

ἀλλὰ διὰ χρημάτων μεταβολῆς; Legal and Social Institutions as Foundations for Long-Distance
Trade in Classical and Hellenistic Greece

Greek philosophy condemns trade as the purview of the greedy and a limitless pursuit for wealth and the accumulation of property. At least, Aristotle declares it so in *Politics* 1.1257b.20-35, when he states:

...ὁ πλοῦτος ὁ κατὰ φύσιν, καὶ αὕτη μὲν οἰκονομική, ἡ δὲ καπηλική,
ποιητικὴ πλούτου οὐ πάντως ἀλλὰ διὰ χρημάτων μεταβολῆς...οὔτω καὶ
ταύτης τῆς χρηματιστικῆς οὐκ ἔστι τοῦ τέλους πέρας, τέλος δὲ ὁ τοιοῦτος
πλοῦτος καὶ χρημάτων κτῆσις...

But idealistic distaste aside, trade was the lifeblood of the ancient Greek *poleis* which depended on goods from around the Mediterranean for everything from wood for shipbuilding to frankincense for religious practices. The existence of *emporía* alone illustrate the long-distance trade was a necessary truth for the ancient Greek world.

So, since trade was a reality, how was it regulated? How were traders and merchants from far-off lands brought into the realm of Greek *poleis* and integrated with these communities? Proponents of New Institutional Economics argue that institutions, both legal and social, promote economic growth and economic strength. But what does this mean for the ancient Greek *poleis*? In this paper, I argue that *poleis* created laws to protect economic interests--their own and those of foreign merchants. These protections in return created trust and, perhaps, even attracted foreign communities to settle within the lands of the *polis* and establish *longue durée* trade relationships.

Long-distance trade relied on an imperfect system of information exchange and socio-political conditions which were in fairly consistent upheaval, especially after the power vacuum left by the sudden death of Alexander the Great. Traders who only visited a port or *emporion* occasionally would not be privy to the inner-workings of that market or even that region of the Mediterranean. Thus, they had less access to critical information and less leverage to promote their wares in the marketplace. While the use of a short-term middleman would likely aid in alleviating these problems, the involvement of another actor would cost money. In addition, building trust with a third party, especially for only short-term contracts, would be a risky endeavor.

In addition to an ancient version of “governmental oversight,” long-distance trade, especially between disparate kingdoms and ethnic groups, requires a level of trust between actors that is rarely found between strangers. Thus, in addition to possible legal mechanisms to reduce inequity and price-gouging among merchants (the subject of several Athenian legal cases), social networks likely had a prominent role to play in ensuring the good behaviour of its own actors, even as they operated in foreign theaters. Max Weber described two levels of rationality: one that valued immediate benefit and material gain and a second that valued a longer system of reward, such as ethical or, even, religious benefit (Weber 1978; Bresson 2016, 18). Social networks may have had a hand in promoting the valuation of long-term connections between buyer and seller, instead of transactions that led to immediate material gain at the expense of a long-term relationship. These migrant settlers and their networks functioned as the social institution- a bridge between their original culture and the Greek community.

Analysis of surviving ancient Greek legal speeches from Demosthenes’ *On Halonnesus* through the Hellenistic period can show modern audiences the evolution of laws to protect

merchants. The Atheno-centric nature of the evidence could limit the possible applications for these laws, but, rather, I argue that this evidence allows us to build a general framework for possible institutional organization within a large *polis*. From that framework, adaptations and manipulations could show how similar *poleis* used institutions to promote their own economic policies and protections. Each *polis* may have had slightly different rules by which they protected their market, local and foreign traders, and even their own community. But, in order to be found a useful and acceptable port of call, in a world where *emporia*, *agorai*, and welcoming *poleis* were prolific, certain standards are plausible. In addition to this analysis of Greek texts, I assert that social networks can be mapped onto the ancient legal structures to increase trust between merchant and consumer, shipper and wholesaler, *polis* and foreigner.

Bibliography

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