

# Political Transitions in Ancient Greece and Medieval Italy: An Analytic Narrative

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**Keywords** Political transitions · Wars · Ancient Greece · Athens · Venice · Genoa · Democracy · Republic

## 1 Introduction

Models of political transitions to democracy or on the extension of the suffrage have tended to focus on the 19th and 20th centuries (Acemoglu and Robinson 2001; Lizzeri and Persico 2004; Llavador and Oxoby 2005), disputes over redistribution, and over the provision of economic public goods, such as infrastructure. These issues are relevant for the period intended in these papers. But as we go back in history, the defining public good is defence, and the contention policy issues seem to be whether to go to war and which wars to fight.

De Magalhães and Giovannoni (2012) propose a model where wars play a key role in explaining political transitions. They model the bargaining game that may bring an absolutist ruler to hand over power to an assembly of citizens (the commercial elite in the paper). Wars determine both the policy available to the players (whether to go to war and which wars to fight), and their threat points (what happens to the players when a war is lost). In De Magalhães and Giovannoni (2012) the focus is on the English case and the Glorious Revolution of 1688. The objective of this paper is to provide an analytic narrative to test whether the model in De Magalhães and Giovannoni (2012) is relevant to the understanding of political transitions in Ancient Athens, Medieval Venice, and Genoa.<sup>1</sup>

Literature on the historical emergence of inclusive institutions has focused on the economic changes that made it easier for rule by parliament to emerge. Bates and Lien (1985), for example, formalize the idea that the tax elasticity of a sector increases its bargaining power. They show that the most elastic sector will be taxed

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<sup>1</sup>For a detailed description of the method of analytic narrative see Arias (2012).

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less and that the equilibrium policy will be closest to the preferred policy position of the most elastic sector. As the economy becomes more dependent on trade and manufacture and less on agriculture, we should observe a transfer of power to the commercial classes. A similar argument is made in Levy (1988), where stable institutions must include a form of quasi-voluntary financial contribution to the state. Fleck and Hanssen (2006) focus on ancient Greece to show that the extension of political powers may be necessary to provide the right economic incentives when effort is not observable.

Bates and Lien (1985), Levy (1988), and Fleck and Hanssen (2006) describe how a particular economic environment makes it easier for a transition to occur. As we will see below, their broad predictions of the joint rise of commercial wealth and democracy (or rule by parliament) holds true for both ancient Greece and Medieval Italy, but to understand the transitions themselves we need to look at the role of war.

Extensive literature has focused on how the threat of war drove the formation of the state and helped states build capacity (see Tilly (1990), Hoffman and Rosenthal (2000), Besley and Persson (2009), Gennaioli and Voth (2011), Boix et al. (2011), and Arias (2012)). In these papers, a war is a common threat and the defence of the country is a common-interest public good. The objective of these papers is to explain institutional changes such as the size of the states, investments in financial capacity on a judicial system, or on a centralizing bureaucracy. The institutional change we are interested in here is a transition to rule by assembly and considerable constraints on the executive (we will call such a regime a democracy or rule by assembly, council, or parliament).

The model in De Magalhães and Giovannoni (2012) builds on Acemoglu and Robinson (2001), where the handing-over of power is a commitment device to ensure higher redistribution for the poor in the future. High redistribution is necessary to prevent the poor from acting on their threat of revolution. Contrary to Acemoglu and Robinson (2001), De Magalhães and Giovannoni (2012) focus on wars. The ruler will be unable to commit to going to the wars preferred by the commercial elites in the future. Handing over power to an assembly (where the commercial elite plays the leading role) solves this commitment problem and buys the financial assistance of the commercial elites during a defensive war, when the ruler is at risk.

Wars are introduced in De Magalhães and Giovannoni (2012) by building on Jackson and Morelli (2007), where wars have different risk-reward ratios for rulers and citizens. De Magalhães and Giovannoni (2012) allow for different types of war. Some wars, called misaligned, have an intrinsic bias: the ruler receives an ego-rent from winning, but this brings little economic return to both the ruler and to the commercial elite. Alternatively, aligned wars are also available: both the commercial elite and the ruler receive high economic returns if an aligned war is won, but there are no ego-rents involved. A key example of misaligned wars are costly dynastic wars that benefit the ruler and his kin, but not the commercial elite. Examples of aligned wars are commercial wars that expand the markets for the commercial elite's products.

