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The institutional and economic foundations of regional proto-federations*

Economou Emmanouil Marios L., Kyriazis Nicholas and Metaxas Theodore.

Abstract: In the present paper we analyse for the first time as far as we know, the ancient Greek regional proto-federations, of free-democratic city-states. We examine their political institutions and policies, like common defense and external policy, military organization, representative federal bodies like popular assemblies, parliament, generals as military and political commanders, federal finance ministers etc., as well as their economic institutions and policies: Common currency, federal budget and federal revenues. We address in more detail as a case study the Aetolian Federation (Greek: Sympolitiae). Lastly, we compare this particular proto-federation with some of today's federal states and the European Union (EU) and conclude that in some respects the proto-federation was more advanced than the EU, and thus can serve as a benchmark in addressing current European issues.

1. Introduction

In previous papers Kyriazis and Paparrigopoulos (2011) and (2012), Kyriazis and Economou (2012 b, c and forthcoming) and Kyriazis (2012) we have introduced the concept of *macroculture* as a framework of values, norms, customs long term, laws and institutions that encompass political and economic systems.

We have analysed four elements of an emerging specific Greek macroculture, war (the new free heavy infantryman, the *hoplite*, who financed by his own means his equipment and the resulting *phalanx* battle formation as well as the *trireme* warships), religion, sports and the city-state environment that made the emergence of direct democracy by the end of the sixth

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century BC a possibility. Democratic city-states emerged in fact, 18 already being attested by the beginning of the 5th century, Athens (after 510-507 BC) being the most prominent among them. Democracy was even more widespread during the 4th century, its “golden age”.

What is less well-known but very important due to early modern and contemporary development, is that within the same macroculture, democracy was not static but evolutionary, both within city-states like Athens, and federations like the Aetolian one. The 4th century Athenian democracy was institutionally different from 5th century (Hansen, 1999; Kyriazis, 2009; Halkos and Kyriazis, 2010). The concept of federations of free and democratic city-states that are combined and collaborate voluntarily to evolve into a specific political unit with an appropriate institutional structure was completely new in its width and depth.¹

In the present paper we trace the development of regional federations in classical Greece. Then, we examine in more detail the political, institutional and economic structure of the Aetolian federation as a particular case study. Then, we compare it to the United States and the European Union (EU) and make some suggestions as to what lessons for today’s development of the EU can be drawn from the working of the Greek proto-federations.

2. The emergence of proto-federations

In this section we examine the emergence of regional proto-federations, defined as political entities made of independent city-states and having common political and economic institutions. Thus, proto-federations are more than alliances, leagues or religious amphictyonies, all of which existed in parallel in classical Greece. Gagarin (2010) refers to the Aetolian federation as a regional state called *Koinon*, which he considers as a kind of confederacy.

Regional proto-federations emerged in order to face external threats. Their first purpose was thus common defense and, in today’s terms, a common external policy. Medieval and early modern federations followed the same pattern: The Swiss federation (of the three original cantons, Schwyz, Uri and Unterwalden) was created in 1291 in order to revolt against Austria. The seven Dutch United Provinces were established during the Dutch war of

¹ Some kind of association might have existed in early Summerian, Phoenician and Philistine city-states, but the evidence is at best fragmentary. Certainly, these associations did not develop into fully fledged federations (Kriwaczek, 2010).

independence (1568-1648) against Spain (Parker, 1998; Kyriazis, 2006).

The American federation created in 1775-1776, from the constituting states in their war of independence against Great Britain. Only during the 19th and 20th centuries do we encounter an inverted order of procedure, eg. economic factors and considerations taking in some cases chronological precedence from defense considerations: Cases such as the German *Zollunion*, a custom union which preceded the creation of the modern German state in 1871 and the creation of the European Common Market (before any European External Common Policy and Policy of Defense, which is still in a rudimentary state) illustrate this trend.

We have historical evidence of federations already by the mid-sixth century (before the emergence of democracy) as for example, the Boeotian one, from 550 to 146 BC (Bonner, 1910; Buckler, 1980) or the Thessalian, one from 550 down to 323 BC etc. (Wade-Gery, 1924; Larsen, 1960). On the whole, for the period 6th century to 146 BC (the date of the final conquest of Greece by the Romans, the existence of at least 18 federations in the Greek world (not just mainland Greece) is testified (See Caspari, 1917).

A series of scholars have offered analyses for a variety of cases.² By their findings it seems that the Aetolian and Achaean Federation were the most extensive and institutionally organized ones, thus giving us a stimulus for a further investigation. Although both stated and had as their core a particular Greek region (Aetolia in central western Greece and Achaea in north-western Peloponnese,) and a particular “ethnic” Greek origin (the Aetolians and the Achaeans) both extended beyond their regional and “ethnic” borders to include city-states outside of them, these city-states choosing freely to participate in the federations.

