A Brief Overview of the Political Economy of Ancient Greek Polis and Demokratia

Laurent Gauthier* (laurent.o.gauthier@gmail.com)
Laboratoire d’Économie Dionysien, Université Paris 8 Vincennes Saint-Denis

ABSTRACT

We briefly review the history of archaic and classical Greece, focusing on the development of the polis and of ancient Greek demokratia. The emergence of the polis as a political institution took place in a particular context, with a more widespread access to resources, as earlier centralised power had vanished. A specific form of democracy then appeared in Athens, demokratia, within the context of the polis. We examine the political economy research that has provided a formal background for these historical innovations.

© 2023 Asociación Española de Historia Económica

JEL classification:
N33
N43
P40

Keywords:
Ancient Greece
Political economy
State formation

Breve descripción de la economía política de la polis y la demokratia de la Grecia antigua

RESUMEN

Repasamos brevemente la historia de la Grecia arcaica y clásica, centrándonos en el desarrollo de la polis y de la antigua demokratia griega. La aparición de la polis como institución política tuvo lugar en un contexto particular, con un acceso más generalizado a los recursos, ya que el poder centralizado anterior había desaparecido. Apareció entonces en Atenas una forma específica de democracia, la demokratia, en el contexto de la polis. Examinamos la investigación en economía política que ha proporcionado un trasfondo formal a estas innovaciones históricas.

© 2023 Asociación Española de Historia Económica

* Corresponding author.
1. Introduction

The history of archaic (8th-6th century BCE) and classical (5th-4th century BCE) Greece can, in many respects, be centered around two critical innovations: the creation of the polis, the city-state, and the subsequent emergence of demokratia in Athens, the ancient Greeks’ particular form of participative democracy. Numerous research works have in fact sought to place these historical processes in a political economy framework. In this note, we propose a brief overview of these approaches. We begin by exploring the historical context in which the polis emerged in archaic Greece. We then review the different perspectives that political economy has offered on the birth and evolution of the ancient Greek polis. Next, we turn to the particular form of democracy in ancient Athens and discuss some of the underlying trends that made it possible; after which, we discuss the economic research that aims to explain many of the idiosyncratic features of Athenian demokratia in the classical period.

2. The Birth of the Polis

The ancient Greek city-state, the polis, was an autonomous small-sized polity, and over a thousand of such poleis have been identified, each with their own specificity (Hansen and Nielsen, 2004). To better understand the emergence of the polis, we first look at the social conditions during the Dark Ages of ancient Greece, around the 10th century BCE, when there were no significant urban centres yet, and the existing communities could not be qualified as city-states. Between the 13th and the 11th centuries BCE, numerous Mycenaean sites were suddenly abandoned, according to archaeological evidence (Murray, 2017). Their socioeconomic structure gave way to a less complex, more egalitarian, and more cohesive one. As the centralised organisation of the Mycenaean palaces disappeared along with their political power, agricultural production stopped being collected. There were therefore greater surpluses, thereby transforming part of the population into small landowners, with a self-interest in the long-term exploitation of their lands. The decline in population and the generalised loss of wealth early in the period contributed to greater social and economic equality, which is observed through burial customs. Even if there were “big men”, chiefs, aristocrats, or kings, they did not have the prerogative of great luxury, nor of great wealth, great influence, or military supremacy. Indeed, the basileis, the kings or aristocratic leaders described in the epics, did not rest on a very solid political structure, as the difficulties of Telemachus in the Odyssey illustrate: since his father, the “big man”, is not there, his power is not automatically transmitted. In addition, Odysseus, who is described in the Odyssey as a basileus of infinite resources, owns a total of about thirty herds, quite a different order of magnitude when compared to the riches of the Mycenaean palaces. We can speculate that this trend was reinforced by the disappearance of writing, and this contributed to greater cultural equality and to the reduction of possible attributes of differentiation, as between the rulers and magistrates of the Mycenaean palaces and the rest of the population. Linear B, the Mycenaean writing system, was in fact associated with the centralising power of the palaces and served to implement the gathering of surplus from the population.

The disruption of most trade networks initially led to a scarcity of copper and tin, which had to be imported. This led to the development of iron metallurgy, which is more difficult but makes use of a much more widely distributed material. The proportion of bronze objects in burials between the Sub-Mycenaean and Late Geometric periods declined (Whitley, 1991, p. 358). We know that in archaic Greece, many conflicts between emerging poleis took place: Hansen and Nielsen (2004) identified dozens of cases of total destruction of a polis. Iron, more widely available than bronze, made it easier for people to arm themselves: according to the Whitley (1991), the number of weapons per grave increased during the period. Access to weapons was therefore no longer the prerogative of a warrior class: a larger part of the population could acquire their own (iron made) military equipment for the defence of their city. The military organisation of the phalanx emerged, as a system of protection of the newly constituted city-states from any kind of from foreign invasion or threat. It was composed of hoplites, those who could acquire or even produce themselves their equipment, generally free farmers. Working tools could also be improved: for example, according to Hesiod, it is an iron axe that cuts down the tree, which illustrates widespread use of iron tools in the 8th century. With better tools, agricultural yields could increase.