De Magalhães and Giovannoni (2012) show that for an absolutist ruler to hand over power to an assembly, there must be a credible threat that the sitting ruler will be replaced if the war is lost. The commercial elite must prefer the alternative invading ruler to their sitting ruler. This condition is satisfied, for example, if the invading ruler is better at winning wars (maybe because of alliances with other foreign powers). The commercial elite may then prefer to withhold financial assistance to the sitting ruler on a defensive war against the stronger contender. If they do so, they increase the probability of a transition to either rule under the stronger contender, or to self rule as the sitting ruler may be willing to hand-over power in return for their assistance. Therefore, one of the predictions of the model is that transitions should occur in countries of intermediate military strength (if they were hegemonic there would be no credible threat to the ruler). De Magalhães and Giovannoni (2012) also show that transitions to rule by parliament are likely to be preceded by a period of unstable absolutist rule, which is characterized by a ruler who goes on dynastic wars and defensive wars without the assistance of the commercial elite.

We will also confront the evidence in ancient Greece and medieval Italy with Ticchi and Vindigni (2009), where the threat of war helps the elite make a credible commitment—in the form of democratization—to the citizen-soldiers, who demand redistribution in return for exerting effort during wars. As we will see, their model seems particularly relevant for the first steps of representative government in Greece, where the Army and later the Navy was manned by the citizens. For Venice and Genoa this also played a role, but the main constraint seems to have been the financing of the fleet.

In summary, we will go through historical examples of transitions to rule by assembly and check what role, if any, was played by wars. Did the transitions take place during a period of strong foreign threat? Is there evidence that the aristocracy and the merchants had diverging opinions on foreign policy; that the merchants withheld resources from their ruler; or that the merchants preferred a foreign ruler to the sitting ruler? By trying to answer these questions, we should be able to gauge the relevance of the model in De Magalhães and Giovannoni (2012) in understanding the political transitions in ancient Greece and medieval Italy.

## 2 Political Transitions in Ancient Greece

Before looking into the political reforms of Athens in detail, let's briefly discuss the evidence from general trends towards democratic government in ancient Greece. There seems to be a clear link between economic activity, in particular trade, and democracy. This evidence supports the predictions of models such as Bates and Lien (1985), Levy (1988), and De Magalhães and Giovannoni (2012).

Specific to ancient Greece, Fleck and Hanssen (2006) show how democracy can mitigate a time inconsistency problem. Workers and property owners must input unobservable effort to plant and maintain olive trees in the Athenian hills that only

bear fruit years later. The time inconsistency problem arises because the aristocracy cannot commit *ex ante* not to expropriate the fruits of the laborers' investment. The hand-over of power to the producers is a way to mitigate this problem. Democracy is therefore more likely to arise the greater the gains from solving this time inconsistency problem are.

The Athenian example contrasts with Sparta according to Fleck and Hanssen (2006). Sparta's vast plains were ideal for growing grain. Not only is the effort exerted by the workers in grain production more easily observable, but also the time inconsistency is of a smaller scale. There was little economic gain for the Spartan elite in handing over power to grain producers.

Fleck and Hanssen (2006) extend their analysis to other cities and find support for their model. Cities with dry soil unsuitable for grains, such as Argos, achieved moderate democracy, whereas cities with richer soils, such as Corinth and Thebes, were oligarchies.

In De Magalhães and Giovannoni (2012) one of the key variables is the relative importance of commercial wealth (versus land). Raaflaub and Wallace (2007, p. 43) discuss how there is evidence that some archaic cities—in the period before 480BC—had democratic constitutions. These are: Achaea (coast of mainland Greece), Croton (Sicily), Acragas (Sicily), Ambracia (coast of mainland Greece), Argos (next to coast on mainland Greece), Chios (coastal island facing Izmir), Cyrene (coast of Lybia), Heraclea Pontica (coast of Turkey), Megara (coast near Athens), Naxos (Greek island), and Syracuse (Sicily). It is interesting to note that all these are coastal cities and off-shots from Greece. They would have invariably been highly dependent on trade.

The other important consideration is that a form of government with some degree of representativeness appeared even in Sparta, away from the coast and surrounded by high quality soil for grain production. Neither the models of Fleck and Hanssen (2006) or De Magalhães and Giovannoni (2012) explain these institutional changes. These changes are better understood in the context of the model of Ticchi and Vindigni (2009), where power is granted to the citizen-soldiers in order to guarantee their effort during war.

