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6 June 2014

Online at <https://mpra.ub.uni-muenchen.de/57286/>  
MPRA Paper No. 57286, posted 13 Jul 2014 21:48 UTC

# Property Rights and Democratic Values in pre-Classical Greece

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## ABSTRACT

In the present essay we introduce the concept of macroculture as a complex of mutually supporting values, norms and beliefs in various areas of human activity, like religion, war, politics, sports etc. in a model. Then, we analyse how some macrocultures that are favorable or the “precondition” for the emergence of democracy and institutions develop, in particular property rights that foster economic development. We analyze this for an extended period that covers Later Bronze Age to Archaic Greece (approximately 1250-510 BC), as being the historical case where such a macroculture favorable to democracy and stable property rights first emerged. We argue that the nature of the Greek *polytheist* religion (12 gods) depicts a proto-democratic side of the ancient Greek society. We then provide a comparison of the Greek case, in relation to the other, mainly oriental societies, as far as the level of participation in decision making procedures of these societies is concerned. Our main findings indicate that during the last period of the Mycenaean world, as well as during the Geometric and Archaic age periods, the emergence of various elements of macroculture, in religion, warfare, sports and city-state environment evolved into similar proto-democratic values, leading thus to the establishment of democracy as a political phenomenon in Classical Greece, with Athens being the most well-known historical case.

*Keywords:* Macroculture, Democracy, Property rights, Ancient Greece.

*JEL classification:* N40, P41, P48, Z12

## 1. Introduction

In the present essay we introduce the concept of macroculture in order to analyse the conditions that shape long run economic structural and political change. We examine as our case study Bronze Age and Archaic Greek religion in relation to property rights, democratic elements and a general set of values that favors economic change and growth and, related to it, the emergence of democracy.

The emergence of direct democracy in 6<sup>th</sup> century B.C. Archaic Greece has been of continuing interest to philosophers, sociologists, historians and economists since at least the fourth century B.C. with Plato's *Republic* and Aristotle's *Politics*. It had a negative connotation through much of history linked to the negative view cast on it by Plato and to a lesser extent by Aristotle till the 17<sup>th</sup> century. Interest in democracy, seen in a favorable light this time, revived with the reemergence of some democratic forms of government throughout Europe as if the cases of thirteen century Swiss Confederation (after 1291), some medieval

cities in northern Italy like Florence (Greif, 2005: 771-775), were a series of statutory laws known as ‘the Ordinances of Justice’ was enacted between the years 1293 and 1295, and in southern Germany Augsburg.

Further introduction of proto-democracy was introduced during the 17<sup>th</sup> century in England (after the “Glorious Revolution” of December 1688 established continuous Parliaments) and the United Provinces (Dutch Republic).<sup>1</sup> This interest gained strength during the so called “Enlightenment” of the 18<sup>th</sup> century through the writings of Montesquieu, Locke, Rousseau, Voltaire, Hume, and in the 19<sup>th</sup> century with James and John Stuart Mill etc, who were among the first prominent members of the classical economic thought.

During recent decades analysis has focused also on the causal links between democracy (both representative and direct) and the economy, economic institutions and economic performance. In the present paper we will discuss the concept of macroculture, as an environment of religion, politics, war, economics etc. that shapes particular norms, rules, values and beliefs. Then, we will discuss how this set of values etc. that has emerged in one of the mutually interdependent and reinforcing elements of a macroculture is diffused into others, for example from the religious domain and war into the fields of politics and economics.

## **2. Macroculture and a model of path dependence and change**

In this section we introduce, for the first time as far as we know, the concept of macroculture (taken over and adapted from organization theory) into institutional economics in order to analyse structural change. A “macroculture” encompasses the common values, norms and beliefs shared among members of a society or state. In our adaptation of the term in economics and politics, macroculture has also a dynamic time characteristic, that of long term periods. As we will show in our case study, Bronze and Archaic Age period in Greece, the elements of macroculture take shape over time periods of decades to centuries.