The Aetolian federation, included for example after the second half of the 4th century city-states in Lokris, the Malian, Dolopian “nations”, and city-states in Phocis, Acarnania, Thessaly, some Cycladic island city-states and Kydonia in Crete (Thompson, 1939; Larsen, 1975; Rzepka, 1999). The Achaean federation extended during the 3rd century to include more than 40 city-states, among them the non-Achaean ones, like Sikyon, Corinth, Megalopolis (“capital” of the Arcadian Federation which seems to have been absorbed by the Achaean), Argos, Epidaurus and Hermione (Caspari, 1914; Griffith, 1935; Rahtjen, 1965; Larsen, 1972).

² See among others Cackwell (1980) for the Boeotian League, Mitchell (2000) for Cyrenaika, Sakellariou (1972) for the Chalkedean League, Larsen (1952) and (1975), Rzepka (1999) and Scholten (2000) for the Aetolian League, Salmon (1978) and Roy (2000) for the Arcadian League, Larsen (1972) and (1975) for the Achaean League etc.

In this paper, we will focus our analysis to the Aetolian federation. We prefer the term federation instead that of “League” which till now prevails in the international literature because we think that the last term does not precisely describes its institutional and political organization which, as it will be explained in the next two sections, seems to resemble more than a type of ancient “proto-federation”, as even the Greek word *Sympoliteia* denotes. We now turn to an analysis of the Aetolian federation’s political and economic structure.

3. The Aetolian federation

3.1. Political Organisation

The Aetolian federation as political organization was established during the second half of the 4th century (possibly as early as 370 BC), mainly as a defensive measure against first the rise of Thebes, and more so, Macedon of Philip II (reigned 359-336 BC, Larsen, 1952; Grainger, 1999). The political bodies of the federation were, first the popular federal *Assembly*, similar to the popular Assemblies of city-states like Athens, but with the difference that it consisted of all free citizens of all constituting city-states. Thus, at the federation level, we have equal political rights of all citizens to vote and to be elected, independent of their city-state of origin, in a case of direct democracy (the principle of *isopoliteia*).

The assembly met twice per year, once every fall at the capital of the federation, Thermos (in western Aetolia, where a sanctuary of the god Apollo existed) and once every spring, in rotation in one of the other city-states (Larsen, 1952). The second political body was the federations’ *Council*, to which participated members elected by their city-states, according to population criteria. The members of the Council elected the “government” members for the next year. Although ancient authors mainly Polybius (*Histories* 5. 15. 8; 18. 48. 5) and Livy (*History of Rome* 35. 34. 2-4; 36. 28. 8) provide information of the political structure of the federation, responsibilities and rights of the two bodies are somewhat confused leading to different interpretations by modern scholars (Holleaux, 1905; Mitsos, 1947, Larsen, 1952; Scholten, 2000).

What seems undisputed, are two facts: First, the federation combined elements of direct (the Assembly) and indirect (the Council) democracy, as one of the first historical examples to do so. Second, the members of the Council were elected according to population criteria of their respective city-states, anticipating thus the USA (members of Congress

according to the population criteria of the federal states) and the European Parliament (where the members of Parliament of each member-state are elected according to population criteria, but not strictly proportional).

The Council's responsibilities were the election, as stated above, of the federation's government officials and the decision on issues such as defence, war, taxation, the federation's budget and monetary (currency) policy. If this interpretation of the ancient sources is correct then, the Council was both a legislative and executive body. The Council's responsibilities extended far beyond say the Athenian Council which mainly set the agenda for the Assembly's meetings (Hansen, 1999). Here, the question as to the responsibilities of the Assembly must be raised: What powers did the Assembly have? Was it a supreme decision-making organ? Did it have the right to override the Council? Did it just approve the Council's decision, giving it thus a wide democratic legitimization? Or did it set the general political guidelines, which were binding to the Council, which then had to execute them? Were Council members liable to the Assembly's control and even, punish them in cases of mismanagement etc.?

Unfortunately we cannot give definite answers to the questions above, but we do think that the Assembly did at least possess some of the responsibilities and powers illustrated by our questions above. For example, Larsen (1952, p. 9) verifies the view that the federal Council was a "pro-bouleutic" body, meaning that it was responsible for setting the issues of discussion for the federal popular Assembly gatherings, which were taking place two times a year.

