

Modern Economics and the Ancient World: Were the Ancients Rational Actors?

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Were the ancients rational actors? Is the rational-actor model a suitable tool to analyze their behavior? These two fundamental questions guided the panelists and participants through the conference that assembled scholars across ancient studies – from Ancient Near Eastern and Biblical Studies, Egyptology, and Classics – and economics to discuss emic and etic approaches to reveal ancient behavior in economy, politics, and other areas of social life under the framework of the rational actor model. The 18 papers offered a wide range of both, methods and topics, to examine the chances and limits of the rational choice approach that has gained momentum in Ancient Economy, in recent years mainly in the form of New Institutional Economics (NIE).

The introduction by the two conference organizers pointed out the importance of previous scholarship in Ancient Economy and related fields that has argued for, or against, rational behavior of the ancients, from the dichotomy between so-called primitivism and modernism to modern approaches such as NIE, and asked about the different layers rational choice might have included.

Within that framework the keynote by GEORGE TRIDIMAS (Belfast) asked why ancient priests did not develop a class consciousness, different, e.g., from Christian clergy. His answer was the non-monopoly-like character of cults featuring various gods and goddesses and the rather egalitarian character of ancient Greek political organization of the demos, the people. They carefully watched, and restricted, any rise of interest groups against their own decision-making power. Tridimas' talk provoked discussions about the actual degree of political equality in

ancient Greece and the „market-thickness“ of specific cults that were of high significance for a respective polis.

NICOLAS KROCKER's (Munich) paper on the (German) Historical School of Economics and its importance for modern analysis of Roman economic history was read out by Sven Günther. As the Historical School of Economics had, in his eyes, a similar notion of the importance of institutions and organizations like contemporary NIE, he argued for a careful study of scholars such as Gustav von Schmoller. The discussion evolved around the different characteristics of this school of thought in its development and argued for contextualizing Schmoller's thoughts within the then contemporary discourse about the significance of „leading moral forces“ that formed the political, social, economic, and cultural framework of the German Empire.

LOTHAR WILLMS (Heidelberg) showed how different Adam Smith's economic model was from Plato's one and that it did also not refine Stoic philosophical thoughts but really presented a new way of thinking rationality. While Plato had employed a top-down control and education model to frame and direct people's behavior according to his philosophical ends, Smith favored a horizontal and bottom-up model that was based on the individuals' actions and their peer-to-peer interaction within a given political and legal framework. The concrete stance of Stoic philosophers towards the economy and the competition between Plato's and other Greek philosophers' models of organizing the perfect political and socio-economic system formed the main points of the discussion.

In his paper on Columella's books on agriculture, JOSÉ REMESAL RODRIGUEZ (Barcelona) emphasized the historical context of this work, the early Principate, as driving factor for this author who came from Baetica and settled after a distinguished career in Latium for farming estates. In particular, he examined how Columella anchored his innovative ideas of performing profit-oriented agriculture in the Roman traditional and idealized views of farming. Questions from the audience concerned the literary character of such agricultural handbooks and thus the actual degree of applicability of the advices.

With DANIEL SILVERMINTZ' (Houston) talk about Plato's „Republic“, the economic sphere in this idealized philosopher state came to the fore. Silvermintz emphasized that the design of the economic institutions of the city that eventually failed was not Socrates' but in greater part proposed by the interlocutor Adeimantus. The discussion put this notion into the wider context of philosophical models of perfect systems in 4th-century BC Greece and their envisioned failures.

Staying in the ancient Greek sphere, CONSTANTINE KARATHANASIS (St. Louis) analyzed Aristophanes' comedies in respect of their reflection on rational civic behavior. By focusing on the „Knights“, he showed that Aristophanes inserted discourses on how public incentives (payments) might appeal to the utility-maximizing *homo oeconomicus* but eventually could crowd out citizens' sense of public and social duty into the play with its caricature of the then Athenian politician Cleon. The difference between the literary world constructed in Aristophanic plays with exaggerated characters and actual Athenian society was the main point of the discussion.

