΙΚΗΣΕΙΣ (Oec. I 2 B, 4 A, II 13, etc.; Liddell, Scott 1996 [3], 432, 1202-1204; Montanari 2004 [7], 569, 1446-1448). As for ΟΙΚΕΝΟΙΚΕΙΑ, it originally meant «to inhabit or live in». Yet Xenophon uses this verb by way of catachresis (see enterprise or concern), so that the idiom ΟΙΚΟΝΟΜΟΙΚΕΙΝΟΙΚΕΙΑ means «to manage a (family) business». Such «management» implies also «business administration, organization, and control». As for ΔΙΟΙΚΗΣΙΟΙΚΕΙΑ, this compound is almost a synonym of ΟΙΚΕΝΟΙΚΕΙΑ. As for ΟΙΚΟΝΟΜΟΙΚΕΙΝΟΙΚΕΙΑ, etymologically it derives from ΟΙΚΟΝΟΜΟΧΩΝΕΝΟΙΚΕΙΝΟΙΚΕΙΝΟΙΚΕΙΑ (= «to dispense food to the ΟΙΚΟΣ ΟΙΚΟΣ», implying that «to manage, administer, and control a (family) business» is a vital function (see business management and manager).

(to) Manage or use: ΧΡΑΟΜΑΙΚΧΡΑΟΜΑΙ (Oec. I 7-16, etc.; Liddell, Scott 1996 [3], 2001-2002; Montanari 2004 [7], 2367-2368). The verb means «to use» (Latin = utor): Xenophon employs it by way of catachresis (see enterprise or concern), to denote the act of «managing» goods. ΧΡΑΟΜΑΙΚΧΡΑΟΜΑΙ occurs in this Dialogue very frequently, and this is a proof that the main notion in Socrates’ economic theory is «management». No doubt such a practice (see business management) is much more important than «business wealth and/or estate» to the author’s mind: cfr. chap. II, where the «sound management» of a small «estate» (that is to say, Socrates’ ΟΙΚΟΣ ΟΙΚΟΣ) is compared with the «mismanagement» of a large «estate» (that is to say, Critobulus’ one). Actually, theorizing the supremacy of «business management» on «business wealth and/or estate» means taking sides, in the economic dynamics, not with «wealth» (ΠΛΟΥΣΙΟΝ ΠΛΟΥΣΙΟΝ), but with «management or handling of capitals» (= ΧΡΗΜΑΤΑ ΧΡΗΣΤΗΜΑΤΑ ΛΑΔΗ ΧΡΗΣΤΗΜΑΤΑ ΛΑΔΗ). Such «management» is a particular form of «labour», employing further «labour» and improving social welfare.

Manager: Ο ΟΙΚΟΝΟΜΟΣ, Ο ΟΙΚΟΝΟΜΟΣ ΟΙΚΟΝΟΜΟΝ (Oec. I 2-3, etc.; Liddell, Scott 1996 [3], 1204; Montanari 2004 [7], 1448). Another keyword in Critobulus’ Dialogue is ΟΙΚΟΝΟΜΟΣ ΟΙΚΟΝΟΜΟΝ, originally meaning the «dispenser (= ΝΕΜΟΝΕΝΜΟΝ) of food in the ΟΙΚΟΣ ΟΙΚΟΣ», that is to say, either the «master (householder)» or the «steward (housekeeper)». By way of catachresis (see enterprise or concern), Xenophon employs this term to denote the «manager of the (family) enterprise», 10 also being an administrator and controller of the ΟΙΚΟΣ ΟΙΚΟΣ. No doubt the real hero of this Dialogue is the ΟΙΚΟΝΟΜΟΣ ΟΙΚΟΝΟΜΟΝ anasemepisthesmeinepios («expert») and an ΕΠΙΣΤΗΜΟΝΕΙΣΤΗΜΟΝΕΙΣΤΑΜΑΤΑ (see scientist). According to his own custom (witnessed by Plato too), Socrates refines the title of ΟΙΚΟΝΟΜΟΣ ΟΙΚΟΝΟΜΟΝ: in fact, although he has understood the principles and laws of the ΕΠΙΣΤΗΜΗ ΤΗΣ ΟΙΚΟΝΟΜΙΑΣ ΕΠΙΣΤΗΜΟΝΕΙΣΤΗΜΕΝΟΝ (see business economics), he cannot have the practice deriving from managing a large «business» with big ΧΡΗΜΑΤΑ ΚΘΗΜΑΤΑ (see capitals). Yet Xenophon’s change is maintaining that a «manager» may have full powers over an ΟΙΚΟΣ ΟΙΚΟΣ (see enterprise or concern), even though he isn’t the «owner» and possesses no «capital» of his own. It follows that – when a business appears to be mishandled by an incompetent «owner or possessor» – Xenophon counsels to delegate it to a «receiver» (ΚΑΤΑΛΑΒΩΝ ΚΑΤΑΛΑΒΑΘΗ) to «receive» (καταλαβών) a competent ΟΙΚΟΝΟΜΟΣ ΟΙΚΟΝΟΜΟΝ, who will manage it better. Another synonym of ΟΙΚΟΝΟΜΟΣ ΟΙΚΟΝΟΜΟΝ is Ο ΟΙΚΟΝΟΜΟΣ (ΕΠΙΣΤΗΜΟΝΕΙΣΤΗΜΟΝΕΙΣΤΗΜΕΝΟΝ) ho oikonomos (epistamenos): literally, «the specialist in business management».

