Plato's Market Optimism

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Abstract

Despite the extensiveness of top-down control in his ideal city, Plato takes seriously the idea that the market does not require total regulation via legislation and that participants in the market may be capable of self-regulation. This paper examines the discussion of market regulation in the Republic and argues that the philosopher rulers play a very limited role in regulating market activities. Indeed, they are concerned only with averting excesses of wealth and poverty. The rules and regulations that are foundational to the daily functioning of the market—enforcement of contracts, resolution of disputes, etc.—are endogenous to the market participants themselves. In allowing for this self-regulation, Plato expresses tempered optimism about the market and a profound confidence in his ideal city's educational program.

Keywords

Plato – *Republic* – markets – market regulation

1. Introduction

Many scholars read Plato's *Republic* as an argument that idealizes totalitarianism and promotes illiberal and paternalistic legislative strategies for the sake of realizing an ideal society.[1] The city described within the dialogue's pages, affectionately named *Kallipolis*, is defined by the organization of its three classes—the producers, the auxiliaries, and the philosopher rulers—into a hierarchy that sees the philosophers exercising ultimate control over the whole. The city achieves 'complete goodness' just in case it is wise, courageous, moderate, and just (*Resp.* 427e).[2] And these virtuous conditions are achieved, in turn, through control that exerted by law. Critics of Plato's city are quite right, then, in observing that the state, conceived as city's legal apparatus, wields tremendous power.

The present argument concerns the extent of legislative oversight extended to a particular domain of activity in the ideal city: the arena in which the members of city's producer class create, present, and exchange the goods and services that sustain the city's material well-being. This domain is the market, and it is a domain that receives little attention from Socrates. He introduces

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[1] See, for example, K. Popper, *The Open Society and Its Enemies* (London: Routledge, 1945); J.L. Ackrill, *Essays on Plato and Aristotle* (Oxford: Oxford University Press, 1997), pp. 230–251; L. Brown, 'How Totalitarian is Plato's Republic?', in E.N. Ostenfeld (ed.), *Essays on Plato's* Republic (Aarhus: Aarhus University Press, 1998), pp. 13–27; C.C.W. Taylor, 'Plato's Totalitarianism', in G. Fine (ed.), *Plato 2: Ethics, Politics, Religion and the Soul* (Oxford: Oxford University Press, 1999).

[2] Translations of the *Republic* are by, or after, from G. M. A. Grube, revised by C. D. C. Reeve, in John Cooper (ed.), *Plato: Complete Works* (Indianapolis: Hackett, 1997).

the notion of the market with the first of the three cities he describes in the *Republic* (*Resp.* 369d-372d). This city presents the market as a tool for solving an existential problem. Each of us needs food, clothing, shelter, and other basic goods in order to survive, and the production of these goods is made vastly easier when we live together in cities and specialize in our production of goods, consume our own share, and trade our surplus for that of others (*Resp.* 369d-370a). Specialization and the power of exchange are presented by Socrates as the definitive tools of this first city, and he insists that the city is both 'true' and 'healthy' even despite its apparent lack of any rulers or regulators for market business.[3] Indeed, we might be tempted to assume that Plato is a market optimist on the basis of that depiction of a flourishing and free market.

[3] Glaucon christens this city a 'City of Pigs' due to its lack of any 'relishes' that more sophisticated consumers would demand (*Resp.* 372c). For discussions of the first city as representative of a market society, see R.C. Cross and A.D. Woozley, *Plato's* Republic*: A Philosophical Commentary* (New York: St. Martin's Press, 1964), pp. 80–93; M. Schofield, 'Plato on the Economy' in M.H. Hansen (ed.), *Saving the City: Philosopher-Kings and Other Classical Paradigms* (London: Routledge, 1999), pp. 69–81; J. Weinstein, 'The Market in Plato's Republic', *Classical Philology* 104 (2009), pp. 439–458; D. Silvermintz, 'Plato's Supposed Defense of the Division of Labor: A Reexamination of the Role of Job Specialization in the Republic', *History of Political Economy* 42 (2010), pp. 747–772; E. Helmer, 'D'une réciprocité à l'autre: la spécialisation des métiers et des fonctions comme principe d'unité politique dans la République de Platon', *Archai* 16 (2016), pp. 13–42; N. Sawatsky, 'Plato's Economic Genius', in P. Boettke, C. Coyne and V. Storr (eds.), *Interdisciplinary Studies of the*

When ‘guardians’ are introduced in the second city—the ‘luxurious’ city in which non-basic and unnecessary goods are produced and consumed—their role is not to regulate the market (*Resp.* 373e-374a). Instead, they assist in the acquisition of neighboring territories that will supply more resources for the market’s operations. Guardians are instruments in expanding the extent of the market in that second city, not regulators. This lack of regulation should not be understood as optimism, though, since the ‘luxurious’ city, in its contrast to the first city, is feverish and perhaps ‘untrue’ (*Resp.* 372e). The production and consumption of unnecessary goods perverts the nature of the producer as well as the consumer. Everyone in the city becomes sick. Looking at the depictions of market activity in the first and second cities, then, we cannot discern a final evaluation of the market’s need for external control.

The focus of this article is the iteration of the market that is operative within the last of three cities described by Socrates, his *Kallipolis*, and what laws, if any, are proposed for regulating the agents in that domain. Whereas the market exhaustively accounts for the first city and operates independently of any oversight from rulers, the market of *Kallipolis* is confined to just one of its classes and made to operate in harmony with the remaining classes. And because *Kallipolis* alone among the three cities described in the dialogue manifests ‘complete goodness’, its relationship to the market should be taken as the *Republic*’s final word on the subject. Therefore, my discussion takes the market of that third city as its focus.[4]

Market Order: New Applications of Market Process Theory (Lanham: Rowman and Littlefield, 2017), pp. 3-37.