The advances in warfare practice that led to Hoplite regiments manned by small landowners (those who could afford the weapons and the time off from their farms) created some sense of equality in Sparta and in the rest of Greece (see (Raaflaub and Wallace 2007, p. 37)). In Sparta this took the form of the set of laws called the Great Rhetra, laid down sometime in the 9th century. It established the two hereditary Kings of Sparta, a council of 28 Elders, and that a full Assembly should have final decision on state matters. It also divided the population into villages and tribes, which made military organization into phalanxes easier. Eventually, the two kings gave themselves veto power 'if the assembly spoke crookedly'.<sup>2</sup> Besides this veto power, the militarization of all aspects of life, potentially also voting, suggests that Sparta was not a fully fledged Democracy.<sup>3</sup>

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<sup>2</sup>See Raaflaub and Wallace (2007, p. 39) for more details and primary sources.

<sup>3</sup>See Raaflaub and Wallace (2007, p. 34).

Within the interpretation of De Magalhães and Giovannoni (2012) the lack of democratic institutions in Sparta could be due not only to the lack of trade, but also to Sparta becoming hegemonic—at least on land. There seems to have been few credible threats to the rule of the Spartan elite. Without such a threat there was no incentive for the elite to hand over power.

## ***2.1 Athens***

The transition to democracy in Athens has, by most accounts, consisted of three steps: Solon’s reforms in 594, Kleisthene’s reforms in 508, and Ephialte-Perikles’ reforms in 462–450.

### **2.1.1 Solon, 594BC**

The main innovation of Solon’s reform in 594 was to change how status had been defined in Athenian society (and therefore a place in public life). Status was no longer determined by belonging to a hereditary aristocracy, but was linked instead to wealth, which was measured by the amount of agricultural output, and on the capacity to either keep a horse, a span of oxen, or neither.<sup>4</sup> Solon’s reforms also included an Assembly of 400 (100 from each of the four Ionic tribes) with limited powers. Participation in the Assembly was probably restricted to the top land-owning classes, as were the offices of the nine Archons (the executive offices). Solon also codified civil and criminal law.

The reforms of Solon (unlike the later reforms) do not seem directly motivated by a foreign threat, but are described as the result of socio-economic strife within Athens. Osborne (2009, p. 211) describes Solon’s world as “a world of bitter conflict between the elite”. Moreover, Osborne (2009, p. 213) goes on to describe how the economy of Athens was changing rapidly during that time. Athenian fine pottery and amphorae (used to transport olive oil and wine) had been found all over the Mediterranean from around 700 onwards. According to Osborne (2009) this new trade related wealth generated competition within the elite, and possibly between the elite and the poor, as trade created an incentive to maximize agricultural production. The interpretation of Solon’s institutional reforms seem closely related to the political-economy model proposed by Fleck and Hanssen (2006).

### **2.1.2 Kleisthenes, 508BC**

Kleisthenes’s reforms in 508 extended the assembly to 500, reorganized the four old Ionic tribes in Attica (the region surrounding Athens) into ten new tribes and,

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<sup>4</sup>See Hansen (1991, p. 30). for further details and primary sources.

most importantly, extended political rights to those who could afford to be part of a hoplite regiment (each of the ten tribes had to supply one regiment). Political rights were also extended to all the demes (villages) of Attica and were no longer confined to Athens itself. Kleisthenes also introduced the law of ostracism, which allowed Athenians to vote for important political figures to leave the city for a certain period of time without losing title or property.<sup>5</sup> In 501, a board of ten Generals was introduced. These Generals commanded the Army jointly with the Polemarch (one of the nine Archons).<sup>6</sup> The Generals were elected by popular vote and the post could be held repeatedly—contrary to most other public offices. The Generals yielded great influence over Athenian policy. Both Themistocle and Cimon would hold the post of Polemarch within the nine Archons in the early 5th century and Perikles would be elected General repeatedly later in the 5th century.

The reforms of Kleisthenes were directly linked to foreign threats and both models in De Magalhães and Giovannoni (2012) and Ticchi and Vindigni (2009) help us understand this transition.