Money: ΑΡΓΥΡΙΟΝ (Oec. I 12-14, etc.; Liddell, Scott 1996 [3], 236; Montanari 2004 [7], 331). The Greek term mostly denoted «silver money» (French = argent). Ancient Greeks used to identify ΑΡΓΥΡΙΟΝ with ΧΡΗΣΤΗΜΑ ΤΑ ΧΡΗΣΤΗΜΑ (see capitals). 11 Yet Socrates’ innovative

10 Apart from ΟΙΚΟΝΟΜΟΣ, now pronounced ΚΟΝΟΜΟΣ, today’s Greeks also use an English loanword (ΜΑΝΑΖΕΥΣΗΜΑΝΑΖΕΥΣΗΜΑ).
11 Also today’s Greeks often do the same (cfr. the song ΤΟΧΡΗΜΑ ΤΟΧΡΗΜΑ).
change in this Dialogue is the following: even ΑΡΓΥΡΙΟΝαργυρίωνis ποΧΡΗΣΗΑκλέραιμα, if one doesn’t know how to ΧΡΗΣΗΑκλέρηται (see to manage or use) it. Obviously, the philosopher connects «money»'s value with the owner’s managerial skill: if the owner or possessor cannot manage his «money», ΑΡΓΥΡΙΟΝαργυρίων is valueless to him. It follows that the value of ΑΡΓΥΡΙΟΝαργυρίων isn’t absolute, but relative, in so far as it depends on one’s capability of managing it. 

**Profit:**ΠΕΡΙΟΥΣΙΑπερίουσια (Οεκ. Ι 4 Β, ΙΙ 10, etc.; Liddell, Scott 1996 [3], 1381; Montanari 2004 [7], 1648). This is perhaps the most revolutionary idea expressed in this Dialogue. Deriving from the root of ΠΕΡΙΕΙΜΠΕΡΙΕΙΜΑ (= «to be over and above [in the margin]; to remain»), ΠΕΡΙΟΥΣΙΑπερίουσια is the «surplus or positive balance». In arithmetical terms, it’s the «margin». Therefore, Xenophon’s ΠΕΡΙΟΥΣΙΑπερίουσια is just what today’s business economists and accountants call «profit» (UK) or «net income for the period» (USA). It may be rightly defined the «balance» of economic equilibrium – the principle that the total amount of «revenues» must be equal to the sum of «costs» plus ΠΕΡΙΟΥΣΙΑπερίουσια was already clear to Socrates, twenty-four centuries ago. On the contrary, if ΠΕΡΙΟΥΣΙΑπερίουσια is a negative number (see loss), the business account is «unbalanced». It follows that the notion of ΠΕΡΙΟΥΣΙΑπερίουσια implies the existence of a sort of «balance sheet»: Socrates couldn’t have spoken of «profits and losses», hadn’t he known something like a «profit and «loss account». Undoubtedly, the Athenian philosopher exalts ΠΕΡΙΟΥΣΙΑπερίουσια, defining it the objective of a good ΟΙΚΟΝΟΜΟΣοικονομός (see manager), the ultimate aim of ΟΙΚΟΝΟΜΙΑοικονομία (see business management), the «royal road» to ΠΛΟΥΤΟΣπλούτος(«wealth»), the only lawful «method to make wealth» (ΠΛΟΥΤΟΣΠΛΟΥΤΟΣπλούτορ ένεργον). In his opinion, ΠΕΡΙΟΥΣΙΑπερίουσια is also the best basis for business appraisal. In fact, chap. ΙΙ (on ΟΙΚΟΣοικος's valuation) leads to the conclusion that Socrates’ ΟΙΣΟΚΩΣΙΟΣ (see enterprise or concern) has an upward trend, since it makes ΠΕΡΙΟΥΣΙΑπερίουσια, whereas ΕΡΩΤΙΚΟΣ ΟΙΚΟΣ has a downward trend, since it makes ΖΗΜΙΑΖΕΜΙΑ («loss»), being the negative of ΠΕΡΙΟΥΣΙΑπερίουσια. And furthermore, while ΚΕΡΑΣΕΧΕΡΔΟΣ (see gain) may be unlawful to Socrates’ mind, ΠΕΡΙΟΥΣΙΑπερίουσια is not only lawful, but even a moral duty for the manager. In this Dialogue, the good ΟΙΚΟΝΟΜΟΣοικονομός is described as a sort of ascetic, renouncing all unnecessary expenses for the sake of ΠΕΡΙΟΥΣΙΑπερίουσια. 

