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Economou, Emmanouel/Marios/Lazaros and Kyriazis,  
Nicholas

University of Thessaly, Department of Economics

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# Achaean, Indians and Europeans: A Comparison of federations

Emmanouil-Marios L. Economou and Nicholas K. Kyriazis\*

**Abstract:** In the present essay we undertake the comparison of three federations, the ancient Greek Achaean, with the modern Indian and the European Union (EU). We elaborate a set of criteria, democratization and cohesion, which include each four sub-criteria, in order to analyse the institutional set-up of the federations. We compare the three federations according to three criteria and conclude that the Achaean ranks first as to democratization, being the most democratic, with the EU a distant third, while as to cohesion, the Achaean and Indian rank close together, with the EU again a distant third.

**Keywords:** Federations, democratization, cohesion, Achaean Federation, EU, India.

**JEL Codes:** H56 • N43 • R58 • Z18

## Introduction

During the May 2014 elections for the European Parliament, growing citizens dissatisfaction with the EU was manifest *Eurocepticism* is on the rise in all 28 EU member-states. For example, in France and Great Britain anti-European parties came first, in Greece the right-wing party “Golden Dawn” took 9.5% of total votes, while even in Germany, which is probably the state which actually benefits the most from

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E.M.L. Economou (✉) • Nicholas Kyriazis  
Economics Department, University of Thessaly, Korai 43  
PC: 383 33 Volos Thessaly, Greece  
e-mail: emmoikon@uth.gr, (tel. +30-6978811233)

N. Kyriazis  
email: [nkyr@uth.gr](mailto:nkyr@uth.gr)

the EU and the European Monetary Union (EMU) the anti-European political party *Alternative für Deutschland* took 7 of Germany's 96 seats for the European Parliament (2.070.014 votes).

Europeans consider more and more that there is a grave democratization and thus legitimization lack in the EU, and also a lack of solidarity and cohesion. Thus, growing euroscepticism. As we will show, under the two criteria we propose for the analysis of federations, democratization and cohesion, these perceptions are unfortunately correct. The discussion of federations and democracy issues are current in most countries, and dissatisfaction is rising in many of them.<sup>1</sup> This discussion started in the ancient Greek democracy, both in theory through the works of Plato's *Republic* (Book VI) Aristotle's *Politics*, (Book 6, 1316b-1323a) Thucydides' *History*, (Funeral Oration) Xenophon's, *the Polity of the Athenians*, ch. 1, Polybius' *Histories*, (Book 2), and Plutarch's *Life of Aratus* (Book XI)<sup>2</sup> and in practice, culminating in the great Greek proto-federations, most prominent among them the Boeotian (central Greece), Aetolian (western and central Greece) and the Achaean one (Peloponnesian peninsula).

These three ancient Greek federations were successful and long lasting (about 250 years till the Roman conquest of Greece) and were an inspiration for later ones, as for the American Founding Fathers.<sup>3</sup> They solved efficiently the main federation problems, as for example in establishing a noble balance between the central authority and the autonomy of constituent city-states.

In the next section we present briefly the institutional setup of the Achaean federation. Then, we present in a table a comparative presentation of three federal states, the Achaean proto-federation, with the two modern ones, India the European Union, and for the evaluation we make use of two criteria, democratization and cohesion, which again consist of a set of four sub-criteria each. Using these criteria,

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<sup>1</sup> We have the impression that dissatisfaction with the functioning of democracy and political parties exists also in India: See Kejriwal (2010) and Karunakaran (2014).

<sup>2</sup> The first ever discussion on the merits and demerits of different political regimes is to be found in the fictitious discussion of noble Persians, as to which is the best. Thus, Herodotus is not only the father of history, but also of political science (Her. Hist. III.80-82 ).

<sup>3</sup> On the influence of the Greek federation on the American *Founding Fathers*, as seen also through the Federalist Papers, see Ghinard (1940) and Gummere (1962).

we attempt a ranking of these federations in order to see if, by their institutional functioning could be used as a benchmark for developing current political and economic institutions for the European Union (EU) in its steps towards becoming a true federal state.

## **The Achaean federation**

The Achaean federation was established in 280 BC, but an older alliance of city-states of the North-Western Peloponnese comprising 12 members is attested already during the 5<sup>th</sup> century and may have served as a model for the Achaean federation (Rathjen, 1965). The main reason for its establishment, as was the case also for the other major contemporary federations, was defense mainly against the Macedonian kingdom.