[4] Brevity requires that I also omit to discuss passages of Plato’s *Laws* that touch on market activity. For such discussion, see S. Skultety, ‘Currency, Trade, and Commerce in Plato’s

I begin, in section 2, with an observation of an important distinction that Socrates builds between two levels of legislative activity. One level is that of the 'founders' of a city, and the other is that of the city's proper, internal rulers. Socrates and his interlocutors are founders of *Kallipolis*, and the individuals they call philosophers are the city's proper rulers. Legislation may be issued from either legislative level. This distinction aids us in understanding a passage occurring at *Resp.* 425a–427a in the dialogue, where Socrates and one of his fellow founders of the city, Adeimantus, explicitly discuss the issue of who should regulate the market. As will be shown, the dialogue's verdict on that question is difficult to discern, made difficult both by the fact of there being two distinct levels of lawgivers for the city as well as by ambiguity in Socrates' meaning when he says that some market laws are discoverable by 'anyone' and others arise from a 'way of life' (*Resp*. 427a). Who is included among 'anyone', and whose 'way of life'? Ultimately, I interpret Socrates as prohibiting interference in market business from one legislative level, limiting such interference from the other legislative level, and recommending self-regulation among market participants in some areas of their business. I call this view *moderate market optimism*.

In section 3, I contextualize this interpretation within the larger argument of the *Republic.* The idea of limited legislative regulation of market business will strike Plato's critics as surprising,

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"Laws"', *History of Political Thought* 27 (2006), pp. 189–205. Skultety concludes that 'Plato worries that commerce and specific kinds of currency allow citizens to forget about civic life by promoting an exclusive focus on either private concerns or cosmopolitan issues', at p. 189. Socrates of the *Republic* seems to share this assessment, but only as relates to the guardians of the city, as if the guardians (comprising both auxiliaries and rulers) may be corrupted by material goods while producers may not (*Resp*. 416e–417a).

and may seem out of keeping with the *Republic*'s general attitude of disdain and distrust toward producers, those least intellectual and most appetite-bound citizens of the city. What his allowance of self-regulation for these citizens demonstrates, however, is how deeply Plato imagines the ideal city's educational program to penetrate the psyches and control the behavior of citizens. This should reframe the way in which we figure Plato as a statist, perhaps not so much by diminishing our sense that he endorses extreme control over citizens, but rather by highlighting that state-issued legislation is not his sole, or even primary, means of control.

2. Interpreting the text

The passage in which Socrates first proposes the question of whether or not and how to regulate the market demands careful scrutiny. The proposal arises in the context of Socrates, together with Glaucon and Adeimantus, designing the lifestyle and work of the ruling class in the ideal city. The activity ought to be considered 'designing' because Socrates and his interlocutors repeatedly say that they are engaged in 'fashioning' (πλάττομεν) a happy city and 'making' (ποιοῦμεν) true guardians (*Resp.* 4.420c, 421a).[5] They are, after all, the city's founders, responsible for setting up the laws that comprise its constitution. Having just agreed that their priority is to make the whole city as good as possible and that they should 'leave it to nature' to ensure that each class, or perhaps each individual, in the city achieves the happiness that is achievable for them, Socrates and Adeimantus go on to specify particular domains over which the city's proper, internal rulers will need to engage their distinctive level of legislation for the purposes of safe-keeping the constitution (*Resp.* 421c).

[5]See also Resp. 419a; 420b; 423c.

Specifically, 'our guardians'—as Socrates calls them—will need to (i) 'guard against in every way' both wealth and poverty (*Resp.* 421e), (ii) manage the size of the city such that it remains 'one in number' (*Resp*. 423c), (iii) direct each of the citizens of *Kallipolis* to 'what he is naturally suited for' (*Resp*. 423d), and (iv) 'guard the one great thing': 'their education and upbringing' (*Resp*. 423e). Each of these tasks is emphasized as being crucial to the goal of sustaining the ideal constitution that the founders of the city have fashioned in their imaginations. And though none explicitly refers to the activity of legislation—instead focusing primarily on 'guarding'—repetition of the word 'to legislate' (νομοθετεῖν) throughout the ensuing discussion of which further domains require the oversight of the philosopher rulers indicates that the activity by which they generally perform their work is that of legislating.[6] We can be sure, then, that the discussion of how to manage market business in the ideal city is genuinely a question about whether or not legislative regulation is appropriate for it.

Socrates and Adeimantus identify domains of activity and behavior that potentially require the legislative intervention of the philosopher rulers from 425a. First are the 'seemingly insignificant conventions' (νόμιμα) such as the deportment of children in the presence of elders, or hair styles, or clothing trends (*Resp.* 425a–b). Here Socrates says that the well-raised people of the city will 'discover' (ἐξευρίσκουσιν) these conventions for themselves, but also that 'it is foolish to legislate about such things' because 'verbal or written decrees will never make them come about or last' (*Resp.* 425b). 'That's why I wouldn't go on to try to legislate about such things,' he concludes (*Resp.* 425c). There are two criteria by which the appropriateness of legislation in a domain is established, then: (i) the extent to which well-raised persons may be expected to discover

[6] The verb νομοθετεῖν appears at Resp. 425b, 425c, 425d, 425e, 426e, and 427a.

the desired behavior independently and (ii) the extent to which the behavior is impervious to legislative oversight regardless.

Market business is the next domain of activity to be considered. Note that Socrates' question about whether or not to regulate the market pertains strictly to the legislative level of the founders.