**(to make a) Profit:**ΠΕΡΙΟΥΣΙΑπερίουσια (Οεκ. ΙΙ 10, etc.; Liddell, Scott 1996 [3], 1384; Montanari 2004 [7], 1651).

It’s a synonym and a derivative of ΠΕΡΙΟΥΣΙΑπερίουσιαπερίουσια (see profit). Such operation is an indication of the ΟΙΚΟΝΟΜΟΣοικονομός’s own managerial skill: a good manager can achieve it by decreasing expenditure (see costs: that’s what we call «spending review») and increasing income (see revenues). Xenophon (ΙΙ 10) points out how easy «making high profit from high revenues» (= ΑΠΟ ΠΛΟΥΤΟΣ ΠΛΟΥΤΗΣ ΠΕΡΙΟΥΣΙΑΠΛΟΥΤΟΣΠΛΟΥΤΟΣπλούτορουπερίουσιαπερίουσια) can be, and how difficult «making a profit from low revenues» (= ΑΠΟ ΟΛΙΓΩΝ ΠΕΡΙΟΥΣΙΑΠΛΟΥΤΟΣπλούτοσπλούτορουπερίουσιαπερίουσια) can be.

**(to) Programme:**ΜΗΧΑΝΟΜΗΧΑΝΗκαθαναστήσει or ΜΗΧΑΝΟΜΗΧΑΝΗκαθαναστήσει (ΠΡΟΣΟΔΟΙπροσόδοι (Οεκ. Ι 21 Α, ΙΙ 7, ι 18, etc.; Liddell, Scott 1996 [3], 1131, 1490-1491; Montanari 2004 [7], 1362, 1787). ΜΗΧΑΝΟΜΗΧΑΝΗκαθαναστήσει – originally a military technicality – denotes the act of «programming» the future «company strategy», «planning» the accumulation of «capitals» (ΧΡΗΜΑΤΑκλέρηματα) and «revenues» (ΠΡΟΣΟΔΟΙπροσόδοι). «Company strategy» is compared with military strategy by Xenophon, who was an expert in both. As a disciple of Socrates’ intellectualism, he thinks that «programming» requires ΕΠΙΣΤΗΜΗΠΕΡΙΟΥΣΙΑ (see science). Therefore, only a manager who is rich in ΕΠΙΣΤΗΜΗΠΕΡΙΟΥΣΙΑ and ΕΠΙΜΕΛΕΙΑπεμελεία («attention») can «plan» the future «company strategy». As to that, a good ΟΙΚΟΝΟΜΟΣοικονομός (see manager) can be rightly defined the «strategist» of business activity. As for ΠΡΟΣΟΔΟΙπροσόδοι, it denotes the act of «forecasting» the future trends of a business. No doubt a manager cannot foresee «unforeseen events» – yet, he needs to have the gift of ΠΡΟΣΟΔΟΙπροσόδοι (= «foresight or forethought»): in other words, his ΝΟΥΣοικονομός («intellectual power») must try to «foretell» even the future results of business activity. Once again, ΟΙΚΟΝΟΜΟΣοικονομός (see business management) is deemed to be an operation of the «intellects», according to Socrates’ philosophy.