In the 8th century, the acceleration of trade, the growth of the population and the expansion of numerous colonies are often considered as markers of the emergence of the polis. These colonies, and their own colonies in turn, constituted a dense network of commercial relations (Malkin, 2011). In the archaic period, some products were manufactured specifically for distant markets (Osborne, 1996). Colonies played a role in regulating growth, in addition to allowing access to distant resources: times of stress could trigger the founding of colonies. For example, in the 6th century, and according to Herodotus, during a drought lasting seven years, the inhabitants of Thera were forced to send settlers by choosing them at random, one out of every two brothers. In times of civil unrest, or stasis, this same approach also made it possible to defuse fratricidal civil wars.

Writing was rediscovered by the Greeks through the Phoenician alphabet in the 8th century. In the context of the emergence of the polis, where differences in wealth were less pronounced than in the Mycenaean period, the ability to read and write may have been more widely distributed among the population, with significant variations across poleis —in the case of Athens, as Stoddart and Whitley (1988) puts it, “generalised social literacy”. This is reflected, among other things, in the wide range of texts produced in archaic Greece, which illustrate the widespread use of writing in contrast with the use of Mycenaean Linear B, purely for accounting purposes. Written laws quickly emerged: according to Strabo, the first written

---

1 While other democratic states existed in ancient Greece, Athens is by far the most documented historically.

2 Homer texts were likely written in the 8th century BCE, but refer to earlier times, around the 10th century BCE, see Fowler (2004, p. 206-232).

3 Homer, Odyssey, 14, 96-102.

4 Hesiod, Works and Days, 420.

5 Herodotus, 4, 151-153.
laws were due to the legislator Zaleucos in Locri Epizephyrii at the beginning of the 7th century. Writing laws presumably reduces the influence of the aristocrats, who were previously the only ones able to establish what was rightful or not.

Greater egalitarian principles could also be seen in war itself: The phalanx was indeed a particular method of fighting, relying on individual courage and group cohesion, as opposed to heroic duels, the form of combat displayed in Homeric texts. Archaic Greek society remained nevertheless strongly status-based, with some prominent aristocrats (Zurbach, 2013). This effective equality in combat, which was not necessarily reflected in political participation, led to tensions between the hoplites and the aristocrats. The majority of the Greek cities generally evolved in the second half of the archaic period from aristocratic regimes toward tyranny (Hansen and Nielsen, 2004, pp. 1338-1340), as these tyrants (usually themselves aristocrats) appealed to the hoplites to grab their arms, and shortcut the aristocracy. The tyrants, however, generally obeyed the laws. For example, according to Thucydides, the government of Hipparchus and Hippia in Athens at the end of the 6th century was reasonable and respected the multitude, and the city retained the full benefit of its existing laws.

How can the emergence of these politically and economically integrated city-states, out of this particular substrate, be accounted for in a political economy perspective? There is a framework for the analysis of constitutional design and state formation in political economy, generally relying on game theory, as is described, for example, in Laffont (2001), and regarding the foundation for state capacity, by Besley and Persson (2009); the question of establishing an autocracy has also been considered by Myerson (2008). The emergence of the Greek polis has been examined in the light of institutional economics by historians inspired by economic approaches (Ober, 2015), and by economists with an interest in ancient history. Some have examined the general conditions in which the polis emerged, while others focused on specific aspects of the ancient Greek society. Lyttkens (2006) took a rational actors perspective, and analysed how the varying conditions of competition for power between elites led to the emergence of institutions after the Dark Ages. Lyttkens (2013) also considered gradual technological change after 1200 BCE and its impact on social organisation. Particular conditions for the emergence of the rule of law are required, according to Fleck and Hanssen (2019): there is a trade-off due to the commitment to follow the rule in the future, and a majority-driven decision process minimises the cost of this trade-off. In particular, Pitsoulis (2011) proposes a model capturing the impact of the greater role of hoplites on the birth of a more egalitarian system. The emergence of a new political landscape, turned towards equality, can also be related to the common ideals that were developed, linked to athletics, war and the gradual emergence of property rights protection, since the Archaic times onward, in the perspective of new institutional economics (Kyriazis and Economou, 2015; Economou and Kyriazis, 2017). More specifically, the emergence of the particular organisation of military combat as a hoplite phalanx is studied in Economou and Kyriazis (2019, p. 12-43). The role and cost of war in classical Athens were effectively both very significant (Lyttkens and Gerding, 2022), and having to make decisions about war and peace may justify the emergence of a process to handle social choice (Economou and Kyriazis, 2016). In archaic Athens, some laws addressed social conflict, and Schwuchow and Tridimas (2022) examine the optimality of one of Solon’s laws, which prescribed that in the case of stasis, one had to pick a side.