> Then, by the gods, what about market business (τάδε τὰ ἀγοραῖα), such as the private contracts people make with one another in the marketplace (τάδε τὰ ἀγοραῖα), for example, or contracts with manual laborers, cases of insult or injury, the bringing of lawsuits, the establishing of juries, the payment and assessment of whatever dues are necessary in markets and harbors, the regulation of market, city, harbor, and the rest—should we bring ourselves to legislate about any of these (τούτων τολμήσομέν τι νομοθετεῖν)?
>
> It isn't appropriate to dictate to men who are fine and good (ἀλλ᾽ οὐκ ἄξιον, ἔφη, ἀνδράσι καλοῖς κἀγαθοῖς ἐπιτάττειν). They'll easily find out many of these things for themselves, as many as need to be legislated (τὰ πολλὰ γὰρ αὐτῶν, ὅσα δεῖ νομοθετήσασθαι, ῥᾳδίως που εὑρήσουσιν).
>
> Yes, provided that a god grants that the laws we have already described are preserved (θεὸς αὐτοῖς διδῷ σωτηρίαν τῶν νόμων).
>
> If not, they'll spend their lives enacting a lot of other laws (πολλὰ τοιαῦτα τιθέμενοι) and then amending them, believing that in this way they'll attain the best.
>
> You mean they'll live like those sick people who, through licentiousness, aren't willing to abandon their harmful way of life?

> That's right.
>
> And such people carry on in an altogether amusing fashion, don't they? Their medical treatment achieves nothing, except that their illness becomes worse and more complicated, and they're always hoping that someone will recommend some new medicine to cure them. (*Resp.* 425c–426a)

Adeimantus and Socrates agree that they, as founders, should not issue legislation for the market of *Kallipolis*, but whereas they had categorically declined both the appropriateness and the utility of legislation concerning the 'seemingly insignificant conventions', here they have declined only the appropriateness, and only from their own legislative level. They have deferred judgment to the city's internal rulers, allowing that 'fine and good' rulers will 'easily find out' what needs legislating in the market, and they have left open whether or not such legislation has utility. Their musing concerning the 'licentiousness' of those who pursue a harmful way of life is not a denial of the utility of legislation concerning the market, but a denial of such legislation in a city that has deviated from the four crucial orders already outlined.

The question, then, is what kind and how extensive will be the legislation that the philosopher rulers issue for regulating market business. Adeimantus and Socrates are not in a position to assess this themselves, seeing how they are leaving the work to the rulers. When Adeimantus says that the philosopher rulers will 'easily find out many of these things for themselves, as many as need to be legislated', he remains true to his word in refusing to dictate to these good men. The matters that need to be legislated are 'many', but how many and what specifically those matters will be is left undisclosed.

Socrates and Adeimantus continue from this passage in their analysis of how the city's rulers will err if the earlier described laws are not preserved. They quickly return to the issue of market business:

> Don't be too hard on them, for such people are surely the most amusing of all. They pass laws on the subjects we've just been enumerating and then amend them (νομοθετοῦντές τε οἷα ἄρτι διήλθομεν καὶ ἐπανορθοῦντες), and they always think they'll find a way to put a stop to cheating on contracts (περὶ τὰ ἐν τοῖς συμβολαίοις κακουργήματα) and the other things I mentioned (καὶ περὶ ἃ νυνδὴ ἐγὼ ἔλεγον), not realizing that they're really just cutting off a Hydra's head.
>
> Yet that's all they're doing.
>
> I'd have thought, then, that the true lawgiver (τὸν ἀληθινὸν νομοθέτην) oughtn't to bother with that form of law or constitution (τὸ τοιοῦτον εἶδος νόμων πέρι καὶ πολιτείας), either in a badly governed city or in a well-governed one—in the former, because it's useless and accomplishes nothing; in the latter, because anyone (ὁστισοῦν) could discover (εὕροι) some of these things (τὰ μὲν αὐτῶν), while the others follow automatically (τὰ δὲ ὅτι αὐτόματα) from the ways of life we established.
>
> What is now left for us to deal with under the heading of legislation (ἡμῖν λοιπὸν τῆς νομοθεσίας εἴη)?
>
> For us nothing (ἡμῖν μὲν οὐδέν), but for the Delphic Apollo it remains to enact the greatest, finest, and first of laws. (*Resp*. 426e–427b)

Again, we see Adeimantus and Socrates agree that legislation of market business is inappropriate at some level. Particularly, they believe it is unsuitable for a 'true lawgiver' to 'bother with that form of law or constitution'. Who is the true lawgiver? Though the concept of a 'true lawgiver' might be predicable of individuals working at either legislative level, the fact that Socrates explicitly refers to the 'form of law or constitution' as being within the scope of concern of the 'true lawgiver' suggests that he intends to refer to city founders since they alone are concerned with designing a city's constitution.[7] Of course, Socrates and Adeimantus had already agreed, at 425d–e, they should not legislate about market matters, so reading this passage as merely reiterating their agreement might seem redundant. We should note, however, that the earlier agreement to decline interference pertained to cities in which rulers are 'fine and good men', while here, at 427a, Socrates considers both the 'badly-governed city' and the 'well-governed city' in tandem. When he says that a founder should not legislate about these matters even by way of

[7] Some scholars have interpreted 'true lawgiver' as referring broadly to any lawgiver of a true, i.e. good, city. Presumably this would include lawgivers at both legislative levels in the *Republic.* See, for example, K. Fitzpatrick, 'Forbidden Delicacies: The Ideal City, the Luxurious City, and the Marketplace in Plato's *Republic*' in L. Trepanier (ed.), *The Free Market and the Human Condition: Essays on Economics and Culture* (Lanham: Lexington Books, 2014), pp. 11–25, at p. 21–22. Others insist it refers only to the philosopher rulers, for example C. Bobonich, 'Why Should Philosophers Rule? Plato's *Republic* and Aristotle's *Protrepticus*', *Social Philosophy and Policy* 24 (2007), pp. 153–175. If 'true lawgiver' does refer to the philosopher rulers, then 427a explicitly states that the philosopher rulers will not legislate on market business.

interfering on behalf of poorly and bad rulers, he makes clear that market business is categorically not a domain for founder-level legislation.

