



POWELL CENTER FOR  
ECONOMIC LITERACY

*Lesson Plan*

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## Ancient Entrepreneurs

### Time Required

6 days

### Grade Level and Subject

High School, Social Studies

### Keystone Principles

Principle #5 – Incentives produce “predictable” responses.

Principle #6 – Do what you do best; trade for the rest.

Principle #7 – Economic thinking is marginal thinking.

Principle #8 – The quantity and quality of resources impact living standards.

### Voluntary National Content Standards in Economics

Standard #4 – [Role of Incentives](#)

Standard #6 – [Specialization and Trade](#)

Standard #11 – [Role of Money](#)

Standard #14 – [Profit and the Entrepreneur](#)

Standard #15 - [Growth](#)

### Economic Concepts

**Barter** – *Paying for goods or services with other goods or services instead of with money.*

**Capital Resources** – *Money or other goods and services used to further production.*

**Choice** – *The selection of one alternative among others.*

**Economic Growth** – *The total change in an economic system, usually measured by the change in gross domestic product (GDP).*

**Entrepreneur** – *Someone with an idea for a new good or service or a new method of producing or marketing an existing good or service, and takes a risk to do so.*

**Interdependence** – *A relationship between people or firms in an economy where both benefit because of the interaction.*

**Living Standard** – *The material comfort, ease of living, and opportunities for personal satisfaction which comprise the economic well-being of people. While inherently subjective, GDP and GNP per capita usually serve as approximations for specific measurements. Living standards are usually referenced as a comparison between countries or between different time periods within a country.*

**Trade** – *The exchange of goods and services, occasionally for other goods and services, but most frequently for money.*

## Overview

Students often do not understand the effect of entrepreneurship upon domestic and global economies. As a social studies teacher, I realize that connecting the study of world history and entrepreneurship provides students with insight about entrepreneurship in both the ancient and modern world, and how entrepreneurship has contributed to economic growth throughout time. This lesson plan focuses on world economies from 800 B.C. to 200 B.C., with a special emphasis on entrepreneurship. The economies studied are those of the Mediterranean Basin, the Persian Empire, sub-Saharan Africa, the empire of Alexander the Great, the Hellenistic World, China, and northern India. As students learn the characteristics of entrepreneurs, they can more readily grasp the importance of entrepreneurial activity in the development of ancient and modern world economies.

## Objectives

- Students understand the concept of entrepreneurship and identify the characteristics necessary for entrepreneurial success.
- Students evaluate their entrepreneurial potential through the questionnaire on Handout #3, Future Choices.
- Students examine four successful entrepreneurs and compile a list of the characteristics each displayed in achieving their goals.
- Students apply their understanding of entrepreneurship by creating and writing about an imaginary ancient entrepreneur who lived and conducted business during the selected historical period.
- Students compare and contrast entrepreneurs in the ancient and modern world.

## Materials and Handouts

- Handout 1 -- The Persian Empire
- Handout 2 -- Ancient Entrepreneurs: A Case Study
- Handout 3 -- Future Choices
- Four entrepreneur biographies

# Teaching Activity

## Day 1

Investigate the economy of the ancient world from 800 B.C. to 200 B.C. through the perspective of one of the economic leaders of this era. Choose one civilization or culture of the Mediterranean Basin, the Persian Empire, sub-Saharan Africa, the empire of Alexander the Great, the Hellenistic World, China, and northern India. Be certain to emphasize the role of merchants and businessmen in the ancient economic scene. In order to do this, you may use Handout 1, “The Persian Empire,” and Handout 2, “Ancient Entrepreneurs: A Case Study.”

Introduce the concept of *entrepreneurship* by asking students to define the term in their own words. After a discussion of various student responses, blend their ideas into the following definitions:

- The ability to recognize and take advantage of opportunities by assuming risks and combining resources to create or distribute goods and services that fulfill human wants.
- The human resources needed to assume the risk of organizing other resources to produce goods and services.

Discuss the definitions with the class. Emphasize the creative and risk-taking aspects of entrepreneurship and how it involves much more than merely "owning your own business."

## Day 2

Ask each student to complete Handout 3, “Future Choices.” Upon completion, read each of the 10 statements and record the number of student responses in each category. Discuss the results after each question, identifying reasons for student responses. Then ask the students whether they think they have entrepreneurial characteristics. Ask if anyone in the class is an entrepreneur or is personally acquainted with an entrepreneur.

Next, have students list the characteristics they believe an entrepreneur must possess. List the student responses on the board and discuss reasons for the inclusion of each one.