Thus, it seems that the Aetolian Council, in accordance to the Athenian one, was automatically "converted" to that of a pro-bouleutic body responsible for setting the agenda of discussion when issues of major importance like war and peace had to be settled by the Aetolian Assembly. If we go a step further, this simply means that the political philosophy and practice in both the Aetolian and the Achaean federations was that direct democracy was superior to the indirect or representative one.

The actually daily running of the federation was entrusted to four main officials, the General (Greek: *Strategos*), the *hipparch* (cavalry commander), the "public secretary" and the *tamias* (Exchequer, or finance minister). The General was both the supreme military commander of the common federal forces, and president of the federal popular Assembly (Mitsos, 1947; Scholten, 2000). He received foreign embassies and introduced them to the Council members, being thus also a quasi-foreign affairs minister, in analogy of the EU's

foreign affairs commissioner, the so-called, *High representative of the Union for foreign affairs and Security Policy*.

Also, the General could lead a mission on diplomatic relations with a foreign power, as attested with general Dikaiarhos' mission to Macedon's king Antiochos III in order to discuss an alliance against Rome (Woodhouse, 1892; Grainger, 1999, pp. 416-419). The hipparch, as the word denotes, was the commander of the army's federal cavalry, but also probably the third in command to the general on all his other duties.³ The public secretary functioned probably as the head and coordinator of the federation's political institutions, and possibly, as chairman of the council.

The *tamias* duties might be comparable to those of a modern finance minister for the federal budget. The federation was organized on regional basis with seven districts or provinces, an antecedent to the seven Dutch United Provinces. Each province was governed by a *voularhos*, but provided also a *tamias* to the federation. Each *tamias* in the 7 regional clusters was in charge of the economic management in his province. (Rzepka, 1999; Scholten, 2000). Thus there existed two bodies representing the seven provinces: The committee of the *seven voularchoi*, who participated in the federal Council, and a committee of the *seven tamiai* who were for the economic management in each of the seven regions.

De Laix (1973, pp. 65-75) argues that the 7 *tamiai*, including also a chief *tamias* as one of them, elected annually, they were also the keepers of the federal treasury and served as monetary officials of striking the federal coinage. This means to us that the seven *tamiai*, were also the monetary policy-makers of the federation. Thus, we think that among the 7 *tamiai* there was a *chief tamias* in charge, with duties that more or less might resemble to those of a modern finance minister.

Finally, the seven *tamiai* were in charge of the funds necessary to pay the standing permanent army of the federation called the *epilektoi* (which as the word denotes they comprised by elite troops). Each province had to offer 1000 *epilektoi*. Thus an army of $7 \cdot 1000 = 7000$ elite warriors consisted a permanent military force. This again is a military innovation adopted at the same time and in response to similar developments in other states like Macedon. We have the introduction of specialist professional standing armies (mercenaries) as against the previous usage of non-permanent citizen armies (akin to militia),

³ As both Aetolian and Achaean federation were similar in structure, the Aetolian federation might also had an *Ipostrategos* (Major General), like the Achaean one as a second in political hierarchy, as ancient (Polybius, 4. 59.) and modern sources (Larsen, 1971, p. 84) assert.

as those of the Peloponnesian War.⁴

Further, each of the seven provinces had as head of its military contingent an *epilektarhos*. Here again there is a parallel with the organization of the United Provinces Navy, with its five separate admiralties (Kyriazis, 2006). The regional organizational basis of the federation thus becomes clear: city-states form regions presumably of relating equal population and economic strength which again form the federation. The analogy with the United Provinces is amazing: 52 almost independent Dutch cities form seven provinces as parts of a federation (Union) with a common *Estates General* and sometimes but not always, a *stadtholder* as its head, like the Strategos of the Aetolian federation. The federation could field 7000 men of the standing army, 1000 cavalry and in total 20.000 men, as attested for the year 310 BC (Diodorus Siculus *Historical Library* 20. 20. 3).

Another institution at the federal level was the Court of Justice, responsible mainly for solving differences among the city-states (Polybius 2.37. 10.11). Thus. The political organization of the federation on almost modern lines is clear.

3.2. *Economic Organisation*

If the extant information on the political structure gives rise to different interpretations, as noted above, extant information on the economic organization is more scarce still. What can be ascertained for sure is the existence of federal coins implying some kind of monetary union, and the existence of a federal budget to cover the military and administrative costs of the federation.