But as to what this passage on market business finally recommends regarding legislation from the level of the city's internal rulers, it is still difficult to draw a conclusion. Socrates says that *founder-level* legislation is inappropriate in a well-governed city 'because anyone (ὁστισοῦν) could discover some of these things, while the others follow automatically from the ways of life we established'. This ostensibly explanatory claim raises some questions. First, although Socrates seems to divide into two an otherwise unified category of items, it is unclear what unifies all of these items in the first place. The problem is that there is not an obvious plural antecedent to the partitive genitive (αὐτῶν) that Socrates uses in building his division. The clearest antecedent is 'the form of laws and constitutions' (τὸ τοιοῦτον εἶδος νόμων πέρι καὶ πολιτείας) that was said not to be a concern for the true lawgiver (*Resp*. 427a2–3).[8] This choice is attractive due to grammatical proximity. In strict terms of meaning and interpretation, though, this reading problematically implies that design of both laws *and constitutions* are within the purview of the 'anyone' who will discover these things for themselves. This result contradicts our understanding of the founders as the exclusive designers of constitution. But if we elide the mention of constitutions and take 'laws' as the salient dimension of the antecedent, then we can understand 'laws' (*νόμοι*) regulating market business as divided into the two sorts described above. Accordingly, Socrates submits that some *nomoi* concerning market business are discoverable by 'anyone' and other such *nomoi* 'follow automatically' from a way of life.

[8] As Shorey notes, "εἶδος νόμων πέρι is here a mere periphrasis," meaning that it refers to νόμοι, not to something like a νόμος (343 n.δ).

The next interpretive puzzle concerns why some *nomoi* would be discoverable by 'anyone' (ὁστισοῦν). It seems strange for Socrates to claim that literally 'anyone' can discover *nomoi*. With his delineation of two levels of legislation and his careful distinctions between them, he can scarcely mean to collapse the apparatus entirely by conceding that any and all citizens of *Kallipolis* can find out good laws. It is not in the work or function of the auxiliaries and producers to find out laws anyway. The 'anyone' may be an overstated generalization, then. Socrates must mean that the easily discovered laws are discoverable *by the philosopher rulers.* Indeed, if we understand the 'anyone' to be restricted to the philosopher rulers, then the line is an echo of the idea expressed at 425e that the philosopher rulers will 'easily find out many of these things for themselves, as many as need to be legislated'. These *nomoi* are, presumably, explicit legislative actions.

And the final puzzle concerns which—or whose—way of life gives automatic rise to the second variety of *nomoi*. On one hand, because it is reasonable to understand the items that 'follow automatically' as *nomoi* and because *nomoi* are the concern of the rulers, it is tempting to suppose that these *nomoi* follow particularly from the peculiar way of life enjoyed by the ruling class. On this interpretation, the *nomoi* 'follow automatically' from the rulers' way of life in the sense that the rulers use their own behavior as a model in writing the *nomoi*. The difference between the varieties of *nomoi*, on this reading, is minimal. Both are attainable only by individuals who have been brought up in a particular way, but one kind is found out through active searching and the other kind is more passively received. They are both explicit legislative actions under the exclusive control of the rulers.

On the other hand, the idea that the *nomoi* 'follow automatically' from a way of life is strikingly reminiscent of the claim, at 425b-c, that 'the start of someone's education determines what follows (τὰ ἑπόμενα)'. That utterance occurs in the context of Socrates explaining that it is

'foolish' to try to legislate some norms of behavior—specifically, the 'seemingly insignificant conventions'—because 'verbal or written decrees will never make them come about or last' (*Resp*. 425b). These norms arise automatically as a result of the group adopting a certain set of beliefs and values through their formative years, which beliefs and values are inculcated through the education in music and poetry described in Books II and III. Most importantly, the norms are adopted by the agents themselves rather than imposed upon them by any law. They are endogenous norms, albeit contingent on early indoctrination, rather than exogenous laws. When Socrates says, at 427a, that some market *nomoi* 'follow automatically' from a way of life, he echoes the 425a–b idea that a particular upbringing and lifestyle will ensure the adoption of certain norms.

The latter reading is preferable. There is little sense in the idea that market *nomoi* might 'follow automatically' from the way of life of the rulers. Socrates says that the *nomoi* are regulations that 'put a stop to cheating on contracts and the other things I mentioned' (*Resp*. 426e). The 'other things I mentioned' are, surely, the market matters listed from 425a: 'contracts with manual laborers, cases of insult or injury, the bringing of lawsuits, the establishing of juries, the payment and assessment of whatever dues are necessary in markets and harbors, the regulation of market, city, harbor, and the rest'. These practices may certainly be carried out well or poorly, justly or unjustly, but the rules that bring them into line with the good can scarcely be imagined to 'follow automatically' from a way of life that is explicitly stripped of private contracts, personal possessions, material productivity, and consumerism. Such practices permeate the way of life of the producers, however. And, just like the 'seemingly insignificant conventions', these practices are particularized, sensitive to variation in circumstance, and knowable only through experience. They are, in other words, governable only by endogenous rules if they are governable by any.

Accordingly, we should understand the second variety of market *nomoi* as 'following automatically' from the way of life of the market participants themselves.

When Socrates identifies two distinct origins for the *nomoi* that control the market and allows that one of these origins is the way of life of the market participants, we can understand him as suggesting that the producer class in *Kallipolis* is capable of a degree of self-regulation. Of course, it must be the case that *Kallipolis* affords them some means of developing their capacity for self-regulation, lest they never achieve the moral outlook necessary for such work. But, nonetheless, Socrates' argument depicts the producers as governing themselves in their business interactions. Such self-regulation appears to be part and parcel of the work that belonging exclusively to them.

3. The Self-Regulated Market in Kallipolis

I have argued that Socrates categorically declines to manage market business from the legislative level of the founders and asserts that the city's internal rulers certainly will engage in such legislative management. But the extent of their legislative intervention is obscured by Socrates' division of market-related *nomoi* into two sorts according to their distinct origins. Some market *nomoi* are exogenous, originating with the philosopher rulers discovering what needs to be explicitly legislated in the market, but some are also endogenous to the market, originating within the producer class as a result of the way they are made to live in the ideal city. Some facets of the market are regulated by the state, then, but others are left to the self-regulation of the market participants. In this section I will consider what kind of optimism—if at all—this amounts to, and how it accords with other features of the *Republic*'s argument.

