

A political economy perspective of direct democracy in ancient Athens

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Published online: 23 July 2010
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Abstract Using a political economy framework the paper argues that in ancient Athens direct democracy, absence of political parties and appointment to office by lot were inextricably linked. Direct rather than representative democracy was in the interest of the constitutional framer at the time of the transition to democracy. Deciding directly each policy issue under majority rule diminished the intermediation function of political parties, a tendency possibly reinforced by an integrative ideology of defending the polis. In the absence of political parties to fight elections and distribute rents from office, appointment of office-holders by lot randomized their selection, a process which yielded an accurate representation of individual preferences, and distributed rents irrespective of the private wealth of individual citizens.

Keywords Ancient Athens · Direct democracy · Majority voting · Political parties · Appointment to office by lot, Cleisthenes reforms

JEL Classification D7 · N4

1 Introduction

In a democracy, the issues of public interest can be decided directly, as when citizens debate and vote directly on policy proposals, or indirectly, as when citizens

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vote for elected representatives, who then decide policy. Ancient Athens is an archetypical example of direct participatory democracy, where any ordinary citizen could propose a bill to the Assembly of citizens on which a vote would then be taken by simple majority, there were no recognizable political parties, voting for political representatives was a small part of political activity and appointment to legislative and judicial boards was made by lot and for a limited term, which ensured significant office rotation. Such institutions differ substantially from contemporary democracies, where citizens vote for representatives organized in political parties, complicated majoritarian or proportional representation electoral rules apply, direct democracy mechanisms like the referendum process are used only sparingly (with the notable exceptions of Switzerland and the USA at the state level), and government officials are elected to office.

After the establishment of democracy in the late sixth century BC, Athens developed into the preeminent Greek polis, one of the greatest military powers of its time and experienced unprecedented levels of wealth. In no small account that was the result of direct democracy. Despite the fragmentary nature of the sources, scholars have investigated at length and depth the structures and procedures of the Athenian democracy and their effects, in a way treating direct democracy as an explanatory variable which determines the success of Athens. The present study pursues a complementary line and inquires what factors explain the emergence of various aspects of direct democracy treating direct democracy as the explained variable. It examines how, if at all, contemporary political economy can help to explain the extension of political rights to the poorer classes of citizens, the adoption of direct decision making with a simple majority voting rule, the absence of political parties and the appointment of public office-holders by lot, a process also termed sortition. It concludes that these attributes complemented each other and worked in tandem comprising a coherent set.

The paper is structured as follows: By way of background, the next section provides a short historical overview of some major events that led to the emergence of the Athenian democracy and some of its key institutional arrangements. Section 3 uses contemporary intuitions to understand the extension of franchise in ancient Athens. After discussing the advantages and disadvantages of direct democracy, Sect. 4 attempts to explain its establishment in ancient Athens at the end of the sixth century BC by focusing on the utility maximizing choices of Cleisthenes, the constitutional framer at the time, the role of pre-existing institutional arrangements and the political risks facing the citizens. Section 5 discusses two reasons to explain the absence of political parties, notably political parties are less likely to emerge when the population shares common objectives blunting therefore sharp social divisions, and second, mediation by political parties is not necessary for the operation of direct democracy. Section 6 focuses on the compatibility of direct democracy and appointment of public post-holders by lot and points out how, amongst other noteworthy characteristics, it rendered private wealth as an irrelevant condition for assuming public office. Section 7 concludes.

2 Constitutional developments and institutional structure in ancient Athens¹

2.1 The rise of democracy

In archaic Athens the principal government officers were the nine archons² appointed from the members of the aristocracy and the Council of *Areopagus* consisting of former archons, which oversaw laws and magistrates and conducted trials.³ In 594 BC after a century of internal conflicts, the statesman Solon introduced a series of fundamental political and institutional changes. Solon extended political rights previously enjoyed only by the aristocracy by making appointment to public office conditional on wealth with different classes of wealth owners qualifying for different offices, while the majority of the population including small land-owners and the landless were excluded. In addition, he granted all citizens the rights to participate in the assembly and to act as prosecutors in criminal trials, and introduced accountability of magistrates. However, the new constitutional order came under attack and was eventually overturned in 546 by Peisistratus, who ruled as a tyrant. The tyranny was overthrown in 510. In the consequent competition for power between the members of the aristocracy, Cleisthenes lost to Isagoras, another aristocrat. In an unprecedented move Cleisthenes then allied himself to the common people—*demos*—by proposing constitutional reforms that would offer them wider political rights. Isagoras responded by asking the oligarchic Sparta, the then strongest military power, for help. The Spartans, in turn, occupied Athens and expelled Cleisthenes and 700 of his followers. However, when they tried to dissolve the legislative Council and establish a new government faithful to Isagoras, the Athenian *demos* confronted them.⁴ The Spartans were forced to leave and Cleisthenes was recalled (508). He then instituted a series of constitutional reforms regarding citizenship and the powers of the Assembly of citizens which led to the foundation of democracy.

In a new wave of reforms from 487 BC the selection of archons by lot was introduced. After the 479 victory against the Persian in the sea battle of Salamis, the Athenian fleet became critical for the defense and prosperity of Athens and so did the landless lower class who found gainful employment as rowers. They, in turn, were eager to improve their political standing and able to use their new-found strength to do so. Enterprising political leaders from the aristocratic elite saw their chances for success and promoted the institutional reforms which eventually incorporated the landless fully in the political life of Athens. In 462 the statesmen Ephialtes and Pericles reduced the checking powers of *Areopagus* to those of a

¹ The account given is based on Aristotle (1984), Hansen (1999) and Ober (2008). See also Ober (1996b) for a critical discussion of Hansen's emphasis on formal political institutions in examining the nature of Athenian democracy.

² These were the "*basileus*" (king) responsible for religious affairs, the polemarch, responsible for the military, the town-hall archon, and the six thesmothetai-archons responsible for recording the laws.

³ See Lyttkens (2006) for a rational choice explanation of the emergence of the ancient Greek city-state as an entity with territorial boundaries, land ownership rights, assembly, council and court of law.

⁴ See Ober (1996a, b) Ch. 4 for a reconstruction and an interpretation of the events drawing some parallels with the events of the 1789 French revolution.

judicial body concerned with homicide. By the mid fifth century a fully democratic constitution was functioning. The democratic rule was briefly interrupted twice. In 411, after the catastrophe suffered by the Athenian fleet in the Sicilian expedition, an irregular meeting of the Assembly abolished the democracy and handed power to an oligarchic Council of Four Hundred. Following an important naval victory a year later, democracy was reinstated. But in 404 after defeat in the hands of Spartans at the end of the Peloponnesian War democracy was once again replaced by oligarchy, led by a Commission of the “Thirty”, later known as “Thirty Tyrants”. The oligarchs were defeated in 403 and democracy was restored. It went on until 322 when the Athenian fleet was defeated by the Macedonians, and never recovered.

2.2 Institutional structures

Citizenship rights were extended by Cleisthenes to all adult resident males (but in 451 they were limited by Pericles to those, whose both parents were Athenians). Cleisthenes divided the citizens of Attica into three geographical sections (Urban, Inland and Coast) and each geographical section was then divided into ten parts. The thirty parts were reconstituted into ten new tribes; each tribe comprised parts from each one of the three geographical sections allocated by lot, so that “a tribe included citizens from quite different parts of Attica, with widely differing traditions and economic bases” (Hansen 1999, p. 103). As a result, the interests that the members of a tribe had in common were those that all citizens of Attica had in common. This ended earlier conflicts arising from geographical divisions and forged a united army. The new structure had an immediate effect on the military ability of Athens, which in 506 defeated a hostile coalition of Sparta, Boeotia and Chalcis. Each tribe was further divided into geographically based communities called *demes*, numbering a total of 139 in the fourth century. In 430 there may have been 60,000 Athenians with full political rights (adult males), while in the fourth century, because of disease and defeat in the Peloponnesian war, the number fell to 30,000 (Hansen 1999).