Unhappily, we do not have information concerning the rise of the federal budget, as well as the site of the various “lines” of it, or the sources of revenue, as we possess for the Athenian state’s budget (Kyriazis, 2009). Nevertheless, we will pose some question and attempt some conjunctions. The federation was a type of monetary union, where federal coins (with the words “of the Aetolians”) circulated in parallel to the coins of the city-states (Caspari, 1917; Thompson, 1939; Noe, 1962; Crawford, 1985). Unfortunately we have no information as to the relative size of monetary circulation as against city-state ones. We assume, that city-states had their own mints, and that one or more federal mints existed in probably, the federation’s capital at Thermos.

⁴ There was also a second federal military formation that comprised of a mixture of conscript troops, 20-30 years of age, as well as semi-professional troops, all called *eparittoi* (Rzepka, 1999).

This poses the following questions: i) Where did the silver for the coins come from? No definite answer can be given since Aetolia itself (in contrast for example to Athens and Macedon) did not possess known silver mines. So, it had to be imported but then, how was it paid for? Through the export possibly of foodstuff, and possibly services, mainly again, “protection” for city-states needing it against aggressors. ii) How were the exchange rates between the city-states and federal coins being set and by whom? The answer to the first part of the second question is relatively easy to answer since coins had specific silver content. Thus, exchange rates depended on silver content, the only issue being that the content should be known, and that the coins should be pure, eg. not counterfeited.

Within the federation’s city-states, such official information must have been easily circulated, and city-states would provide also guarantees against counterfeit coins. As to actual exchange, since in the federation a parallel circulation of money is testified,⁵ we presume that banks undertook it, being especially active in the capital of the federation, Thermos, its main market cities and its ports (the federation had access to the Corinthian gulf and one of its ports was Naupaktos).

We do not have specific information on banking in the federation. On the other hand, banking activities were widespread in the Greek world from the mid-fifth century and on (Cohen, 1997). So, it is safe to assume that by the end of the fourth century banks would be active also in the federation. Perhaps they even facilitated the trade of the necessary silver imports of the mints. Going one step further in the analogy with Athens, which through Nicophon’s Decree parallel circulation of coins (Engen, 2005; Ober, 2008), the federation could have established officially “testers” of coins in the market places of main city-states who tested coins to ensure their purity, as a guarantee to force exchanges and low transaction costs for trade.

We may ascertain the existence of a federal budget, but very little is known as to its size, expenditure and revenue items. So, here again, we will venture some hypotheses. First, the two main items of expenditure were military and civil administration, the first one by far the greater. Possibly, some expenditure for common religious festivals and public buildings might also be financed by the federal budget. Concerning military expenses we will advance

⁵ Based on a series of hoards found (Caspari, 1917; Thompson, 1939; de Laix, 1973), it is safe to assume that local coinage predominated in the late 3rd and early 2nd centuries BC. It is also verified that at least between 220/19 to 146/5 the Aetolian federation struck a series of federal tetradrachms, didrachms, drachma and semi-drachma coins of Attic type. See Crawford (1985).

an estimate: based on data collected by Loomis (1998) concerning daily rates of pay for infantry (one, to one and a half drachma⁶ per day) and cavalry (three to five drachma per day).

During the 4th and later centuries we assume a “global” Greek market concerning rates of pay for mercenaries, and similar pay for professional “national” soldiers to their mercenary counterparts. We further assume that the 7000 men of the seven regions, the federation’s professional infantry, plus the 1000 cavalymen under the hipparhos would be paid by the federal budget. Thus we have two possible cases: The one, assuming that the daily wage of the epilektoi was one drachma and to cavalry members as high as of 3 drachmas. The second, according to which the daily wage of the epilektoi was 1,5 drachmas and of the cavalry members, 5 drachmas. Table one summarizes the final economic outcomes of the two cases:

Table 1 offers two possible outcomes: If case one is correct then, the total annual cost of both epilektoi and cavalry must have been at about 608 talents. If case two is correct, then the cost increases to approximately 943 talents. Both economic outcomes seem enormous sums for the period. Probably, case two is the correct one as it seems that wages have been increased from the 5th to the 4th century BC (as Loomis estimated), and the historical data we have about the military organization of the Aetolian Federation are mostly referred to 4th and 3rd centuries.

However, this sum does not include the total operational cost of the Aetolian Federal armed forces. The total federal annual defence budget probably must have been higher, considering the eparittoi cost as well and also the cost of the equipment, the operational cost, the logistic support, the expeditions and campaigns cost during war periods and the cost of the horses that had to be fed all year round! A related question concerns the navy. The federation did have ports and did operate militarily outside its strict regional limits, in an extension of power reminding of today’s operations far of places like NATO’s ISAF force in Afghanistan or the multi-ethnic security mission in Mali, So, it is safe to assume that it had a navy, although it never was a major naval power.