The evolution of political organisation in ancient Greece has also been related to economic growth or potential growth. Fleck and Hanssen (2006) used institutional economics to analyse the emergence of democracy in various Greek cities as a means of fostering personal investment in agriculture. They observed that in regions where the cultivation of the soil requires long-term investment, and therefore would imply an assurance of not being deprived from it in the future, the population may be demanding more guarantees from the aristocracy. Under their assumptions, a democratic regime is optimal when soil yields are low, because it induces better investment by farmers. This model considers the strong correlation that we observe between the richness of the soil and the type of political regime: from the extremes of Thessaly with a very rich soil and a monarchial regime on one hand, to Athens with arid soil and a democratic regime on the other. Using a comparable framework, they also considered the transition through tyranny, and related it to growth potential (Fleck and Hanssen, 2013, 2018). Effectively pointing out a form of virtuous circle, they showed in Fleck and Hanssen (2015) that the ancient Greek democratic system supported wealth creation. With another perspective on the creation of the democratic polis, McCannon (2012) considered that it was a way to alleviate the increase in wealth volatility across generations.

3. The Invention of Demokratia

We can define the Athenian demokratia as a participatory democracy by lot and without representation. In 507 BCE, Cleisthenes introduced initial reforms before the assembly which defined this demokratia, including isonomia, equal rights, and isegoria, equality of speech among all citizens. He relied on the existing written laws, in particular Solon’s, who had set up the citizens’ assembly and oligarchic census classes in 594 BCE (Stahl and Walter, 2009). Cleisthenes was therefore also indebted to Peisistratus and Hippia, the tyrants who had continued to promote the functioning of the political system and respect for the law, as we pointed out earlier. The identity of the Athenian polis had been largely reinforced by the Peisistratid tyrants: temples were built, religious festivals and games instituted, literature centralised. Peisistratus instituted the Panathenaea, a festival and a set of games organised by Athens. These innovations helped establish a Panathenian identity above that of the traditional tribes and villages, which may have fostered collaboration among Athenians at large.

The democratic system promoted by Cleisthenes turned out to be totally different from what had been observed before. It was a substantial break in terms of political functioning: Vernant (1965) characterised democracy as the passage from the

---

6 Strabo, 6, 1, 8.
7 Thucydides, 6, 54.
question of choice to that of how to choose, through the aggregation of the knowledge and skill of the citizens. Previously, in times of crisis, the polis appealed to a legislator or a tyrant. With  isonomia, the system was designed to work and resolve crises on its own. Due to isegoria, the confrontation of ideas in the popular Assembly made it possible to exercise this rationality and to seek the best solutions. However, if everyone can give an opinion, without necessarily having in-depth knowledge, how are good decisions made? According to Vidal-Naquet (2005), hoplites were not distinct from other combatants in inscriptions, and he further points out that in his Funeral Oration, Pericles argued that it is not the preparation for war that distinguishes the Athenians, but bravery9. This stresses that it was not technique or a particular expertise that was perceived as the most important contribution to the polis, but effort and will. Ober (2008) investigated some aspects of how Athenian democracy worked, and its ability to effectively aggregate information. For Ober, the government of Athens can best be viewed as a complex and efficient machine designed to identify and gather social knowledge and relevant techniques (Ober, 2008, pp. 118-167). By breaking traditional ties between tribal members and introducing randomness into the distribution of responsibilities, Cleisthenes' reforms forced Athenians to collaborate by sharing the private information each had. As a matter of fact, the development of a political economy thought in ancient Greece evolved hand in hand with each had. As a matter of fact, the development of a political economy thought in ancient Greece evolved hand in hand with each had. As a matter of fact, the development of a political economy thought in ancient Greece evolved hand in hand with each had. As a matter of fact, the development of a political economy thought in ancient Greece evolved hand in hand with the rise of demokratia, as a form of criticism of that political regime mixing everyone (Ober, 1993; Carugati, Ober and Wein- gast, 2016; Canevaro, 2018).