The Assembly of citizens (*Ekklesia tou Demou*) after Cleisthenes reforms became the principal decision making body; it decided all issues of public interest, including public finance, foreign policy, war and peace; it passed laws, elected the generals and chief financial officers and tried public officers for corruption and treason. It consisted of all Athenian males aged 20 years and above, while every male Athenian after the age of thirty had also the right to assume public office as a magistrate (member of a board of executive officers), or as a court juror. Participation and attendance was voluntary; a quorum required the presence of 6,000 citizens. With an average size of 6,000–8,000 participants, it met regularly between thirty and forty times a year. By the mid fifth century all citizens regardless of wealth had the right to address the Assembly. Any private citizen could introduce a motion for discussion. After listening to the speakers, voting took place by show of hands and decisions were taken by simple majority.⁵ Unlike representative democracy, in assembly debates “rhetoric, the ‘art of persuasion’, was the most

⁵ However, granting citizenship to foreigners was ratified by actual ballot voting (Hansen 1999, p. 94 and p. 130).

important weapon in the competition between political leaders” (Hansen 1999, p. 306). If it was relevant to the implementation of a motion passed, the Assembly also passed a decree giving instructions, appointing officials, specifying rewards for success and sanctions for malfeasance, and stating ways of appeal if the private actors charged with a public task thought they were treated unfairly. Pay for attending the assembly was introduced at the turn of the fourth century (ibid, p. 150); it was set at approximately half the average wage, equal to a juror’s pay, with various adjustments taking place during the fourth century, and restricted to the first 6,000 coming to a session.⁶

The Council of Five Hundred (“*Boule*”) comprising 50 members of each tribe and selected annually by lot from each demos (in proportion to its population) with the members of each tribe chairing the administration of Athens for 1/10 of the year. The members of the Council met every day and received a wage for their services. The Council prepared the agenda for the Assembly, was responsible for the day-to-day administration of the state and oversaw the implementation of the various projects approved by the Assembly. Councilors voted by show of hands. Contrary to modern practice where the government initiates legislation, it was private citizens who brought issues for discussion to the Council. After deliberation, the Council would bring the issue to the Assembly, either for ratification of a specific decree already passed by the Council, or as an open issue to be discussed and voted by the Assembly.⁷ As the Councillors were not experts in administration they were supported by a small team of public slaves and citizens-clerks, who nevertheless did not amount to a professional bureaucracy (Ober 2008, p. 104).

The board of the ten elected generals (“*strategoï*”) was introduced in 501 BC; they served as commanders of the army and navy and carried out some additional functions in domestic and external policy. They were elected annually by the Assembly by show of hands, originally one from each tribe, but later (from 440 BC) at least one was elected from all tribes implying double representation of one tribe and non-representation of another. There is no surviving information detailing the exact election procedure. It is understood that a tribe nominated a candidate and the entire Assembly voted for or against him, not just his own tribe.⁸ This implies that,

⁶ Pay for assembly attendance is a unique example of a (partial) solution to the rational ignorance problem of the voter. That is, as the costs of getting informed about policies and the opportunity cost of giving up work to participate in the assembly are high and certain they can exceed the expected benefits that he may cast the decisive vote who approves the policy which advances his interests, it is not rational for the voter to participate in politics. However, pay for attending the assembly partly mitigates those costs and therefore, *ceteris paribus*, increases the incentive to participate in the deliberations of the assembly.

⁷ For the merits of the “closed” agenda where no amendment can be proposed and “open” agenda decision rules by modern legislatures operating in an environment characterized by uncertainty, see Gilligan and Krehbiel (1987) and Krishna and Morgan (2001).

⁸ “... the procedure was possibly as follows. A candidate from tribe I was proposed, and the people voted for or against him. The first candidate to get a majority was elected unless a named opponent to him was proposed, in which case the vote was a vote between the two of them. When no more candidates were proposed, the people proceeded to the next tribe, and so on” (Hansen 1999, p. 235). Further “...hands were never counted. The majority was assessed by the nine *proedroi* [Council member, selected by lot, who were presiding over the session] who made their decision on a rough estimate”, ibid. p. 332. Mitchell

unlike contemporary members of legislative bodies who represent local constituencies, the elected general could not be seen as a tribal representative.⁹

The *Heliaia* Court of 6000, or ‘People’s Court’, set up by Solon to hear appeals against the decisions of the officials of the polis became the most important court with wide responsibilities. Every year 6,000 citizens, 600 from each tribe, were chosen by lot among all the male citizens over 30 years old and not in debt to the state to serve as jurors (“*dikastai*”). After swearing the relevant oath, they were allocated to cases by lot, sitting in sessions with a normal jury size of 501 or bigger as the case may be (201 minimum) and taking decisions by secret ballot. There was no public prosecutor and all parties appearing, citizens who brought a charge, the magistrates preparing and presiding over a case and the jurors who heard it, were amateurs. Payment for jurors was introduced by Pericles most probably in 462 BC. By the classical period the Court was trying both civil and penal cases, but a most important part of its work was political in the sense of controlling the other organs of the state. It checked the validity of the decisions of the Assembly and had the power to annul a decree and punish its proposer providing therefore an early case of what is now known as constitutional judicial review¹⁰; it tried elected generals for the crimes of attempting to overthrow the constitution, treason, and corruption, after the Assembly had referred such a case to the court (rather than trying it itself); it reviewed the eligibility of citizens selected by lot to serve in office based on reputation of character and conduct but not competence, held them into account during service and reviewed them again upon leaving office. The Court was a separate and independent decision making part of government at par with the Assembly. Its heavy involvement in checking the decisions passed by the Assembly rendered it as an additional veto player in the game of policy making. Further, in its capacity to hear prosecutions against public officials it provided a bulwark against misconduct or abuse by office holders. Moreover, as jurors were at least 30 years old, whereas every male above the age of 20 years could attend and vote in the Assembly, the median voter in the Court was in general older than in the latter. In so far as age conditions voter preferences it cannot be ruled out that such age differences may have materially affected voting outcomes in the two bodies. Contrary to the Assembly, voting in the Court was by secret ballot, which afforded more protection to the jurors than the show of hands, and allowed more accurate counting of votes. In addition, as it was meeting 175–225 days a year (Hansen 1999,

Footnote 8 continued

(2000) critically discusses various attempts made by historians to reconstruct the procedure and points to inadequacies of existing hypotheses.

⁹ Many of the generals were active in democratic politics as proposers of policies and speakers in the Assembly. But in the fourth century, after the restoration of democracy, the generals—military commanders—rarely engaged in politics, while the Assembly speakers (“*rhetores*”) were not elected as generals. Hansen (1999) attributes this development to increasing job specialisation. Public speaking required the relevant training in oratory, while the army came to be dominated by military professionals and mercenaries sometimes originating from other states after they were granted Athenian citizenship.

¹⁰ See Tridimas (2010a) for a review of the constitutional judicial review of policy and further analysis of the view that it acts as a political insurance mechanism.

p. 337), it was able to devote considerably more time than the Assembly to scrutinize legislation and officials.