So did it operate the navy as a federal one (assuming its cost by the federal budget) or did the naval city-states provide ships and pay them? Unfortunately we have not any indication permitting us an answer to this.

⁶ In this point it is necessary to provide in short the subdivisions of ancient Greek drachma: Thus, 1 talent was equal to 60 minae and one mina (or mna) was equal to 100 drachmas. Furthermore, 1 drachma was equal to 6 oboloi. Thus, one talent was equal to 6000 drachmas. See Kyriazis (2009).

Table 1: The two scenarios of the annual defence expenditures of the Aetolian Federation

	Epilektoi (elite troops)	cavalry	Total professional army cost
CASE ONE	drachmas per day	$7 \cdot 1000 = 7000$	$1000 \cdot 3 = 3000$
	drachmas per year	$7000 \cdot 365 = 2555000$	$3000 \cdot 365 = 1095000$
	talents	$2555000/6000 = 425.83$	$109500/6000 = 182.5$
CASE TWO	drachmas per day	$7 \cdot 1500 = 10500$	$1000 \cdot 5 = 5000$
	drachmas per year	$10500 \cdot 365 = 3832500$	$5000 \cdot 365 = 1825000$
	talents	$382500/6000 = 638.75$	$1825000/600 = 304.1$

However, we acknowledge that we cannot be driven to definite assumptions only based on hypotheses. Thus, it is rather dangerous to conclude to a final estimation concerning the total cost of the federal armed forces budget when critical historical and statistical data are missing. However, what we think we do can, is to show concerning the data presented on table 1, the economic strength of the federation. Even if we don't take into account the above parameters who shaped the annual Aetolian defence budget and we just consider only the final outcome of case two which is 943 talents, then we might have a view concerning the ceiling of the annual General federal budget of the Aetolian Federation.

Under this perspective, we can further elaborate our primary hypothesis by assuming that the annual defence outlays of the Aetolian Federation might have been analogous to say, 70% of the annual federal budget concerning that we are referring to an ancient economy, where security issues were of priority, concerning also the *power politics* environment and the strong geopolitical antagonism between the Aetolian and the Achaean Federations, Macedon, Sparta, and later on in the 2nd century BC, Rome and the other Hellenistic Kingdoms of the

East, under which the Aetolian federation was obliged to act on.⁷

If this was the case, meaning that 943 talents were analogous say, of the 70% of the federal general annual budget, then, the total federal budget must have been at least $943 + 943 \cdot 30\% = 1347$ talents. This sum, is greater than the Athenian democracy's impressive economic outcomes of 325/4 BC, where the total Athenian general budget was as high as of 1200 talents! (Plutarch *Moralia* 825f; Bosworth, 1994; Ober, 2008; Kyriazis and Economou, 2012). Concerning that the Athenian democracy possessed one the strongest economies of its time, having a higher state budget might seem that the Aetolian federation had also achieved high macroeconomic standards for that period.

Of course, we don't know how and in what degree welfare was spread throughout the Aetolian society in a sense of achieving a Pareto better situation. However, we can again assume that it must have been a satisfactory level of distribution of wealth among the federation as no ancient or modern source refers to any incident of using violence in order to force or coerce any free city-state to participate in the federation without its will, as it happened for example, with the case of the Chalkidean League. It seems that their participation in the newly established federation was voluntary. Thus, we can assume that except the vital issue of common defence, there must have been also a degree of economic motives behind the participation of a free city-state to a greater political entity as of a federation type.

The idea of a voluntary participation in a federal political entity as a means of promoting prosperity in each national member, is analyzed by Musgrave (1961, 1988) as *economic federalism*, and it seems that this theory can explain the motives of the creation of the EU (the former EEC) in 1957 and its gradual expansion as for example, that of 2004, where 10 new members from the eastern Europe voluntarily decided to become members of the EU, thus acting similarly to what the Greek Aetolian region city-states decided to do 2400 years ago, by forming a federation!

Except defence expenditures, we cannot make even an approximation to the rest of the cost of the civil federal administration, because we lack information concerning the exact numbers of the federal officials (members of the Council etc.) as well as to their rates of pay. The federation established a federal capital at Thermos and build there its main administration

⁷ For the major historical implications and the intense geopolitical environment under which the Aetolian federation was obliged to act on see among others, Fine (1940), Larsen (1965) and Granger (1999).

building, temples, etc. and what archaeologists believe to have been the “Vouli” (the building for the meetings of the Council), as well as other buildings, like the one of the Court of Justice (if there was a separate building, which has not yet been identified).