The federation increased from 10 members in 280 BC, to as many as 50 members later. It developed from a previous regional federation, by the voluntary adhesion of city-states all over the Northern and Central Peloponnese including such important ones like Sikyon (251 BC), Corinth (243 BC), Megalopolis (capital of the ex-Arcadian federation, 235 BC) and Argos (229 BC). (Polybius, *Histories* 2. 41; Caspari, 1914, Griffith, 1935, Russel and Cohn, 2012). The Achaean federation was a major political force in Greece, trying to balance Macedonian and Spartan power in a series of wars and shifting alliances, being successful in safeguarding its city-states independence against both powers. It was abolished after resisting Roman encroachment, being decisively beaten by the Romans at the battle of Leukopetra in 146 BC, and the destruction of Corinth.

This is not only spelled the end of the federation, but the end of Greek independence and the abolishment of democratic regimes. Achaëa formed during the first century BC a roman province (Badian, 1952; Oliver, 1978).

### *2.1 Political organisation*

The main contemporary source concerning the federation is Polybius, but the information he provides has led modern historians sometimes to different interpretations. The main institutional bodies of the Achaean federation were the *Assembly*, to which all citizens of all constituting city-states aged 30 and above could

participate (Pol. *Hist.* 29. 23-35; 29. 24.6; Larsen, 1972). Apparently, the Assembly was called for specific purposes within the years, to decide on specific important issues.

Possibly, the Assembly was called once a year during April-May, which may be an indication that strategic matters for the year were discussed and decided upon, since spring (April) was usually the beginning of the campaigning season during ancient times. A second political body was the *Synodos* or *Boule* (meaning the Council), which may have been a preparatory body which set-up the agenda for the Assembly's meeting, having perhaps as a model the Athenian *Boule* (Pol. *Hist.* 2. 46. 6). It appears though, that for the period 217-200 BC, the Assembly decided on issues of great importance like war and alliances, and delegated day to day affairs of the federation to the *Boule*. The members of the boule were elected representatives of the city-states (Larsen, 1972, pp. 178-180). If this interpretation is correct, then we have, for the first time in history, a mixed democratic system combining elements of direct democracy, the Assembly, with elements of representative democracy, the Boule.

The reason for the development of this dual system must have been that as the federation increased in size, distances became longer, thus making the participation of simple citizens costly and time consuming. The distance for example from the city of Patra to the capital of the federation, Aegion, is about 100 km, and from Megalopolis to Aigion more or less the same, necessitating if one takes account of the roads of the period, at least three days and likely four or five on foot to travel to Aigion (Caspari, 1914; Briscoe, 1974).

It seems also, that the federation did not provide its citizens with a remuneration for participating in the Assembly as was the case in classical Athens. It is not known if this was a conscious political decision, or was due to an economic impossibility to provide funds for this participation, but the result was that in the Assembly more prosperous citizens tended to be overrepresented (Briscoe, 1974). On the other hand, since members of the Boule were voted locally in their city-states, they were the more representative of all citizens.

At the beginning, the Assembly met at the federation's capital, Aigion, but later on, General Philopoemen established a system under which the Assembly met periodically also in other member city-states like Argos. The other institutional bodies of the federation were elected by the Assembly. First, among them was the *Strategos*,

(the General), who was combining the offices of supreme military commander of the military forces, and of political head of the federation, reminding somewhat the de facto position of George Washington during 1776-1783, or Napoleon during 1798-1814. Under the General, a governing body of a 10 member Council, called *synarchontes*, undertook the day to day administration. Further, three military commanders, the *ipostrategos* (major-general) the *hipparchos*, head of the cavalry, and *navarchos* (admiral) served under the general. Ancient sources attest also the existence of a *grammateus* (“secretary”) who may have been responsible for the “paperwork” of the federation, like the Assembly's and the Boule's decrees and laws (Larsen, 1972).

A very important element of the federation, was the *isopoliteia* of its citizens, meaning that a citizen of one member city-state, had political rights as a citizen, if he moved into another member city-state, a situation that clearly surpasses today's European Union. A Portuguese moving for example to Germany, does not get automatically voting rights at German federal elections, as would be the case say, for a citizen of Patras moving to Megalopolis, who were both members of the Achaean federation. Another innovative institutional element was the establishment of some kind of a Federal Court of Justice.