Cleisthenes also introduced ostracism (banishment) of politicians as a mechanism to defend the *demos* against potential tyrants, an institution which according to Ober (2008) indicated a more direct and decisive involvement of the Assembly than before. Each year at a designated meeting the Assembly voted by a show of hands whether it wanted an ostracism to take place. If the answer was affirmative, the ostracism vote was held 2 months later, where each citizen could cast a ballot in the form of a potsherd (*ostrakon*) with the name of the person he wanted banished inscribed. If there was a minimum of 6,000 potsherds, they were sorted by names and the person with the highest tally was banished for 10 years; that is, a plurality of votes was sufficient for ostracizing a political figure. The ostracism was not a penal trial; there were neither prosecution nor defense speeches nor the ostracized person lost any property. The mechanism was used fifteen times during the fifth century (Hansen 1999). The last one was held in 417, when a politician was ostracized after his rivals probably colluded to secure his banishment. During the fourth century, the most often used mechanism against a political leader was to bring him to trial.

Figure 1 presents a summary of the organs involved in collective decision making in Ancient Athens. The term of offices was annual and term limits applied with the exception of the generals who could be reelected. A man could only serve twice in his lifetime on the Council and once in other offices. He could hold different offices after his tenure in one office was completed and reviewed by the Court, which effectively meant that he could potentially serve in different offices every other year, so that substantial rotation took place. The various magistrates were amateurs—ordinary citizens; Athens did not develop professional politicians.

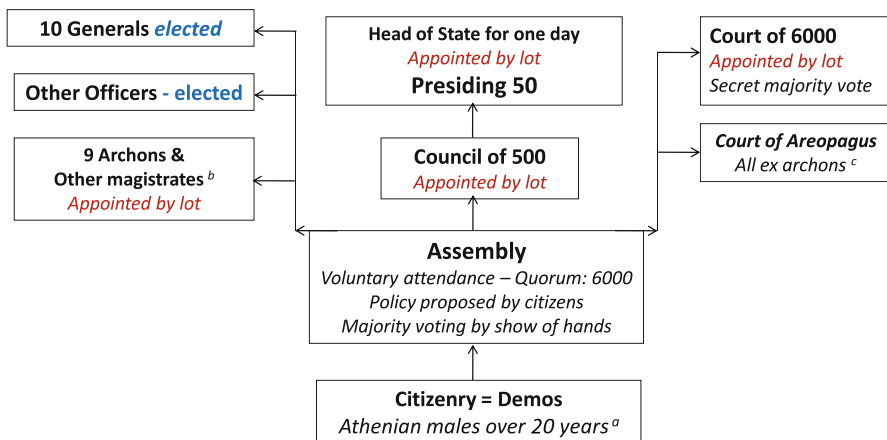


Fig. 1 Structure of governance and method of selection of public officers in ancient Athens. ^a Estimated Numbers: 60,000 for fifth century, 30,000 for fourth century—Hansen (1999), ^b There were about 700 magistrates appointed annually in addition to the Council of 500, ^c The powers of the *Areopagus* varied through the democracy period 507–322. Estimated average number of members: 150—Hansen (1999)

This would have been an almost impossible task for it would have meant that people gave up tending their olive groves or other business.

2.3 From aristocracy to democracy: voting franchise and institutional format

Analytically, the shift from aristocracy to democracy for both ancient Athens and modern polities can be broken down to two complementary components. The first is the extension of the franchise to previously disenfranchised groups of the population. The second is the format of democracy which in turn comprises a number of attributes, including the electoral law by which votes are aggregated and a winner of the electoral contest is established, the representation of social cleavages by political parties and the method of selecting public-office holders; see Fig. 2 for a diagrammatic description. Ancient Athens established direct democracy, operated a simple majority voting rule, did not develop organized political parties and appointed a large number of public officials by lot. It is the contention of the present analysis that those building blocks were inextricably linked, complemented each other and formed an internally consistent framework.

Majority voting, used to decide direct democracy contests like a referendum, generates clear and stable outcomes when voters choose between two mutually exclusive alternatives like ‘yes’ or ‘no’. In indirect democracies representatives are elected by using voting systems broadly divided between majoritarian, like first-past-the-post, and proportional representation. Similarly, political parties are the means of aggregating and expressing the interests of different individual voters in elections for representatives, while they assume a less prominent position in direct votes. Moreover, elections for representatives serve to select officials for filling

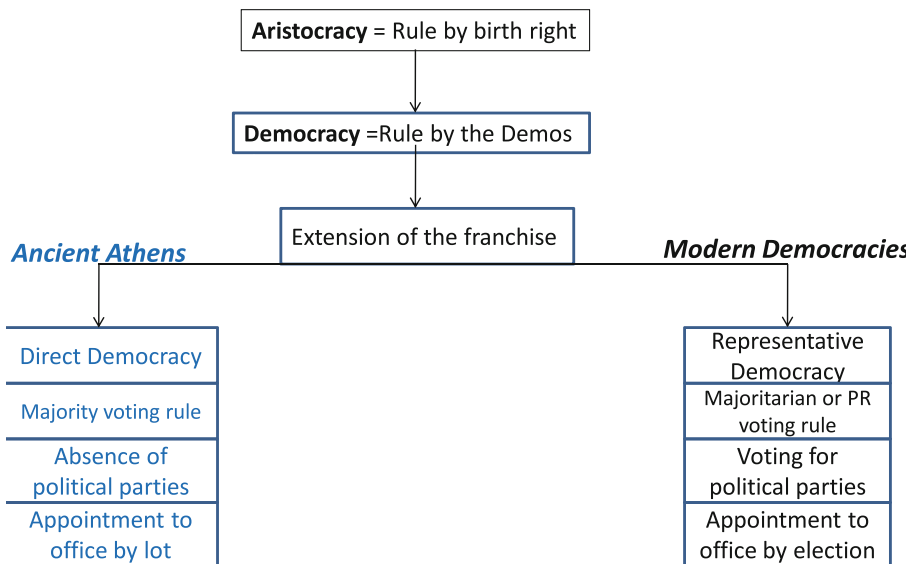


Fig. 2 The shift from aristocracy to democracy

public offices, and it is those officials who decide policy. Even when policy is decided directly, administration is still delegated to office-holders. But office generates rents leading to competition for winning them. Competition however may be unfair when contestants differ in their means to compete for office. Appointment by lot sharply reduces such competition and equalizes opportunities across different citizens. In what follows we examine those issues in detail.