Athens was under the rule of the tyrant Peisistratos and his son Hippias from 561 until 510. Sparta attacked Athens in 511 and lost to Hippias (who made use of Thessalian mercenary support to defend Athens). Sparta attacked again and was able to capture Hippias' children; in exchange for the hostages Hippias went in exile in Sigeion.<sup>7</sup> Osborne (2009) suggests that Sparta's motives were part of a deliberate policy to increase its influence beyond the Peloponnese. The wealth and size of Athens would be an important addition to Sparta's network of allies against Argos (a rival city-state).<sup>8</sup> In the past, Sparta had generated allies by delivering cities from their unpopular tyrants.<sup>9</sup>

With the tyrant Hippias in exile Athenian factions fought for power. Isagoras, who favored an alliance with Sparta, was elected Archon. Kleisthenes, who was defeated, tried to gather popular support by proposing the political reforms described above. Sparta invaded Athens again to support Isagoras and forcing Kleisthenes into exile. The Athenian people rioted and were able to defeat Isagoras and the Spartan forces. Kleisthenes's reforms were subsequently implemented.<sup>10</sup>

Kleisthenes's reforms had important military consequences. The newly formed Assembly of the 500 gave a clear say in foreign policy to the hoplite classes all over Attica. This new power was immediately put into use with Kleisthenes himself ostracized for supporting an alliance with Persia.<sup>11</sup> The organization of Attica in

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<sup>5</sup>See Hansen (1991, p. 35) for further details and primary sources.

<sup>6</sup>See Hansen (1991, pp. 34–35) for more details and primary sources.

<sup>7</sup>See Osborne (2009, p. 277) for more details and primary sources. See also Hansen (1991, p. 36).

<sup>8</sup>See Osborne (2009, p. 275).

<sup>9</sup>Athenian stories about the fall of Hippias either omit Spartan intervention or mention that the intervention was due to the oracle of Delphi, see Osborne (2009, p. 277) for more details and primary sources.

<sup>10</sup>See Osborne (2009, p. 278) for more details and primary sources. See also Ober (2007).

<sup>11</sup>See Fornara and Samons (1991, p. 56) for more details and primary sources.

ten tribes and 139 demes strengthened and modernized the Athenian army, reducing their dependence on mercenaries.<sup>12</sup> The power of the people over foreign affairs would increase even further with the creation of an elected board of generals in the year 501.

Kleisthenes's reforms handed over power from the elite to the Athenian citizens needed to both finance and man the Hoplite regiments. It is noteworthy that the tyrants were not able to summon the Athenians themselves to fight against Sparta, but had to rely on mercenaries to defend their rule. The Spartan attack on Athens can be interpreted, in the context of De Magalhães and Giovannoni (2012), as a defensive war where the Athenians (the commercial elite in the model) chose not to help defend their ruler. Instead, their aim was to trigger a political transition, which eventually took place.

The Athenian army had parallels with the mass armies of the early 20th century, in that citizen-soldiers must exert unobservable effort in war. In Ticchi and Vindigni (2009), external threats make an equilibrium possible, where the elite hands over power (which guarantees redistribution) and the citizens exert effort during a war. This is another way to understand the extension of political rights in the late 6th century.

The threat to Athens remained high, not only were the Persians intent on conquering Greece, but the exiled tyrant Hippias seemed to be in alliance with the Persians.<sup>13</sup> The new Athenian army defeated the Persians at Marathon in 490. The threat persisted as Aigina (a prosperous island rivaling Athens in commerce)<sup>14</sup> sided with Persia. Themistocles as Archon persuaded the Assembly to pay for the harbor of Peiraieus to be fortified, and later to use the revenue from a recent silver strike to pay for 100 triremes to be added to the Athenian Navy. In 480, Athens led the victory in a naval battle against Persia at Salamis. In 478, the Delian league was created solidifying Athenian naval supremacy in the Aegean.<sup>15</sup> This turn to the sea is important to understand the further developments of the Athenian democratic reforms. It is also important to notice that the decision to invest the silver windfall on the Navy was approved by the Assembly. The alternative would have been to pay each Athenian a lump sum transfer. The investment on the Navy was a deliberate move to strength Athenian naval power and a deliberate choice of foreign policy.

The political consequences of this turn to the sea were clear as 100 trimeres implied organizing almost 20,000 men to row them.<sup>16</sup> Most of these men would have to come from the property-less class, the Thetes. Both models in De Magalhães and Giovannoni (2012) and (in particular) Ticchi and Vindigni (2009) would predict that political powers would be extended to the Thetes and that is what eventually happened under Ephialtes and Perikles.

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<sup>12</sup>See Osborne (2009, p. 279).

<sup>13</sup>See Hansen (1991) for more details and primary sources.