Usually, such court(s) were empowered to solve political differences arising among member city-states, taking over a role of intermediation. Usually, a third member city-state was chosen for this task, as for example Megara in a dispute between Corinth and Epidaurus, or Patras between Thourioi and Megalopolis. Sometimes, a body of more than one city undertook this task, as for example 11 cities intermediating in litigation between Epidaurus and Arsinoe (Ager, 1996). The Federal Court(s) were also responsible for some criminal and property rights cases (possibly involving citizens of different member city-states (Larsen, 1972, p. 82).

Polybius goes as far as to write (2. 27. 9-11) “*During times, these cities came to such perfection and welfare, that they were connected not only in friendship and alliances, but they had the same laws, the same measures and currency and common archons (government officials), members of the Boule and judges. In general, only this point showed that almost the whole of the Peloponnese was not a unique city: Its inhabitants were not circumvallated by the same wall, everything else was common*

*and the same for everyone together and for each city-state apart*” (our own translation from the original text).

## 2.2 *Military Organisation*

The federation disposed of a federal army under the Strategos, organized according to that period armies. It comprised heavy infantry in *phalanx* formations, light infantry and cavalry. The federal army consisted of formations provided by the city-states and augmented by mercenaries if and when needed. In 217 BC for example, the federal forces comprised of 3000 infantry, 300 cavalry, 8000 mercenary infantry and 500 mercenary cavalry (Wallbank, 1933; Anderson, 1967; Larsen, 1971).

An individual as commander of the naval forces of the federation is also attested. Many of the constituting city-states of the federation, like Corinth, Sikyon, Epidaurus had a long-standing and strong naval tradition.

## 2.3 *Economic organization*

We have less information about the economic organization of the federation than about its political, so that in order to answer even tentatively some crucial questions, we will advance a few conjectures. The federation was a monetary union like today’s European Monetary Union (EMU), with the difference that it was a multicurrency area: There was a parallel circulation of federal coins and city-state coins, as attested by archaeological findings (see Caspari, 1917, Thompson, 1939).

This raises a number of questions: What was the analogy of federal to city-state coins? To this, no answer can be given. Who was responsible for the minting of coins? We assume that there were city-state and federal mints, working in the city-states and the capital. We further assume that the federal coins were linked to payments of the federal budget, as for the federal army and navy, federal administration, federal buildings in Aegion etc.

An analogy to the EMU is that federal coins had on the one side a head of Zeus or Artemis and the inscription AXAIQN (meaning, “of the Achaeans”) and on the other side, the name of the issuing city-state like AXAIQN-AITEIPATQN (“Achaeans of Aigira”) like euro coins which bear on the one side the symbol of the issuing member-state. This again could mean that federal coins were minted also at

city-state mints, on behalf of the federation.

A further question refers to the exchange rates: We assume that since all coins had silver content, the exchange was made according to the silver value of each coin. Then, again we presume the existence of banks that would have undertaken this task, in the main member city-states and the capital, Aegion. It is now accepted (Cohen, 1997) that already during the fourth century Athens had a very developed banking system, and that the Greek world was monetized. Thus, we believe that the fourth century Athenian experience would have been diffused to the rest of the Greek world, especially in areas and city-states like Corinth, which were also important international trading centers. On this issue Roberts (2011, p. 130) argues for example, that thirty-five hellenistic cities included private banks during the 2<sup>nd</sup> century BC.

Lastly, and very importantly, is the issue of the federal budget, on which we know nothing, but whose existence is made clear by the existence of federal coins. Such coins indicate the existence of a federal budget, else for what purpose should they have been issued? We assume as stated above, that the federal budget covered federal army, federal administration and buildings expenses, and perhaps a few extraordinary expenses, like public federal festivals. Since the rise of the army and navy were variable, the size of budget must have varied too.

We will attempt at least an estimate of the military expenditure based on known army size for some years, to give at least an order of magnitude for the budget, bearing in mind that military expenditure was the major federal budget item: According to ancient sources (Loomis, 1998) the daily wage of soldiers during the 3<sup>rd</sup> century must have been 1.5 drachmae, and for cavalryman (including fodder) perhaps 5 (Arvanitides and Kyriazis 2012; Pritchard, 2012).

The 217 BC federal army comprised in total 11.000 infantry and 800 cavalry, thus a total of 20.500 drachmae per day, or 615.000 per month, or about 100 talents, (one talent equals 6000 drachmae). Assuming an eight month campaign period per year excluding winter, the total military cost for this year would have been 800 talents, a very substantial sum for the period. Even if we assume that all the other federal items came to about 100 talents, we arrive at a total federal budget estimate of 900 talents, which is a very substantial sum, comparable to the Athenian budget with a revenue of 1200 talents in the 330's during the time that Lycurgus was *tamias* (eg. finance minister, Kyriazis, 2009). This sum must have represented also a substantial



percentage of the, unknown size, federation's total GDP, but certainly much more than the 0.95% of the current EU's GDP represented by the EU budget.