3 Extension of political rights—franchise

Recent formal political economy research has enquired at length the reasons for the extension of the franchise over the nineteenth and twentieth centuries. In a seminal contribution Acemoglu and Robinson (2000) advance the hypothesis that enfranchisement solves a time-inconsistency problem by constraining the power of the ruling elite. They start from the premise that the elite fearing a revolt by the poor who would then confiscate their assets, promises to redistribute wealth. The promise, however, is not credible because after the revolutionary threat subsides there is no incentive for the elite to deliver on its promise, so the risk of revolution and the associated losses are not averted. However, by granting the poor the right to vote and so to determine redistribution policy, the elite can no longer renege *ex post* to the redistribution policy and its *ex ante* commitment to redistribution becomes credible. A second view by Lizzeri and Persico (2004) emphasizes divisions between the members of the enfranchised elite and the importance of public goods rather than the threat of revolution. In a setting where an external shock like urbanization causes the value of public goods to increase, a section of the enfranchised elite who wishes to increase the provision of public goods (at the expense of targeted redistribution towards the elite) extends the franchise voluntarily to previously disenfranchised groups of the population. Extension of the franchise increases the number of claimants and reduces the size of the transfer per person. Thus, a vote-maximizing politician is no longer able to attract electoral support by targeted redistribution; instead he increases the provision of public goods with diffused benefits, exactly as the section of the elite wished.¹¹ Congleton (2007, 2010) also doubts the primacy of revolutionary threats in the extension of the franchise in the nineteenth and twentieth centuries. He argues that laws controlling voting rights tend to be remarkably stable over time, since the decisive arbiter of power is better off by keeping the franchise rule which allows him to determine public policy. Change is then more likely to come from small groups operating within the government rather than large groups operating outside government, while a successful revolution is unlikely to establish a democratic regime, as successful revolutionary leaders would desire to keep control. Congleton emphasises that the

¹¹ The intra-elite conflict explanation of the voluntary extension of the franchise has been further analyzed and refined in a series of recent contributions, see Jack and Lagunoff (2006) for voluntary franchise extension over time; Llavador and Oxoby (2005) and Ghosal and Proto (2009) for strategic considerations in the presence of complex divisions within the elite and non elite; Seidmann (2008) for “divide-and-rule” calculations and Munshi (forthcoming) for enfranchisement of the non elite as a way to moderate future policies of a dominant but extreme party of the elite.

extension of the franchise was realised in small steps after the rise of interest groups within and outside the government with economic and ideological interests in franchise reform and after extensive bargaining.

Looking specifically at ancient Athens, Fleck and Hanssen (2006) propose an explanation of extension of political rights which combines elements from both the revolution and the finance of public good hypotheses. They model a setting where the ruling aristocracy seeks to raise taxes from farmers to finance defense—a public good. Tax revenue can be raised after the farmers have invested in agricultural production. If this investment is easy to monitor, it is not difficult for the aristocracy to control the farmers, as it is comparatively simple to identify and punish farmers who misbehave (do not invest); the aristocracy then has little, if any, incentive to democratize and share power. However, if agricultural investment is difficult to monitor, farmers can avoid taxation of their product by not investing as they would remain undetected. But if so there will be insufficient funds for defense. That was the case of Athens, where the soil of Attica is better suited to the production of olive oil (rather than cereals). As olive trees bear fruits only after a lot of effort is invested for a long period of time, monitoring of olive tree cultivation is extremely costly for a ruling aristocracy. The aristocracy could promise not to tax, but the promise lacks credibility. If on the other hand, the aristocracy extends voting rights to the farmers—olive growers and shares power, the credibility of the promise not to tax is restored, because tax policy will be controlled by the more numerous enfranchised farmers. Their incentives for investment are enhanced; tax proceeds will increase and so will defense spending. However, this explanation is not supported by the historical record. There was little taxation in ancient Athens during the aristocratic rule.¹² During Peisistratus' tyranny, before Cleisthenes' democratic reforms, 'tax' on agriculture production was a 1/10th tith (*dekate*) with the proceeds going to the worship of goddess Athena rather than defense.¹³ The Fleck and Hanssen argument may then be seen as a more appropriate explanation of the security of land property and decrease in the threat of revolution. A ruling aristocracy interested in maximizing its wealth holdings by expropriating the land of the poor farmers will fail to do so, and may indeed suffer losses, if investment in agriculture is difficult to monitor and farm workers who shirk cannot be detected. On the contrary, granting political rights to the poor small-holders to protect their properties provides them with incentives to undertake agricultural investment and decreases the threat of violent upheavals.

Moreover, Congleton's view of gradual expansion of political rights is consistent with the democratic developments in ancient Athens. Cleisthenes' reforms were supported by parts of the aristocratic elite and the ordinary citizens. Despite the violence there did not seem to be a bloodbath. The constitutional reforms built on the earlier political liberalisation of Solon, whose legislation had replaced government based on birth aristocracy with one based on wealth. Cleisthenes'

¹² Precise information on Athenian public finances is scant. Kyriazis (2009) offers a detailed discussion of the relevant tax revenue and public expenditure magnitudes for the fourth century, on which reliable data exist.

¹³ I wish to thank Dennis Mueller and Claire Taylor for clarifying these points to me.

reforms were fundamental but on the other hand they built on pre-existing governance templates, and were completed a while after he left the stage. A fully functioning democracy, that is, one including eligibility for office by the lowest wealth class, was not established until the middle of the fifth century and the removal of the residual veto powers of *Areopagus* in 462. Indeed, Raaflaub (2007) goes as far as to argue that the democratic transition was completed with the full integration of the lowest wealth class in the political structure following the emergence of the navy as a critical factor in the security of Athens.

4 Direct democracy under majority voting

Direct democracy may have descended from warrior meetings, common from the archaic times, if not earlier, where the ruler, the ‘elders’ and the ordinary warriors assembled, speeches were made and views were expressed. As the ordinary warriors became economically and militarily more powerful, the ruler must have felt obliged to heed the opinions voiced. Eventually, the format, content and outcome of those assembly meetings must have become integral parts of the system of governance. Larsen (1949), who is an early and so far only the only paper dealing with the issue of the emergence of voting, places the practice of formally taking and counting votes in ancient Greek assemblies in the seventh century BC. He offers three possible explanations for the adoption of the practice. First, it was possibly used as a decision taking method in aristocratic councils including the *Areopagus*. Second, in archaic warrior assemblies taking votes substituted fighting among disagreeing armed members of the assembly. Third, it might have evolved from the decision making practices of leagues of Greek city-states, like the Delphic Amphictiony and the Peloponnesian League, where each participant polis had one vote irrespective of its size (although a few strong poleis dominated proceedings); Larson however thinks that this third explanation is the least likely to apply to domestic politics. On this account Cleisthenes invented neither direct democracy nor majority voting; his reforms formalized them. Recent literature has shown no interest in the question of the origin of voting. Scholars on ancient Greece have explored both the reasons of the emergence of democracy in ancient Athens, where democracy is defined as the right of the non-elite to participate in decision making and serve in public office,¹⁴ but not an explanation of the adoption of voting methods. Social choice scholarship compares the positive and normative properties of majority and other rules of voting in collective choice,¹⁵ but has little to say about the origin of voting.

Direct democracy where voters choose on each issue separately and confront a “yes”–or–“no” choice typically applies majority voting rather than any alternative rule. If violent conflict among the members of a group is to be avoided, a main attraction of majority voting is the speed by which the collective decision is taken

¹⁴ For an engaging account of the debate regarding when exactly Athens became the “first democracy” and which specific element of governance created democracy the interested reader is referred to the contributions in the volume by Raaflaub et al. (2007).

¹⁵ For a detailed survey of the scholarship on this issue and related aspects, the reader may consult Mueller (2003), especially chapters 4–8 and 26.

and the clarity of outcome. However, it also suffers from the problem of cyclicity, whereby when choosing between three or more motions majority voting may fail to produce an equilibrium outcome, and its usefulness may be severely weakened. On normative considerations and after reviewing the relevant literature, Mueller (2003) concludes that the ubiquitous use of the majority rule may be explained by the following property: For any given voter participating in collective decision making, the outcome of the process is uncertain as it depends on summing the votes of the different voters. The voter under consideration does not know a priori whether he benefits or loses from the collective choice outcome, nor does he know the size of such benefits or losses. He may then presume that the uncertain gains or losses from collective action are equal. In this case majority voting maximizes the expected benefits of collective action for the individual voter.