## Day 3

Organize the students into pairs and give each pair a newspaper or section of a newspaper. Instruct the students to select one advertisement that best exemplifies entrepreneurial characteristics. Then ask students to present their choice to the class.

## Day 4

Select four biographies of successful entrepreneurs (e.g., John D. Rockefeller, Sam Walton, Oprah Winfrey, Bill Gates) that will be of interest to the class. A wealth of diverse entrepreneurs can be found using an internet search engine. Alternatively, you can focus on general research into micro-enterprises. *Kitchen*

*Table Entrepreneurs: How Eleven Women Escaped Poverty and Became Their Own Bosses*, 2004, by Martha Shirk and Anna S. Wadia, provides examples of American women in impoverished circumstances who developed the entrepreneurial skills to become self-supporting. You might also want to have students research Bangladeshi economist Muhammad Yunus who won the 2006 Nobel prize in economics for his work in the use of micro-credit to lift third-world families out of poverty.

Ask students to read each of the assigned readings and consider the following questions:

- Why do you think these entrepreneurs succeeded?
- What characteristics made them successful?
- What problems did they overcome to reach their goals?

In discussing students' answers to these questions, compile a list of the successful attributes each entrepreneur displayed. After the discussion pose the following questions:

- Recalling what you have learned from Handouts 1&2, do you think the people of 800 B.C. to 200 B.C. had the same characteristics as modern entrepreneurs?
- What unique problems did the ancient entrepreneurs face?

Ask students to compare ancient entrepreneurs' problems with those facing entrepreneurs today. Place students in groups of three to four. Have the students discuss how ancient entrepreneurs were similar to or different from modern entrepreneurs and compare the problems unique to each era. Each group should then develop at least three comparisons and report its findings to the class.

## **Day 5**

Divide the class into groups of four to five students. Have each group create an imaginary ancient entrepreneur who lived during the assigned time period and geographic region. Encourage students to imagine life during this era and consider the earlier questions:

- Do you think ancient entrepreneurs faced problems similar to those people face today?
- Did ancient entrepreneurs share the same characteristics that make modern entrepreneurs successful?

Appoint a group leader to head the discussion and a recorder to present the group's findings. Allow twenty minutes for the discussion period. Remind students their work must be historically accurate. Encourage them to draw parallels between ancient economies and entrepreneurship and their modern counterparts.

As a culminating activity, assign the "Ancient Entrepreneur Paper." In the paper, each student creates an ancient entrepreneur and chronicles the achievements and failures of that person's business venture. The paper must display knowledge of entrepreneurship and entrepreneurial characteristics while at the same time

retaining historical accuracy. Some examples of ancient entrepreneurs created by my students include:

- A Persian Empire innkeeper who runs a bed and breakfast located 60 miles east of Sardis on the Royal Road, 500 B.C.;
- A Kushite exporter who trades iron agricultural tools, weapons, and pottery to merchants in Egypt, East Africa, Arabia, and India, 200 B.C.; and
- An Etruscan metalworker whose small business produces weapons, household implements, and sculptures which are sold in the Latin Peninsula, 600 B.C.

### Day 6

To conclude the unit discuss the “Ancient Entrepreneur” papers with the class. Read the most creative and original examples to the students. Finally, discuss whether students think entrepreneurship is more difficult today than it was in the ancient world.

## Applying Keystone Economics

The *Keystone Principles* were written to help students think about the ways in which basic economic principles are intertwined with everyone’s daily life. The following list illustrates how several of these principles can be applied to the handout, “Ancient Entrepreneurs: A Case Study.” These same principles are also applicable in almost any discussion of entrepreneurs.

Principle #5 – Incentives produce “predictable” responses.

- A common practice in earlier times was to solidify a bond between two countries by marrying the offspring of the respective rulers. Any children of this union would be presumed to have ties to both countries, thereby encouraging economic prosperity by the expansion of trade opportunities and the elimination of armed conflict. After their military victory over the Persians, what incentive was created by the Medes in giving a Median princess in marriage to a Persian prince?
- As the Persian Empire expanded, those who became a part of it could participate in the increasing material wealth of the empire. This provided the incentive for conquered people to accept the legitimacy of the new order.

Principle #6 – Do what you do best; trade for the rest.

- When trade is voluntary, both parties are better off. By encouraging artisans to develop their skills, and promoting trade within and without the empire, society as a whole became better off. By living together peaceably and allowing trade to flourish, the Persian authorities were able to avoid civil unrest in the conquered territories, and the citizenry was able to enjoy a period of relative stability.

Principle #7 – Economic thinking is marginal thinking.