These buildings and their upkeep after they had been built must have financed through the federal budget.⁸ Unhappily, we are also in the dark concerning the sources for the federal revenue, but we will advance a few hypothesis, again in analogy to the Athenian fourth century budget on which we possess sufficient information to attempt a reconstruction (see Kyriazis, 2009). The main revenue sources thus might have been own federal means, for example: i) a custom duty for imports and exports, in analogy to the 2% rate levied on trade entering and leaving Piraeus harbour. If this is true, then we would have an analogy with the EU, where customs duties are one of the Union’s budget own means. ii) Contributions by the city-state, presumably according to their regional organization and their financial strength iii) Renting of federal banks, if they existed iv) Military booty (plunder) during successful war campaigns, as for example the sale of captives of slaves, a common practice of the time, especially for non-Greek captives (like the Gaul invaders of the third century) or ransom for Greek captives.

Our hypothesis of plunder is corroborated by de Laix (1973, p. 60), who argues based on Polybius (4.5.1) that Aetolian were accustomed to plunder. He offers an example by mentioning that during 221-219 BC the Generals Scopas and Dorimachos made a campaign of such a type in Messenia, another Greek region near Sparta. v) We don’t know if the institution of liturgy existed in the federation, as it did in classical Athens, under which a rich Athenian undertook the cost of a particular service to the city-state, as for example *trierarchy* (Gabrielsen, 1994), paying the running cost for a trireme warship for a year, as well as commanding it. vi) *Seignorage*⁹ from the minting of the federal coins, which would be at best a minor revenue item.

It becomes clear from the above that we know very little about the economic base of the federation. At least we have posed, for the first time as far as we know, some pertinent questions, and attempted to provide at least some tentative answers such as an estimation of the federal defence budget, which was part of the whole annual state budget. We also believe,

⁸ The authors would like to thank the archaeologist Mr. George Stamatis, who hosted for us a visit at Thermos, on 1st of July 2012. For the capital Thermos, see also Russel and Cohn (2012) and the references given there.

⁹ Seignorage is the difference between the value of the precious metal of a coin (silver, gold) and its actual selling price, after subtracting minting cost

that the twice yearly Assemblies would discuss and approve the federal budget, by a vote, as was the case in classical Athens. Further, the smooth functioning of the federation for about two centuries is an indication of a sound economic base.

4. A comparison with the EU and the USA: Lessons for today's further EU integration

In the following table 2, we present an institutional comparison between the two major ancient federations the EU and the USA. What is striking is that the ancient federations anticipated in most cases the modern ones, and in some cases went even further. Thus, as we have already presented, they had introduced common administration, common and parallel currencies, common defense and external policy in practice (thus, going further than today's EU with its Common Foreign and Security Policy and the "tools" of achieving this, the *Eurocorps* and the *EU Battlegroups*), federal court of justice, and *isopoliteia* (eg. a citizen of a city-state having citizen rights in the other city-states, a situation not yet existing in the EU.)

Table 2 presents a general overview of a series of institutional settlements which we consider as of major importance in order a political entity to be characterized as of a federation type. We compare the two major Greek proto-federations to the US and the EU. Table 2 shows, based on the academic literature we provide, that the two Greek proto-federations had managed to established an institutional framework of values and principles (such as political structures of democratic philosophy, a regime of equal political rights, common foreign policy, common currency and common federal justice). All cases present democratic political structures, provide safeguarding of political rights and justice.

Except the US, which has one federal currency, the dollar, the other three cases possess a "mixed" system of usage of both local and federal coins. The EU has established the *euro*, which is under the aegis of the European Union Central Bank (ECB) and it is yet in usage only by the *Eurozone* member-states. However, neither the EU can be considered a "federation" yet, nor the euro its federal coin, as the dollar is. Finally, Greek federations may be regarded as superior to the EU as far as foreign policy and defence issues are concerned.

The lessons to be drawn and adapted to today's EU, might be the following: As it has been shown in 3.1.) the federation introduced a balanced mix of direct and representative democracy, which is totally lacking at the EU level. Could it be possible to introduce direct

Table 2: A comparative analysis of the institutional framework of the Aetolian and Achaean Confederacies in relation to the US and the EU.