<sup>14</sup>See Osborne (2009, p. 308).

<sup>15</sup>See Hansen (1991, p. 36).

<sup>16</sup>See Osborne (2009, p. 310).

### 2.1.3 Ephialtes, 462BC

In 461/2 Ephialtes proposed a reform to transfer power from the Areopagos—the main judiciary body and a bastion of the land owning aristocracy—to other institutions more representative of the Demos (mostly the Assembly). Opposers of these reforms included the Aristocracy and Cimon, an Archon and General of the Athenian Navy. The reform was passed while Cimon was away with a large Hoplite contingent to help Sparta suppress a Helot revolt. The conditions under which the reform was approved shows that a dispute over foreign policy was a key issue: those that proposed the political reforms were also against the willingness of Cimon to assist the Spartans. The other key element is that due to a large regiment of Hoplites being away, the Assembly was tilted towards the poorest citizens.<sup>17</sup> The reforms resulted in bitter dispute with Cimon ostracized as he tried to reverse the reforms, and Ephialtes eventually assassinated. Raaflaub (2007, p. 122) explains these democratizing reforms and the support for a prominent Athenian naval role as a result of the empowerment of the Thetes, who were essential for the Navy, and who therefore benefited directly from Empire. Perikles's reforms followed soon after and allowed the Thetes to take a more active part in public life, as they started to be paid for it.

With Empire, Athens became the center of a large network of Mediterranean trade. Within Athens commerce was financed by maritime loans and a strong commercial elite emerged.<sup>18</sup> The financing of the Navy was considerably different from that of financing a Hoplite regiment. An important component in financing the Navy was a liturgy (a rotating tax) that required the wealthiest citizens to pay for, maintain, and command (or hire another to command) a trireme for one year (in some cases rich individuals would pool together for this purpose).<sup>19</sup> Of course, such systems were prone to free-riding problems, and tax avoidance was common. Christ (1990) describes in detail the extent of the tax avoidance problem and the attempted solutions.

For the wealthiest individuals in society to quasi-voluntarily finance Athenian foreign policy, we should expect that the Athenian political system gave the commercial elite some degree of control over foreign policy. Indeed, up to and including Perikles, the main political leaders in Athens were part of the Aristocracy. After Perikles they were often of lower birth, but still considerably wealthy. Hansen (1991, p. 39) gives the following examples: tannery-owner Kleon, lamp-manufacturer Hyperbolos, and lyre-maker Kleophon. This evidence suggests that we can interpret the political transition of Ephialtes within the model of De Magalhães and Giovannoni (2012). Ephialtes (himself an aristocrat) reduces the power of the Areopagos, the last bastion of the Aristocracy intent on alliance with Sparta. The transfer of power increases the relative weight of those who finance the Navy, and Athens goes

<sup>17</sup>See Raaflaub (2007, p. 113) for details and primary sources.

<sup>18</sup>See Raaflaub (2007, p. 118) and Millet (1983) for details and primary sources.

<sup>19</sup>See Hansen (1991, p. 110) for more details and primary sources.

on to pursue a policy of maritime hegemony and conflict with Sparta. Kyriaziz and Zouboulakis (2004) also argue that the rise of influence of the commercial class is linked to the financial needs of the Athenian Navy.

In summary, the political transition to democracy in Athens had a clear role in creating incentives for individuals to both participate and put effort into war as described in Ticchi and Vindigni (2009). However, as the Athenian Navy becomes the main military instrument and Athens' wealth starts to depend more and more on commerce, the model of De Magalhães and Giovannoni (2012) seems more appropriate to understand the consolidation of Athenian democracy and its stability until the Macedonian conquest. The commercial elite was indispensable in financing Athenian defences, and under constant foreign threats (Persia and Sparta) were able to gain and yield power to further their commercial interests.

### 3 Political Transitions in Medieval Venice and Genoa

#### 3.1 Venice

There are two important dates in the Venetian transition from elected monarchy (with some degree of heredity) to a Republican system with considerable checks and balances on the executive: 1032 and 1172. The events around 1032 illustrate how the dogeship came close to becoming a hereditary monarchy, but there were no clear institutional changes in 1032. The key political reform took place 1172, when the doge was constrained to abide by the decisions of his council.

Venice began its history under control of the Byzantine Empire. The first rulers in the area were Byzantine officials appointed by the Emperor in Constantinople (Lane (1973), Norwich (2003)). By the 8th century, Venice was electing their ruler in a general assembly (the *concio* or *Arengo*) most likely dominated by the powerful families.