- There is always a question in wars of conquest about the cost of continuing resources needed to maintain stability in the conquered lands and at home. By following growth-oriented economic principles (even if they were not articulated at the time) in the post-invasion period, the Persians were able to alter the marginal equation. People then, as now, evaluated the marginal benefit vs. the marginal cost of any action. In recognizing that they were better off materially, it made the relative cost of civil unrest higher. The rising standard of living offset, in varying degrees, the pain of their subjugation. In turn, during the period of stability, the marginal cost to the Empire of maintaining its war machine rose and the benefits of investing in peaceful resources rose.

Principle #8 – Quantity and quality of available resources impact living standards.

- The Persian Empire raised the general living standards in the lands it controlled by investing in resources. By establishing and maintaining an interconnected system of roads (a capital resource), the Persians dramatically improved transportation and communication within the empire. Establishment of a common language added to the human resource skill set and promoted ease of trade. Entrepreneurs were encouraged to develop their creativity and the government provided infrastructure for getting goods to market. Thus, investments were made in three of the four factors of production, leading to improved living standards. For the government, this had the added benefit of encouraging stability in the conquered lands.

## **Handout #1**

### **The Persian Empire**

By 500 B.C., the Persian Empire included the lands of Anatolia, Egypt, Libya, Thrace, Macedonia, Mesopotamia, the Indus River Valley, and Syria. The empire was created through military conquests that demanded a large standing army.

The vast empire was connected by the Royal Road, which extended over 1,500 miles from Susa, one of the Persian capitals, to Sardis, capital of Lydia in Asia Minor. Along the road, the Persians built more than 100 supply stations and inns where travelers could stop for food and lodging.

The official language of the Persian Empire was Aramaic, the language of the Assyrians. The Assyrians had created an empire by 650 B.C. that included much of Mesopotamia, Syria, the western Mediterranean, northern Egypt, and part of eastern Asia Minor. However, in 609 B.C. the Assyrians were defeated by an alliance that included the Persians and Medes. In 585 B.C., the Medes defeated the Persians in battle; after this defeat, a Persian prince married the daughter of the Mede ruler. The union produced Cyrus the Great, who, in approximately 547 B.C., began to build the greatest empire that had ever existed in the Middle East — the Persian Empire.

The decision to proclaim Aramaic as the language of the Persian Empire promoted communication and commerce throughout the region. This common language now permitted scribes to communicate from one end of the empire to the other, thus stimulating commerce and creativity.

Commerce was further stimulated through the circulation of Persian coins that were accepted by everyone throughout the empire.

A stable and efficient government provided an environment that encouraged creativity and allowed the abilities, talents, and skills of diverse people to flourish. Greek architects, stonemasons, and sculptors worked to build the king's palaces. The people of the Indus Valley introduced rice. Merchants of all descriptions carried trade goods on the Royal Road under the protection of the army.

## **Handout #2**

### **Ancient Entrepreneurs: A Case Study**

**John Coates, Collegiate Middle School, Richmond, Virginia**

The term entrepreneur has several constant connotations. First, it generally implies a small businessperson. Second, it almost always implies a large element of risk. Further, it seems generally to imply some form of a capitalistic economy. What it does not imply, for most people, however, is an ancient economy. Nevertheless, entrepreneur is a descriptive concept that can be applied over many eras in history. In our own day, the concept covers everything from the local handyman to a franchisee to anyone who starts a new business. In the ancient world there were also many different forms of entrepreneurship. Some of the possibilities are illustrated in the following case study of Demetrios the Greek.

#### **Demetrios the Greek**

Our ancient entrepreneur has just fought his way from the Hellespont down the West Coast of Asia Minor. After participating in the first great Macedonian victory at Granicus River, he marched across the southern coast to Issus (where his Greek army defeated the Persian King Darius III) and continued south until the army reached the city of Tyre. This ancient city of the Phoenicians was thought to be impregnable. Alexander successfully besieged the city, and in so doing he permanently separated the Persian Empire from its fleet and procured it for his own use. Using the Persian fleet, the Greeks destroyed Egyptian resistance and proceeded to occupy Egypt. After fighting valiantly and witnessing the transformation of the landscape as he traveled, Demetrios saw great opportunity in the newly established city of Alexandria, Egypt. Consequently, he resigned his commission in the army and embarked upon a new career as a North African trader.