State	Member states	Capital	Main institutional organs intended for taking political decision and executive power	Regime of equal political rights ("isopoliteia")	Common Foreign and Defence Policy	Local and federal coins	Federal justice
Aetolian Confederation	?	Thermos	Local Assemblies (Ecclesiae) + Federal Assembly (Thermika and Panaetolika) Federal Council and Apoklitoi Strategos (General) [Hipparch, Public Secretary, 7 Tamiai] 7 Boularchs and 7 Epilektarchs	▼	▼	LC+FC	▼
Achaean Confederation	> 40	Aigion	Local Assemblies (Ecclesiae)+ Federal Assembly (Synkletos) Federal Council (Sinodos) Strategos (General) and a supreme council of the 10 dimiourgoi/(synarchontes) [Ipostrategos, Nauarchos (Admiral) hipparch, Public Secretary]	▼	▼	LC+FC	▼
USA	50	Washington	Local election in the US states House of Representatives + Senate Government of the US /Federal Council President of the US+ Council of Ministers	▼	▼	FC (FED)	▼ (Supreme Court)
EU	27*	Brussels*	Parliamentary Assembly of the Council of Europe. European Council + Council of the EU European Commission*	▼	*	(LC+FC) (ECB)	▼ Court of Justice of the EU
Explanations:							
(LC + FC) : LC = local coin ; FC = federal coin							
▼ : institution in force							
* : institution in development							

Source: Interactive analysis based on the findings of Caspari (1917), Mitsos (1947), Larsen (1952), Granger (1999), Scholten (2000) for the Achaean federation and for the Achaean federation and Aymard (1938), Briscoe (1974), Thompson (1939), Larsen (1971, 1972 and 1975), Wallbank (2010).

democracy elements at the EU level, to face the “democratic deficit” noted by many such as (Habermas, 2012) thus giving greater democratic justification to the EU? A way of doing this, would be to provide bottom up referendums at European level on European level issues, which would be legally binding as the Aetolian federation’s Assembly decisions were, and not having only a consultative character such as today’s practice in most of the EU member States in a local level (Nohlen and Stöver, 2010).

As we have shown in 3.1.) referendums were an institutionalized binding process of a direct expression of all federal citizens through the activation of the federal popular assembly both in the Aetolian federation twice a year (see also Polybius 5.15.8) and the Achaean federation (at least once a year). Such an institutional settlement as a way of implementing democracy in its purest way, is not secured even in today’s modern federations such as the US, Russia and even Switzerland, the most “advanced” federation as far as direct democracy issues are concerned. Direct democracy procedures seem to become more and more preferable as a means of solving complex issues but still there is not a “mandatory” gathering of citizens to vote under a direct democratic background at least for once a year, as it was the case say, for the Aetolian federation.

Another diastasis of these referendums is their “aggregate” nature, which means that, the final outcome of accepting or rejecting a decision in a federal level determined by a “cumulative process”. This means that the final outcome in favour or against a decision determined by the number of votes of city-states as a whole. To be more specific we offer an example: This has to do with the failed attempt to establish the Constitutional Treaty for the EU in 2007. We propose that under the same terms, if the “Aetolian and Achaean cumulative voting model” was implemented by the EU, the Constitutional treaty would have been accepted, because only France and the Netherlands rejected it out of 27 EU member states. The Greek decision model could mean that the Constitutional treaty should have been passed because 25 members were in favour and only two against!

Another major issue is that of *isopoliteia*. Could we envisage a future in which European member states citizens would automatically have full citizen rights in all member-states? This would mean a European civil identity instead of national ones, e.g. a Greek city would also have German citizenship if he moved to Germany and could vote for German parliamentary elections, and say a Portuguese moving to live in France, having the right to participate in all electoral procedures and thus could even be elected as France’s President! The above look today as a far off fantasy but this is exactly what the Aetolian federation

implemented.

Lastly, the EU lags far behind concerning what is known as the *Common Foreign and Security Policy* (CFSP). A practical economic suggestion here, would be to introduce at the European budget level a line for common military Research and Development policy (R&D) and a common military equipment procurement policy in order to increase the strength of the European defense industry, and thus achieving foreign exports and economies of scale as (Hartley, 2003, 2007) and Metaxas and Economou, 2012) argue, so that the European military products to become comparable to say those of their major competitors, mainly the American or the Russian ones in terms of competitive prices per unit and quality.

5. Concluding remarks

In this paper we made an attempt to analyse the main institutional settlements of the Aetolian federation, one of the most organized ancient Greek proto-federations, by focusing on its political and economic organization, in an attempt to locate the existence of institutions that might be useful as political practices for one of today's major issues for the future of Europe: The further EU integration. By the overall analysis we conclude that the Aetolian federation does really offer a series of ideas that might be useful to the European policymakers.