KATHRYN KELLEY (Toronto) discussed the evidence of women in Old Babylonian beer industry and their financial transactions. It became obvious that female brewer-merchants called *sābītum* performed profit-seeking activities through the sale of beer via silver equivalency and that this business was specifically curtailed by the palace. Kelley asked about the extent of private economic activities and the possible motifs of the palace to frame private, and in particular female, businesses, while the questions after the talk concerned the actual use of the Codex Hammurabi in daily legal life as well as further textual evidence for the use of commodities and silver as money equivalents in Ancient Near Eastern societies.

PATRICK REINARD (Trier) used the evidence of papyri to demonstrate different individual economic zones of actors and their reactions to price information and variations. His talk stimulated thoughts and discussions about the topics of trust, the acceptance of transactions costs, and the actual relation between physically existing markets and business activities outside those localizations.

JUAN CARLOS MORENO GARCIA (Paris) offered insights into the land acquisition and strategies of usage in ancient Egypt. First, he listed examples of purchases from private landholders as well as of receiving land grants from kings and institutions as remuneration for specific tasks. Second, he focused on the use of the land thus obtained, especially when landholders pursued an economic profit. His talk evoked thoughts about the role of the „state“, as either giver, taker, or taxer of land.

BETRAM SCHEFOLD (Frankfurt am Main) went into the history of economic thought and compared the „Western“ and Chinese frames put around land and credit in the early modern times, specifically when a landowner leased land to a farmer who got the annual harvest for a specified period of years and was obliged to pay at the beginning of the period of the lease, the land remaining the property of the owner. In both societies, such „antichretical contracts“ where the landowner received de facto a credit from the leasing farmer existed but were discussed in different ways: in the West, the question of whether the contract is usurious stimulated precise calculations of interest etc. and thus eventually led to the development of modern economics while in China such kinds of contracts were seen as land purchase *ad tempus* and consequently were at that time not regarded as starting point of more abstract economic analysis in a distinct field of science. Especially the comparison between the two ways of thoughts proved useful to understand that „rationality“ is bound to the specific frameworks existing in a society in a given time.

Since MICHAEL LEESE (Durham, NH) was unable to read his paper, his thoughts were presented in a shortened version by Sven Günther. Leese's in-depth analysis of Graeco-Roman sources for hoarding of money in antiquity showed that this phenomenon was not as widespread as often thought in research and that a clever business strategy of assets was usually applied by diversified allocation of investments among various financial instruments, industries, and other categories, including hoarding of some money available for unpredictable situations.

This line of thought was followed by ALAIN BRESSON (Chicago) in his talk about

the Anonymus Iamblichi. He showed that a similar advice of bringing *chrēmata* into circulation as credit money is present in this exceptional source and linked it with the money supply in ancient Athens and the overall economic stimuli such a money circulation provided. Both talks provoked discussions about the notion of this phenomenon in ancient texts, the specific meaning of *chrēmata* in contrast to *kēmata*, and the importance of trust in a state-regulated money market in antiquity.

MICHAEL KOZUH (Auburn) focused on ancient Babylonian accounting and the rationale behind them as viewed by new accounting theory. While it is easy to discover various formulas in the tablets it is much harder to find any order and consistency in the accounting process, and thus to describe it in terms of utility maximization. Rather, the accounting lists should be seen as a mystifying patchwork of overlapping interests of institutions involved, flexible in some ways but inflexible in others. The narratives of such accounting lists mirroring, or often covering, the dynamic recording and negotiation processes between different interest groups proved useful to question seemingly reliably documentary sources as provider of facts.

JASON HAGLER (Philadelphia) looked at the Warring States period in Chinese history, especially at the Qin whose rulers actively pursued legal, economic, and social reforms and relied on infrastructure and army. He viewed their policy to aim at optimizing their society, by applying models of human motivation and using self-interest to motivate the populace. Particularly the legal reforms and the state control of social behavior were discussed by the audience.

CHRISTIAN CANU HØJGAARD (Copenhagen) talked about the ancient Israelite jubilee legislation. The cycles of debt remission and freeing of bond slaves which are critically assessed by research were linked to the normally short-term credit loan practices, the building of trust among Israelite society members, and the state interest to prevent excessive indebtedness. Especially the short-term loan practices gained interest among the audience since the modern credit and finance market heavily relies on long-term agreements.