Through these values, norms and beliefs, a macroculture guides actions and creates typical behaviour among independent entities, so that it coordinates their activities so that complex tasks may be completed (Abrahamson and Fombrun, 1992, 1994; Jones et al. 1997). This happens in three ways: 1) By creating “convergence of expectations”. 2) By allowing for idiosyncratic language to summarize complex routines and information and 3) By specifying broad tacitly understood rules for appropriate actions under unspecified contingencies (Camerer and Vepsalainen, 1988; Williamson, 1991, 1975). The establishment of “communication protocols” follows.

Jones et al. (1997) have applied this concept to firms, while Almond and Verba (1963) have written on “civic culture” as a shared set of beliefs among citizens. Putnam (1993) argues that democratic stability depends on specific forms of social organization and citizen values which he calls “civic traditions”. A similar line of argumentation (Granovetter, 1992:35) maintains that a structural embeddedness is developed: e.g., firms develop connected mutual contacts to one another. This corresponds to the establishment of mutual links or networks. These interactions define values and norms and thus strengthen this interdependence, the macroculture. This is consistent with Lazaric (2011: 148), who claims

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<sup>1</sup> The United Provinces (UP) were not a true democracy in today’s sense where universal voting rights for all citizens exist, nor was 17<sup>th</sup> (and later) England and the United Kingdom after England’s union with Scotland in 1707. But the UP had established some proto-democratic institutions, in the ‘federal level’ of the union, e.g. the election of the Estates General (the union’s “Parliament”) where each province had one vote and where unanimity was required for taking a decision on behalf of the Union as a whole. It has been aptly called a “democratic head on an oligarchic body”. For details of the politics and economics of the UP, see Kyriazis (2006) and references there in.

that “every recurrent interaction pattern in an organization may be hiding a potential routine” as well as with Vromen (2011), who labels these mutual values, norms and patterns of behavior as “routines” by depicting them as “multilevel mechanisms” that generate firm behavior.

Kyriazis and Metaxas (2010) and Kyriazis and Paparrigopoulos (2011) have analyzed one aspect of macroculture, the emergence of a new type of warrior in Archaic Greece, the *hoplite* (named from his big round shield, the *hoplon*) and the new tactical formation, the *phalanx*, as coordination and cooperation mechanisms which give rise to specific mental attitudes, values and norms, even a specific language (e.g. clear commands for battle) and learning and knowledge. Even more, the new warship adopted during the early 5<sup>th</sup> century by the Greeks, the *trireme* and the naval fleets, developed and fine-tuned the cooperation and coordination mechanism in the phalanx’s “customs” values and norms. The next issue is why and how these norms and values are diffused from one sector of the macroculture into another, making it a coherent whole.

We believe that the answer can be found in the theory of bounded rationality. Simon (1982, 1991) developed the theory of bounded rationality, which states that the mind has limitations, for example in its capacity to absorb and use new information. We are not totally “rational” in the sense of seeking to maximize utility or any other “ideal”. What we actually do in real life is try to reach a solution that satisfies us even if it is not the best possible one. We may even ignore the best possible one that would maximize utility. Simon calls this behavior “satisficing”. Satisficing enables us to find acceptable solutions with minimal expenditure of time and effort, thus reducing transaction costs (as eg. information costs).

This is exactly how ‘macrocultures’ develop and are strengthened and this is what happened in ancient Greek city-states. The values and norms evolved in warfare through coordination and cooperation mechanisms, equality, cohesion, self-discipline and above all trust, representing a specific set of mind and morals, learning and knowledge were transferred from the military into the political field, where they became *isegoria* (equality of speech), *isonomia* (equality in front of the law) and *homonoia* (unanimity).<sup>2</sup> Thus, to paraphrase the 4<sup>th</sup> century Athenian orator Demades, bounded rationality became the “cognitive glue” that held the various elements of a macroculture together into a coherent whole.<sup>3</sup>