4.1 The perspective of the voters

Whether a rational voter prefers policy making by direct or indirect democracy depends on which of the two methods confers the highest net gains, benefits minus costs.¹⁶ The benefits of reaching a collective decision relate to how far the interests of the individual are satisfied by the decision taken, while the costs comprise the effort required to reach a decision and how far the collective decision (which binds all individuals) may hurt the interests of those who oppose it. When voters are fully informed about the issues of public interest, so that they are the best judges of their own welfare, the policy decision of direct democracy reflects accurately their preferences. The outcome of direct democracy is then characterised by both legitimacy, which means that the decision taker is recognised to have the right to do what he does, and accuracy, which means that the decision taken reflects the wishes of the decision taker. This is superior to representative democracy, where the policy outcome is decided by political representatives, who may reflect the preferences of the voters only indirectly. The reason is that representatives—politicians may use their discretionary powers to pursue policies serving their own interests or those of their financial backers and activists, whose support may be vital, rather those of the voters. This is the well-known problem of the agency relationship. However, when the individual lacks full information about the environment or his long-run interests, or confronts conflicting rights, or is subject to credibility problems (in the sense that when it is in his interests, he is not able to make commitments that he will not engage in action which he promised not to take), delegation of decision making to political representatives may result in welfare-enhancing outcomes and is therefore justified.

On the side of decision costs, since the seminal work of Buchanan and Tullock (1962) collective choice is seen as involving two kinds of costs: (a) Decision making or internal costs, which are the costs of time, effort and other resources that

¹⁶ An extensive literature compares the benefits of policy making by popular referendums and by elected politicians in parliaments. A book-length survey of the use of referendum and the popular initiative (where a specified minimum number of voters can force a public vote on a policy) is given in Matsusaka (2004), while shorter informative reviews with critical commentaries are offered by amongst others LeDuc (2002), Hug and Tsebelis (2002) and Tridimas (2010b).

an individual has to invest in order to acquire the relevant information to participate in the process of decision making. (b) Efficiency or external costs, which are the costs inflicted on the individual when a collective decision hurts its interests. In general, direct democracy involves higher decision and lower efficiency costs than representative democracy. Representative democracy minimizes decision costs of reaching agreements as it restricts the process of negotiation to a small number of legislators. However, with voters voting for political parties it generates an additional efficiency cost since voters choose between party platforms which bundle different issues of public interest rather than deciding on each issue separately. Bundling, opens the opportunity for logrolling, where legislators may trade votes in one issue to secure a favourable vote in another issue combining unrelated issues and may result in inefficient outcomes at the expense of the voters. Furthermore, the cost of the collective choice mechanism rises in proportion to the number of those involved in decision making. Problems of free-riding, limits in physical space where people can gather to deliberate, inability to coordinate the timing of gatherings, to name but a few, imply that direct democracy is more expensive than representation which involves a smaller number of decision makers.

The argument that direct democracy leads to better outcomes offers an obvious justification for its adoption. An additional justification is that direct democracy leads to better citizens. Mueller (1996) notes that the former is based on the assumption that voter preferences are given, a standard assumption in the economic analysis of the short-run equilibrium, and that direct democracy can elicit and aggregate those preferences. The latter justification is based on the assumption that voter preferences are endogenous and change as voters actively engage in the democratic process, find out the preferences of others and compromise. “Indeed, the ancient Greeks also stressed the advantage of direct participation in the democratic process has in developing a sense of community in the individual” (ibid. p. 96). Given a sufficiently long horizon, these seemingly contradictory assumptions are actually compatible with each other, if it is accepted that in view of new experiences individual preferences adapt and change.

4.2 The perspective of the political ruler

The reasons for adopting direct democracy discussed above focused on how a citizen would choose between direct and indirect democracy. However, in practice, it may be a political ruler who is instrumental in framing the constitution and takes the relevant decision. It is to this choice that we now turn applying a public choice perspective according to which the political ruler may use this opportunity to choose the institutional form which maximizes his own net expected benefit.¹⁷

A politician’s net expected benefit from an electoral mechanism equals the benefit derived from winning the electoral contest, an event which is uncertain, minus the cost of election campaigning, which will be incurred irrespective of winning or losing the contest. The benefit consists of the rents from office plus the

¹⁷ The analysis draws on Tridimas (2007, 2010b) who formally explored the strategic choice of an incumbent political leader between a referendum and the parliamentary process to pass legislation.

utility gains from pursuing his preferred policy. The cost of the election campaign is made up of three interdependent parts, namely, the expenses of running the campaign, the sums of public spending targeted by the politician to influential groups of voters in order to secure their electoral support (which reduce the size of the rents from office) and the policy compromises that may have to be struck to appeal to the electorate. The election contestants face a fundamental trade-off: As the targeted public expenditures and policy concessions made increase, the probability of winning the election increases but the net benefit from office decrease. It is reasonable to assume that the gains from office are the same under both direct and indirect democracy. However, the probability of winning the electoral contest and the corresponding costs of the campaign, differ between direct and indirect democracy, the reason being that direct decision making and representative elections use different methods of aggregating voter preferences and privilege different groups of voters to determine the voting outcome.

In an election for representatives, whether a political leader wins depends on securing a majority of representatives from his party, who are elected across different geographical constituencies. This in turn depends on (a) the total number of votes polled which is determined by the policy proposals and the personal appeal of the politician; (b) the allocation of voters across different constituencies, that is, the demographic, political and economic characteristics and therefore voting patterns of voters of different geographical districts; and (c) the voting rule, whether majoritarian or proportional representation, which translates votes into how many representatives from each party are elected in each constituency. Under a majoritarian voting rule, the division of the country in geographical constituencies may render some of them as “safe” for one or other of the parties and some other as “marginal”, where the election outcome may depend crucially on the vote of swing voters. In electoral systems based on proportional representation with multi-member constituencies the number of seats each party wins and which candidates are elected, depends on various arrangements, like the size of the electoral district, the formula which converts the proportion of votes cast for a party into the number of elected representatives in a district, the threshold for securing representation and whether voters choose candidates or they vote for a party list. Experience has shown that unlike majoritarian systems under proportional representation no single party emerges as the election winner and governments are formed as coalitions of parties.

In a direct election under majority voting, like a referendum where the voters approve or reject the proposed motion, votes are aggregated at the national level and victory depends on securing a majority of votes. Thus, gearing the election campaign towards influencing swing voters in marginal constituencies is of less importance than in an election for representatives, what counts is to obtain an overall majority.¹⁸ This in turn implies that the concessions made by the politician and the probability to win differ between the different systems of democratic

¹⁸ The difference in the outcomes of direct and representative democracy may be illustrated by the “referendum paradox”. A motion may be denied by a majority of elected representatives who were elected by a plurality of voters in a majority of geographical constituencies, but it may be approved by a majority of voters in a direct election, which aggregates all voters simultaneously (see Nurmi 1997, for details).

decision making. When the preferences of the political ruler with the power to choose between direct and indirect democracy are closer to those of the median voter of the electorate than to the median of elected representatives, his expected benefit under direct democracy is larger than under indirect democracy and he chooses direct democracy.