Two papers concerned the economic actions of temples. While THIBAUD NICOLAS (Paris) focused on the religious management of economic affairs in the Old-Babylonian Ebabbar Temple at Sippar, HANNAH and AVERIL RINGHEIM (Zürich) examined Egyptian temples in the Ptolemaic period as economic hubs. Both proved how the respective cults created a „market thickness“, not only with sacrifices and festivals but also by the management of land, credit-loans, taxes, based on their socio-political connections that enabled negotiation power and benefitted both, the priests and the respective state institutions involved.

PETER SARRIS (Cambridge) examined the governmental responses to the bubonic plague in the sixth century AD. Especially the legal texts document that the government quite immediately reacted with regulations anticipating difficulties in fiscality, administrative handling, and private issues such as questions of inheritance, in an attempt to minimize the economic disruptions caused by the plague.

The final discussion started with a short summary by Sven Günther. He pointed to the various inductive and deductive methods that were used during the conference to come to an understanding of ancient rationality which anyway is bound to our modern perspectives and in this way is making History as a field distinct from economic disciplines which focus on applying and explaining (within) given models. That the differentiation of the various layers preserved in ancient sources is a *conditio sine qua non* for their interpretation was a thread throughout the conference days as was the notion that the ancients understood themselves as acting in rational ways as do moderns while their rationales were, and are, bound to specific societal structures. It needs to be further explored whether such „relativity“ can be a fruitful stimulus for further research or will eventually lead to a *non licet* due to lack of sources or even to a *non licet* when we wish to study (not only) rational actions across times and cultures.

The papers of the conference will appear in the double-blind peer-reviewed proceedings published within the Muziris-series at

Zaphon Publishing House.

Conference overview:

Sven Günther (Changchun) & Roland Oetjen (Rostock): Introduction

Keynote lecture

George Tridimas (Belfast): Religion without clergy. The case of Ancient Greece

Nicolas Krocker (Munich): On the sense and use of the Historical School of Economics for the analysis of ancient Roman economic history

Lothar Willms (Heidelberg): Adam Smith, Plato, and the Stoics – the birth of modern economic rationality and the classical heritage

José Remesal Rodríguez (Barcelona): Alte Ideale und die Anpassung an die neue Realität: Columellas *de re rustica*, ein Überlebenshandbuch für eine Elite?

Daniel Silvermintz (Houston): A city fit for business: examining the economic sphere in the „Republic’s“ healthy city

Constantine Karathanasis (St. Louis): Enter *homo oeconomicus*: Aristophanes on incentives and civic behavior

Kathryn Kelley (Toronto): Trouble brewing in Old Babylonian Mesopotamia

Patrick Reinard (Trier): Price variations and economic strategies in the Roman imperial period

Juan Carlos Moreno García (Paris): The rationale behind land transactions in ancient Egypt: investment, markets and private strategies

Bertram Schefold (Frankfurt am Main): Land and credit in the history of economic thought. Traditional China and premodern Europe. Dian and *pactum antichriseos*

Michael Leese (Durham, NH): Hoarding and rationality in Greco-Roman antiquity

Alain Bresson (Chicago): The Anonymus Iamblichus and the logic of money supply

Michael Kozuh (Auburn): Ancient accounting and rational behavior

Jason Hagler (Philadelphia): Are the moderns

rational actors? The view from Warring States Qin

Christian Canu Højgaard (Amsterdam): Rational actors and the ancient Israelite jubilee legislation

Thibaud Nicolas (Paris): Was the sungod Shamash a *deus oeconomicus*? Rationality and religion in the management of economic affairs in Old-Babylonian Sippar’s temple „Ebabbar“

Hannah Ringheim & Averil Ringheim (Zürich): Rational actors in ancient cult: Egyptian temples as economic hubs in the third century BCE

Peter Sarris (Cambridge): „The encircling presence of death“ – governmental responses to bubonic plague in the sixth century AD

Final Discussion

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