We know nothing also about the revenue side of the federal budget, but we will advance based on the analysis of Kyriazis (2009) some hypothesis taking as a benchmark the Athenian 4<sup>th</sup> century budget. Revenue sources must have been: a) city-state contributions: The existence of federal coins minted in the city-states mints is such an indication: Possibly, the city-states gave their contributions by minting in their own mints coins which they then forwarded to the federal budget. b) custom duties levied on exports, imports, as was the case in ancient Athens, in the port of Piraeus, where the rate was 2% on value. We do not know if this is the case in fact, but it is a possibility, especially if we assume the existence of an internal market, as we will discuss next. c) Military plunder: We assume, that military plunder during successful expeditions against enemies would accrue to the federal budget.

It seems that the possibility of plundering during war campaigns must have been very common during ancient times. De Laix (1973, p. 60), based on Polybius (4.5.1) argues that the troops of a neighbor state to the Achaean federation, the Aetolian one, were accustomed to plundering. d) *Liturgies*.<sup>4</sup> Again, we know nothing about it, but it might be possible, that some kind of *trierarchy* existed for the fleet's warships, inspired by the Athenian example. A last issue we raise here, is if and to what extent, the federation was not only a monetary union, but also an economic one.

Again, we have limited evidence, but the indication we possess, permit us to advance tentative answers: The existence of monetary union and the circulation of parallel currencies are evidence of free mobility of capital within the federation. The existence of *isopoliteia* for citizens is very strong evidence for the free circulation of labour. If a citizen of one member city-state has free political rights in another, then presumably he can settle and work there. Thus two of the main pillars of today's EU, free circulation of capital and labour existed already in the Achaean federation.

The harmonization of measures and standards as attested in the passage of

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<sup>4</sup> Liturgies were a very special type of taxation and service levied on rich Athenians, as for example *trierarchy* (See Gabrielsen, 1994). Under this, a wealthy Athenian undertook the running expenses (not wage costs) for the upkeep of a trireme warship for a year, of which he undertook also command. Being its commander in battle, the *trierarch* had a strong incentive to have a well-kept ship, since his own survival depended on this.

Polybius above, is an indication for the existence of free circulation of goods, and the existence of an internal market. These measures make sense only in order to implement such an internal market, else why introduce them? Thus, it seems that all three basic freedoms of modern federations were already present in the Achaean one.

In the above section we have raised more questions than we could provide specific answers, due to a lack of evidence. Still, since these particular questions have been raised by us know, we hope that they will be a useful contribution for the start of research on these topics. Picture 1 depicts simultaneously the two mostly organized ancient Greek federations, (Achaean and Aetolian), two neighboring political entities in mainland Greece and northern Peloponnese.

**Picture 1** The Achaean and Aetolian federations during 222 BC



Source: <http://etc.usf.edu/maps/pages/6100/6136/6136.htm>

## **The institutional set up of federations: A comparison.**

Since the institutional setup of the EU and India is relatively well-known, we will present the main institutions in Table 1. Many would not consider the EU as being a true federation, with some reason, since the EU lacks a Constitution<sup>5</sup> and a European citizenship. But the European Founding Fathers, A. Spinelli, R. Schuman and J Monnet had as their ideal the transformation of the then European Common Market (of 1957) into a European federation. Spinelli, underlined the ideal of a democratic federation while Monnet put forward the ideal of a European federation making Europe a common economic unit.

### **Democratisation and cohesion and their 8 evaluation sub-criteria's**

#### *a) Democratisation*

In today's world the issue of how democratic a state (whether federal or not) is, gains again in importance, in view, for example, of rising undemocratic behaviour of some governments, political instability, euroscepticism, the rise of extremist parties etc.

According to the Freedom Houses report for 2013<sup>6</sup>, democracy has retreated for the eighth consecutive year: in 54 countries, democracy has decreased as against 40 countries in which it has advanced. To evaluate democratisation, eg. how democratic a federation is, we propose four criteria used in ancient classic democracies, out of which the first three apply to all types of democracy, while the fourth is specific to federations. The four criteria are *isonomia* (*equality in front of the law*), *isegoria* (equality to propose initiatives), *isokratia* (equality of political rights) and *isopoliteia* (single citizenship, freedom to transfer political rights from one federal constituting state to another).