**(lack of) Programme:**ΑΜΗΧΑΝΟΙΑκαθαναστήσει (Οεκ. Ι 21 Β; Liddell, Scott 1996 [3], 82; Montanari 2004 [7], 152). Like ΜΗΧΑΝΟΜΗΧΑΝΗκαθαναστήσει (see to programme), also this term is a military technicality. Referred to a business company, it means a situation of «financial straits» due to «lack of (company) strategy». So it’s the exact contrary of ΜΗΧΑΝΟΜΗΧΑΝΗκαθαναστήσει («programming revenues») or ΜΗΧΑΝΑΣΘΑΙ ΧΡΗΜΑΤΑκλέρημα («planning the accumulation of capitals»). Socrates connects the idea of «economic crisis» directly with the idea of mismanagement.

**Revenues:**ΠΡΟΣΟΔΟΙπροσόδοι (Οεκ. Ι 21 Α, ΙΙ 11, etc.; Liddell, Scott 1996 [3], 1520; Montanari 2004 [7], 1827). The term denotes «proceeds or revenues» as opposed τοΔΑΠΑΝΑΔΑΠΑΝΗ (see costs), but also «income» as opposed to «expenditure» («αμ από ικεπτήριον» οιΠΕΡΙΟΥΣΙΑπερίουσια is the very «margin» which remains after superimposing the geometrical shape of «costs» upon the shape of «revenues»).
that Socrates knows of the existence of something like a «profit and loss account». Furthermore, Xenophon maintains that in a family business, «costs» are mainly represented by the woman’s activities, whereas «revenues» are mainly represented by the man’s «income» (not casually, in III 15 the husband’s «proceeds» are denoted by the verb ἔρχεσθαι, etymologically meaning «to come in»). Therefore, a family balance is also based on economic balance between προσόλογος and Διάπανος.

**Salary:** Μεσοθεμισθος (Oec. I 4 B, 6; etc.; Liddell, Scott 1996 [3], 1137; Montanari 2004 [7], 1368-1369). This is one of the most interesting innovations in Socrates’ theory on «business economics» (see business management). He maintains that the ΟΙΚΟΝΟΜΟΣ is on behalf of third parties (see manager) has the right to get an adequate «salary» or fee. Hence derives a sort of contrast between the class of «managers» who aren’t business «owners or possessors», and the class of «owners or possessors» who aren’t business «managers»: the former being expert professionals, the latter inexperienced amateurs. Undoubtedly, the borderline between the two is represented by ΜΕΣΟΘΕΜΙΣΘΟΣ. «Salary or fee» is indeed the distinctive feature of the one who «manages big sums of ΧΡΗΜΑΤΑ» (see capitals), even though ΧΡΗΜΑΤΑ were not of his own. On the contrary, ΜΕΣΟΘΕΜΙΣΘΟΣ isn’t a prerogative of the one who – although possessing «capital» – doesn’t know how to «manage» them (see to manage or possess).

**(to get a) Salary:** ΜΕΣΟΦΟΡΕΙΣΜΙΣΘΟΦΟΡΕΙΣ (Oec. I 4 A; Liddell, Scott 1996 [3], 1137; Montanari 2004 [7], 1369). «Obtaining a fee» is a most sacred right of the professional in ΟΙΚΟΝΟΜΙΑ (see business management). Therefore, we could say that the act of ΜΕΣΟΦΟΡΕΙΣΜΙΣΘΟΦΟΡΕΙΣ gives birth to the profession of ΟΙΚΟΝΟΜΟΣ (see manager). Yet, this implies that the management of an ΟΙΚΟΣ is (see enterprise or concern) may be withdrawn from an «incapable» and ignorant owner, and delegated to a «competent» manager, who gets a salary because of that. Socrates’ change is just this sort of opposition (not to say conflict) between the class of ΟΙΚΟΝΟΜΟΙ and the class of ΚΕΚΤΗΜΕΝΟΙ («owners or possessors»).