4.3 Relevance to Athens

The rationale developed above implies that in Athens direct democracy prevailed because it yielded the highest net benefit to Cleisthenes, the political ruler at the time of constitutional choice. Returning to the events of 508–7 and the establishment of the Athenian democracy, a number of groups with interests in political reform had emerged following the relative prosperity and immigration during the tyranny of Peisistratus, who had encouraged such moves and offered the immigrants citizen rights to attract their political support. After the fall of the tyranny (510) a revision of the roll of citizens was enacted by which the aristocratic families could strike residents of Attica off the roll of Athenian citizens—so called ‘*diapsephismos*’. Losing citizenship rights would have had profoundly adverse consequences, including loss of property, expulsion and even the risk of slavery. It is quite likely that those threatened with such losses included former mercenaries who had settled in Athens during the time of Peisistratus and who could still be of value in a military confrontation. By removing the threat of de-registration Cleisthenes, the constitutional framer, was able to build a majority to support him against Isagoras.¹⁹ By involving the ordinary Athenians, who had forced the surrender of the aristocrats and their Spartan protectors, directly in decision making Cleisthenes offered the best protection to their status and secured continued political support for himself.

As financial reward from holding office was not obtainable at the time, Cleisthenes personal motives for championing democracy are sought in the objectives of maximization of power, prestige and security for himself and his family, the Alcmaeonids. The Alcmaeonids were exiled from Athens in the late seventh century for their stance in the conflicts of the time. They were also persecuted during the tyranny of Peisistratus. Perhaps more importantly, after the fall of the tyranny in 510 at a time when a revision of the roll of Athenian citizens was taking place and the threat of de-registration was looming, Cleisthenes born to a non Athenian mother (she was the daughter of the tyrant of Sicyon) must have felt particularly vulnerable.

It bears noting that Cleisthenes did not create democracy overnight, to some extent democracy was the result of the unintended consequences of his reforms in combination with the development which followed after the empowerment of the demos (that democracy was incidental is also the essence of the argument by Lyttkens 2004). His reforms built on a system of consultations between the rulers and the ruled and retained use of the majority rule, familiar arrangements which in

¹⁹ Lyttkens (2004) who also applies a rational-actor perspective to Cleisthenes’ actions in the transformation of Athens from a birth aristocracy to democracy, argues ably that removal of the threat de-registration was the *only* (emphasis in original) satisfactory explanation of popular support for Cleisthenes.

one way or another existed from the archaic times. The political dispensation included a reconfiguration of the citizenry in the form of dividing them in ten new artificial tribes and incorporated important elements of representation in the form of the Council of 500, which replaced the pre-existing Council of 400. The newly created tribes were constructed in such a way so that each fused a wide social cross-section of the Athenian population and none of them could claim supremacy or higher electoral influence over the rest. Nor were they designed to play the role of modern parliamentary constituencies.

Moreover, the use of majority voting in Athens is consistent with the experience of the European democracies when choosing different electoral laws at the time of the introduction of universal suffrage. A majoritarian system, which favors a two-party competition, was adopted when either of two conditions was satisfied—see Rokkan (1970), Boix (1999) and Blais et al. (2005). Either, the socialist party as the challenger to the ruling elite was weak and unable to mount a strong challenge against the established parties, or the socialist party was strong enough, but one of the established non-socialist parties had retained a dominant position among the non-socialist parties. On the other hand, the ruling elite opted for systems based on proportional representation when the electorate was divided between the established non-socialist parties and the socialist challenger was strong and united. In Athens the contest was between two strong groups, one which sought political rights for the non elite and another one which wished to retain aristocratic control, and the use of majority rule was “chosen”, or perhaps more accurately, retained.

In addition to the above, representation of tribes by the generals was very different from modern representation, where each constituency (equivalent to the tribe) elects its own representative (equivalent to the general). Instead, in ancient Athens each tribe nominated a member (or more than one as we saw in Sect. 2) for the post of general, and the candidate was voted in or rejected by the whole Assembly.

It also bears noting that at the time electoral formulas to convert constituency votes into representatives were, in truth, yet to be invented. Electoral proportionality formulas were developed in the nineteenth century following important advances in mathematics. Athens espoused a system where the issues of public interest were decided directly and all votes carried the same weight. Counting majorities was a less demanding task accomplished without complex mathematical operations. As already said votes were not counted in the Assembly, only estimates were taken. This implies that administering a direct democracy system based on simple majority was significantly easier than using complicated formulas of proportional representation.

The analysis does not claim that Cleisthenes single-handedly instituted direct democracy. Nor could Cleisthenes have predicted the future developments and further political liberalization. What it does is to show that significant insights can be gained by modeling him as the utility maximizing pivotal player. His interests were best served by setting up a system of direct democracy with majority voting. The arrangements were widely acceptable, and gradually evolved and consolidated. It is worth noting that those developments included the idea of isonomy, where citizens have equal political and legal rights. The latter is consistent with direct

democracy which applies a rule of one-man—one-vote and implies that all votes carry the same weight (unlike representative democracy where votes in swing constituencies may affect the voting outcome disproportionately to their number). A logical extension of the idea that citizens carry equal weights in deciding policy is that they should also stand an equal chance to occupy office, henceforth laying the case for appointment to public posts by lot.

5 The absence of political parties

Modern democratic government is based on voters choosing candidates for office in a competitive election. The winner of the election earns the right to implement his proposed policies. By contrast, voting for candidates was a relatively small part of participatory Athenian democracy and large bodies of ordinary citizens performed most of legislative and judicial functions. The Athenian democracy “was predicated not on the legitimacy of elected leaders but on the assumption that value is added in political decision making via the aggregation of technical and social knowledge that is widely distributed within the citizenry itself” (Ober 2008, p. 98). Nor were there political parties in the modern sense. Hansen (1999, pp. 277–279) offers an incisive discussion of whether or not the political groups (*hetaireiai*) amongst the orators (*rhetores*) of the fourth century could be considered as political parties. He concludes that such groups were more like clubs; they lacked the stability, durability and massive membership associated with a political party and it was kinship and personal friendship that united the followers rather than political interests or ideology. What then explains the absence of political parties?

Modern political parties, in the sense of organized groups competing for elections under a common label, formed with the extension of the voting franchise in the late nineteenth and first half of the twentieth century to represent pre-existing social groups whose origins were in “cleavages” (divisions) among the population originating from social, religious and economic differences.²⁰ The party system did not change much until the end of the 1960s, but since then two new trends have appeared and intensified. (a) Social characteristics, like social class, education, income, religiosity, region and gender, can no longer adequately explain the pattern of electoral support for right-wing and left-wing parties—see Dalton (2002) for a summary. (b) Countries resort more often to direct democracy mechanisms like the referendum and the popular initiative to resolve issues of public policy—see Matsusaka (2005a, b). A host of factors account for those developments. First, economic change in the form of the spread of property ownership and consumer choice, and changing working conditions, shifted the nature of dependent employment and lifestyle away from traditional industrial structures “unfreezing” old political alignments and weakening the ties between the individual and its

²⁰ See Lipset and Rokkan (1967). These cleavages were (a) differences between the centre and the periphery (the core nation-builders and political, ethnic or cultural peripheries); (b) differences between the state and the church as well as conflicts between Catholics and Protestants; (c) differences between rural and urban interests, translating into a conflict between agriculture and manufacturing; and (d) differences in social class, namely property owners and employers against workers.

traditional class. Second, the rise in the educational attainment of voters, has allowed them to be better informed about complex public policy issues and rely less on information provided through traditional class identification; thus voters are more likely to make up their own minds on how to vote. This has reduced the knowledge advantage of politicians over ordinary citizens, which then weakens the ties between class and party and therefore the benefits of representative democracy. Third, as a result of the disappointment of the public when politicians make overoptimistic promises, or when their personal conduct has been found wanting, public confidence in the ability of politicians has fallen and the attraction of direct democracy has increased. Fourth, the emergence of new constitutional questions, like national sovereignty and European integration, and value issues, like abortion or gay rights, where there may not be an obvious “right” or “wrong” answer. These issues often cannot be accommodated by traditional left–right party lines and may divide the politicians and the supporters of both the left-wing and right-wing parties. In those cases calling a referendum offers a way to deal with intra-party disagreements and may prevent splits.