Let us now formalize the emergence of new macrocultures that lead to economic and political change in the long-run. In figure 1 the path dependence and change of macrocultures is shown. Figure 1 illustrates the dynamic-structural change from one (old) macroculture to a different (new) one.

where:

om: (old macroculture): signifies the old macroculture, a system of norms, values and customs etc. that characterize the economic, social and political field of a state and associated institutions and organizations.

nm: (new macroculture): signifies the emerging new macroculture, where new norms, values, customs etc. are being created, developed and diffused, so that over time a break with the old

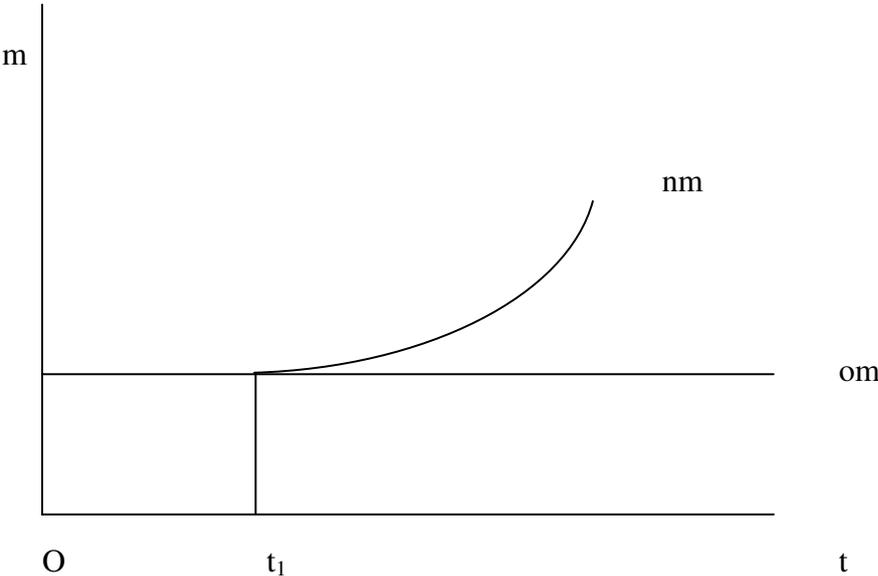
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<sup>2</sup> Kyriazis and Metaxas (2010) present a formal model using bounded rationality in order to explain path dependence and change. As far as we know Kyriazis and Metaxas, (2010) and Kyriazis and Paparrigopoulos (2011) address for the first time the issues of the emergence of macroculture, values and norms in a historical context, that of Ancient Greece and their influence on the emergence of democracy.

<sup>3</sup> Demades actually called *theorika* (money paid to poorer Athenian citizens to enable them to watch the four days long theatrical contents, a form of public education) and *ekkleisiastika* (money paid to enable them to participate in the Assembly, about 40 days per year during the 4<sup>th</sup> century. See Hansen (1999), the “glue of democracy” (Plut. Mor. 1070B).

path-macroculture is accomplished, and the state follows a new path. We consider curve nm following an exponential shape because when during each period the state follows the new path (nm), the probability of staying on the new path increases, and the probability of returning to the old path decreases, because during each subsequent step along the new path, the various elements of the new macroculture are being mutually reinforced and integrated into a whole.

**Figure 1.** Transition from the old to the new macroculture



The model in Figure 1 can be described by two simple equations:

$$m = om + nm \cdot e^{(g_i(t-t_1))} \tag{1}$$

where:  
 m: macroculture  
 om: the old macroculture: the constant term  
 nm: the new macroculture which predominates over time if  $g_i > 0$   
 $g_i$ : the rate of change depending on the creation of new elements of macroculture and their speed of diffusion (adaptation by other sectors).