Let us begin by distinguishing three degrees of market optimism: *weak market optimism*, *moderate market optimism*, and *full (laissez-faire) market optimism*. The distinctions depend on

Socrates' contrast between the legislative level of the founders and that of the philosopher rulers. According to *weak market optimism*, regulation of market business ranks among the tasks for the philosophers rulers to attend to, but is not so paramount that it requires the founders to intercede on behalf of the rulers. *Weak market optimism* counts as optimism in the sense that, on this reading, Plato ranks market regulation as a second-tier imperative: It need not be established from the outset in establishing the city as one of the conditions for making the city and its rulers just and good, but instead can be left as a product or consequence of establishing the city and its rulers correctly. *Weak market optimism* is compatible with understanding regulation of the market to be among the most important tasks of the proper rulers. What makes *weak market optimism* count as weak is only that Plato has, on this reading, counted market regulation as a task insufficiently important for the establishment of justice to require Socrates' intervention.[9]

Moderate market optimism is more permissive of self-regulation on the part of the market participants themselves. According to *moderate market optimism*, the rulers of the ideal city have the power to intervene in the market as well as positive reason to legislate on some—even 'many'—particular matters, but beyond those particular matters, the market participants can be trusted to conduct their own affairs. *Moderate market optimism* counts as optimism in the sense that it requires understanding market participation as morally inert for the producers. That is, handling of money, engagement in contracts, and general consumerism do not have any inherent corrupting influence. It is only some facets of those activities—the 'many' that require intervention from rulers—that cannot be trusted to the participants. *Full market optimism* is the final alternative. According to *full market optimism*, market regulation is inappropriate *in general* in the sense that

[9] If the intervention of the founders were necessary, Plato would be counted a market pessimist.

neither should anyone set up laws for market business from the outset in establishing the city, nor should any rulers set up such laws once the city has been established. Arguably, we see *full market optimism* in the first city since there is absolutely no exogenous legislation regulating the activities of the market in that society and the outcomes of its free market are not only consistent with, but actually productive of the health and flourishing of its citizens.

The ideal city is certainly not a place for *full market optimism*, as we have seen from Socrates and Adeimantus' agreement that the rulers will discover for themselves 'many' matters that require legislation in that domain. But they also agreed that it is inappropriate for them, as founders, to legislate on market matters, which indicates that the ideal city implements at least *weak market optimism*. When Socrates distinguishes exogenous and endogenous market regulation—in accordance with the interpretation I presented in the previous section—and suggests that both will be implemented in the ideal city, it looks as though he endorses *moderate market optimism.*

Socrates' acknowledgement of contracts, torts, assessments of dues, and—explicitly—'regulation of market, city, harbor, and the rest' (ἀγορανομικὰ ἄττα ἢ ἀστυνομικὰ ἢ ἐλλιμενικὰ ἢ ὅσα ἄλλα τοιαῦτα) demonstrate his understanding that the functioning of markets depends on some protections and enforcements (*Resp*. 425d). Such rules and norms establish the shared expectations that facilitate arbitration courts for resolving disputes, institutions for extracting fees for the purpose of supporting important commercial infrastructure like roads and ports, and other social tools for solving collective action problems as they might arise. If any of these matters—even just a few of them—are left to the market participants themselves, then Socrates is imagining and endorsing some degree of independence in the operation of the market. This is not the statism of which Plato is often accused.

But how does this moderate optimism comport with the depiction of *Kallipolis* and the argument of the *Republic*? Two facets of the ideal city demand attention on this score: (i) the issue of Socrates and his interlocutors requiring that the philosopher rulers 'guard against in every way' wealth and poverty in *Kallipolis* and (ii) the uncertainty concerning whether or not the producer class is targeted for moral conditioning, whether in the form of the early education described in Books II and III or otherwise. The first of these should be familiar from the beginning of my discussion in section 2, where we encountered the founders articulating the need for guarding against wealth and poverty as the first of four explicit orders to be issued to the city's proper rulers (*Resp*. 421e–422a). Given that wealth and poverty are undeniably tied up with material consumption, they seem to be directly impacted by market activity and, thereby, controllable only via market control. The second facet is an interpretative problem, the resolution to which could determine finally whether or not the producers in the ideal city can be expected to be sufficiently well-formed in their character to adequately self-regulate.[10] How do we understand these facets in relation to moderate market optimism?

[10] Many scholars deny that the education described in Books II and III is universal. See, for example, S. Sauvé Meyer, 'Class Assignment and the Principle of Specialization in Plato's *Republic*', *Proceedings of the Boston Area Colloquium in Ancient Philosophy* 20 (2004), pp. 229–243; C.D.C. Reeve, *Philosopher-Kings: The Argument of Plato's* Republic (Princeton University Press, 1988), pp. 186–190; G. Hourani, 'The Education of the Third Class in Plato's *Republic*', *The Classical Quarterly* 43 (1949), pp. 58–60. See H. Jeon, 'The Interaction between the Just City and its Citizens in Plato's *Republic*: From the Producer's Point of View', *Journal of*

3.i. The Ban on Wealth and Poverty

It is quite clear that Socrates requires a strict ban on wealth and poverty in the ideal city. He is worried that wealth and poverty each impede the production of goods and threaten the stability of the city. 'The former makes for luxury, idleness, and revolution; the latter for slavishness, bad work, and revolution as well; (*Resp*. 422a). Producers who become wealthy lose their motivation to tend to their craft, and those who fall into poverty lose access to the tools and other materials means for exercising their craft well, or at all. It is for this reason that Socrates and his interlocutors agree to order the city's proper rulers to 'guard against in every way' wealth and poverty entering the city. The emphatic 'in every way' makes clear that Socrates wants to grant permission to the city's proper rulers to utilize any means at their disposal for ensuring that these disruptions do not plague the city. As the text stands, however, there is no particular means specified by Socrates or the interlocutors as being most efficacious for this purpose. Indeed, Socrates indicates that he deems it fit to delegate the matter entirely to the rulers—they will 'see for themselves' what needs to be done (*Resp*. 423e). He declines even to specify a particular type of activity by which they might carry out the work, opting to describe their task with a verb derived from their title ('our guardians (τοῖς φύλαξιν) must guard against (φυλακτέον) in every way…').