Isonomia preceded democracy in ancient Greece, having been already present in some city-states by the 7<sup>th</sup> century BC, before the first attested democracies (end of

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<sup>5</sup> The European Constitution was voted down in some national referenda such as in France and the Netherlands.

<sup>6</sup><http://www.freedomhouse.org/article/freedom-world-2013-middle-east-gains-provoke-intensified-repression#.U24E-3Z7TxU>, Retrieved, May 10, 2014.

the 6<sup>th</sup> century, Athens 510-507 BC).<sup>7</sup> Isegoria was regarded as the cornerstone of ancient Greek direct democracy. Under this, any citizen could propose before the citizens' Assembly, the supreme decision making body, a decree or law on any issue, ranging from alliances, declaration of war (foreign policy) to currency and economic issues.<sup>8</sup> The Assembly then voted, and if the proposals garnered a majority of votes, it became law. In modern democracies isegoria takes the form of popular initiatives leading, if they unite a sufficient number of signatures, to obligatory referendums with binding outcomes (Cronin, 1999; Matsuoka, 2005).

Isokrateia means equality of political rights, eg., the right to vote and to be elected in all state positions. Isokrateia was achieved in all democracies gradually, since in the beginning voting rights were linked to wealth and gender criteria. Athenians achieved full equality of political rights by the 460's BCE, while women only after World War I and in some cases, as in Switzerland, after World War II. For the present purpose, we extend the criterion of isokrateia to denote the citizens' involvement in choosing/electing state officials at all levels and all positions of the federation. In our new definition, isokrateia is also a procedural criterion denoting electoral procedures, for example, is the head of state elected or not?

Isopoliteia, (single citizenship), applying to federations means that a citizen of one member-state (city-state in ancient Greece) has full political rights at the member-state level if he moves from one member-state of the federation to another. This applied to the ancient federations, (Mackil, 2013) to most modern ones like the USA, Canada, India, Switzerland, etc., but not to the European Union. A Portuguese citizen who establishes himself in Germany does not automatically acquire the right to vote in German federal level elections, eg., for the Chancellor and the Bundestag, although he acquires this right for local, city-level elections after residing for a certain length of

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<sup>7</sup> Legal equality of citizens is regarded as being self-evident in modern democracies, but it is not. The Greek constitution for example distinguishes in an article "on ministers responsibilities" legal rights of ministers, which are different from those of ordinary citizens. Under this ministers are exempted from persecution in some cases, for which ordinary citizens are not.

<sup>8</sup> Examples are Themistocles Naval Law of 482 BC, under which the Athenians decided to use the proceedings of the Lavrion silver mines to finance the construction of 200 trireme warships during two years, on which victory at the naval battle of Salamis in 480 BC against the Persians depended (Kyriazis and Zouboulakis, 2004) and Nicophon's monetary law of 375 BC on the circulation of parallel currencies (Engen, 2005; Ober, 2008; Kyriazis, 2012).

time.

### *b) Cohesion*

While democratisation covers the political set-up of federations, cohesion addresses mainly economic issues. We propose four sub-criteria under cohesion: a) Monetary union b) Fiscal union and the size of the federal budget c) Regulation and the existence of a common market d) common external and defence policy. Common external and defence policy is of course also a political issue, but we consider it under cohesion because in democratisation we have included criteria which concern the working of democracy. Also, as shown in the following tables, the existence or not of common defence has a substantial economic effect on the federal budget. Up to the 20<sup>th</sup> century, defence spending was the main expenditure item on the federal level, as we have estimated for the Achaean federation.<sup>9</sup>

## **The institutional setup of federations: A comparison**

Due to space limitations, we present the institutional framework of the three federations in Table 1, and our findings and evaluation in Table 2. Table 1 presents a general overview of a series of institutional settlements of the Greek proto-federation in comparison to India and the EU, which we consider as to be of major importance in order for a political entity to be characterized as a federation. It shows that the Greek proto-federation had established an institutional framework of values and principles (such as political democratic structures, a regime of equal political rights, common foreign policy, common currency and common federal justice).

All three cases present democratic political structures, provide for the safeguarding of political rights and justice. Except India which has one federal currency, the rupee, the other two cases possess a “mixed” system of usage of both local and federal coins. When it comes to the EU, the euro, which is under the aegis of the European Union Central Bank (ECB) cannot be considered yet a “federal currency”. It is in usage only by the 18 *Eurozone* member-states.