With time, powerful doges were able to raise their sons to rule together with their fathers, setting them for succession. With the Orsoleo family, Venice came close to becoming a hereditary monarchy. Pietro Orsoleo II was a very successful ruler and was able to marry his eldest son to the niece of the Byzantine Emperors. With the premature death of his eldest son in 1005, Pietro raised his third son, Otto, to the dogeship and retired. Otto was made a doge at 16 and married the daughter of King Stephen of Hungary. In 1017, Otto placed two brothers in the two most important religious positions in Venice, as Patriarch of Grado, and as Bishop of Torcello. Due to further contentious religious and political appointments, Otto was ousted and sent to exile in Constantinople in 1024. King Stephen swiftly attacked and conquered Venetian cities along the Adriatic. The Byzantine Emperor withdrew trading privileges granted to Venice that formed the backbone of Venetian wealth.<sup>20</sup> With such external pressure, the interim doge

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<sup>20</sup>For a description of the self enforcing institutions that promoted trade in Venice in this period see Gonzáles de Lara (2011).

Centranico abdicated. Otto was called back, but died before his return to Venice. An obscure member of the Orseolo family tried to seize the dodgeship but was ousted.<sup>21</sup>

The first important reform in Venice came as a response to the Orseolo family's attempt to establish hereditary rule in Venice. The Venetians chose as their next dodge Domenico Flabanico in 1032, a wealthy silk-merchant with no link to the old powerful families of Venice. According Norwich (2003) there was no clear reform in Venetian law then. Existing law already called for elections and described the positions of councillors as a counterbalance to the dodge. There was a change in what was acceptable behavior for a ruler, specially regarding nepotism. By choosing a dodge with no dynastic pretensions the Venetians were sending a clear signal that they did not favor a hereditary monarchy. From 1032 onwards, Norwich (2003) notes that no fathers passed the dodgeship to their sons. The executive power of the dodgeship, however, remained intact, and the dodge continued to rule as an elected monarch.

Even with this aversion to a hereditary monarchy by 1172, Lane (1973) remarks that the dodgeship had been held by members of the Michiel family for sixty-two out of the last seventy-six years. The change in the law that would consolidate the constraints on the executive came in 1172 and would be linked to external threats and to the financing of the Venetian Navy.

Norwich (2003, Chap. 8) describes how, in 1171, relations between Byzantium and Venice were at the point of break-down. The Emperor blamed the Venetians for an attack on the Genoese at Galata (the Genoese settlement opposite Constantinople) and had all Venetian citizens and property confiscated in Constantinople and other ports of the Empire.

Dodge Vitale II Michiel led the war preparation under strenuous financial conditions. Norwich (2003, Chap. 8) mentions that all the revenues of the state for at least a decade had already been pledged for previous debts. Dodge Vitale ordered a forced loan: every citizen with means had to contribute, and all able men were expected to man the Navy. With the fleet already at sea, the Byzantine Emperor asked a Venetian embassy to go to Constantinople and work out a peace plan. Dodge Vitale accepted what turned out to be a ploy by the Emperor to gain time. During the wait, the Plague spread in the fleet; and Vitale was forced to return to Venice in humiliation. Not only did Vitale lose men and ships (that had to be burnt) to the Plague, but he also brought the Plague to the city. He was ousted and murdered in the streets.

Before immediately electing a new dodge, the Venetians decided to impose political reforms. They were now at war with both the eastern and western Roman Empires, in dire straits financially, and had a Navy in difficulties. The institutions that followed were designed to constrain the power of the dodge, whose unconstrained power was blamed for the position Venice found herself in. A Great Council of 480 was to be nominated by the neighborhoods of Venice to hold office

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<sup>21</sup>For more details see Norwich (2003, Chap. 5).

for one year and thereafter nominate the chief officials of the state, including the *dodge* (until then officially elected by the *Arengo*, and comprising all citizens of Venice). Instead of nominating the *dodge* directly, the Great Council nominated 11 electors to choose the *dodge* and present their choice to the people as a done deal (see Norwich (2003, Chap. 9) for details and Lane (1973, pp. 95–101)). The other reform was to increase the number of councillors from two to six. The councillors were also given power to restrain the *dodge*. The Senate gained power in foreign affairs. Norwich (2003) interprets the effect of these reforms to ‘weaken both the apex and the base of the administrative pyramid while strengthening its center’.