A further elaboration could be made using equation (2).

$$g(t) = f(k, d) \tag{2}$$

where:  
 k: knowledge  
 d: rate of diffusion (of the macroculture effect)

So, the ultimate format of the macroculture equation might be:

$$m = om + nm \cdot e^{f(k, d) \cdot t} \quad (3)$$

For instance, the conversion of the Mycenaean warlord's assemblies we describe next via the *Homeric Epics* and the existing scholarship, lead to fully developed democratic participation assemblies, like that of ancient Athens. We can describe this rate of change of "learning" as depending on the rate of creation of new knowledge  $k$ , and the rate of its diffusion  $d$ .

### 3. Macroculture in pre-Classical Greece

We turn now to the examination of a period between the Later Mycenaean to the Archaic Age in order to find if there was a regime of values and beliefs that promoted the gradual emergence of property rights and proto-democratic ideals.

#### 3.1 Property Rights

Homer's *Iliad* (mid-8<sup>th</sup> century B.C.) begins with, in today's terminology, a major dispute about property rights between Agamemnon, king of Mycenae and supreme commander of the Achaean army and Achilles, king of Pthia and mightiest champion of the Greeks because the former violated the rights on "property" of a slave girl called Briseis, who had been attributed to Achilles (Il. 1, 161-171). Achilles does give his slave girl to Agamemnon, neither in good grace nor in fear of him, but because he does not want to split the unity of the Greeks. But, aggrieved feeling dishonoured, he withdraws from the fight, which brings the Greeks great difficulties.

From the above, it is clear that individuals (kings, aristocrats, and simple warriors) had property rights to the spoils of war (both humans and objects). These property rights served as incentives to motivate men to fight effectively (Frey and Buhofer, 1988). It seems that during the Trojan period these rights were clearly ascertained and denominated. Prisoners and objects were collected, and then distributed according to rules: First choice to the commander in chief (Agamemnon) and then in decreasing order according to merit and contribution to battle, thus second choice going to Achilles, the best warrior of all. It seems that during the Trojan period these rights were clearly ascertained and denominated. An extra series of passages (Il. 2. 210-241; Il. 19. 181-189, 247-248; Il. 21. 101-102) prove that an environment of property rights was in existence to some extent during that time.

Homer's *Odyssey* also gives some information on property rights, that mainly have to do with the property of Queen Penelope and her son Telemachus and the attempt of a mob of other warlords from adjacent places near to Ithaka, to trespass it (see Od. 1. 160, 402-404; Od. 2. 333-336). *Odyssey* gives some additional information on trade and the exchange of goods, which again presupposes the existence of clearly attributable property rights (Od. 1. 430-432; Od. 14. 100-105; Od. 17. 415-427; Od. 18. 356-364).

Hesiod's poems of about 750-720 BC also contain elements that depict an environment that more or less safeguards property rights on land (see *Works and Days*. 210-224; 225-228; 248-255; 274-281). While *Days and Works* does not give us an idea of a clearly established law system, it gives an overall impression of an emerging macroculture of customs, norms and values regarding justice and property rights. During the next two centuries, linked to the emerging strength of the *hoplite warrior-free farmer* (Kyriazis and

Papariopoulos, 2011) the principle of *isonomia* (equality in front of the law of all free citizens, and in parallel, written law and institutionalized courts of justice) will emerge and be supreme. Hesiod's second poem, *Theogony* gives additional support to the value of justice (see Th. 881-884; 901-904).

Apart from these classical texts of Homer and Hesiod, academic literature verifies the existence of an emerging system of property rights. Private property in land was protected by law, while a regime of leasing of land existed too. Women too had the right to hold land property, but only those who were holding ritual offices.<sup>4</sup>

### 3.2 Democratic Elements

Starting again from evidence in the Iliad, Homer informs us of the existence of a council of the Kings (Il. 1. 304-305, Il. 2. 51-56). More important as an indication of an emerging proto-democratic spirit, in Il. 2. 85-115, we have an assembly of all warriors. Agamemnon wants to have the assembly's approval about the war's continuation and puts forward arguments in favour. In Il. 2. 142-165 the assembly decides to continue the war, accepting Agamemnon's arguments and proposal. And the above is not as isolated example. In Il. 2, 278-304 Odysseus steps forward in front of the warriors assembly, asking for patience followed by Nestor. The Trojans also have a similar assembly, as made clear in Il.2. 773-778 when the goddess Iris finds them assembled. The practice of the gods mirrors the practice of men (or is it the other way round?). In Il 1. 4. 1-19 the gods hold an assembly in order to decide what to do concerning the war.