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<sup>9</sup> Davids and t' Hart (2012) have estimated defence spending for the United Provinces (Dutch Republic, a federation of the 17<sup>th</sup> century) as 87% of the federal budget for 1641.

Table 1: A comparative analysis of the institutional framework of the Aetolian federation in relation to India and the EU.

State	Member states/provinces	Capital	Main institutional organs intended for taking political decision and executive power	Regime of equal political rights (“isopoliteia”)	Common Foreign and Defence Policy	Local and federal coins	Federal justice
Achaean Federation	?	Aegion	Local Assemblies (Ecclesiae) + Federal Assembly (Thermika and Panaetolika) Federal Council and Apoklitoi Strategos (General) [Hipparch, Public Secretary, 7 Tamiai] 7 Boularchs and 7 Epilektarchs <b>President and Vice-President</b> <b>Prime Minister + Council of Ministers</b>	▼	▼	LC+FC	▼
India	28 states and 7 territories	New Delhi	<b>2 Houses of Parliament</b> <i>Rajya Sabha</i> (Senate) -245 members [233 represents states and union territories] [12 nominated by the President] <i>Lok Sabha</i> [545 elected locally members] European Parliament	▼	▼	FC Reserve Bank of India (RBI) Indian Central Bank	▼ Supreme Constitutional 18 High Courts
EU	28*	Brussels*	Council of Ministers European Summit (heads of state and governments) European Commission	-	* CFSP <i>EU Battlegroups</i>	(LC+FC) (ECB)	▼ Court of Justice of the EU

**Explanations:**

LC = local coin ; FC = federal coin

▼ : institution in force

\* : institution in development

*Source:* Interactive analysis based on the findings of Caspari (1917), Mitsos (1947), Larsen (1952), Granger (1999), Scholten (2000), Mackil, 2013, Economou and Kyriazis (2013) and Economou, Kyriazis and Metaxas (under preparation) for the Achaean federation and the EU.

Finally, the Greek federation and India may be regarded as superior to the EU as far as foreign policy and defence issues are concerned. The Achaean federation

introduced common administration, common and parallel currencies, common defense and external policy in practice (thus, going further than today's EU with its Common Foreign and Security Policy (CFSP) and the "tools" of achieving this, the *Eurocorps* and the *EU Battlegroups*), federal court of justice, and *isopoliteia* (eg. a citizen of a city-state having citizen's rights in the other city-states, a situation that does not exist in the EU at present but exists for India).

Table 2 shows that, concerning democratization, the Achaean federation fulfilled all four criteria, applying direct democracy at all federal levels. Concerning India and the EU equality in front of the law is in practice. However concerning the second sub-criterion of initiatives at the federal level as far as India is concerned, the practical implementation of the process of referendums and initiatives for a variety of potential issues is still in the open. Taking the above into consideration, we evaluate the criterion of "isegoria" for India still as "limited". The EU, on the other hand, having no provision for initiatives whose results are legally binding and no provisions for the transfer of full political rights from one state to the other, fulfils only two of the four democratisation criteria. Referendums on the other hand have to do only with local matters and they don't have a simultaneous pan-European character and prospective.<sup>10</sup>

In our extended definition of procedural *isokrateia* (political equality), the Achaean federation ranks first, since all state posts were filled by elections, including the General. India, where some of the members of the Senate and the heads of state are not elected but appointed, ranks a little bit lower. The EU/EMU where up to now the President, the President of the Commission, the members of the Councils of Ministers etc. are not elected, would rank a distant third.<sup>11</sup> Thus, we denote this in table 2 as "in part", meaning that EU citizens have equal political rights when voting for the European Parliament elections, but no political rights concerning the non-

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<sup>10</sup> The Lisbon Treaty provides for the first time the possibility of initiatives at European level, if one million signatures are gathered. But the outcome of the vote is not legally binding.

<sup>11</sup> In fact, only the members of the European Parliament (EP) are elected, but its powers are still limited, although increasing. For example, the EP shares the legislative power with the Council of Ministers. We are of course aware, that in the case of Canada, we simplify, because we do not take into account the actual responsibilities of elected versus not elected bodies, with non-elected having less responsibilities in decision making. The issue could be refined by attributing "political" weights to each body.

elected EU officials.