**Science:** ΕΠΙΣΤΗΜΗΠΙΣΤΗΜΕ (Oec. I 1 B; Liddell, Scott 1996 [3], 660; Montanari 2004 [7], 819). This notion was a great favourite of Socrates’, as Plato too testifies. In this Dialogue, Socrates states that also ΟΙΚΟΝΟΜΙΑ is an ΕΠΙΣΤΗΜΗΠΙΣΤΗΜΕ, since it’s the «science of business management». This means that – up to Xenophon – the management of ΟΙΚΟΣ had been conducted in an amateurish way. From Xenophon onwards, business administration (see business management) becomes the subject of a «science», the prerogative of professionals.

**Scientist:** ΕΠΙΣΤΗΜΗΠΙΣΤΗΜΟΝ or ΕΠΙΣΤΑΜΕΝΟΣ ΕΠΙΣΤΑΜΕΝΟΣ (Oec. I 3 B, 10, II 16, etc.; Liddell, Scott 1996 [3], 658-660; Montanari 2004 [7], 818-820). The term denotes the one who possesses ΕΠΙΣΤΗΜΗΠΙΣΤΗΜΕ (see science): namely, the «scientist» as opposed to the ΕΜΠΕΙΡΟΕΜΠΕΙΡΟ («expert»), whose prerogative is to have skill and «experience» (ΕΜΠΕΙΡΙΑΕΜΠΕΙΡΙΑ), and also as opposed to the ΤΕΧΝΗΤΕΧΝΗΝ («technician»), whose prerogative is to have ΤΕΧΝΗΤΕΧΝΗ («art»): see techniques or technique. According to Socrates, the ΟΙΚΟΝΟΜΟΣ must (see manager) must not only be a professional, but also a real «scientist», versed in economic studies. In other words, today’s contrast between theorists and practitioners in «business management» – namely, between business economists and managers – isn’t validated by this Dialogue: it did not exist (and should not exist) according to Socrates.

**Standard of life:** ΔΙΑΙΤΑΔΙΑΙΤΑ (Oec. II 8 A; Liddell, Scott 1996 [3], 396; Montanari 2004 [7], 525). It’s the result of individual «expenditure», rather than of individual «income». Socrates indeed underlines that men with high «incomes», often have a ΔΙΑΙΤΑΔΙΑΙΤΑ beyond their means, since their «expenses» are even higher than their «proceeds» (ΠΡΟΣΟΛΟΓΟΣ: see revenues). No wonder the philosopher advises Critobulus to reduce his «standard of life», it being too high, and to decrease «expenditure» (that’s what we call «spending review»), limiting ΔΙΑΙΤΑΔΙΑΙΤΑ (see costs) to the mere «necessaries» (ΤΑΕΠΙΠΘΑΙΑΙΑΤΑ απόκοσκακάκα anankai, see manager).

**Technics or technique:** ΤΕΧΝΗΤΕΧΝΗ (Oec. VI 6-7; Liddell, Scott 1996 [3], 1785; Montanari 2004 [7], 2111-2112). The term denotes «manual arts» and «handicraft techniques» as well. One of the main ideas expressed by Socrates in this Dialogue is that ΠΡΟΣΟΛΟΓΟΣ is ΣΗΕΠΙΣΤΗΜΗΣΟΙΚΟΝΟΜΙΑ (the business economy) is a ΤΕΧΝΗΤΕΧΝΗ, in so far as it is the «art and technique of business administration». As well as other «techniques» (such as ΧΑΛΚΕΥΤΙΚΗКΑΛΙΚΗΚΑΛΙΚΗ, = «metallurgy), ΤΕΧΝΟΚΙΤΙΚΗΤΕΚΤΟΝΙΚΗ = «tectonic», and so on), it requires skill, ΕΠΙΜΕΙΛΗΣΕΠΙΜΕΙΛΗΣ («attention»), ΕΜΠΕΙΡΙΑΕΜΠΕΙΡΙΑ («experience»), and also special ΟΡΓΑΝΑ («instruments»), namely ΧΡΗΜΑΣ (see capitals). From Xenophon onwards, ΟΙΚΟΝΟΜΙΑ (see business management) becomes a «technology» – the specialty of professionals (ΟΙΚΟΝΟΜΟΙ) being not only «artisans», but also «artists».