This is precisely where Socrates' moderate market optimism has tremendous explanatory power in the argument. By emphasizing that some market-related *nomoi* will be discovered by the philosopher rulers, he carves out a mechanism by which those rulers can ensure the ban on wealth and poverty. Again, we do not know precisely what those *nomoi* are, but our ignorance of these

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the History of Philosophy 52 (2014), pp. 183–203, and J. Thakkar, *Plato as Critical Theorist* (Cambridge, MA: Harvard University Press, 2018), pp. 124 – 139, for arguments to the contrary.

details is sensible enough given that we are engaged in describing the city from the level of the founders and even the founders, Adeimantus tells us, are not in a position to declare what these *nomoi* will be. The philosopher rulers, living in the city and understanding its particular resources and distributions, are uniquely poised for anticipating the springs of wealth and poverty and forestalling their emergence.

Further, because the philosopher rulers cannot be permitted to interfere too deeply in market business, lest they meddle in the work of others and become distracted from their own work, there must be a device by which their legislative role in the market is circumscribed.[11] The distinction between the legislation issued by the philosopher ruler and the endogenously arising *nomoi* serves just this role by allowing for the endogenous *nomoi* to complete the set of market regulations necessary for the proper functioning of the market. The philosopher rulers are responsible for ensuring the ban on wealth and poverty, and the market participants themselves are responsible for ensuring the norms and expectations that sustain operation. The total ban on wealth and poverty is not only compatible with moderate market optimism, but even clarifies it by providing some indication of what laws might be among those that are discovered by the rulers

[11] It is absolute, according to Book IV account of justice, that the philosophers cannot meddle in the work of other classes. The necessity of setting some distance between them and the market might additionally be supported by the need for limiting their exposure to money (*Resp*. 416e–417b). For discussion of the corrupting power of money, see A. Schriefl, 'Plato on the incompatibility of wealth and justice: the property arrangement in the *Republic*', *History of Political Thought* 39 (2018), pp. 193–215.

(the ones that ensure the ban) and what might 'follow automatically' from the way of life of the producers (the ones that secure the functioning of the market itself).

How extensive is the market interference of the *nomoi* that ensure the ban? This is unclear from the text because the specific means utilized by the rulers for implementing the ban are undisclosed, except for the general indication that it will occur via legislation. Taxation is one option. We can be sure that some form of taxation is levied upon the producers. When Socrates says that the city's guardians will enjoy a moderate lifestyle funded by 'taxation on the other citizens as a salary for their guardianship', there is no possibility other than that the 'other citizens' are the producers and that the taxation is conceived as fair payment for service (*Resp*. 416e). What form this taxation takes is unclear, however. Plato does not specify whether it is their income, their property, or their exchanges in foreign or domestic trade, that will be taxed.[12] He also does not indicate whether or not this taxation doubles as a mechanism for controlling wealth and poverty in

[12] Plato was himself familiar with many distinct modes of taxation. In texts produced by his contemporaries and near contemporaries in Athens, there is mention of varying percentages of import and export taxation; taxes on silver, on foreigners, and even on prostitutes; taxes within demes; several types of tax upon wealth; grain taxes; taxes for funding state cults; tributes for membership in the Delian League; etc. See P. Fawcett, '"When I Squeeze You with Eisphorai": Taxes and Tax Policy in Classical Athens', *Hesperia: The Journal of the American School of Classical Athens* 85 (2016), pp. 153–199, for a survey of these modes of taxation and the texts in which they are mentioned or described. Plato could have any of these, and any number of them, in mind when he mentions taxation the mere four times that he does so in the course of the *Republic*, at 343d, 416e, 566e, and 568d.

the producer class. In stating that tyrants levy heavy taxes upon their citizens expressly for the purpose of keeping them poor—'for that way they'll have to concern themselves with their daily needs and be less likely to plot against him'—Plato demonstrates his understanding of taxation as a tool for, at least, *producing* poverty (for those taxed) (*Resp*. 567a). This is a strong indication that he might also understand taxation as a tool for *averting* poverty and wealth. But ultimately there is no indication that taxation is the means he has in mind in Book IV.

What stands is that Socrates identifies only some market-related *nomoi* as being the exclusive responsibility of the rulers. How they discover and enact these *nomoi*, even what those *nomoi* are, is something that Adeimantus and Socrates agree should be left to the rulers themselves. They are disinclined to specify those *nomoi* from the outset. This comports with the interpretation I have been defending of Socrates being a moderate market optimist. He allows the remainder of the market-related *nomoi* to be endogenously generated from the way of life enjoyed by the market participants themselves. Of course, the possibility of their lifestyle generating appropriate *nomoi* depends on the moral quality of that way of life, and so the next issue to address is the issue of education: who receives it in the ideal city.

3.ii. The Education of Producers

The early education is first introduced in Book II, when Socrates completes his description of the traits found 'in the nature' of one of the city's guardians. 'But how are we to bring him up and educate him?' (*Resp*. 376c). Together with his interlocutors, Socrates goes on to describe a program in music and poetry as well as physical training that will mold any individual with the requisite nature into a person 'who achieves the finest blend of music and physical training and impresses it on his soul in the most measured way' (*Resp.* 412a). There is no mistaking what group Socrates imagines to be recipient of this education as he describes it. All of this description quite

plainly indicates that the education is for future guardians—tailored to their nature and with the outcome of establishing graduates as 'overseers in our city' (*Resp*. 412a). On the basis of these passages, it looks as though the conception of education in the *Republic*, given that it excludes producers, cannot comport with moderate market optimism.