Table 2: A comparative analysis between the Achaean federation, India and the EU concerning the two main institutional criteria (democratization and cohesion)

<b>Criteria</b>				
<i>i) Democratisation</i>				
<b>Federation</b>	<b>“Isonomia” (equality in front of the law)</b>	<b>“Isegoria” (equality to propose initiatives)</b>	<b>“Isokrateia” (political equality)</b>	<b>“Isopoliteia” (transfer of political rights of a citizen from state to state)</b>
Achaean Federation	yes	yes	yes	yes
India	yes	limited	yes, with some limitations	yes
EU	yes	no	only in part	no
<i>ii) Cohesion</i>				
	<b>Monetary Union</b>	<b>FU and budget</b>	<b>Common market and regulation</b>	<b>Common external and Defense Policy</b>
Achaean Federation	yes	yes	yes	yes
India	yes	Yes	yes	yes
EU	yes (18 members of the EMU)	very low budget	yes	no

Furthermore, as far as the second main criterion is concerned, cohesion, as it can be seen from table 2, the Achaean federation had a monetary union (federal coins), a type of fiscal union (FU), meaning own resources for the federal budget and a big federal budget due to common defense, although extant sources do not allow us to give exact numbers.<sup>12</sup> India fulfills also all four criteria for cohesion. The Indian federal budget for 2013-14 period is 280 billion, or 12.4% of GDP (<http://www.indiabudget.nic.in/es2013-14/echap-03.pdf>), while the EU budget is about only 1% of total EU GDP, in distant contrast for example with the 20.8% of GDP concerning the USA for 2013.

However, India and the EU cover the third sub-criterion, common market (in this case we are referring to the European Economic and Monetary Union states, the

<sup>12</sup> In Economou and Kyriazis (2013) we have attempted to analyse these issues. See also Mackil (2013, chapter 5).



so-called *eurozone* members) fulfills only two. However, there is, as yet, no fiscal union at European level, and the federal budget, at about 1% of total EU GDP is very small. Furthermore, as for the last sub-criterion of cohesion, there is, as yet, no European external and defence policy.<sup>13</sup>

## **Conclusion**

The criteria we have suggested for an evaluation of federations are important, because taken together they can offer a basis for the durability of federations. The more democratic (and thus legitimate in the eyes of their citizens) and cohesive (and thus indicating higher community of interest and common welfare) the more durable a federation will be (or was).

The Greek proto-federations each lasted more than 250 years, as against for example Czechoslovakia's only 45 years (1945-1990), the Soviet Union's 68 (1922-1990) or the EU's just 12<sup>14</sup> (2002-2014) which already shows signs of stress and India's 67 (1947, or 1949-2014). Since all four criteria of democratization were applied in the Achaean federation, if we give one point for full fulfillment for each criterion, the Achaean federation totals 4. The EU does not fulfill at all single citizenship right of popular initiative, and totals only 1.5 points. As to single citizenship, European citizenship does not yet exist. (it would exist in the framework of the European Constitution, which has not been adopted).

A Portuguese citizen who, for example, resides in Germany, does not get automatically the right to vote for German national elections, a right that an Achaean citizen had. A citizen of the city-state of Patras, had the right to vote in the popular assembly of the city-state of Corinth, both city-states being members of the federation. The Treaty of Lisbon provides the possibility of European referenda after gathering one million signatures. But the results have only a advisory character, they are not binding. Thus, there is no trace of direct democracy in the EU.

European citizens have equal voting rights in European Parliament elections, but since the heads of all other institutions (eg. European President, European Foreign

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<sup>13</sup> Halkos and Kyriazis (2006) have proposed the benchmark of "Optimal tax area" to analyse this. For the European external and defense policy see Metaxas and Economou (2012).

<sup>14</sup> The European Union was established in 2002 together with the European Monetary Union (EMU) which comprises now 19 out of its 28 EU members

Minister, President of the Commission, President of the European Central Bank, Presidents of the various Councils of Ministers), are appointed by governments, or after May 2014 voted also by the European Parliament, European citizens cannot be elected to these post through a direct election as was the case in the Achaean federation.

India fulfills the criteria of equality in front of the law. Single citizenship is fulfilled with some exceptions regarding the eight north-eastern states, together with Jammu, Kashmir, and the hill states of Himachal Pradesh and Uttarakhand, which are classified as special category states. According to Article 371 of the Constitution provisions, these include restriction of the ownership and transfer of land on non-residents to the state (Singh, 2008, p. 21). These constitute violations of the basic principles of the movement of labour and capital, basic principles not only in the federations but also a Common Market as the EU was in its establishment in 1957.