A series of other passages indicate the proto-democratic mentality of the Greek world, both in religion and politics (see. 1. 539-544; Il. 8. 489-497; 9. 9-18; 10. 196-253; 14. 61-75; 19. 34-35, 42-45 and 45-153; Il. 20. 4-25). Lastly, the incident with Thersites, an Achaean warrior of non-noble origin who accuses the warlord Agamemnon of trespassing Achilles property has been noticed by a series of scholars such as Ferguson (1973:11), who believes that "*Thersites, cruelly caricatured and ruthlessly manhandled, is the beginning of a democratic opposition to aristocratic misuse of power*". Kyriazis and Economou (2012) argue that the incident with Thersites is an example relatively similar to the process of free speech in front of an assembly, what would become in the classical period, the principle of *isegoria* (equality of speech), one of the founding values of direct democracy whereas de Romilly (1999: 38-39) argues that men are portrayed as having free will to behave as they wish.

Odyssey offers traces of democratic values during the Mycenaean period too (Od. 1. 80-95, 272-275, 371-372; 2. 6-21; 17. 307-487) mainly focusing on the assembly of the people of Ithaka. The same picture, which reveals the social values and beliefs of the Hellenic pre-Classical world, is also verified by the behavior of gods: Through the passages of both Iliad and Odyssey, The 12 gods, discuss and decide democratically through assembly gatherings.

Some scholars believe that these war assemblies that included both a king and a council were primarily consultative to the Achaean Kings (Congleton, 2011; Pitsoulis, 2011). However, the variety of the examples of proto-democratic' procedures we have already described here make us believe that, although Mycenaean war assemblies were not structurally similar in nature to the Greek democratic assemblies from the 6<sup>th</sup> to the 3<sup>th</sup> B.C. Classical period and predominantly that of Athens, they can certainly be described as "precursors" of the Athenian classical assembly.

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<sup>4</sup> For an analytical view of the property rights regime in pre-classical Greece see Kyriazis and Economou (2012) and the references given there.

#### 4. Discussion and Conclusions

By analyzing the main literary texts of the 8<sup>th</sup> century we have traced two elements of the emerging democratic macroculture, in religion considering property rights securitization (the principles of *isonomia*- equality in front of the law) and participation in decision making (*isegoria*- freedom and equality of speech) in front of the assembly, either of warriors (Iliad) or citizens (the people) in the Odyssey.

Thus, religious beliefs and actual practices of Mycenaean and Archaic periods are one element in forming values, norms and customs of a macroculture favorable to the emergence of democracy. In Kyriazis and Paparrigopoulos (2011) a different element of macroculture was analyzed, that of the emerging (again during the Archaic period) heavy infantryman *hoplite* and the *phalanx* formation. There too, the egalitarian element was predominant. Kyriazis and Economou (2012) argue that sports had a major role in the emergence of democracy in Classical Greece through the existence of a macroculture environment.

In Kyriazis and Metaxas (2010) and Kyriazis (2012), a different element of macroculture was analyzed, that of the emerging (again during the Archaic period) heavy infantryman, the *hoplite* and the *phalanx formation*. There too, the egalitarian element was predominant. Our argument thus is that probably even during the Mycenaean period, but more certainly during the Archaic, there were different elements, in religion (concerning property rights and democratic values), warfare but also in the athletic games<sup>5</sup>, that all evolved into similar values and norms, of equality, justice, freedom of speech, safeguarding of property rights and individualism.