Several passages within the dialogue tell against the exclusion of the producers, however, and the arc of Socrates' argument for the role of the philosopher rulers requires that the producers be included to some extent. Here I consider two passages that explicitly identify the producers as recipients of some education, and I also discuss how the dialogue's argument requires that we understand some parts of the early education as universal in this way.

The first passage occurs in Book III, in the context of Socrates explaining the importance of the education in music and poetry and the qualities that such an education will cultivate in the guardians who receive it. Through exposure to music and poetry that is possessed of 'fine words, harmony, grace, and rhythm', the guardians develop these qualities within themselves (*Resp*. 400d). Socrates then points out that many crafts are possessed of these same qualities. 'Now, surely painting is full of these qualities, as are all the crafts similar to it; weaving is full of them, and so are embroidery, architecture, and the crafts that produce all the other furnishings' (*Resp*. 400e–401a). The upshot of this, Socrates suggests to Glaucon, is that the poets are not alone among the craftsmen in needing their work to be supervised by the philosopher rulers. All the craftsmen will be forbidden to represent anything incongruous with the moral message of the city. Only those craftsmen 'who are by nature able to pursue what is fine and graceful in their work' will be permitted to produce images in the city (*Resp*. 401c). All of this is necessary because—this is where Socrates seems to suggest the necessity for universal education—'anyone who has been properly educated in music and poetry will sense it acutely when something has been omitted from

a thing and when it hasn't been finely crafted or finely made by nature' (*Resp*. 401e). The producers, being foremost in position of needing to recognize when something has been finely crafted or not—seeing how they are themselves the craftsmen—will need to receive the education requisite for performing this aspect of the work.[13]

This passage, admittedly, sits strangely within a dialogue that has already underscored that anything with a particular function will perform that function well just in case it exercises its 'peculiar virtue' (*Resp*. 353c). If it is a *peculiar virtue* that allows for performing one's function well, then it seems odd that Socrates would make the additional claim that the education in music and poetry generates a set of virtuous qualities that *universally* allow for any craftsmen to perform their function well, that is, to produce a good product of their kind. To resolve this, we must observe that the *peculiar virtue* allows for the function to be performed 'well' (εὖ), while the Book III passage claims that the education enables individuals to 'sense it acutely' when something is 'finely' crafted (καλῶς). It is strictly the peculiar virtue that is necessary for producing, say, a table

[13] A helpful reviewer has pointed out that only a minority of craftsmen produce goods that might be considered 'cultural' artifacts of the sort that Socrates has identified as needing moral regulation. This seems right, and it might incline us to think that only that subset of the population stands in need of a moral education to direct their work. But it is undeniable that Socrates believes moral beliefs are influenced by daily environment every bit as much as they are influenced by formal education. See, for example, his descriptions of whole lifestyles as destructive in the degeneration passages of Books VIII and IX. The social class peers to the 'cultural' artisans will need to be moral peers in every way, and therefore stand in need of the same education.

that is a good instance of a table, and the music and poetry education that enables one to assess whether or not that table is in keeping with what is morally fine (κᾶλον).

We might be inclined to conclude from this that the producers are in possession of their requisite peculiar virtues but that they may nevertheless lack the capacity to assess their own work for its fineness. Accordingly, the guardians are shaped into product assessors for the purpose of scrutinizing and censoring the work of the producers. This is an undesirable result, however, seeing how it requires that both the auxiliaries and the philosopher rulers intervene entirely in the work of the craftsmen, effectively doing their work for them in violation of the dialogue's account of justice. To avoid this result, we must understand the craftspeople of *Kallipolis* as recipients of those parts of the city's education that are sufficient for enabling them to actively produce their goods in accord with the standard of fineness. The city's justice requires that they have this independence in their work.

Another passage, 414d, includes the producers more explicitly. It is here that Socrates introduces the 'Noble Lie'. He says, 'I'll first try to persuade the rulers and the soldiers and then the rest of the city that the upbringing and the education we gave them, and the experiences that went with them, were a sort of dream'. This explicitly discloses that the founders intend for the producers ('the rest of the city') to be targets of the cultural messaging that is the Noble Lie itself, but also suggests that they are intended recipients of an upbringing and education delivered by the rulers.[14] The cultural messaging certainly does not exhaustively account for what is conveyed by

[14] See E. Brown, 'Minding the Gap in Plato's "Republic"', *Philosophical Studies* 117 (2004), pp. 275–302, at 298n.44, who draws out this implication. Also in relation to the Noble Lie passage, F.M. Cornford, *The Republic of Plato* (Oxford: Clarendon Press, 1941), at p. 62, points out that,

the early education described in Books II and III, and it is unlikely that the producers could undergo their requisite craft apprenticeships and specialized training while also undergoing the full extent of the music and poetry program and physical training. But they could be exposed to some elements of both, absorbing universal cultural messaging through folktales and other devices for disseminating such ideas, all while developing in their specialization.

Hourani explicitly denies that we should understand the Noble Lie passage in this way. The guardians, he argues, have 'no time for the vast and unprofitable burden of mass education'.[15] The dedication of resources is not justifiable, on this view, because the moral education of producers 'will never fulfil any function', a circumstance which cannot be at home in Plato's *Republic,* premised as it is on the notion that the good for anything is in the doing of its own work, i.e. function (*Resp.* 353e). But Hourani, and other scholars who pursue this line of thought, overlook the way in which the cultivation of character among the producers does serve a function. [16] In fact, it serves two functions: the function of the rulers in persuading the citizens to work for the collective good and the function of the producers themselves in regulating their own behavior in

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without some provision of a universal education, the lie cannot serve its purpose of motivating the citizens to aid the rulers in watching for gold- and silver-souled citizens who should be sent off to the guardian class: 'unless they share in the early education provided for the Guardians, there could hardly be opportunities for promoting their most promising children to a higher order'.