**Use:** ΧΡΗΣΗΚΡΗΣΗ (Oec. III 9 B, etc.; Liddell, Scott 1996 [3], 2006; Montanari 2004 [7], 2372-2373). This is another important entry in Xenophon’s business nomenclature. It means not only the «use», but also the «way of managing things inside a business». Socrates’ idea of «management» had almost been forgotten in the Middle Age. It was revived during the Italian Renaissance, thanks to Lucas Paciolus and Leon Battista Alberti (author of De Iciarchia, a treatise on the «government» of the ΟΙΚΟΣ, 13). Hence modern business economics and accountancy were derived from it. The Athenian Socrates, therefore, can rightly claim to be the inventor of this concept, which has been widely developed by today’s Business Schools (especially in the USA).

### 3. Conclusion: «Thou Shalt Rule over It»

13 Alberti pronounced ΟΙΚΟΣ, like modern Greeks do today.
«There come seven years of great plenty throughout all the land of Egypt; and there shall arise after them seven years of famine; and all the plenty shall be forgotten in the land of Egypt; and the famine shall consume the land». [Genesis, XLI 29-30 (King James Version, 1611)].

Crises, deficits and defaults – in so far as they are recurring in human history – are ineluctable. But since the time Socrates discovered the science of business economics and accountancy, such science has not only aimed at registering, but also at controlling them. Ancient business economists and accountants were already able to diagnose deficits; yet their diagnosis was only the first step towards therapy. Just like in the field of medicine, ancient peoples from the Sumerians up to the Greeks studied the phenomena of economic crises in order to cure them scientifically. They deemed default to be a sort of economic pathology, but believed they should «rule over it». So did Socrates, according to which a default is always an effect of maladministration and mismanagement.

4. Appendix: A Greek Index

This Greek reverse index has been compiled in order to favour those readers who don’t know ancient Greek (in fact, it follows the English order of words instead of the Greek alphabetical one). We are sure it may facilitate their consultation of the English nomenclature listed above (§ 2).

Amēkhaniadāmēxia = (lack of) Programme
Analiskeineanāλεικέιν = (to) Expound
Argyriοναργυρίον = Money
Aux(an)eiναγ(αν)είν = (to) Expand
Auxēsiaσείες = Expansion
Dapanaiadāpαιν = Costs
Dapananadāpαν = (to) Expound
Diatēdiaίται = Standard of life
(D)ioikeineι(δ)ιοικείν = (to) Manage or administer
Epistamenosεπισταμένος = Scientist
Epistathaidεπιστάθαι = (to) Know
Epistēmēπειστήμη = Science
Epistēmōnisεπιστήμονη = Business economics
Epistēmōnepisitēmōn = Scientist
Kerdoskερδος = Gain
Khrēmata(τα) χρήματα = Capital(s)
Khrēmatistēsχρηματιστής = Capital owner or possessor
Khrēsiaχρήσια = Use
Khrēsthaiχρήσθαι = (to) Manage or use
Mēionmeiου = Decrease
MēkhanasthaimiΧάνασθαι = (to) Programme
Misthophoreinμισθοφορέιν = (to get a) Salary
Misthosμισθός = Salary

Oikeinοίκείν = (to) Manage or administer
Oikēsisοικήσες = House
Oktiaοικία = House
Oikonomieinοικονομεῖν = (to) Manage or administer
Oikonomiaοικονομία = Business management
Oikonomikosοικονομικός = Manager
Oikonomosοικονόμος = Manager
Oikosοικός = Enterprise or concern
Periousiaπεριούσια = Profit
Peripoiēeinπεριποίειν = (to make a) Profit
Promoneinπρομονείν = (to) Programme
Prosodōiπροσοδόει = Revenues
Tekhnēτεχνή = Techics or technique
Zēmiaζημία = Loss
Zēmitouνζημίων = (to make a) Loss

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14Cfr. Genesis, IV 7 (King James Version, 1611): «Thou shalt rule over it».
15 Examples: κατὰ – though being one of the last letters in the Greek alphabet is listed immediately after κατὰ; Greek verbs are listed under the infinitive, etc.