

Xenophon: Economy Finds the Name

Tamar Atanelishvili* and Avtandil Silagadze**

*Faculty of Economics and Business, Ivane Javakhishvili Tbilisi State University, Tbilisi, Georgia

**Academy Member, Faculty of Economics and Business, Ivane Javakhishvili Tbilisi State University, Tbilisi, Georgia

ABSTRACT. The examples of economic thinking originated and developed in different countries, but it reached the higher level of development in ancient Greece. Indeed, very important economic views developed in different countries, but the term "economy" first appeared in Greece. The ancient Greek thinkers considered "economy" within the context of polis. Although no economic science and no special economic doctrine developed in that period the study of individual economic problems laid the solid foundation for the emergence of economics as a science in the future. Serious discussions about the individual elements of the economy that began in those days are still relevant today. With that respect the primary role played the ancient Greek philosopher Xenophon (Xenophōn, about 431-354 B.C.). He was the first to use the term "economy" in his work of "Oeconomicus" (Οἰκονομικός - from Greek οἶκος - "house" and νόμος - "law", i.e. the law of household management). Also, Xenophon was the first to understand the importance of demand on production of high quality goods and the advantages of labor division. He made recommendations on mobilization of additional sources of state revenues and began discussions on the use value and exchange value of goods, priority of agriculture, wage labor, genuine and counterfeit money etc. © 2018 Bull. Georg. Natl. Acad. Sci.

Key words: economy, agriculture, income, labor division

Economic science evolved over the centuries, wherein the non-economists – the people of different professions played the leading role. The works of the ancient philosophers are distinguished by high level of economic thinking that was conditioned by the level of development of slave-owning system of that time. Obviously, the economic thinking of that period was mainly confined to the natural economy of the slave-owning system. However, with the development of commodity-money relations the situation changed. In ancient time the Greek thinkers considered "economy" within the context of polis (city-state). Although no economic science and no special

economic doctrine developed in that period the study of individual economic problems laid the solid foundation for the emergence of economics as a science and, also, for formation of economic doctrines in the future [1-16].

Greek philosopher and a great landowner Xenophon (Xenophōn, about 431-354 B.C.) was a prominent representative of the ancient era and one of the main representatives of economic thinking of that time. He was the pupil of Socrates and the ideologist of slave-owners. Very often, his political viewpoints were against the "democracy of the slave-owning system". His economic works are Oeconomicus, Cyropaedia, On Revenues of the city

of Athens. . . Besides, as a Socrates' student, he wrote *Memoirs of Socrates*. In "Oeconomicus" the economic viewpoints of the author are given in the form of a conversation. It consists of 21 chapters [16], where the essence of economics, the importance of the science of economy, employment, agriculture etc. are considered.

In the first part of the work mainly the household economy is considered, while in the second part the agriculture. The author of "Oeconomicus" tries to find out whether what science has the function of dealing with the management of household economy and suggests that it must be the business of the good economist to manage the "economy" well. In his opinion, the economy consists of the wealth of a man, whereby he may be benefited. Household management is an important science. For Xenophon, the main branch of economy is agriculture as the source of all professions that requires good management for obtaining more benefits. He considers the craftsmanship as an irrelevant activity for a man and the slavery as a common phenomenon that means that the function of a free man is to supervise, while the slaves must work physically [17].

Discussion on money is very interesting. He considers that money is useless for the man who does not know how to use it. Besides, he differentiates genuine money from the counterfeit money, and the use value of goods from its exchange value: the land, the cattle etc. cannot be wealth for those, who do not know how to make use of them. The useless property must be sold to become wealth, for example, a flute may be wealth to a man who is sufficiently skilled to play on it, but if he is not so skilled the flute cannot be a wealth for him unless he sells it [17]. Given discussion laid the foundation for the modern explanation of the essence of goods.

Thus, Xenophon was the first to use the term "economy" (whereby he meant the art of administration and management of the household

economy based on slave labor within the polis) in his work "Oeconomicus". He was the first to describe the use value and the exchange value of goods and considered the agriculture as the leading field of economy, while the craftsmanship as the harmful to a man. He considered the issues of rational management of the economy and wage labor. He believed that it was possible to receive additional profit from exploitation of the lands purchased, etc.

In Xenophon's work *On Revenues of Athens* [18] (Approx. 355 BC) some recommendations are provided for solving the problem of the deficit in the revenues of Athens. He suggests tax relief, exploitation of the silver mines and building sites, protection of merchants and shipowners, development of the infrastructure for tourists, freedom of buying and selling the land. Also, he recommended Athenians to buy lots of slaves and let them out to work in the mines whereby they would receive great income [18].