Reversing the argument for the emergence of modern political parties, when social divisions are moderate no political parties to articulate class differences will emerge. Religious differences among ancient Athenians were not as intense as the church—secular and Catholic—Protestant differences of pre-industrial European societies. As a result, no political parties to represent communities of different religious beliefs emerged.²¹ Differences based on birth and wealth differences were however present and the convulsions from the seventh century to Solon and to Cleisthenes and then through the fifth century suggest that both social and economic divisions were deep. However, even though competition about policy was omnipresent, political parties in the modern sense as formal organizations to represent different economic, political and ideological interests and to fight elections for advancing those interests, did not exist. This absence can be attributed to three possible factors. (a) The existence of a common objective that integrated the divergent interests of different groups. (a) At the extreme opposite, the existence of a multitude of divisions which made the emergence of organized groups with common long-standing interests and coherent ideology impossible. (c) The existence of an alternative mechanism to channel competition for rents from office without recourse to parties.

The existence of an integrating interest is an argument found in Ober (2008). He attributes the absence of organized political parties to an overwhelming preference shared by the Athenians for a rich and powerful state, which united them over other divisions. His hypothesis is essentially that there was widespread agreement among Athenians that the very existence of their polis faced endemic risks from external rivals and internal civil wars.²² This led to a common view that Athens must be

²¹ One may hazard the guess that the polytheistic religion contributed to tolerating a variety of religious views and practices reducing the likelihood of cleavages based on religion.

²² In comparison to modern nation–states, an ancient Greek polis was subject to a high risk of being defeated and destroyed by a rival city-state or by an external power, like Persia. Ober (2008) reports that “a Greek polis confronted a 1:3 chance of suffering destruction at some point in its archaic/classical history” p. 82. For example, in addition to coping with various invasions of Attica and facing Megara, a

sufficiently powerful to defend successfully against an invading power and that deep divisions and class warfare may open opportunities to the oligarchs to overthrow democracy. As a result of this shared preference there “was a general lack of *fixed* ideological commitments of the sort that sustain a system of organized political parties” (Ober 2008, p. 101, emphasis in the original). This argument can be seen as the reverse side of modern insights about the stability of the party system (Lipset and Rokkan 1967): At any time, party competition allows discontent and grievances of the population to be directed against the governing party, rather than the political system, but in so doing party competition contributes to the stability of the competitive political system. In Athens however, the constitutional order was at risk from oligarchic sympathizers. Fear about the survival of the constitutional order overwhelmed other issues and as a result differences in policy preferences were not articulated into competing political parties.

The second explanation follows from the reasoning of increased use of referendums discussed above. That is, issues causing intra-party disagreements drive party leaders to call referendums which allow members of the same party to campaign and vote on opposite sides. Indeed, the Athenian direct democracy allowed the citizens to propose policies and take decisions on each issue of public interest separately from the rest, which weakens the reason of existence of political parties as focal organizations to inform voters and mobilize support. Further, direct participation in policy making and rotation of citizens serving in various public posts provided the members of the demos with the required knowledge to deal with the relevant policy questions and eliminated dependence on politicians. How this was accomplished is shown in Ober (ibid.) who explains that aggregation of knowledge, coordination of actions and codification of rules for future decision making was achieved by building formal structures for participation and deliberation of large numbers of citizens, developing extensive social networks and work teams, establishing procedures for making credible commitments (like taking an oath), developing media to publicize relevant information (including public rituals and the use of architectural forms which maximized visibility between participants), providing a regulatory framework to minimize the transaction costs of exchanges and resolve disputes, and promoting civic education.

Appointment to office by sortition as a method of distributing rents provides a third explanation of the absence of political parties and is taken up in the next Section. In closing this section, an important feedback loop from the absence of political parties to the majority voting electoral rule must be noted, in addition to those already mentioned. Absence of political parties negates the need to choose an electoral law which would aggregate votes and allocate seats in the legislature to party candidates. Thus, majority voting emerges as an obvious rule to decide the election winner in an election concerning policies rather than candidates.

Footnote 22 continued

hostile neighbour, Athens was sacked by the Persians in 480 and occupied by the Spartans in 404, at the end of the Peloponnesian War.

6 Appointment of officials by lot

Even with direct democracy, division of labour and the gains from specialization make imperative that some delegation is carried out because of efficiency gains from specialization. As already described, in the Athenian direct democracy representation took place and with the notable exception of the generals representatives were chosen by lot. Every year the Athenians appointed by lot about 1,100 officer, that is, the 500 members of the Council and another 600 magistrates, as well as 6,000 Court members. It is worth noting that only those who volunteered for service were included in the lottery; those not interested in office were not forced to serve implying interesting questions of self-selection which are left for future research. For Aristotle (384–322BC) selection by lot was the most important feature of democracy, and election by vote was considered an attribute of oligarchy. Hansen (1999), p. 230, comments that “selection by lot ... illustrates better the huge gap between ancient and modern democracies”.²³

Appointment by lot implies random selection from a large pool of candidates volunteering for office which in combination with term limits leads to rotation in office. There are several advantages of sortition relating to representation, equality of opportunity to assume office, minimization of rent-seeking activities and cost of collective choice. (a) When the number of officials appointed in a board of magistrates is sufficiently large, the law of large numbers applies, which implies that the proportions of the different preferences of the citizens drawn at random to serve in the board accurately reflect the proportions of the preferences of all citizens in the population. (b) It provides citizens with equal ex ante opportunities to assume public office, which it turn prevents the development of a professional political class and reduces the ability of the elite to entrench its hold on the government (c) It minimizes the possible proclivities of vote-seeking politicians to pander to interest groups, or engage in corrupt practices to win office. On the other hand, by ensuring rotation it implies that every citizen can alternate between being governed and governing which further reduces factionalism. (d) It renders as irrelevant the question of choosing an electoral rule to aggregate votes and select representatives, while it is relatively easy to administer, inexpensive in comparison to elections and quick to produce outcomes. However, it also has some serious drawbacks. (a) It does not give citizens the opportunity to select the person who they think is most suitable for office, and consequently it removes an effective sanctioning mechanism against wayward office holders. (b) It decreases the incentives of would-be public office holders to become knowledgeable of the relevant issues of public interest and their possible resolution, potentially reducing the quality of outcomes. (c) It may result in appointing scores of inexperienced office holders who had never held office before, reducing quality and efficiency in decision taking. (d) As it is based on volunteers to serve in office it may not necessarily achieve high levels of participation. The gravity of these disadvantages is partly mitigated when it is

²³ See Manin (1997) who offers an account of the use of the lot in ancient Athens, Rome, Venice and Florence and critically reviews the evolving thinking of political philosophers from the antiquity to the present times. See also Mueller et al. (1972) for a proposal of randomized selection of representatives in a legislature of a modern democracy with an uncanny echo of some of the issues faced by Ancient Athens.

recalled that in Athens sortition did not mean that policy was decided randomly; rather it meant that after the Assembly has decided on policy, its implementation was entrusted to officers elected randomly, whose conduct was then checked by the courts.