General economic research has addressed the logic of voting and the basic principles of democracy, such as in Davis, Hinich and Ordeshook (1970) or Nurmi (1986), but the particular features of the innovative Athenian demokratia have also been studied by institutional economists. Some of the specific mechanisms of demokratia have been modelled and closely examined, such as the random selection of magistrates, ostracism, large judicial juries, or the voluntary contribution of the rich to the city's military or religious expenses, for example. The citizens' active engagement at every level of the polis, in spite of the fact they were not necessarily experts, has been shown to optimally reduce information asymmetry (Economou and Kyriazis, 2022). While some positions were elected, many were selected by lot, and the optimality of this procedure has been shown to both ensure representativeness and reduce the risk of corruption, but also reduced the effort necessary to choose (Tridimas, 2011, 2012, 2022). Tangian (2008) analysed the specific set up of the Athenian assembly, the boule of 500 and its rotating committee of 50 in particular, and showed that the size of these representative bodies was well adapted to Athens. The frequency of votes in the Athenian participative democracy was high, and Tridimas (2017) showed how, by increasing this frequency, citizens were obtaining a greater utility. The famous principle of ostracism, used up to 415 BCE, was a political device that allowed the citizens to banish whoever would receive the most vote against them in a particular session of the assembly. Tridimas (2016) explored how these ostracism votes operated and analysed them as a negative referendum on the most visible politicians. Another institution, set up after 415 BCE, was the graphe paranomon: the right that each citizen had to sue anyone who argued anything at the assembly by stating they made an anticonstitutional proposal. If the suer failed to gather a certain number of votes, they were subject to heavy penalties. Lyttkens, Tridimas and Lindgren (2018) analysed the outcomes from a few of these votes and show that such proceedings could in fact be used by politicians to measure the support they had. Such stabilisation mechanisms, intended to reduce the risk of extreme democratic decisions such as the disastrous Sicily campaign, accounted for a significant evolution of the polis over time (Halkos, Economou and Kyriazis, 2022).

As part of the democratic process, judicial decisions were handled by large popular juries, of varying sizes, where the jurors were selected by lot. The specifics of this legal setup have been examined from an economic perspective, as there were some particular rules, warranting close economic examination. For example, in homicide trials, after evidence was presented, the accused could choose to be exiled and not risk anything else or continue with the trial. McCannon (2010a) has examined, in a game theoretical setting, the conditions under which a person would choose one option or the other. The famous trial of Socrates has also been scrutinised from an economic perspective: McCannon (2010b) analysed it from the perspective of the median juror's decision, and Guha (2011) asks whether Socrates's strategy was rational. McCannon (2011) focuses on the optimality of jury size in Athens, since they were sometimes as large as 2000.

Finally, finances were handled by the assembly, and the Athenians generally followed a degree of “fiscal discipline” (Bitros, Economou and Kyriazis, 2021, pp. 48-55). Liturgies, and in particular trierarchies, were semi-voluntary commitments by rich citizens to cover particular expenses related to the polis, such as theater plays or naval defense. Kaiser (2007) studied this particular mechanism, and established the conditions in which citizens could willingly commit to, or would rather skip, their obligations. Tridimas (2020) examines liturgies as a competitive system between the rich, leading to effective income taxation. The process through which financial decisions were voted has been studied by Tridimas (2013), in the particular case of the attribution of newly found silver in Attic mines to the building of a large combat fleet in 483 BCE. As a consequence of possessing a large war fleet, the Athenian economy evolved from an agrarian type to a maritime and commercially oriented one. Kyriazis and Economou (2019) and Economou and Kyriazis (2019, p. 28-42), review this economic evolution more broadly, whereas Tridimas (2015) suggests a relationship between wealth, war and demokratia, as Athens relied on the poor to man the war fleet.

4. Conclusion

As we have pointed out, the history of archaic and classical Greece offers detailed descriptions of many idiosyncratic social and economic constructs. The way the ancient Greeks waged war, the way small communities coalesced into city-states, trading with each other, how they effected political choice, even sometimes choosing tyranny—all are interesting challenges for political economy. Further, in the case of the ancient Athenian demokratia, some aspects of the regime may appear close and understandable, such as voting, while others, such as ostracism, the size of juries, or the option to walk away from a murder trial, appear remote to us, and framing them in an...
economic perspective helps in better understanding their logic. Perhaps more importantly from the standpoint of economics, the ancient Greek institutions provide fairly well-documented examples of human organisation in the distant past, on which general economic models may be tested.

Acknowledgments

I am indebted to two anonymous referees and to the editor Alfonso Díez Minguela for their insights and detailed recommendations.

References