The choice of the next *dodge* clearly reflected a change in power towards the financiers of the Republic. *Dodge Sebastiano Ziani* was one of the wealthiest men in Venice. According to Norwich (2003, Chap. 9), Ziani suspended payment on the new government bonds (from the forced loans to finance the Navy). It seems there was little resentment, which demonstrates a willingness of the creditors (Venetians themselves) to finance the State under the new *dodge*. Venice also immediately sued for peace with Byzantium, who refused to accept the terms, so that the consolidation of the new regime was done under considerable foreign threat at a point when Venice was militarily weakened.

The political reform in Venice of 1172 can be best understood in light of the model in De Magalhães and Giovannoni (2012). These reforms seem to be designed to transfer power to the financiers of the state, the wealthy merchants, and away from the old quasi-nobility, and the populace. During a period of high external threat and dire financial straights, the power over foreign policy was entrenched in the hands of those who could afford to finance the defence of the state. Once in power, they would decide over foreign policy with their interests in mind, and not with the objective of setting up a hereditary monarchy, or of antagonizing the foreign powers essential for the wealth of the state.

### 3.2 *Genoa*

Genoa has no clear historically accepted date for a transition to rule by council or parliament. The best candidates are the rise of Guglielmo Boccanegra as Captain of the People in 1257 and Simone Boccanegra as the first *Dodge* of Genoa in 1339. In between Genoa was ruled by *podestas*, foreign rulers, and the aristocracy. None of these forms of government proved stable.

Throughout its history, Genoa is well known for internal strife that would regularly escalate into civil war between different noble families (clans). Since power never consolidated with any of the key clans, the families agreed by 1190 (under the influence of the Holy Roman Emperor) to be ruled by a *Podesta*, a foreigner who would rule Genoa with a mandate of one year.<sup>22</sup>

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<sup>22</sup>See Epstein (1996, p. 88) for more details and Greif (2006) for a game theoretic analysis of the *podestaria*.

Besides the conflict between different noble families, there was also a conflict between the noble families and the people, in particular what Epstein (1996, p. 206) called the *popolo grasso*, the rich merchants who were not part of the nobility. Epstein (1996, p. 137) describes the events of 1257: after a crash in the economy a popular revolt elected Guglielmo Boccanegra as Captain of the People and a new council of 32 Anziani. The new regime's policies were geared towards 'the people who put him in office, the middling traders and master artisans, not the poor or the traditional elite' (Epstein 1996, p. 138). Interestingly, one of the financial reforms of Boccanegra was aimed at preventing the default on state debt and led to the creation of a 'precautions markets for public securities' to finance the Genoese state (p. 147). Guglielmo Boccanegra was to stay in office for five years before he fell (probably due to a coup by some of the nobles).

In 1339, after a period under foreign rule by Robert Anjou, King of Naples, and a period of unstable rule by the old nobility, the people revolted and created a new position of Doge electing Simone Boccanegra (grandnephew of Guglielmo).<sup>23</sup> Again, this was the rule of the merchant classes and not of the nobles. Epstein (1996, p. 205) notes that we have details for 16 of the 22 ducal councillors: none is a noble; and there are 'two drapers, three butchers, a shield maker, and a master of the wool guild' of those that identified themselves by profession. The new governor strengthened Genoese defences and again had to consolidate public debt without repudiating any old debt. By 1340, a new fleet was out to Pera for commercial ventures. Epstein (1996, p. 207) notes that these policies reflected a 'turning away from civil war to the more congenial task of making money'. Simone Boccanegra was also to fall by 1344 under the imminent attack of an alliance made up of nobles who had been excluded from power.<sup>24</sup>

Another characteristic of Genoa was that it was repeatedly ruled by foreigners. Not because they were conquered, but by choice. The podesta is the key example, but Henry VII ruled in 1311, the King of Naples from 1331–1335, and later France and then Milan.

The events in Genoa highlight two important aspects of the model in De Magalhães and Giovannoni (2012). The first is the clear conflict between the nobility's dynastic concerns and attempts to impose aristocratic rule versus the merchant classes interests in a stable government with stable finances and following commercial objectives abroad. De Magalhães and Giovannoni (2012) model this conflict with the choice of a misaligned (dynastic) war versus an aligned (commercial) war. The second aspect is the will of the merchant classes to support foreign rule. A necessary condition for political transitions in De Magalhães and Giovannoni (2012) is a credible outside threat, someone ready to replace the current monarch (or aristocratic families in the case of Genoa). For the threat to be credible it must be that the commercial elite prefer a foreigner to their sitting ruler. This seems to have been the case repeatedly in Genoa.