The very large number of offices appointed by lot and their rotation in office suggests that a sufficient degree of representation of preferences was achieved. Tangian (2008) evaluated the ability of boards selected by lot to represent the preferences of Athenians using three criteria: Popularity, which reflects the number of citizens represented by the randomly selected board; universality, which reflects the number of times a majority of the population are represented by the board, and goodness, a technical measure of accuracy of representation. Applying computational formulas as used in fourth-generation computer languages he shows that the representative capacity of the appointment to office by lottery as it has been practiced in Athens was “quite high”.

The practice of appointing officials by lot is based on the idea that all citizens can learn the skills to be sufficiently good at serving in public office, rather than they are sufficiently good at serving in public office. This assumption is defensible for tasks which were simple, so that any citizen could master them, but not necessarily for more complicated duties. The accomplishment and longevity of the Athenian democracy offers evidence of the ability of the citizens—amateurs to develop the know-how needed to manage public affairs. On the other hand, officers responsible for more complicated tasks, like defense, were appointed by election, which generated the incentive to those interested to acquire the relevant expertise.

Office holders, even when only responsible for implementing policy, may still enjoy various rents, like power, income and prestige. Contesting elections to win office and obtain the rents is expensive. It requires know-how to resolve issues of public interest and organization and planning to fight the election campaign. The expenses required put the richer elite in a comparative advantage against the poorer members of the electorate. The elite is able to both finance a better education, and therefore develop the expertise needed for policy making, and to pay for the election campaign to attract votes. As a result, the poorer voters may be unable to compete in elections and thus they may be excluded from office and the ensuing rents. On the other hand, appointment of public office-holders by lottery makes selection random which relaxes wealth constraints restricting access to public office and spreads the benefits of holding office widely across the citizenry. It then promotes equal opportunities for all citizens to occupy office. In addition, appointment by lot spreads the benefits from office, it decreases the power of the office holder and the attractiveness of office; as a result conflicts among individuals over power would diminish. This not only may discourage corruption in seeking office, but it implies that the demos would face fewer challenges in its policy making authority as well.

Taylor (2007) uses surviving data about the origins of generals and members of the Council to show that elected officials were disproportionately from the wealthier classes of the Athenian population, since “well over half of all attested elections produced officials known to be rich” (p. 330). Moreover, she reports evidence based on the chi-square test that a disproportionately large number of elected generals came from urban demes (those in close proximity to the city of Athens), while no

such bias was detected in the geographical origins of officers appointed by lot, who originated evenly from demes throughout Attica. She attributes this difference to the higher opportunity cost of time and expenses that citizens coming from the outer regions of the city faced when competing in elections in the city. Nor did she find any bias in the geographical distribution of those who proposed decrees to the Assembly, as they came from demes throughout Attica.²⁴ But if elected officials had limited policy making power, why were the elite still interested in contesting elections? Taylor argues that competing in elections demonstrated “acting out of aristocratic values and rivalries” (p. 338). She concludes that in addition to the usual role of electing officers according to voter preferences, election in ancient Athens served a second function of a form of aristocratic contest, where winning a contest against rivals of similar standing allowed the members of the elite to show their popularity. This explanation is perhaps more relevant for the fifth century but less so for the fourth when the generals did not engage in politics. However, it raises another question, notably, why contrary to standard contemporary practice the generals were elected. In so far as military success depends on skilled and well trained officers, one would have expected military posts to have been filled by appointment from the ranks of suitably qualified personnel rather than by vote. Election of generals can be explained by recalling that the Athenian army was not a professional standing force, but it consisted of the citizens who in case of external threat would be called to fight. Commanding the confidence of the serving men was an important factor in the military mobilization. An obvious and cost effective way to ascertain such confidence was to elect the generals. A second, complementary, explanation is that a military strongman who controls the army may mount a coup and seize power. The risk of a military takeover is, however, significantly reduced when appointment to the post of general is for a short period of time (1 year), subject to reappointment by popular vote and command is shared between several (ten) officers as it was in Athens.

7 Conclusions

The shift from aristocracy to democracy can be thought as a strategic game with multiple equilibrium points. One set of equilibrium points is described by the representative democracies which emerged during the nineteenth and first half of the twentieth century. An enormous political economy literature researches this phenomenon. Another equilibrium point is the direct democracy of the type practiced in ancient Athens during the fifth and fourth century BC. The present study used some intuitions developed in studying the former equilibrium to address some of the institutions established by the latter. The establishment of democracy in the sense of extension of political rights outside the elite was attributed to the objectives of making credible the respect for property rights. In the polity which

²⁴ Further, upon reviewing the existing record she points to a lack of patronage and election bribery. She interprets this as evidence of the practical difficulty to rig an election and of the importance of influencing what policy measure the Assembly would discuss rather than office holding.

developed, issues of public interest were decided directly by the Assembly of citizens using majority voting without the mediation of political parties and a large number of public post-holders with significant powers were appointed by lot.

The contention of the present paper is that direct democracy under the rule of majority voting, absence of political parties and appointment to office by lot were inextricably linked and comprised a set of compatible and mutually reinforcing attributes. Direct democracy took the form of citizens initiating legislation and asking voters whether they accepted or rejected it. In this type of questions, in contrast to formulas of constituency representation, majority voting offers a cost minimizing rule. Direct democracy using majority voting was analyzed as the utility maximizing choices of Cleisthenes, the political ruler who built on pre-existing institutional arrangements at a time of heightened risk of foreign invasion and tyranny as well as loss of citizenship rights. Governance structures and politics then evolved on a trajectory conditioned by the adoption of direct democracy. Since direct democracy allows voters to decide each issue of public interest as and when it arises, there is little if any need for the formation of political parties to articulate group interests and ideologies and to fight elections. This is mirrored in modern politics where calling a referendum not mandated by the constitution is often a way of dealing with intra-party splits and results in loosening the hold of political parties on policy decision making. In addition, a widely shared objective of protecting the polis against a heightened existentialistic threat from external invaders and internal usurpers left few opportunities for the emergence of political parties reflecting socio-economic cleavages. But direct democracy did not eliminate the need for some individuals to assume office in order to deal with practical issues of preparation and implementation of legislation and monitoring of officials. Inevitably, the rents generated from occupying office lead to competition. The offices which required the post-holders to command the confidence of the citizens, like military offices, were filled by elections. But a large number of executive posts and judicial magistrates with the authority to conduct political trials were filled by lot. Since the number of appointees was "large", the process of randomized selection secured that the preferences of those appointed to office reflected proportionately the preferences of all citizens. In addition, appointment by lot provided equal opportunities to all citizens to serve in public office independently of their wealth and, hence, ability to finance an election campaign.

The paper does not claim that it has formally established the existence of causal links between the attributes discussed. This requires an investigation beyond the scope of the present work. And many important questions arising from the present examination of the workings of direct democracy in ancient Athens are left for future research. To name but a few, the role of the popular court as an integral component of the Athenian direct democracy was noted but not explored in detail. Also, within the set of the institutions examined, several important aspects were left out. For example, the possibility of agenda manipulation on the Council and the proposals put forward to the Assembly as well as strategic voting in the latter cannot be ruled out. Lack of hard facts about scores of votes and the like makes the task of resolving the working of politics more arduous. Be that as it may, the present study does suggest that the simultaneous operation of direct democracy using majority

voting, absence of political parties and appointment to office by sortition in ancient Athens were internally consistent and stood on hard-nosed utility maximizing calculus irrespective of other normative criteria that may be invoked for their application.

Acknowledgments I wish to thank Dennis Mueller and Claire Taylor for their comments and suggestions on a previous version of this paper. Their advice has been invaluable in clarifying my own thoughts as well as improving the presentation of the paper. Of course, responsibility for any remaining errors or omissions is mine alone.

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