[15] G. Hourani, 'Education of the Third Class', p. 59.

[16] C.D.C. Reeve, *Philosopher-Kings*, pp. 186–190, provides the most extensive argument for this position.

their domain of activity, the market.[17] The producers are not isolated and entirely independent in their production of goods and services, but they are necessarily embedded in a network of exchanges whereby they procure raw materials and tools for their crafts, build relationships with buyers and merchants, and also engage in the marketplace as consumers of the myriad goods they need for sustenance even outside of the peculiar needs of their craft. Exposure to the modes of music and poetry that cultivate good character in the guardians would serve the function of the producers as well, even if to a lesser degree.[18]

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[17] H. Jeon, 'Interaction', at p. 184, has emphasized these two dimensions as the producers' contribution to harmony within the city and their being 'largely self-directed moral agents who do not require constant supervision to do the right thing'. Jeon's focus is the *moral* status of the producers, i.e. their ability to be self-directing in their moral lives, while my focus is on their independence in the marketplace, but I agree with the insistence that the provision of education is indispensable to the project of making citizens independent.

[18] H. Jeon, 'Interaction', p. 186n.9, suggests that the producer children may receive all the same benefits as guardian children, on account of the early education cultivating non-rational capacities rather than rational ones. R. Kamtekar, 'Imperfect Virtue', *Ancient Philosophy* 18 (1998), pp. 315–339, and J. Wilberding, 'Plato's Two Forms of Second-Best Morality', *Philosophical Review* 118 (2009), pp. 351–374, each discuss the ways in which education and character cultivation are beneficial for non-rulers in the ideal city, but they limit their discussion to auxiliaries and express some skepticism about whether or not the producers receive any education or, even if they do, are psychologically positioned to benefit in the way auxiliaries do.

As for how Socrates' moderate market optimism sits with the arc of his extended argument in the dialogue, we can discern the necessity of providing an education to the producers through examining how Adeimantus and Socrates discuss the reason why the fourth of their orders to the rulers, the one regarding the guarding of education and upbringing, is paramount. Adeimantus proposes that through tight control of music and poetry in particular, the city's rulers will secure law-abidingness and regimentation of character among all the citizens of the city (*Resp.* 424c–e). This is expressed somewhat indirectly, through positing the outcome of *neglecting* music and poetry rather than through positing what will be achieved:

> When lawlessness has established itself [in music and poetry], it flows over little by little into characters and ways of life. Then, greatly increased, it steps out into private contracts, and from private contracts, Socrates, it makes its insolent way into laws and government, until in the end it overthrows everything, public and private. (*Resp*. 424d)

Adeimantus identifies the steps by which lawlessness will infect a city that inadequately shapes the characters of its citizens. A crucial step in that infectious spread is the point at which lawlessness infects the business of private contracts. This should alert us that the producers are intended recipients of the education because they alone in the ideal city engage in private contracts, the members of both guardian classes being forbidden to do so.[19] Private contracts are neither first

[19] That the guardians are forbidden to engage private contracts is an inference drawn from Socrates' insistence both that guardians be prohibited to possess 'any private property beyond

nor the last point of the infection's spread, indicating that it is a point where the spread may be stopped just in case that handlers of private contractors—the producers themselves—are of sufficiently robust character for resisting lawlessness. If the spread stops there, then 'laws and government' may be spared.

This is taken as capturing the true impact of education, and Socrates expresses his agreement by saying that 'when children play the right games from the beginning and absorb lawfulness from music and poetry, it follows them in everything and fosters their growth, correcting anything in the city that may have gone wrong before' (*Resp*. 425a). With the education carefully guarded, the rulers will need only to implement legislation for averting wealth and poverty, but the market participants themselves will be in a position—psychologically, in terms of their desires, and institutionally, in terms of possessing the means of self-regulation—to impose rules upon themselves for bringing about and sustaining the *nomoi* necessary for a well-functioning market and also for averting the worst harm that the city may suffer.

4. Conclusion

'The start of someone's education determines what follows' (*Resp*. 425b–c). This is the sentiment that I have drawn out for consideration in this paper and set as a first principle of the market participants in *Kallipolis* possessing the ability to conduct their own affairs and be significantly self-determining—much more self-determining than a standard interpretation of Plato *qua* totalitarian may permit.

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what is wholly necessary' (*Resp*. 416d) and that lawsuits will 'pretty well disappear from among them, because they have everything in common except their own bodies' (*Resp*. 464d). Any need for privacy in contract is precluded by these conditions.

I have argued that Socrates of the *Republic* embraces *moderate market optimism* because he declines to issue any market regulation in his role as founder of the ideal city and permits only some of the city's market-related *nomoi* to be issued by the philosopher rulers. The remaining market-related *nomoi* are conceived by him as endogenous to the market participants themselves just in case they are brought up in such a way as to enjoy a lifestyle from which appropriate *nomoi* will 'follow automatically' from the way they live. The childhood games and cultural messaging that shape the early beliefs of the producers results in them becoming capable of self-regulation in this way, and this depiction of market participants as self-regulating is moderate market optimism.

Of course, the genuine strength of Plato's optimism is tempered by the fact that it is conditioned on otherwise successful governance in the city, and specifically on the success of the both the founders and the city's proper rulers in controlling the character development of all citizens. Plato's harshest critics would rightly demur at the idea that 'market optimism' correctly describes a program of self-regulation that depends on conformity of thought, habits, and value to the extent that the *Republic*, according to my interpretation, proposes. Nevertheless, the interpretation offered here should shift the conception of statism that critics might foist on Plato. He does not aim to extensively regulate the behavior of citizens through the state apparatus of legislation, but instead to cultivate independence in morally good decision making. These conceptions of control are radically different, not only in their mechanism, but also in their outputs.