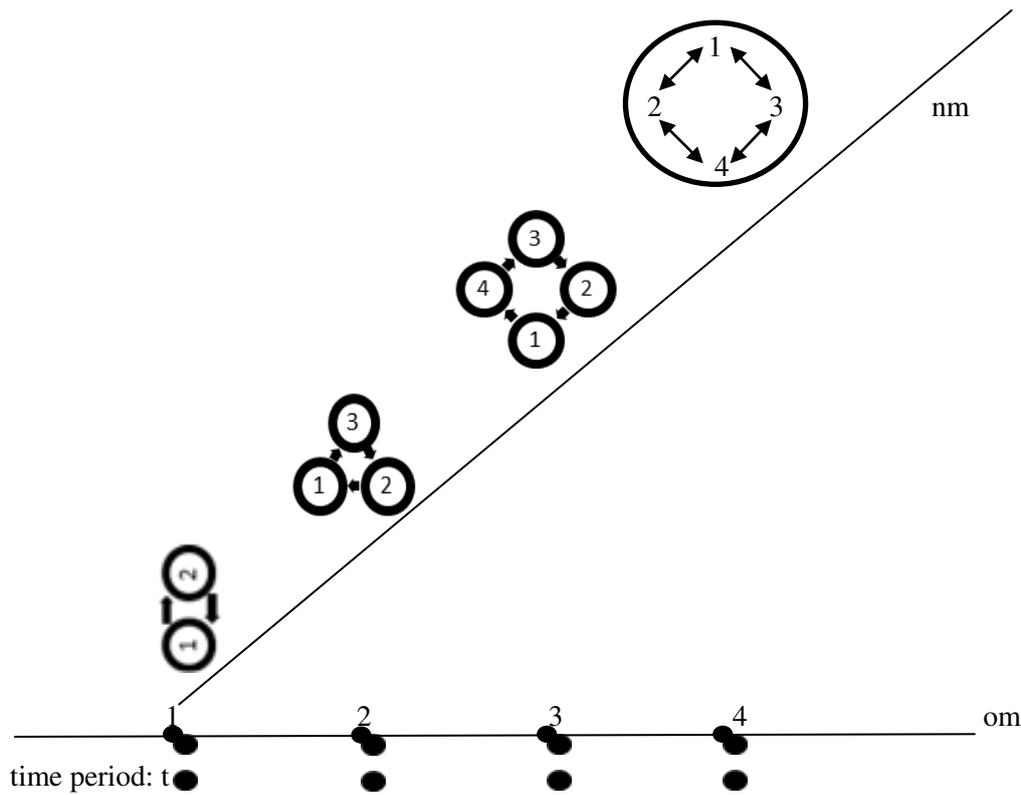
These values in religion, warfare but also in the athletic games were being continuously developed during the Archaic Age in Greece, as can be glimpsed also in the poets of the period. Figure 1 shows that the various elements of the macroculture coalesced into a coherent whole by the end of the Archaic period, forming the basis for the emergence of democracy. The cycles represent the various elements of a new macroculture that emerge in one sector at time period 1, thus representing new potential democratic knowledge in “politics” and the emergence and gradual enforcement of individual property rights. These cycles are reinforced through diffusion to other sectors at periods 2 and 3, and have been integrated into a new mutually supporting macroculture at period 4 (through diffusion  $d$  - see equation 2).

Our argument thus is that probably even during the Mycenaean period, but more certainly during the Archaic, there were different elements, in religion, warfare but also in the Athletic Games, that all evolved similar values and norms, of equality, justice, freedom of speech, safeguarding of property rights and individualism. These values in religion, warfare but also in the Athletic Games are being continuously developed during the Archaic Age in Greece, as can be glimpsed also in the poets of the period (Schefold, 1992; Pitsoulis, 2011).

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<sup>5</sup> Kyriazis and Economou (2013) offer an extended analysis of how athletic values in pre-Classical Greece affected the emergence of democracy during the 5<sup>th</sup> century BC in Greece, with Athens being the most characteristic case.

**Figure 2.** Decision Tree and Integration of Various Elements of Macroculture



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