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<sup>23</sup>See Epstein (1996, p. 204).

<sup>24</sup>See Epstein (1996, p. 208).

Why was there no stable transition to rule by assembly in Genoa? Within the logic of De Magalhães and Giovannoni (2012), there seems to have been no clear moment when the country faced a hostile foreign threat and financial difficulties (as Venice did in 1172). An alternative explanation is to recognize a shortcoming in the model in De Magalhães and Giovannoni (2012) where the aristocracy is modeled as a single ruler. It seems clear that a divided aristocracy with competing dynastic objectives played a key role in preventing a stable form of government from appearing in Genoa.

## 4 Final Remarks

A picture emerges of different driving forces for political transitions. One driving force is the creation of representative institutions as a response to economic conditions: either in order to help solve a time inconsistency problem in the economy—olive oil production in Athens, and international trade in Athens, Venice, and Genoa—or due to a relative growth in importance of the economic sectors with high tax elasticity. The papers of Bates and Lien (1985), Levy (1988), Fleck and Hanssen (2006), and De Magalhães and Giovannoni (2012) predict that representative governments are more likely to arise where trade flourished. The evidence seems to support this prediction. The cities in the ancient and medieval worlds that developed representative institutions with considerable constraints on the executive were the leading trading cities of those times. Moreover, they seem to have had little choice but to turn to the sea. As Fleck and Hanssen (2006) notes, ancient city-states like Athens had insufficient and inadequate soil for grain production; this was also true for Venice and Genoa.

Political transition may also come as a solution to a problem of how to motivate an army manned by the state's own citizens. This motive seems to have been key for the creation of the Great Rhetra in Sparta, and also for the political inclusion of the Hoplites and later of the landless class (the Thetes) in Athens. Similar forces must have played a role in how the populace was given a voice to choose their dodges, both in Venice and later in Genoa. The model that best helps us understand these driving forces is Ticchi and Vindigni (2009).

A transition may also come about as an established aristocratic elite chooses to hand over power either to the people or to the commercial elite, so that the state can raise enough funds to defend itself against a foreign threat. This seems a plausible interpretation of events in Athens, in which members of the aristocracy (Kleisthenes, Ephialtes, and Perikles) proposed the institutional reforms discussed above. In Venice, the powerful families proposed the institutional changes of 1172 and in both key moments (1032 and 1172) chose dodges who were wealthy merchants of lower birth. The model that best explains this aspect of political transition is De Magalhães and Giovannoni (2012).

We also found evidence to support two aspects of political transitions that are specific to the model of De Magalhães and Giovannoni (2012). The first is that a transition to rule by parliament should be preceded by an unstable period where the

ruler goes to war without the support of the citizens or the merchants. The Tyrant of Athens, Hippias, for example, had to rely on mercenaries to defend the city against Sparta. Later, Cimon's assistance to Sparta in containing a Helot revolt was a contentious foreign policy move opposed by Ephialtes and his supporters. In Venice, the Doge Vitale II Michiel followed policies that put Venice's key commercial interests in both the Byzantine and the Western empire in jeopardy. The doge had to eventually resort to forced loans in order to fund the Navy against Byzantium.

The second aspect is that the model in De Magalhães and Giovannoni (2012) predicts that we should observe political transitions only in states of intermediate military strength. This is because there must be a credible external threat. Athens faced clear threats from both Persia and Sparta (to whom it would eventually lose the Peloponnesian war), and Venice was under direct threat from both Byzantium and from the western Roman Empire when the power of the doge was constrained in 1172.

Finally, Genoa provided an example that showed the limitations of the model in De Magalhães and Giovannoni (2012). An important aspect of the Genoese political system was internal strife between different clans with dynastic interests. Genoese leaders never consolidated power in the way that the tyrants of Athens or the doges of Venice were able to. This could suggest that the centralization of power (as described in Tilly (1990), Hoffman and Rosenthal (2000), Besley and Persson (2009), Gennaioli and Voth (2011), and Arias (2012)) may be an important and counter-intuitive step towards constraining the executive through rule by parliament. Centralized power may have to be established before it can be handed-over.

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