Thus, the recommendations formulated by Xenophon in his work *On Revenue of the City of Athens*, contained certain novel ideas for increasing the budget income, which provided: covering the expenses in conditions of efficient management of the state financial resources; tax relief for the population in the period of peace; exploitation of silver and other ores for mobilization the additional income in the budget; purchase of large number of slaves for additional revenue by letting them out to work in mines.

Xenophon was one of the first in the history of economic thinking, who put the question of the importance of the division of labor in his work "Cyropedia" [19]. He did not confine himself to the division of physical and mental work. He considered it impossible for one man to perform different works on a high level. In his opinion, in large cities one trade is enough for a man to earn his living because labor division is possible due to the great demand on each trade, while in small towns it is difficult due to insufficient demand. Therefore,

the same man makes all kinds of objects to earn his living: ploughs, doors, tables, spoons, etc. Obviously, this man cannot make all those objects well. Productivity and quality are greater when, for example, one shoemaker makes shoes for men, and the other for women. Xenophon has similar attitude with respect to specialization in food production [19].

Xenophon's discussion on the importance of the division of labor, on the importance of specialization

and demand is quite relevant as no foundation of economic science can exist without them. Today, no one argues that if a person performs many types of work simultaneously, high-quality performance is impossible.

Thus, Xenophon with his important conclusions about economy, division of labor, demand, property of a thing, money and state income rightfully has a prominent place in the history of world economic thinking.

ეკონომიკა

ქსენოფონტი: „ეკონომიკა“ იძენს სახელწოდებას

თ. ათანელიშვილი* და ა. სილაგაძე**

*ივანე ჯავახიშვილის სახ. თბილისის სახელმწიფო უნივერსიტეტი, ეკონომიკისა და ბიზნესის ფაკულტეტი, თბილისი, საქართველო

**აკადემიის წევრი, ივანე ჯავახიშვილის სახ. თბილისის სახელმწიფო უნივერსიტეტი, ეკონომიკისა და ბიზნესის ფაკულტეტი, თბილისი, საქართველო

ეკონომიკური აზროვნების ნიმუშები უძველეს დროში წარმოიშვა და განვითარდა სხვადასხვა ქვეყანაში, მაგრამ განვითარების უფრო მაღალ დონეს მან ანტიკურ ეპოქაში მიაღწია. უპირველეს ყოვლისა მხედველობაში გვაქვს ძველი საბერძნეთი. ამ დრომდე, რა თქმა უნდა, სხვადასხვა ქვეყანაში უმნიშვნელოვანესი ეკონომიკური შეხედულებები ჩამოყალიბდა, მაგრამ ტერმინი „ეკონომიკა“ პირველად გაჩნდა მხოლოდ ძველ საბერძნეთში. ანტიკურ ეპოქაში მოღვაწე ბერძენი მოაზროვნეები „ეკონომიკას“ განიხილავდნენ პოლისის (ქალაქ-სახელმწიფოს) ფარგლებში. ამ დროს არ ჩამოყალიბებულა ეკონომიკური მეცნიერება და არც სპეციალური ეკონომიკური დოქტრინა. თუმცა, ამ პერიოდში ეკონომიკური საქმიანობის ცალკეული პრობლემების კვლევამ მყარი საფუძველი დაუდო მომავალში ეკონომიკის, როგორც მეცნიერების ჩამოყალიბებას. ამ დროიდან დაიწყო სერიოზული და ღრმა მსჯელობები ეკონომიკის ცალკეული ელემენტების შესახებ, რომლებიც დღემდე აქტუალურია. ამ საქმეში უპირველესი წვლილი მიუძღვის ძველ ბერძენ ფილოსოფოსს ქსენოფონტს (ქსენოფონტი, ძვ.წ. 432-354 წწ). მან პირველმა გამოიყენა ტერმინი „ეკონომიკა“ ნაშრომში „ოიკონომიკა“ (ძვ.ბერძნ. - Οἰκονομική; ძვ.ბერძნ.-დან: οἶκος — სახლი და νομος — კანონი. სიტყვა-სიტყვით - მეურნეობის მართვის, გაძღოლის წესი). ამასთან, ქსენოფონტმა ერთ-ერთმა პირველმა შეამჩნია მაღალხარისხიანი პროდუქტის შექმნაში მოთხოვნის მნიშვნელოვანი როლი და შრომის დანაწილების უპირატესობები, შეიმუშავა

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