#### **Economic Conditions in Alexandria, Circa 330 B.C.**

In the year 330 B.C., the Persian Empire was coming to a close. This meant that, for entrepreneurs, the future was filled with great risk and great promise. The roads to the East — and the luxury goods to be found there — remained open even though the Persian Empire was collapsing. New cities were being established with the ongoing conquests of Alexander the Great. The future was promising since the economic opportunities to be found in an increasingly urbanized environment would continue to develop as long as market contacts continued to expand.

***Access to Capital.*** By the year 300 B.C., coinage was a concept less than 400 years old. While its effects are visible in the great commercial cities such as Athens, Tyre, and Carthage, it still has not permeated the barter economy that predominates generally in the area. For a small entrepreneur like Demetrios, therefore, starting out would be challenging since access to capital would be difficult. Because banking, as we know it, was still centuries away, the would-be entrepreneur could only access capital by trading his skills for the backing of a person who already possessed capital. Raising capital often depended upon one's ability to access the resources of family members or close personal contacts.

**Transportation** Southwest Asia in 330 B.C. certainly had the best system of roads in the world to the west of China. These roads were well engineered and well constructed, serving as important transportation links. Political stability facilitated the establishment of trading relationships that could transcend great distances. Furthermore, this era witnessed a process of urbanization, with cities growing into centers of commerce with as many as 500,000 inhabitants. The Upper Nile, Asia Minor, and the Mediterranean islands also presented great opportunities for water-based trading networks.

### **Problems and Opportunities**

Having fought his way through Asia Minor, Palestine, and Egypt, Demetrios has had enough. What should he do next? Far from home, Demetrios has limited resources to use in creating a new business in Alexandria. As an officer, he has had access to substantial amounts of plunder in Tyre, Sidon, and other cities. However, he soon realizes that fiscal assets alone will not suffice.

One thing Demetrios is not confronted with is regulators and regulations of the sort that are now part of the marketplace. However, he will have to confront informal rules and regulations in the form of government officials who will demand payoffs and individuals who will provide for the “protection” of his business. Furthermore, if a competitor tries to drive him out of the marketplace, he must settle the matter successfully, on his own, or go under.

In the ancient world as in the modern, location is everything. What had been an isolated piece of farm land — Egypt — is about to enter a boom cycle, and that cycle will be fueled by goods brought in and taken out on the backs of camels and in the holds of ships. Obviously, then, Demetrios is going to be much better off than a competitor in Sparta, simply because in Alexandria there will be more consumer traffic and a broader range of consumer demand.

Demetrios is most interested in the transportation business. His most obvious options would be shipping by water and shipping by camel. Demetrios realizes that the traffic through the Nile Delta, both east-west and north-south, will expand many times in the foreseeable future. The individual who establishes a network of transportation in this region stands a very good chance of making a fortune. The only question is how.

### **Summary**

Ancient economies contain in broad outline many of the elements that we find in the business community today. Although we may believe them to have been somnolent compared to markets today, they obviously were not, as our example shows. There was plenty of opportunity for the entrepreneur 2,300 years ago, if he was willing and able to create a vision for the economic future of an area, arrange financing, and survive through good times and bad.

## **Handout #3**

### **Future Choices**

Imagine that it is twenty years from now. You are in your late thirties, married, and the parent of several children. Your job pays enough to support your family but not enough to enable you to buy many things you would like to own. Your boss expects employees to follow orders and doesn't ask for their opinions very often. You do your work well but find it dull. It does not appear that you will be able to advance your career if you stay with your employer. If you were in this situation, would you *agree*, *disagree*, or *not be sure* about each of the following statements?

*Circle your response for each question.*

- |   |       |          |          |
|---|-------|----------|----------|
| 1. I would rather take a chance running my own business than keep my dull job.  | agree | disagree | not sure |
| 2. I would be very dissatisfied because my boss does not care what I think.   | agree | disagree | not sure |
| 3. I would be willing to risk my savings to start my own business.  | agree | disagree | not sure |
| 4. I would be willing to ask my friends and relatives to risk their savings in my business.                               | agree | disagree | not sure |
| 5. I would be willing to work long hours and take few days off to make my business a success.                             | agree | disagree | not sure |
| 6. I would be willing to take the time and make the effort to be sure I had a plan that had a good chance of success.     | agree | disagree | not sure |
| 7. I would be willing to accept a small return for my effort at first to allow my firm to succeed later.                  | agree | disagree | not sure |
| 8. I would be willing to keep trying even if my plans did not work at first.  | agree | disagree | not sure |
| 9. I would be willing to look for help from others if I found there were things to be done that I did not know how to do. | agree | disagree | not sure |
| 10. I would be willing to risk my family's security to take a chance running a business that could fail.                  | agree | disagree | not sure |