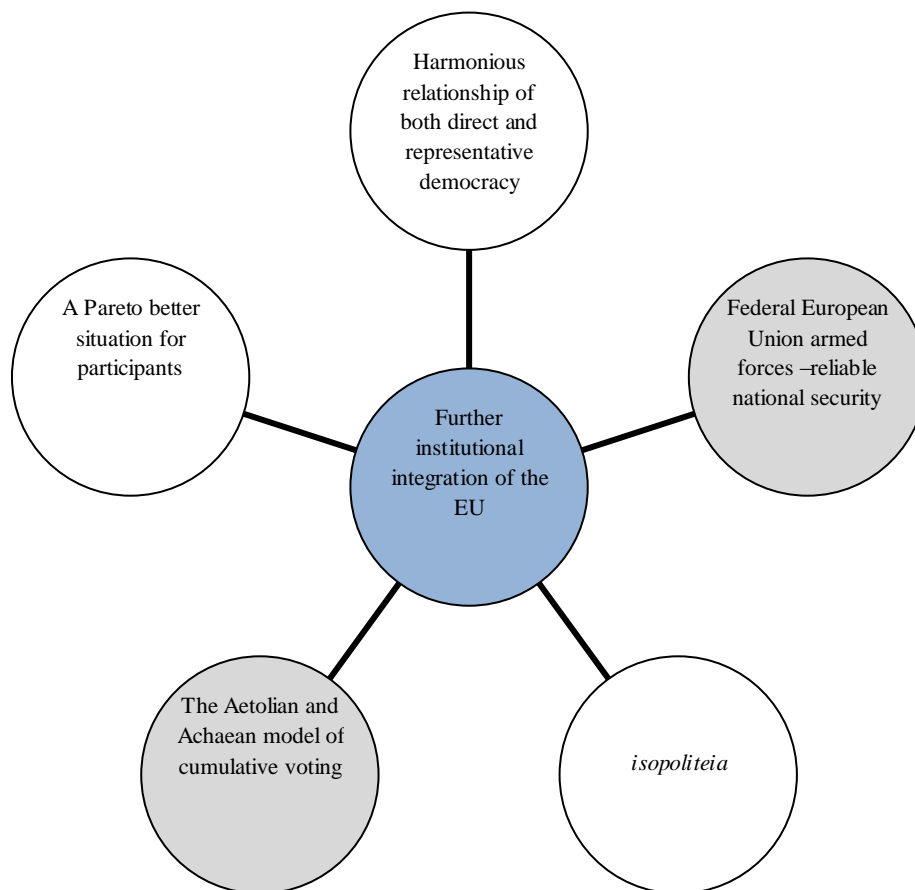
In sections 2 and 3.2 we acknowledged the that the Aetolian city-state members were voluntarily joined the federation because it seems that they benefitted in terms of security and, in all probability, economic prosperity too, under a Pareto better perspective, as modern member-states do by their voluntary participation to the EU structures and the NATO. In 3.1) we noticed the efficient mechanisms of common foreign policy through the establishment of federal regional armed forces of both elite missionaries and conscript troops.

The EU could use the knowledge of the military organization of the Aetolian federation, which was based on 7 regional military formations as Diodorus of Sicily (*Historical Library* 18. 9. 5; 20. 20. 3), Pausanias (*Periegesis* 10. 22. 6) and Rzepka as modern source denote, perhaps by strengthening the cohesion of Eurocoprs and EU-Battlegroups in order to create a pan-European union military organization under its auspice- we call it in advance as "the Federal European Union Armed Forces-(FEUAF)."

In 3.) we noticed the harmonious relationship between direct and representative democracy while in 4.) we argued that the federation was far advance for its time in terms of

isopoliteia, meaning to guarantee and secure political rights of all of its citizens throughout its sovereignty. We also found that the “Aetolian and Achaean cumulative voting model” might be useful for “unlocking” complex issues that have to do with taking decisions referring to the EU as a whole. Figure 1 summarizes these arguments through a series of homogenous cycles.

Figure 1: The “Value added” from the functioning of the institutions of the Aetolian proto-federation



As a final comment, it could be said that the issue of analyzing the Greek proto-federations of mainly the 4th century BC by focusing on their institutional structure, is a relative new field of research. By comparison to the vast literature concerning mainly Athens, as well as Sparta, Macedon, Thebes etc, the Greek confederate states have not yet analysed extensively so far. This paper attempts to fill this gap to some extent.

The Aetolian federation seems to have been a very interesting case as a political entity. Through a very competitive geopolitical environment (see note 11) it managed to

extend its power in Central Greece till the famous Delphi and even, in the island of Crete, thus being one of the major military powers of its era (Thompson, 1939; Larsen, 1975; Rzepka, 1999). We propose a further analysis on Greek proto-federations in a series of forthcoming papers.

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