Restrictions on non-residents attenuates single-citizenship. India does not have the right of popular initiatives, thus as in the EU, no direct democracy. As to equal political rights, Indians do have equality of voting rights at federal, stated and local level. But since the President is not elected by universal voting but through an electoral college consisting of elected members of both Houses of Parliament and the Legislative Assemblies of the states, political equality is somewhat attenuated. Since the 233 (out of 245) members of the second chamber, Rajya Sabha, are elected by the elected Legislative Assemblies (and the rest 12 are appointed by the President) in a “two-tier electoral system”, political equality is again somewhat attenuated.

Indian citizens cannot vote and cannot be candidates for the Rajya Sabha elections, something which of course applies to other federations, like the US Senate (Arora 2010). Thus, on the democratization criterion, India would total between 2-2.5 points. Concerning cohesion, the Achaean federation fulfilled all four sub-criteria. We do not have extant information as to the federal budget as percentage of GDP, which is a rough quantitative approximation of the federal policies that promote cohesion. On the other hand, as in all pre-modern states, defense was the main item of federal expenditure, and knowing from ancient sources the strengths of the land and naval forces of the federations, which were substantial, we conclude that the federal military

budget was high.<sup>15</sup>

The EU again lags behind in these sub-criteria. The EU budget is very low, at about 1% of EU GDP, clearly insufficient to provide a European regional and social policy with enough means for these policies. European solidarity cannot substantially be promoted. European citizens, especially in the Southern states (Spain, Portugal, Italy, Greece, Cyprus but also Ireland and France) have the impression of being imposed by the EU harsh austerity measures, reducing growth available incomes and increasing unemployment.<sup>16</sup> Taken together for many European citizens, this is a manifestation of a lack of community of interest.

India fulfills with a few exceptions the cohesion sub-criteria. One is the exemption of the northern states from the free movement of labour and capital mentioned above. A problem concerning cohesion, is as in other federation, increased regional inequality (Singh, et al. 2003; Singh and Srinivasan, 2006). An issue raised (Singh, 2008) is whether federal fiscal transfers are sufficient, linked to tax competition, between the states that influence direct investment, are sufficient to combat inequality.

Indian federal budget is 12,4 % of GDP as against 15% in Canada and 25% in the USA in 2013. The ancient Greek federations were bottom-up voluntarily ones. City-states joined voluntarily, after a vote in the popular assembly in the city-state in favour of joining and a vote in the assembly of the federation to be accepted or not.<sup>17</sup> The Greek federations, applying direct democracy and its four principles at all levels, were more democratic than most present federations, with the exception of the Swiss. Thus, they enjoyed a very high degree of legitimization by their citizens (the opposite to the present day EU) which was the base for their durability. The citizens of the Greek federations, and more specifically, in our case the Achaean one, were willing to

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<sup>15</sup> We have estimated (Economou and Kyriazis, 2013) that the federal budget of the Achaean federation could be approximately 900 talents for some years, a very substantial sum. A talent was the equivalent of 6000 drachmae, when during the 4<sup>th</sup> century BCE, the daily remuneration of a skilled worker or a mercenary soldier was about 1.5 drachmae.

<sup>16</sup> For example, during 2009-2014 GDP fell by 25% available income 40% and unemployment increased in 27% in Greece.

<sup>17</sup> Not all federations are formed on a voluntarily bottom-up procedure, as was the case of the Soviet Union. In India, explicit military force was used to annex the state of Hyderabad into the union (Singh, 2008), and as the American Civil War demonstrates, states are not always free to secede.

fight to preserve them, because they perceived a community of interest, and an increased personal welfare from belonging to them.<sup>18</sup>

Thus, our policy suggestions for the EU, if it is to progress towards becoming a true federation, is to introduce more democratization in the form of binding popular initiatives (direct democracy) and the direct election of its political leadership. To increase cohesion, a common external policy-defence policy must be implemented, linked to a higher European budget for regional and social policy, issues that are not easy to solve.

As for India, the introduction of direct democracy elements (binding referenda after popular initiatives) should be considered, as being practiced in more and more countries, like the USA, Brazil, Uruguay, Switzerland, Germany New Zealand, Australia etc.

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<sup>18</sup> These issues are analysed in more detail in Mackil (2013), Economou and Kyriazis (2013) and Economou, Kyriazis and Metaxas (under preparation).

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